THE SWINGS AND ROUNDABOUTS OF A BETTER LIFE

How Chinese people are dealing with the stresses and complexities of riding the “Chinese Economy Express.”
Hebei Circum-Bohai Sea Group

Founded in 1993, Hebei Circum-Bohai Sea Group (HBH) is a comprehensive joint stock enterprise whose business activities include tourism, media, film and TV production, trading, and the production of biological agents.

HBH's main business is tourism. Its development of a series of new scenic spots, such as Shuanglongshan Forest Park, Jinshan Ecological Scenic Park and Guayunshan Scenic Park, has brought the group fame as well as generating considerable revenue. The “one-stop ticket” created by President Wang Xiaopeng has made these parks even more popular with visitors.

In addition to its work in tourism, HBH has established partnerships with leading companies in real estate, agricultural technology and pharmaceutical production.

Protecting and promoting traditional culture has always been one of HBH’s core concepts, and the group’s headquarters in Shijiazhuang, capital of Hebei Province, is home to more than 100 historical sites.

Hebei Circum-Bohai Sea Group is currently upgrading its management procedures and competitiveness, with a view to being listed on the US stock market. In June 2007 the group was awarded the ISO9001: 2000 quality control system certification.

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Dongfeng Auto Axle Marches into the World

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The Price of a Better Life

Life in China, the world's most populous nation, is generally more affluent than ever before. But since the onset of opening up and reform some 30 years ago, its citizens are also subject to greater strain. A more meritocratic approach enables Chinese people fully to exert their talents and achieve personal dreams. Growing marketization has remarkably boosted productivity, substantially augmenting public and individual wealth. Greater emphasis on democracy and the rule of law in China's institutions has enabled the government to bow out of the personal life of Chinese citizens, leaving them to make their own choices.

The downside to this enormous social and economic transition is manifest in sky-high housing prices, fierce social competitiveness that starts at kindergarten, increasing pollution, food safety risks, and a nascent social security system. These are the growing pains that China must bear on its road to economic and social maturity. But they cannot dampen the people's optimism, more justified than ever before. This is the paradoxical theme of December's Special Report, "The Swings and Roundabouts of a Better Life."

Social harmony has been the keynote of government work in recent years, as confirmed by President Hu Jintao at last October's 17th CPC National Congress, the nation's most important political event since the 2002 congress. Lars Mörking interprets this implicit message in his report "Mind the Gap – the Communist Party of China Steps out to Promote Social Harmony."

The new policy of tax rebates on Chinese exports, implemented on July 1, is a heavy blow to certain Chinese exporters, particularly those in the textile industry. It is nevertheless conducive to upgrading China's export structure and the sound development of the Chinese economy. This issue is examined in greater detail in "Tax Rebate Revocations Jolt Chinese Exports."
I took delivery today of China Today, my favorite magazine, and spent the whole night reading it. Many of its excellent articles left a deep impression on me. But the most impressive, from my point of view, was “Red Cadres Learn from the Stars and Stripes” in the Special Report, “Be an Official, Be a Student” (October 2007 issue). The comparison between meetings in the US and China, where the main difference is the time spent, is particularly valid. American people seldom, if ever, repeat what has already been discussed, other than to raise points on which they do not agree. They save time, whereas Chinese people waste it by repeating what is already established. This is just one example, but makes me realize how far we have to go before we can catch up with the US, despite plans to land on the moon. Our government really needs to improve its efficiency through serious restructuring. I would like to raise the suggestion that the magazine publish more articles, as in the past few issues, acknowledging and analyzing past successes and failures on the part of the government. I believe that this would help us to broaden our horizons and improve our overall intelligence. As an avid reader of China Today, I would enjoy articles that give more “food for thought.” I would like to express my appreciation to the magazine’s editors for their hard work that makes my life more meaningful.

As this year marks China Today’s 55th anniversary, as a reader and English teacher, would like to wish the magazine “Happy birthday!” China Today has witnessed the development of China; it is a window through which people at home and abroad can gain a better understanding of our country. My best wishes to all of you, and China Today forever!

Xiong Shizhong
China

The article “Imported Toys R It” in the October 2007 issue of China Today took me back to the time of the Hollywood action blockbuster Transformers, which smashed all Chinese box office records. Its success occurred at the time the Hasbro Transformer toys were selling like hot cakes, at prices ranging from RMB 20 to 10,000. Although all toy prices have risen in recent years, the Transformer range is still the most popular. To people of my age who were born in the 1980s, the Transformer toys are associated not only with recreation, but also with happy memories of our childhood and familial love.

Hubert Wang
Beijing, China

I really appreciated the article “Beijing’s Most Senior Overseas Busy Body” about David Tool, a foreign teacher at BISU, in the September 2007 issue. I am greatly touched by his helpful deeds – teaching at BISU, correcting English signs around the city and helping the disabled community – and would like to express my respect for him. We should always show hospitality to such conscientious foreigners.

Chen Guofeng
Shandong, China

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The Swings and Roundabouts of a Better Life
China is bent on tackling and resolving social problems that crop up in the course of its opening up and reforms. The nation's goal is to bring its people an easier and happier life.

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A German journalist covering the 17th National Congress of the Communist Party of China construes the new concepts and messages implicit in it.

Deep in the Mountains

Hongjiang, a town snugly ensconced in the mountain ranges of Hunan Province, was among the first in China to trade according to capitalist principles.

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1. Beijing
2. Zuoquan, Shanxi
3. Hongjiang, Hunan
4. Lhasa, Tibet
At the Beijing Olympics in August 2008, China's total urban rail network comprised 20 lines and nearly 600 kilometers of track in ten cities including Beijing, Shanghai and Tianjin. According to future plans, 61 lines with a total length of 1,700 kilometers will be built in 15 cities over the next few years, at a cost of over RMB 600 billion. These projects will relieve traffic pressure in China's increasingly congested urban centers.

China's national survey of pollution sources is to be conducted every 10 years. Regulations for the National Survey of Pollution Sources Issued

Regulations for the National Survey of Pollution Sources, signed by Chinese Premier Wen Jiabao, provides the legal basis of an upcoming nationwide survey aimed at determining the number and geographical distribution of the country's polluters, and which sectors are the worst offenders. The survey will be conducted every 10 years and will target both state-owned and private enterprises. Survey statistics will provide a basis for the formulation of environmental protection policies.

Terminology for Traditional Medicine No Longer Lost in Translation

The world's first document listing standard international terminology for Traditional Chinese Medicine was recently launched by the World Health Organization (WHO). The document contains 3,543 terms covering eight categories, including basic theories, medical treatments and diagnosis. The list comprises both Chinese and English versions of definitions and descriptions. The standardized terminology will be applied in education, practice, research and information exchange.

Urban Rail Networks Ease Traffic Congestion

Traffic congestion in Beijing has eased considerably since Line 5 of the city's rail system was unveiled in October. Beijing's rail network now comprises 142 kilometers of lines conveying 2 million people around the city each day. The network will cover 200 kilometers by the time of the

China Climbs Ten Places in the Doing Business 2008 Report

According to the World Bank's newly released Doing Business 2008 Report, China ranks 83rd in the world as a place for doing business, ten places higher than last year's ranking. “China passed its far-reaching bankruptcy law in 2006, and a new property law last spring, making it much more prominent in the East Asia market.” The Doing Business ranking is calculated through a series of indexes measuring things such as the ease of conducting busi-
ness, efficiency in license granting, and tax rates. A survey conducted by Deloitte Touche Tohmatsu shows that China's new bankruptcy law has considerably strengthened the confidence of enterprises and investors operating in the Chinese market. According to the Doing Business report, the world's top ten economic entities are Singapore, New Zealand, the U.S., Hong Kong, Denmark, the U.K., Canada, Ireland, Australia and Iceland.

Shandong Lawyers Receive Anti-dumping Training

Eighty lawyers from Shandong Province in North China recently attended a 10-day anti-dumping training course. Twenty will be selected through law and English-language examinations for further training in the U.S. As a major export province in China, Shandong has seen numerous anti-dumping cases in the last few years, including 11 in 2006 alone. The Provincial Lawyers Association hopes to improve lawyers' ability to deal with these cases through the training program.

Chen Zhu: TCM May Influence Medical Models

The new minister of public health Chen Zhu says that traditional Chinese medicine (TCM) may have a big impact on the future of medicine generally. The differences between TCM and Western medicine are similar to those between traditional Chinese wash painting and classical Western oil painting. TCM considers the body in its entirety, while Western medicine focuses on specific parts. There are also many similarities between TCM's basic concepts and modern life science. "Combining modern biology and TCM in researching health and chronic complex diseases will be a trend in modern iatrology," predicts Chen Zhu. The minister believes that once the core ideas of TCM, such as integral concepts, syndrome-differentiation treatment and disease prevention, can be further annotated and enhanced, they will have a far-reaching influence on contemporary medical practice, medical policy and the pharmaceutical industry, leading to new reforms and innovations.

Zhou Ji Affirms Public Education

Minister of Education Zhou Ji recently affirmed that the principle of public education will be maintained in China, and spending on the sector increased. The year 2007 marks the 30th anniversary of the resumption of China's university entrance examinations. The country's higher education sector has advanced in leaps and bounds since that time, undergoing expansion and a marked improvement in teaching standards. The rapid development of higher education has been a significant cornerstone of China's modernization.

Shang Fulin: China's Stock Market an Economic Weatherglass

Shang Fulin, chairman of the China Securities Regulatory Commission, claims that China's stock market has become the weatherglass of the national economy. The local stock market has undergone considerable reform in the past five years, and at the end of September 2007 its value was approximately RMB 25 trillion, placing it fourth in the world. As the Chinese capital market starts up, the quality of listed companies is being enhanced and the foundation of the stock market strengthened. At present, institutional investors make up 46 percent of China's capital market.
The Swings and Roundabouts of a Better Life
The Chinese people are rapidly discovering the cost to their mental wellbeing of China’s phenomenal economic development. The halcyon days of the simple life that followed liberation in 1949 irrevocably over, they must now deal with the stresses and complexities concomitant to riding the “China Economy Express.” Keeping the family decently housed, fed and schooled depends directly on their ability to fulfill a heavy workload within a competitive social environment.

The people nevertheless approach each day, its new hopes and joys as well as problems, with characteristic optimism. This issue’s Special Report examines the lives of the contemporary Chinese everyman from different perspectives during China’s socio-economic transition.
Chinese children, especially those born in cities, get off to a good start from the moment they are conceived, as regards standards of nutrition and social care. But this makes the daily life of a wife even busier once she falls pregnant.

The “Extraordinary” Life of a Pregnant Woman

By staff reporter HOU RUILI

BEST wishes for a son!” is the most frequently heard greeting at Chinese weddings. It expresses the common aspiration to procreate as soon after marriage as possible.

When Jin Yu became pregnant, both her parents and parents-in-law took turns to prepare nutritious meals for her. Her husband, meanwhile, took a greater share of the housework and did his utmost to be generally supportive. In the early stages of her pregnancy Jin Yu’s appetite dwindled. But after the initial prenatal reaction she became ravenous, eating four meals a day and often waking at midnight with food cravings.

“During pregnancy a woman may be expected to gain 11.5-13.5 kilograms. But 80 percent or more of pregnant women are currently seriously overweight. Their resultantly ‘outsized’ fetuses necessitate more births by Caesarean section. In the Beijing area alone, Caesarean births make up 45-70 percent of the total,” according to Xing Shuchia, director of the School for Pregnant Women run by the Haidian District Health Center for Women and Children. Overeating in the belief that abundant nutrition will nurture a healthier baby is at the root of this phenomenon.

In order to increase Jin Yu’s protein intake, her family started eating meat instead of their habitual rice porridge for supper. In her fourth month of pregnancy, Jin Yu began weighing herself each week and recording her rate of weight increase. Any disproportionate gains she countered by taking more exercise.

In China, expectant mothers undergo at least 10 physical checkups. But as one doctor explains, “Since there is always a long line of expectant mothers awaiting consultation, I can usually only spare them a three-minute, rather than a 10-minute, basic consultation on general guidelines. They must fill in the details themselves from recommended reading on the subject.” Jin Yu, a case in point, bought more than 20 books, including Menus for Pregnant Women, A Guide to Having a Healthy Baby, and How to Exploit the Wisdom of Babies.

These gaps are also filled by various recently established clubs for pregnant women and fathers-to-be. They offer yoga classes for expectant mothers, baby bathing instructions for fathers-to-be, as well as information on various...
The Chinese people are rapidly discarding their mental wellbeing of China’s development. The halcyon period of economic liberalization in the 1980s dealt with the stresses of modernization, “China Family”. Decently housed, decently fed, decently on their ability to lead repetitive social existence.

The people nevertheless approached these issues and joys as well as problems, with characteristic optimism. This issue’s Special Report examines the lives of the contemporary Chinese everyman from very different perspectives during China’s socio-economic transition.

In order to increase Jin Yu’s protein intake, her family started eating meat instead of their habitual rice porridge for supper.

Methods of delivery and the anesthetic procedures applicable. Such classes inevitably hike the cost of preparing for the new addition to the family but, as Jin Yu says, “It’s best to know as much as possible beforehand.” Hospital pre-natal clinics encourage both pregnant women and their husbands to attend courses on diet, weight control, and preparations for the actual birth. The positive response to such advice is evident in the standing-room-only situation at courses on mid and late pregnancy at the Haidian District Health Center for Women and Children. Attendees include elders as well as young couples. All listen intently, taking notes.

Ladies-in-Waiting

When Jin Yu became pregnant, both her parents and parents-in-law expected her to resign from her job, stay home and prepare for the birth of her baby. But after listening to the opinions of various antenatal specialists, Jin Yu decided to carry on working. She was advised to continue participation in various activities organized by her workplace, and generally to maintain outside interests. Jin took this advice, and also decorated her baby’s bedroom.

Throughout her pregnancy, Jin Yu was conscious of the influence of her mood on her unborn child. Her doctor had told her, “The affect of the mother’s

Perinatal Care

Perinatal care consists of systematic medical consultations. It encompasses early pregnancy examinations, periodic prenatal examinations, parturition care and service; supervision of high-risk mothers, and postpartum visits.

1. Expectant mothers should register at their community hospital or medical service center within the first 12 weeks of their pregnancy, bringing with them their residence booklet (hukou) and Birth Certificate (issued by the subdistrict office of the relevant hukou). The community hospital or medical service center establishes their Mother and Newborn Healthcare File. It is at this stage that expectant mothers are told what to expect during early pregnancy.

2. Mothers-to-be should undergo at least 10 prenatal examinations over their entire term of pregnancy: one within the first 12 weeks; one every four weeks between the 12th and 28th weeks; one every two weeks between the 28th and 36th weeks; and weekly examinations after the 36th week. Women at high risk during pregnancy undergo more examinations.

3. Expectant mothers should attend the three courses applicable to early, middle and late pregnancy.

4. Mothers-to-be produce their Healthcare File upon being hospitalized, in order for the obstetrician to write a report on the delivery for later reference.

5. A new mother should hand her Healthcare File back to the community hospital or medical service center within 48 hours of being discharged from hospital. Within the next three to seven days, a community doctor visits her at home. He or she will give guidance on such matters as breastfeeding and infant care, and also advise on and treat any mother or child ailments.

6. The community hospital or medical service center also provides mothers and babies with systematic healthcare, including inoculations.

Escorted mothers-to-be await their periodical checkup at the Haidian District Health Center for Women and Children.
Throughout her pregnancy, Jin Yu was conscious of the influence of her mood on her unborn child.

mood on the fetus is as significant as that of her diet, both of which directly influence the baby’s temperament. Children with a balanced temperament are generally rational and have good cognitive skills, rather than being fractious and demanding.”

Jin Yu was understandably apprehensive at the prospect of giving birth. Her mother was even more anxious, as when she first married, childbirth generally took place at home with the help of an experienced midwife. Poor hygiene and a lack of medical expertise, however, made parturition a crucial time, fraught with risks such as a breech delivery or hemorrhages. Jin Yu calmed her mother’s fears, telling her, “Nowadays hospitals not only give pregnant women careful examinations, but also prepare them for the actual birth by showing them how to breathe, bear down, and adopt the position most suitable for delivery during labor. I feel as prepared as I possibly could be, and my husband will be with me in the delivery room, to give me an added sense of security.”

Jin Yu’s husband attends classes for fathers-to-be at the Haidian District Health Center for Women and Children. He confirms, “Although my wife will be the one actually giving birth, there will be plenty for me to do. I can help relieve the pain by massaging her, and soothe her distress simply by talking to her. Being by her side at that time will show me just how traumatic the process of giving birth can be. It will also strengthen the emotional bond between us and create an even more harmonious environment in which to bring up our baby.”

Erstwhile “Model Student”

Nan Nan’s mother, a senior high school graduate, resigned from her job after giving birth to Nan Nan. She has since stayed at home to take care of her parents-in-law as well as rear her child. An inveterate perfectionist, she spoon-fed Nan Nan until he was three years old, and devoted all her spare time to supervising his education.
Chinese students are traditionally under intense pressure to attain the highest academic scores possible. Ongoing reforms of the exam-centric education system are geared towards alleviating the intolerable psychological strain this puts on them.

Academic Scores: Chief Demon in the Adolescent Nightmare

By staff reporter HOU RUILI

Nan Nan did not let his mother down. He was a good student, of good character and fine scholarship. At primary school he was voted the “three-goods” student (morally, intellectually and physically) for six consecutive years. Prior to graduating he was voted the municipal-level “three-goods” student of Beijing. Nan Nan told this reporter, “Since early childhood, my mother’s most frequent exhortation has been to ‘seize every minute to study.’ She would repeat it several times a day.”

After he graduated from primary school, Nan Nan’s parents decided to send him to the Beijing No. 13 Middle School branch, known for its strict approach to schoolwork. Their intention was to give him every advantage to-
wards achieving the highest possible academic scores. Nan Nan was elected monitor in his new school. As previously, all his teachers, classmates, neighbors and friends regarded him as the student most likely to succeed.

Following the onset of adolescence, however, Nan Nan’s attitude towards his active outlook born of negligible social interaction, made her even stricter with her son. She regarded academic scores as paramount, and would berate Nan Nan if his scores fell even slightly. Consequently, from the second year of junior middle school, Nan Nan refused to talk to his mother. But his attitude towards his father, who does computer-related work at the Chinese Academy of Sciences, was quite different. Nan Nan’s father never put pressure upon him to achieve high scores, instead giving him practical guidance on how best to proceed in his studies.

After Nan Nan entered his third year at junior high, his parents attended a parent-teachers meeting at the school. His mother recorded the teachers’ speeches for Nan Nan to listen to. With the psychological, as well as academic, support of his father, Nan Nan studied hard enough to satisfy his teachers’ stringent requirements. This was at the price of troubled, nightmare-plagued sleep, and the loss of five kilograms in weight. This was hardly surprising, in view of his studying late, often till midnight, each day and taking no holidays. He excelled at his studies, and ranked sixth in his school at the senior high school entrance examinations. Nan Nan was one of 50 graduates from his school that enrolled at the Beijing No. 4 Middle School.

Excess-Pressure Induced Study-Fatigue

Nan Nan, however, had effectively “burnt-out” in his efforts to proceed with his studies at this well-regarded senior high school. He completely lost interest in studies, choosing instead to excel at computer games. After attending a lecture on American culture he then became interested in break dancing. His enthusiasm reached a pitch that prompted him to dye his hair blonde, wear Korean-style grunge trousers and sign up for a break dancing course. Nan Nan also often invited his former classmates out to dinner, spending as much as RMB 2,100 in one month on these frequent treats. He had still not reverted to his normal assiduous self by the second year of senior high, when he began to court girlfriends. His academic scores consequently declined even further.

These two years took a heavy toll on Nan Nan’s parents. Just the mention of his name would send Nan Nan’s mother into a despairing rage, while his father simply smiled helplessly and kept quiet. In order to maintain superficial peace, both parents exercised restraint, but at great cost to their relationship. Stony silence reigned in the household, broken only by spats and quarrels. Nan Nan’s father told this reporter, “We had no
idea how to manage our son, and were deeply conscious of having disappoint-
ed his teachers and school.

Nan Nan began to study in earnest once more at the beginning of the third year, and the imminent onset of the college entrance examinations. But he had already lagged too far behind. His above-average intelligence was insufficient for him to live up to the original expectations of him. His teacher commented, “Although Nan Nan did not get high scores, he has extensive interests, and is capable.” He nonetheless failed the college entrance examination to a key university.

Foreign University Fee Dividends

Retaking third-year senior high school classes requires, in addition to perseverance, payment of RMB 30,000 in tuition fees. Unsure of the benefits of this course of action, Nan Nan’s parents took the advice of a friend in Canada who told them, “Your son can go to university abroad as long as he passes his TOEFL exam. I’ll help you to select a school.”

Nan Nan promised to work hard, and began to prepare for the TOEFL exam.

Well-off families often send their children to study abroad to avoid the pressure of the college entrance exam (not to mention the shame of failure). Nan Nan’s father believes, “Attending a foreign university is the best way out for my son. Unless he attends a famous university in China, it will be difficult for him to find a good job sufficiently well paid to ensure his future security. The cost of sending him to a foreign university is high, but could pay dividends. It will give him good life experience and, who knows, he may even become a transnational talent.” Hope, as they say, springs eternal. The couple is currently accumulating the funds necessary to send their son abroad to study.

China Reforms Its Exam-centric Education

As from September 1, 2007, first-year students at senior high schools in Beijing study a reformed curriculum, comprising modularized courses and more attainable goals. Students now select from among courses that have more practical applications. The teacher’s role has also changed from one of instilling knowledge to that of giving guidance to students’ self-regulated study. Required courses comprise 108 class hours of research for first- and second-year students, and 54 class hours for third-year students’ first semester, according to municipal education commission regulations. During this period each student must score at least 15 points in each of three topics. Projects comprising extensive topics and long periods of study are undertaken in the first and second years. Third-year students conduct psychological, physical and intellectual research into the effectiveness of their manner of study, in order to formulate the most effective study approach.

Comprehensive evaluation of quality, in addition to great changes in teaching modes, is a main aspect of curriculum reform within senior high education. This means that a high academic score is no longer the students’ sole criterion. First-year and second-year senior high school students take part in no less than 10 workdays (60 hours) of community service, according to municipal education commission regulations. This includes helping the community to deliver letters and organize sports, arrange recreational activities among community residents, escort the elderly and disabled, take care of children, do household chores for hospital inpatients and the disabled, clean furniture, and participate in community management. Senior high school students participate in no less than one week of social practice that includes visits to social organizations and departments and investigations into historical and cultural heritage, as well as issues of social concern. They also take part in social activities relating to public welfare.

This evaluation system is computerized, recording students’ progress at every stage. This provides a sound social and practical basis for students about to enter university.

Schools also set up growth blogs for students that comprehensively evaluate ten aspects of student quality. They provide a means for students’ parents to monitor their overall performance.

Developing Vocational Education to Increase Student Employment Skills

Since China popularized nine-year compulsory education, less than half of junior middle school graduates carry on to senior high school and university, while more than half of graduates receive secondary vocational education before joining the workforce. About half of senior middle school graduates continue their studies with the intention of entering university, while the other half receives higher vocational education. The majority of students within the younger generation, therefore, receive secondary or higher vocational education prior to seeking employment.
Owning a home is the main priority of young people planning to marry. Just a few years ago, couples flocked to China’s impressive urban commercial housing projects, intent on buying brand new apartments in which to commence married life. Reality, however, has effectively dampened this ambition. Most are now content to buy either an owner-occupied apartment or one within an economical government housing project. Another alternative is renting a home within a government-subsidized housing project.

Housing Prices Beyond the Pale

By staff reporter LI YAHONG

ZHU XINTAO is an engineer in Beijing. He recently paid RMB 720,000 (about US $100,000), or RMB 8,300 (US $1,100) per square meter, for an owner-occupied 86-sq-m apartment. The complex in which it stands was completed in late 2004, when apartments sold for RMB 6,000 per square meter.

Zhu, with the help of his parents, placed a RMB 300,000 down payment on the apartment of his choice and took out a 20-year, RMB 400,000 mortgage. RMB 2,000 of his 7,000 salary is paid to the bank each month.

The second quarter real estate price index from the State Development and Reform Commission of August 13, 2007 indicates that the average house price in 70 large and medium-sized cities rose 6.3 percent in the space of one year. The steepest rise – 14.3 percent – occurred in Shenzhen, while house prices in Beijing rose by 9.5 percent.

Mortgages have climbed at a similarly alarming rate. Since its first increase in a decade of October 2004, the People’s Bank of China interest rates have risen a full nine times.

When Zhu Xintao married three years
ago, housing prices in Beijing were already on an upward trend. Having decided to "wait and see," the newlyweds moved in with Zhu's parents. But in the years that followed, prices continued climbing at a two-digit rate. As prices were plainly not about to fall, the young couple decided to dive into the property market rat-race.

Zhu and his wife began house hunting last year. They spent their weekends visiting various housing projects around the city, and saw 20 within the space of six months. These properties generally failed to live up to their advertised image and were also far more costly than indicated.

China has witnessed a whole new round of rapid economic growth since 2001. The resultant upgraded consumption structure, progressive urbanization and increasing bank deposits have led to a disproportionate escalation in house prices, particularly in large cities such as Beijing, Shanghai and Shenzhen. Within the year since Zhu Xintao's decision to buy an apartment, property prices have continued to rise. The amount he planned to spend on an apartment, therefore, has appreciably shrunk in value. The average annual family income in Beijing in 2006 was RMB 30,000, while the average housing price was 20 times that, according to the Beijing Statistics Bureau. This is a disparity far in excess of the four-fold difference generally regarded as reasonable.

Exorbitant housing prices have created the "housing slave" phenomenon - people who spend more than half their income on mortgage repayments. This self-imposed frugality severely affects their quality of life, as it inevitably degenerates to one of "all work, no play." The "housing slave" community in China expands year by year.

Zhu Xintao is fortunate enough not to be among this social group. His parents are retired government employees who have always had a stable income and sound social benefits. This enables them to act as his financial backup. Zhu doubts that his future will be as secure as theirs. He faces the daunting task of accumulating savings adequate to cover medical expenses and education costs for his family, not to mention possible unemployment and, of course, his and his wife's old age. Zhu is sympathetic to "housing slaves," their situation being not too distant from his own. As he points out, "If they are obliged to concentrate all their financial resources on an apartment, what do they do when an emergency requiring a large financial input arises?"

Just ten years ago, Chinese citizens had few housing-related worries. At that time the government operated a subsidy program whereby couples of Zhu's parents' generation were allocated housing owned by Chinese urbanites had increased from 23.6 square meters in 2003 to 27 square meters in 2006. Urban dwellers spent more than a quarter of their income on housing in 2006, a proportion expected to increase to one-third in 2007, according to the State Statistics Bureau. Economists cite real estate speculation, in addition to eco-
The Chinese government has made efforts to curb the soaring real estate market through taxation, and loan and land policy leverage.

House prices in 70 large and medium-sized cities rose by an average 6.3 percent in 2007.

Photos by China Foto Press

The Chinese government's housing commercialization and privatization reforms of 1998 marked the end of its 50-year-long welfare housing system. In the years since, a tiered real estate market has taken shape in China. High-income earners are the main patrons of the impressive commercial housing projects all over the country. Medium-income families usually go for property in economical housing projects or owner-occupied apartments. The government, meanwhile, has made low-rent apartments available to low-income families and the urban poor.

Economical Housing

This refers to government-subsidized construction of standard apartment buildings earmarked for medium- and low-income families. Such apartments are cheaper than those in commercial housing projects, by virtue of being tax-exempt. The standard government fees applicable are also reduced. Whether or not a particular household qualifies for economical housing is a matter decided by local governments, based on local house prices, income levels and other related factors.

Owner-occupied housing is also a practical alternative for the likes of Zhu Xintao with modest savings. "I would feel more secure and settled in my own housing," says Zhu Xintao, by way of explanation as to why he should enter the exorbitant real estate market. Zhu heaved a sigh of relief when he finally obtained the housing ownership certificate bearing his name. The happiness his new apartment brings him and his wife offsets the pressure of their 20-year financial liability. During this year's seven-day National Day break Zhu took on an extra engineering design task. This was the first time since he began working five years ago that he had not taken a trip on this national holiday. Such is the cost of self-owned bricks and mortar.
Consistent strengthening of stock market regulation and order is making Chinese investment behavior less speculative and more rational. By October 2007, the stock market index had skyrocketed to 19,000 points from its early 1996 low of 924.33 points. China's sustained 9 percent or more annual economic growth is an acknowledged factor in this huge rise.

A Decade of Stockholding

By staff reporter LIU QIONG

LIU Bing is reticent about how much he has actually made on the Chinese stock market in the past tumultuous decade. “I invested here and there over the years without keeping an exact record of exactly how much I put in,” Liu recalls. But he does admit to having done well in the bull market of 2006. “My stock assets are now almost triple what they were in early 2006,” he says, with evident satisfaction.

Having experienced ups and downs on the market throughout the decade, Liu Bing now appears immune to its caprices.

“The First Crock of Gold”

Liu Bing entered the stock market in 1996, at the time he worked at the Shenzhen branch of a Hong Kong real estate company. Hong Kong’s imminent
There is generally standing room only at onsite security company stock investment lectures.

return had a positive effect on the Shenzhen stock market, evident in its successful rallying after a three-year-long bear market.

Both the Shenzhen and Shanghai Stock Exchanges were established in late 1990. By early 1996, the Shenzhen Stock Exchange index had fallen to an all-time low. After the Spring Festival (or Lunar New Year) of 1997, however, it began gradually to rise. "The market environment created by Hong Kong's prospective return in 1997 is comparable to that engendered today by the Beijing 2008 Olympic Games," Liu Bing observes. Encouraged by the bull market, and swept up in the generally speculative mood of his fellow local citizens, Liu Bing invested all his savings, despite knowing next-to-nothing about stocks or stock market dealings.

As the majority of Chinese stockholders are completely new to the game, they are excessively speculative, reacting to the slightest market fluctuation.

The "rookie" investor Liu Bing made frequent buying and selling transactions. As a result, he recalls, "The money I actually earned was insufficient to pay the necessary transaction fees and taxes." This is a mistake that distinguishes new investors. Liu Bing points out, "As the majority of Chinese stockholders are completely new to the game, they are excessively speculative, reacting to the slightest market fluctuation. The annual stock turnover rate on longer-established foreign stock markets is less than 40 percent, while China's is more than 600 percent—a 15-fold disparity."

Liu was lucky enough to have entered the stock market and earn his "first crock of gold" while it was on an upward curve. From April 1 to December 12 of 1996, the Shanghai Stock Exchange (SSE) Composite Index rose by 124 percent, while the Shenzhen Stock Exchange (SZSE) Component In-
The SZSE Component Index went up 346 percent. The prices on 100 stocks rose by 500 percent or more. Such fortuitous circumstances made it difficult not to make a profit. Liu remembers clearly his first stock transaction: “I bought Sihuan Biology, trading code 0518, at RMB 1.38 per share. It’s now worth more than RMB 10.” Ten years on, Liu is so familiar with the stock market that he knows practically all the stock trading codes by heart.

Market Regulation

Liu Bing has also experienced losses on certain transactions. The most financially damaging was his purchase of ST Jiuzhou stocks at RMB 30 per share. His decision was based purely on the rumor that the stock belonged to the relative of an important central government leader. ST Jiuzhou dropped to RMB 16 the next day and never picked up. It has since disappeared from sight on the market.

As Liu Bing recalls, “The stock market was in disarray at the time, which made small individual buyers like me very vulnerable. Institutional players and big investors manipulated the market at the cost of small private investors in order to achieve big profits. Much malpractice occurred, such as illicit utilization of funds raised on the stock market by listed companies, and information leaks.”

These were the dark days preceding the 2001-2006 stock market rectification. The China Securities Regulatory Commission was established in 2001. Its first task was to crack down on crafty stock manipulators. The Commission’s unremitting efforts resulted in the exposure and penalization of dozens of listed companies. The Commission also regulated information disclosure by listed companies, standardized their entrusted financial management and established a delisting procedure. The stock market remained stagnant during the rectification period, which effectively rendered Liu Bing and other stockholders dormant. But he never lost hope, realizing that he and other individual investors stood to benefit from rectification.

The luckiest year for Liu Bing and other individual stockholders was 2006. That was the year the Chinese stock market took a crucial upward turn after an extended period of stagnancy. It was also in 2006 that the substantially revised Security Law and the Company Law of the People’s Republic of China came into effect. Amendments to the Security Law enabled establishment of a legal framework for stock market innovation, and adjusted the scope of derivative securities. It also extended the scope of products on the market, and expanded channels through which legitimate funds could enter the capital market. This made it possible for institutional investors, such as state-owned enterprises and holding companies, to buy and sell stocks. The year 2006 also saw a 130.43 percent rise in the SSE Composite Index, and a 132.12 percent rise in the SZSE Component Index.

An Economy That Merits Long-Term Investment

The names Lin Yuan and Yang Baiwan, both Chinese stock market “stars,” frequently crop up in Liu Bing’s talk with this reporter. Lin entered the stock market in 1989, armed with the RMB 8,000 that his whole family had scraped together. Today, his wealth is valued at RMB 2 billion. Yang Baiwan is also a pioneer individual investor, whose opening investment capital was a mere RMB 2,000. At the time other investors thought of tens of thousands of yuan as undreamed of riches, he was already a
Well-known pioneering stockholder Yang Baiwan at the book signing ceremony for his latest work, in which he shares his broad stock investment experience. Photos by China Foto Press

millionaire. The success stories of these two perspicacious investors motivate many ordinary citizens to venture into the stock market.

During the first quarter of 2007, a record 4,785,900 newly opened A-share accounts were registered on the stock market. This is an amount in excess of the entire 2006 annual total, according to statistics. Many of these new stock market players are retirees. Liu Bing has made acute observations on the paradoxical nature of senior spending behavior. He points out that these venerable citizens live a frugal life, thinking nothing of bargaining with a street vendor for 10 minutes over fractions of a yuan. Yet they don't bat an eyelid at the prospect of throwing their life savings of tens, or sometimes hundreds, of thousands of yuan into the stock market. Senior investors shop around several markets before buying the best and cheapest vegetables. But they plunge headlong into stock market transactions without even taking the trouble to read up on the listed company in whom they have invested. They begrudge paying one yuan for a copy of the security market newspaper, but do not hesitate to pay out tens of thousands yuan for an investment that could lose them everything.

“These instances demonstrate just how irrational Chinese investors are, and how far they have to go before they can begin to understand even the fundamentals of financial management,” Liu Bing remarks. He goes on to point out that these forays into the stock market indicate a growing awareness of the need to manage family finances, which is an encouraging development. As Liu observes, “In the past, the majority put their money in the bank, unaware that letting funds lie idle is a waste of social resources.”

Liu Bing’s conclusion after his ten years as an individual stock market investor is that long-term investment is reliable as long as the investor has confidence in the Chinese economy. He cites as an example a friend who bought stock worth RMB 100,000 in 2003. He left it undisturbed until recently, asking Liu where the relevant security company had moved to. He subsequently discovered that the value of his account had doubled and redoubled.

“The Chinese economy is experiencing healthy development, as indicated by an annual growth of more than 9 percent. The SSE index is sure to climb to 6,000 points before the 2008 Olympics.” This was Liu Bing’s prediction in early 2007, when the SSE index was dallying at around 4,000 points. At the time of writing this report – 10 months away from the start of the Beijing Olympics – the SSE index stands at 6,100 points.

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Source: International Monetary Fund Database
Food safety mishaps, both in and outside of China, have put consumers on the alert and prompted closer monitoring of food production and distribution.

Safe Eating

By staff reporter LIU QIONG

ZHANG Xin and her mother often disagree on where to do the family food shopping. “Just a couple of cucumbers cost five or six yuan in the supermarket. They’re much cheaper at the produce market,” grumbles the matriarch. Zhang Xin argues that supermarket vegetables are organic — free from pesticides, antibiotics and other chemicals — and cultivated and marketed according to strict standards. She insists that superior quality never comes cheap, and that it’s worth spending the extra money to protect the family’s health.

People of Zhang’s mother’s generation have had scant dealings with organic food, even though it appeared in China back in the 1990s. Organic comestibles are produced by 1,155 specifically certified enterprises in China, and are available on the Chinese market in 100 varieties, in the form of grain, vegetables and cooking oil. The area of land in China designated for growing organic crops is now 300,000 hectares.

Zhang’s mother may be unwilling to change the thrifty habits of a lifetime, but nevertheless takes pains to prepare quality victuals for her family. She shops at the produce market, where farmers hawk wares that they either grow themselves or purchase from wholesalers. The pork she buys there bears the purple stamp of quarantine approval. China’s licensed slaughterhouses deal only in hogs that have the requisite documentation. The pork it produces has passed the test administered by the Beijing Office of Safety Production of Edible Produce.”

These confirmations are reassuring at a time when the Chinese people are increasingly concerned about food safety, in view of the crooked dealings that frequently occur as regards product quality and weight. It is widely acknowledged that the standardized managerial and operational systems administered by the bigger retailers ensure that their foodstuffs are of the highest quality.

The government, however, takes ultimate responsibility for food safety. Back in December 2003, the Beijing municipal government established an office whose specific function is to oversee, coordinate and investigate food safety...
Special Report

Beijing's food tracking system is one of many measures the city has taken to improve food safety in the local market.

In addition to stepping up controls on locally produced food, Beijing has also intensified scrutiny of that brought in from outside the capital.

Issues. Its other duties include amassing food safety information for release to the media, and analyzing, assessing and preventing food safety risks.

In addition to stepping up controls on locally produced food, Beijing has also intensified scrutiny of that brought in from outside the capital. Vegetable wholesale centers are required to conduct tests on the bulk of incoming produce, and to reject and report to the relevant agricultural, industrial and commercial authorities any that fail short of the expected standard. Vegetables from a particular source that fail three successive spot-checks within six months are banned from the Beijing market for that amount of time.

Identity-Tagged Food

As food safety is crucial to the success of the 2008 Olympic Games, Beijing currently conducts stringent quality control over 45 varieties of foodstuffs in its markets.

On August 8, 2007 - one full year ahead of the event - Beijing announced the inauguration of a tracking system on three categories of comestibles - pre-packaged food, vegetables/fruits and livestock/fowl products. Packages bear a special label giving customer access to information on relevant food sources via the Internet, touch screens in stores, and telephone.

The system in place regarding fruits, vegetables, beef and aquatic products, currently operating on a trial basis, is scheduled to extend full-scale over the whole nation. “The system will continue to serve Beijing residents after the 2008 Games. There will be records of every egg and fish distributed through regular channels,” confirms Tang Yunhua, section chief of the Beijing Food Safety Office.

China's Recent Food Safety Measures

The quality of food on the Chinese market has risen steadily in recent years. Random sampling in 2006 showed that 77.9 percent - a rate that rose to 85.1 percent in the first half of 2007 - met required standards. Pollution-free, green and organic produces now account for 90 percent of China's agricultural product exports.

The Chinese government has established and firmly enforced a market access system applicable to sales of foodstuffs, whereby food producing and processing enterprises incorporate the technical and procedural conditions necessary to ensure product quality. The QS (quality safety) label on products from these enterprises signifies that they have undergone quality control procedures before leaving the factory. By the end of the first half of 2007, China had issued 107,000 food production licenses to food manufacturers that represent 90 percent of their respective sectors.

China has worked out a complete legal system for food safety, and is currently upgrading its system of standardization. So far more than 1,800 national standards, including 634 that are compulsory, as well as 2,900 food industry standards, have been formulated.

The food safety test system is also taking shape. As regards domestic foodstuffs, national testing organizations act as the helmsman, provincial and ministerial departments as the backbone, and city- and county-level setups as backup. Supervision of foodstuff imports and exports is handled by 163 quarantine laboratories, 35 of which are national key laboratories equipped with advanced testing and quarantine apparatus.
Chinese people continue their efforts to protect the environment. These days even the slightest negative variance on the environmental index is cause for national concern. Many motorists voluntarily forgo driving their vehicles in the knowledge that exhaust fumes and particulate matter are major culprits of air pollution. They opt instead for the environmentally friendly, not to mention physical exercise conducive, bicycle.

Li Wen's Green Aspirations

By staff reporter LIU QIONG

EVERYONE in my work unit knows that I've begun bicycling to and from work,” 43-year-old Li Wen assures this reporter. Li's company is on Beijing’s Jintai Road; he lives near the International Trade Center, about four kilometers away.

Driving to work used to be a 25-minute trip each way. Switching to a bicycle has more or less halved Li's commuting time. "It's great to know that I'm contributing to Beijing's environmental conservation while simultaneously taking exercise,” Li says, with obvious satisfaction.

Li Wen was a keen motorist for over 10 years prior to participating in the volunteer-promoted “Bicycling in Beijing - no car for a day” environmental protection campaign some months ago. "I joined the activity off my own bat, hoping to set an example,” Li explains. "We abandoned our cars for a day in favor of the bicycle, hoping others might follow suit. It seemed the best way of lessening the threat to the environment while easing current pressure on public transportation.”

During the four-day air quality test (August 17-20, 2007) in anticipation of the Beijing 2008 Olympics, 1.3 million cars were left in their garages on alternative days, on the basis of odd and even license plate numbers. The air quality on those four days was an acceptable
Save a Kilowatt for Future Generations

Li Wen does not belong to any environmental group, but takes pride in maintaining an environmentally friendly home, both indoors and outdoors. He unfailingly unplugs his electrical appliances after use and, on the advice of friends, has switched to unleaded gas. He never leaves his motor running when the car is stationary and avoids abrupt acceleration, braking and driving at unnecessarily high speed.

"My mother set me a fine example," Li Wen says. "I don’t come from an affluent family background. My mother trained all of us to turn out the lights when leaving the room. I didn’t understand why at first, and then thought she was being overly thrifty. I later realized that she was actually saving on the earth’s resources, as well as the family budget."

Li Wen has since learned that approximately 80 percent of the electricity generated in China originates in thermo-power, whose main resource is coal. It takes 350 grams of standard coal to generate just one kilowatt. As Li points out, "In addition to depleting a non-renewable energy resource, we pay a high ecological price for every kilowatt we use. In that sense, every kilowatt saved is of societal as well as ecological significance."

Li Wen and his co-environmentalists’ efforts are exactly what the Chinese government advocates. China’s 2006 GDP was just 5.5 percent of the world total. Its energy consumption, however, represented 15 percent, its steel consumption 30 percent, and its cement consumption 54 percent of the world total. Energy consumption to this excessive extent causes serious problems within an unconstrained mode of economic development. The Chinese government consequently made 2007 its year of “energy saving and emission reduction,” to which all were asked to contribute. Li Wen’s company, among thousands of others, was instructed not to dip below an indoor temperature of 26 degrees Celsius during the summer months. The result was a 2.78 percent reduction in GDP energy unit consumption in the first half of 2007 compared to 2006, according to statistics.
Efforts Indoors and Out

Li Wen takes a micro approach to environmental protection that extends beyond turning off the lights before leaving the room, or unplugging appliances when they are not in use.

Li Wen always takes a canvas shopping bag with him on trips to the supermarket. He seldom, if ever, asks for a plastic bag or a disposable fast-food container. Neither does he use disposable toothbrushes. These are boycotts to emulate. Plastic, whether in the form of packing materials, fast-food containers, knives, forks, cups, bowls, soft-drink bottles, or disposable tablecloths, takes an entire millennium to decompose. During this time it inhibits soil cultivation by 30 percent, and is a potential source of underground water pollution.

“My environmental protection awareness is inspired by a good friend of mine,” Li Wen reflects. “He loves mountain climbing, and often organizes groups of friends to join him in climbing the hills surrounding Beijing at weekends. He always takes a bag with him and deposits in it any litter that has been left by other climbers or picnickers. While others are so exhausted after scaling a hill they can barely carry their own stuff, he brings down a bag of garbage in addition to his own pack.”

Li Wen follows his friend’s suit by doing everything in his power to protect the environment. “There are actually millions of small things we can do in daily life to save the environment,” Li Wen continues, “like making sure faucets are properly turned off, and not leaving water running while brushing our teeth, washing our face or soaking laundry. Water can also be ‘recycled.’ That used for laundering can be re-used to mop the floor or flush the toilet, and water that has been used to rinse vegetables is fine for watering plants. Water in which rice has been washed or noodles boiled functions, with a little added sodium bicarbonate, as effectively as detergent in removing grease.” Li realizes that he and other ordinary citizens have no control over industrial air and water pollution. “Shutting down a pollutant business is the government’s duty,” he says, “but everyone can do something in daily life to conserve a clean water resource.”

“Be equally concerned with things outside as well as inside the home,” Li Wen advises. “With the participation of millions of households in environmental protection efforts, we can make our world a safer place to live in.”

Measures Adopted in Beijing to Limit Air Pollution

Between 70 and 80 percent of air pollutants originate in automobile exhaust, according to Beijing Environmental Protection Bureau statistics. Motor vehicle ownership has ballooned over the past few years. As at May 26, 2007, there were more than 3 million registered motor vehicles in the capital, a number that increases at the rate of 1,500 units per day.

The Beijing municipal government has adopted multiple measures in an effort to limit air pollution from vehicle emissions. They include boosting development of the public transportation system by annually adding 1,000 new buses to the total fleet. There are currently more than 13,000 buses on the road. As from 2007, the government cut bus fares by 60 percent, and as much as 80 percent on some routes. Its RMB 2 subway ticket is the cheapest nationwide. Beijing was the first city in the country to heighten its motor vehicle exhaust requirements to Euro II standards in 2003. It has also instituted stricter exhaust emission checks. Beijing has sped up construction of a desirable transportation infrastructure, involving ring roads, connections, hubs and track transportation. By the year 2008, track transportation in Beijing will have extended from its current 100 to 300 kilometers. The municipality has adopted 50 additional measures to improve its environment. It took 4,000 old buses and 30,000 taxis out of service in 2005. The same year, more than 109 pollutant iron and steel, cement, chemical, and paper-making plants were relocated outside Beijing, and 680 coalmines were shut down. These measures have steadily improved Beijing’s air quality. The “Blue Sky” project that began in 1998 (blue sky referring to Grade II or above air quality) has indeed brought the capital more blue-sky days; there were 165 in 2000; 185 in 2001; 203 in 2002; 230 in 2005; and 241 in 2006.
China’s upgraded, more accessible medical care system enables citizens to enjoy their later years secure in the knowledge that medical aid is at hand should it be needed.

Solace for an Ailing Matriarch

WIDOW Guizhen, aged 80, suffers from high blood pressure. She has taken medicine for it every day for the past 30 years. Before retiring, Guizhen worked at the Beijing No. 1 Rubber Plant, which reimbursed all her medical expenses. As from 2001, a national medical insurance scheme covering workers in all cities and towns came into force. It designated five hospitals specializing in cardiovascular problems, among them the nationally famous Fuwai Hospital, as Guizhen’s medical care providers. Guizhen receives an annual RMB 1,284 medical allowance from the government. If her medical expenses exceed RMB 1,300 in one year, she receives a 90 percent reimbursement of all amounts paid out of her own pocket.

Guizhen recently had a stroke that left her partly paralyzed. Her doctor prescribed massage and light physical exercise as part of her recuperative process. Most Chinese hospitals are sorely lacking in the field of geriatric rehabilitation. Existent departments are poorly equipped and generally manned by untrained staff. They are also beyond the financial reach of all but the most affluent. Guizhen has consequently stayed at home to recuperate. Her daycare costs are RMB 2,000 a month - half of her daughter’s monthly salary.
Guizhen was widowed 15 years ago. She has a man-friend, Old Gao. As he spent his working life doing mainly casual jobs, rather than at a fixed work unit, he receives no pension and has no medical insurance. Old Gao is also unmarried and childless. He lives on the government RMB 330 per month subsistence allowance.

Guizhen and Gao have been friends for a dozen or more years. They have never talked of marriage, not because they don't want to, but because of mutually understood practical issues. If they were to marry at such an advanced age, Guizhen's family would be responsible for Old Gao's medical expenses. This is a financial burden neither is willing to impose.

Hope arrived last autumn, when the neighborhood committee told Old Gao about the new medical insurance program for the aged and minors that became available from October 1. Those among Beijing's elderly that lack medical insurance qualify for this new project on payment of RMB 300 per year. It provides a 60 percent reimbursement of medical expenses in excess of RMB 1,300. Old Gao signed up immediately.

This gave Old Gao and Guizhen the assurance they needed to marry. With Old Gao to look after her, the bedridden Guizhen looks set to make a rapid recovery.

The Medical Care System in China

China's medical guarantee system began in 2001. It takes the form of medical insurance that covers workers in all cities and towns. The new type of insurance crucial to the needs of China's 900 million rural residents, however, did not come into effect until 2004. Medical guarantee coverage, as initiated by the State Council on a trial basis, covers 79 cities and counties. It is about to be extended to the whole country. The entire Chinese population, therefore, will soon be covered by medical insurance.

The 1.467 million elderly and children covered by Beijing's new insurance program include students, pre-school children and 294,000 elderly, all of whom are permanent residents.

Accelerated Establishment of a Geriatric Medical and Healthcare System

1. The current elderly health care program is administered on a community basis, taking the family as a basic unit. It provides a wide range of follow-up medical and health care, including medical treatment, disease prevention, recuperation, and health consultations. Its objective is to raise the health level of the local population. Medical personnel now provide a door-to-door consultation service, rather than waiting for patients to come to them.

2. The current three-tier medical service network is to be fully utilized, with emphasis on the special needs of the aged.

3. Increased efforts to train medical personnel specializing in geriatrics, as well as generally qualified medical workers, are being made.

4. The key task within the geriatric medical care system is to strengthen monitoring of age-related injuries and chronic diseases.
Mind the Gap
The Communist Party of China Steps out to Promote Social Harmony

By Lars Mørking
The Communist Party of China (CPC) ended its five-yearly congress on October 21, 2007, after amending its constitution to include the scientific outlook on development, and electing the new Central Committee. More than 2,200 delegates gathered in Beijing for this week-long meeting, and the Central Committee elected Hu Jintao for a second term as general secretary.

Delegates to the congress approved the amendments to the Party’s constitution that incorporate the scientific outlook on development, a concept that places greater emphasis on the environment and China’s poor as the nation continues to develop. It broadens the government’s focus beyond the economic growth that has brought millions out of absolute poverty, yet at the same time widened the gap between the rich and poor, and between urban and rural residents. Hu spoke of this concept at the opening of the 17th CPC National Congress, the most important political event in China since the last congress in 2002. The words of the country’s leader have never carried more weight in the outside world. Hu spoke with pride of the nation’s annual 10 percent or more average growth since he took power, vowing to pursue the reforms that pushed China past Britain to become the world’s fourth biggest economy. “To stop or reverse reform and opening-up would only lead to a blind alley,” he warned.

Expansion of “inner party democracy” gives the Party’s 73 million members greater opportunity to vote on policy and leadership, and introduces a tenure system for delegates to the congress. The advantage to rural residents of this expanded accountability is their right to elect village chiefs. As General Secretary Hu stated, “Citizens’ participation in political affairs will expand in an orderly way.” The last day of the party congress saw a further demonstration of the progress of socialist democracy in China. Delegates voted on candidates eligible to sit on the Party Central Committee, electing 204 members and 167 alternatives. More than half of the members, many of whom belonged...
The 17th CPC National Congress was in session in Beijing from October 15 to 21, 2007.

Even China’s critics have to admit that, overall, it is one of the few developing countries in the world that is actually developing.

A Developing Country

In the past decades, the Chinese leadership has systematically liberalized the country’s economy under the close guidance of the State Council and the CPC Central Committee. Most notable is the way in which reform and opening-up have reconfigured overall conditions and unleashed the powers of the market economy. This transformation has released property, markets and entrepreneurs from the incubator of the centrally planned economy, allowing a socialist market economy to arise from the ashes of the old mode of production. The reorganization of the Chinese state has created a structure of remarkable complexity. Even China’s critics have to admit that, overall, it is one of the few developing countries in the world that is actually developing.

Western neoliberal economists stress the positive results of China’s economic growth, as manifest in rising incomes, improved housing, more available fundamental consumer goods, and flourishing cities. The CPC leadership, however, also considers the costs incurred by this growth of greater income inequalities, high unemployment, low job security and lacking social services, particularly as regards health care. The environmental costs of economic success, manifest in air and water pollution and high consumption of unrenewable resources, are also severe. Hu Jintao pointed out in his Report to the 17th CPC National Congress: “While recognizing our achievements, we must be well aware that they still fall short of the expectations of the people and that there are still quite a few difficulties and problems on our way forward. The outstanding ones include the following: Our economic growth is realized at an excessively high cost of resources and the environment. There remains an imbalance in development between urban and rural areas, among regions, and between the economy and society.”
The New Concept

The scientific outlook on development deals with these problems. It looks ahead to the next step in China’s strategy to make it one of the world’s developed countries by the mid-21st century. The scientific outlook raises the “five balances” concept: those of balancing urban and rural development; regional development; economic and social development; development of man and nature; and the balance between domestic development and opening to the outside world. It is a concept that reflects materialist dialectics, wherein everything is connected in dialectical unity. Development, therefore, is a systematic process in which all aspects are mutually promotive. The scientific outlook emphasizes the need to pay close attention to the overall picture, scientifically formulate plans and consider the interests of all sides, in order to ensure that all aspects link and operate in a balanced manner. The outlook, from the perspective of long-term interests, strengthens development mechanisms. It enhances their quality, ensuring that interaction between the economy and society and between man and nature is mutually beneficial. Scientific development that puts people first and is comprehensive, balanced and sustainable will lead the country towards its goal of a harmonious society, in which prioritized social equity and justice, as well as environmental protection, guarantee sustainable development of the People’s Republic of China.
On July 1, 2007, China adjusted its tax rebate policy for some exports, in a move designed to engender significant changes in the nation’s export industries. Rebates on 553 commodities were revoked and rates cut for another 2,268 items. The total number of affected exports accounts for 37 percent of the products listed under customs tariffs.

Tax Rebate Revocations
Jolt Chinese Exports

By staff reporter LIU QIONG

A Yujie and her colleagues began working long extra shifts – from 5:30pm to the wee hours – as soon as the Chinese Finance Ministry announced it would be cutting tax rebates on many export products. Announced on June 19 and due to take effect on July 1, the changes would have a devastating impact on Sintalon Textiles Co., Ltd where Ma works. The rebate on the company’s main product of viscose fiber was to be pared from 11 to five percent, wiping out the operation’s profit margin and more. The only short-term hope was to complete all orders and ship them before July 1. Seeing their boss in a distraught state, the staff didn’t complain about the overtime, and of course were rewarded with extra wages.

The situation at Sintalon was mirrored all over the country, as the exports-driven textiles industry bore the brunt of the rebate cuts. According to statistics from Chinese customs, in the first half of 2007 the value of China’s textile and garments exports rose more than 16 percent over the figure for the same period in 2006, further swelling China’s already large foreign trade surplus and provoking loud complaints from foreign partners.

“The latest amendments to the export tax rebates are a key part of China’s package of policies and measures to curb its foreign trade surplus,” explains Wang Xiaohua, deputy director of the Tax Affairs Department of the Finance Ministry. Customs figures show that in the first five months of this year the gross volume of China’s imports and exports hit US $801.3 billion, a rise of 23.7 percent over the same period for 2006. The country’s accumulated foreign trade surplus soared to US $85.7 billion, a staggering 83.1 percent rise over last year’s figure. This steep increase has escalated tensions with China’s partners and exac-
erbated the country’s excessive liquidity, placing mounting pressure on the Renminbi to appreciate. “In an effort to strike a balance in its foreign trade, the Chinese government is poised to deploy multiple policy tools to enhance and improve macro-control,” says Wang. It is hoped the tax rebate cuts will engender a dive in the textile industry’s export growth for the second half of 2007, thus reducing China’s foreign trade surplus.

Many enterprises, however, complain that the rebate cuts came too abruptly, taking them by surprise. Zhang Jiansheng, general manager of the Shaoxing-based Douhan Textile and Garments Co., Ltd., recalls the last round of cuts in 2006 were announced with almost three months lead time. This time enterprises were only given a fortnight’s notice. Like Sintalon Textiles, Zhang’s company has been breaking its back to complete an order of Arab headbands and rush them through customs before July 1.

### An Incentive to Make Products with Higher Added Value

The response generally to the new rebate policy varies amongst Chinese textile and garment exporters. Zong Guyin, president of Mengna Knitting Co., Ltd. in Yiwu, Zhejiang Province, sees it as a blessing in disguise. “Exports account for half of our sales. The rebate cut will affect our business in the short term, but do us good in the long run, as it pushes us to optimize our product structure.”

A seasoned businessman, Mr. Zong has carefully followed China’s trade disputes with foreign partners, and wasn’t surprised when the changes to the tax rebates for exports were announced. The farsighted entrepreneur took a preemptive measure last June by setting up a factory in Hong Kong, at an investment of over US $12 million. Now the factory is a major manufacturer of the company’s U.S and European orders. Since the new rebate policy doesn’t apply to exporters in the Special Administrative Region, the factory didn’t face the July 1 deadline imposed on mainland operations. The Hong Kong investment has also helped Mengna avoid international trade barriers. For instance, socks exported to the US from China’s mainland are subject to quota limits, but those from Hong Kong aren’t.

Of course, running a factory in Hong Kong is much more expensive than on China’s mainland, the biggest disparity being labor costs. Mr. Zong offsets these costs with a higher added value for his Hong Kong products. His company has developed a slew of new items featuring advanced technology and new materials, which carry a much higher price tag than items produced on the mainland.

Although these measures have allowed Mengna to successfully weather the jolt to textiles exports created by the rebate cuts, Mr. Zong acknowledges the changes have devastated small, technically inferior players in the sector, who rely solely on the low price of their products to survive.

### No More Growth at the Cost of Resources and the Environment

The tax rebate adjustments aren’t just designed to curb China’s growing trade surplus. The new policy has also removed rebates on 533 products deemed highly polluting or energy- and resource-consuming. As in the textiles industry, this will inevitably result in cost hikes for exporters. Wang Xinpei, spokesman for the Ministry of Commerce, admits the new rebate policy “is a real blow to some small and medium-sized enterprises,” but adds, “It is designed to optimize China’s export structure and transform its pattern of economic growth, and is therefore necessary.”

One of the areas hit hardest by the pollution-targeting removal is the dye-stuffs industry. According to China Petroleum and Chemical Industry Association statistics, by May 2007 China had 480 dyestuff producers. However, a 2006 survey shows that only 24 of these reported an annual output exceeding 10,000 tons that year. Hordes of the
industry’s small to medium-sized enterprises are expected to be crushed under the mounting cost pressures triggered by the removal of the export tax rebate. This is good news for the environment, as many of these smaller operations are lacking in wastewater treatment facilities.

Pressure is also being felt by bigger players in the business, such as the Longsheng Group. Located in Shangyu City, Zhejiang Province, the group produces 360 products in three categories – dyestuffs, textile auxiliaries and chemical intermediates. Following the abrogation of the tax rebate the production costs of its dyestuff exports have risen rapidly. In response the group is shifting the focus of its business to other chemicals, including aromatic amine and slushing agents. It plans to increase the proportion of non-dyestuff products in its gross annual sales revenue and profit from 28.53 and 25.67 percent in 2006 to 43.73 and 36 percent respectively by 2009.

Despite the loss of many small companies, it is hoped the rebate adjustments will be of overall benefit to the nation. "The highly polluting and energy/resource-consuming products launched in China in recent years are mostly targeted at foreign markets, satisfying the needs of other nations at the cost of our resources and the environment, which is already facing a dire situation. The blind pursuit of economic growth not only leads to grim consequences for China's environment, but has also created high

Huge Potential for Sino-Italian Economic Partnerships

By staff reporter LIU QIONG

"In the past, many presumed that prosperity could only be found in China's Yangtze River Delta and metropolises such as Beijing and Shanghai, but realized how wrong they were when they actually came to China. The government's current Western Development Campaign offers many fresh opportunities for Italian investment. I often suggest to Italian investors coming to China, don't just visit the big cities, but also fledging ones such as Chengdu, Chongqing and Xi'an."

- Antonio Laspina

Commissioner Laspina of the Italian Trade Commission's Beijing office speaks about China's international trade balance and the export tax rebate.

China Today: According to statistics from the General Administration of Customs, the value of China's foreign trade reached US $1.76 trillion in 2006. EU figures show that this year China overtook the UK for the first time as the largest exporter to European nations. Its exports to the region have increased by 25 percent, demonstrating strong momentum for faster growth. What's your opinion on China's trade surplus with Europe?

Mr. Laspina: The surplus is no surprise. It is a result of the competitiveness of Chinese products, which largely derives from China's low labor costs. The huge surplus China now holds in international trade may not last long however. The competitiveness of Chinese products will ebb with the surge in labor costs. On the other hand, Chinese manufacturers and exporters will shift their focus from sales figures to the quality of their products. Meanwhile, with deeper pockets, Chinese people can now afford luxury goods from Europe that they couldn't before, such as Italian furniture. This growing demand will definitely stimulate Chinese imports from Europe. But these changes will of course take time.

CT: China's Ministry of Commerce announced this year a new export tax rebate policy applicable to many products from July 1. The new policy is regarded as the latest attempt by the Chinese government to reduce its international trade surplus and ease conflict with its trade partners. What's your view on this?

Mr. Laspina: We welcome this move by the Chinese government, and look forward to more efforts to extend the turf of fair play to all aspects of China, not only in economics and trade, but also food safety.

CT: China and Italy have long maintained a good economic partnership. What do you regard as the complementary aspects of the two economies?

Mr. Laspina: The Chinese and Italian economies are highly complementar-
risks for the local economy and China’s presence in the world market,” says Li Yushi, vice president of the Chinese Academy of International Trade and Economic Cooperation. “By pulling the rug from under those enterprises eroding China’s environment, resources and energy supplies, the new rebate policy can push Chinese manufacturers to move on from being world suppliers of primary products, to making industrial investments that will ultimately be of greater benefit to the nation.”

Italy. Italy has mature and developed industries, and is a world leader in many products and technologies. For instance, Italy has a sublime machinery and apparatus industry, which provides strong support for other industrial sectors. Without fine equipment, no industrial sector can compete on the world market. China has cheap labor and an enormous market, which we regard as the most important market in the world. In terms of textiles, my commission carries out a different strategy to that used in other sectors. The reason is that China has a strong apparel manufacturing industry, so the commission has ardently promoted joint ventures and cooperation between Chinese and Italian enterprises. We expect to see garments that fuse Italian designs with Chinese manufacturing, which can meet demand in the Italian and Chinese domestic markets and beyond.

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When business travel brings you to Beijing, enjoy the amenities available at the CTS HOTEL BEIJING.
Relocation Revitalizes Zuoquan County

By staff reporter LI GUOWEN

Liu Minghua sits comfortably in his new apartment in the Donggou New Village community. "Now that we have a heater we don’t have to gather and burn firewood any more!" exults his mother. Liu’s family moved into this bright, spacious apartment from the adobe house that had been their home for generations just two months ago.

The lives of 12,800 villagers have been similarly revolutionized by their move, over the past few years, into new, well-equipped housing.

Hobson’s Choice

As the saying goes, cast or west, home is the best. Leaving their old homes, albeit for a more modern, well-equipped alternative, was something of a wrench for all concerned.

Zuoquan County in Shanxi Province was a revolutionary base in the early half of the 20th century. Since then, it has lagged at least two decades behind China’s more developed regions. "Zuoquan has a low population density," explains Sun Guangtang, secretary of the CPC Zuoquan County Committee. "Most people live in the remote mountains where living conditions, as well as the production capacity, are backward, and there is no highway or telecommunications access. The relocation project has helped to improve this situation."

For many farmers there is no other choice. "We cannot live off the earth, as hard labor brings scant returns," says Liu Minghua, depressed at the mere thought of his former life. "Most of the younger people have left to find work and settle in the city."

Laojing (Old Well) Village was the shooting location of Zhang Yimou’s 1986 eponymous film, which was based on actual occurrences in the village. Its inhabitants were forced to collect rainwater for generations, as their 151 attempts to dig wells were fruitless, and cost dozens of lives. It was not until the late 1980s that potable water became available here. It was just a few years ago that the advent of public roads and telecommunications gave Laojing easy access to the outside world.

There are many villages scattered among the Taihang Mountain range that remain remote from towns and medical and educational facilities. "Huge sums of money have been invested in building infrastructure, schools and hospitals in small villages," says Wang Dongguang, head of Liaoyang Town, "but it would be unrealistic to improve conditions in every single inhabited area."

The county government has built 12 new villages and 27 communities since the year 2001, into which a total of 12,800 villagers have moved, according to local authority data.

The main destinations for immigrants are the county town and 34 key villages, where there are health and education services, as well as far better living conditions, according to the Zuoquan Relocation Plan (2003-2007).

Starting Life Afresh

A series of preferential policies ensures that immigrants suffer no financial loss. Immigrants retain the right to use land and forest in their former homes and are also allocated land on which to build new houses. Each former resident of villages included in the provincial-
level plan qualifies for a RMB 3,000 subsidy; a RMB 2,500 subsidy is payable to those who have left villages that are part of the municipal-level plan.

Liu’s family received a total subsidy of RMB 12,000, with which he bought an apartment in a new community. “It cost RMB 720 per square meter, which is RMB 300 below the cost of commercial housing. I chose to pay for it in installments,” Liu confirms. “My parents plant corn and soybean in the three mu of land we still own in the old village. But it can also be converted into shares if the village is bought by investors.”

Liu’s apartment is also his new marital home. His newly wedded wife is a math teacher in the county town, while he works in the city. He pins much hope on the local economy. “Zuoquan is developing very fast and badly needs a work force. By next year I might not need to travel to the city for work.”

Wang Zhiming, Liu’s new neighbor, has bought a 200-square-meter, two-story house that has a street-facing shop front. His family lives on the second floor. Wang admits that this purchase took his entire life savings. He is confident he can recoup the cost from the hardware and convenience store that he plans to open on the first floor, along with the government tax relief that encourages relocated villagers to work in the service sector.

In nearby Shijia Town, 87 housewives have organized themselves into squads that pick sea buckthorn, a raw material that they supply to a local factory for making beverages. This earns them a useful RMB 3,500 per year. There are 26 factories in Zuoquan that provide similar job opportunities.

Farm Economy

Using the 9,150 mu of land and 330,000 mu of forest that the relocation project has freed is a key local government issue. “A couple of years ago we acted on the suggestion of combining small abandoned pieces of land into big farms,” says Party Secretary Sun. “After the success of the pilot program we decided to put this plan into effect in 2005.”

The government encourages investors to buy or rent expanses of land that can be developed on a large scale.

Xu Yangang, a graduate of Shanxi Agricultural University, is now general manager of the Lülong Landscape and Construction Engineering Company. He rents a 500-mu tract of land at RMB 350 to 400 per mu. Among the three categories of tree he plants are economic trees such as walnuts and timber forests. The most lucrative are those used for urban landscaping. In February 2007, Xu successfully bred a new species of walnut. After popularizing it on his own farm he introduced it to private farmers.

Zhao Baoming, founder of the Maofeng Company, owns a 50-year management lease on 4,600 mu of land. He obtained the land at auction after giving up his RMB 300,000 per year job at a refinery. “I plan to plant walnut on the abandoned land, and wild peach, wild apricot and locust trees on the hills,” says Zhao, confidently. “The area will have a totally different look in three years. I plan to build 20 villas in the hills where tourists can come on weekend outings to enjoy the experience of fruit picking, and country life in general.”

Zhao has invested almost RMB 2 million in the past year. “The first 500 mu of walnut trees will bear fruit in five years,” Zhao says, with satisfaction. An annual production of 100,000 kilograms will earn me more than RMB 1 million — an amount that will double during the full fruition period. In ten years’ time my 2,000 mu of timber forest will be worth a fortune.”

There are currently 39 farms in Zuoquan, but its ultimate plan is to boost this number to 300 by means of grants and encouraging investments by enterprises and individuals.
Holes in HR

Three executives on why China still needs outside executive talent.

By LANCE MAUGHAN

Barbara Leung Maradik, head of marketing for the Beijing Financial Street Intercontinental Hotel.

EVA Wong, CEO of Top Human, has a book and an “initial public offering” (IPO) to sell. The busy founder, president and head coach of Top Human has built a network of coaching centers around China, and will take her company public in 2008. Her recently published book, *The Power of Ren*, shows executives how to “transform yourself and those around you,” and improve management quality and skills.

Wong has tapped into the need for quality training among mainland businesspeople who have plenty of cash and ambition, but lack the know-how to achieve their dreams of expansion. “Chinese executives are very willing to spend money on improving themselves.” Executive coaching, a concept common in the US, is something the Hong Kong native, with businesses in Asia and North America, has pioneered on the mainland over the last ten years.

Clients pay between RMB 500 and US $2,000 an hour for coaching sessions, depending on the level of coach and client. As Wong notes, “A CEO will want the top coach.” Top Human has plenty of copy cats on the mainland – an indication of the company’s success – and their website has been plagiarized “word for word” by local operations. Some have even gone so far as to surreptitiously record Top Human training sessions and then attempt to market the knowledge on CDs and the Internet. But a gap in know-how and market knowledge keeps the Hong Konger ahead of the mainland competition. “They don’t understand that you don’t just deliver a speech and that’s it – there’s a whole attitude in coaching that has to be right, in the coach and the person being coached.” Top Human has a 30-strong R&D team constantly researching new coaching methods and analyzing results with clients.

PR executive Eugenie Kan is an example of how the Chinese mainland sorely needs executives with international training and exposure. Regional talent is happy to oblige, seeing China as a platform for career and personal development. When an opening came up in Beijing with the Hong Kong Trade Council where Kan worked, she was quick to pack her bags. “I didn’t know much about the mainland, but given everyone’s eyes are on China, I saw the need to better equip myself for future career development.” She got the job and moved to Beijing in 2002. “I thought it would also be good to learn more about our motherland to stay tuned to the current trend. I truly believed working in China would only add value to my CV,” says Kan, who majored in Communications at Canada’s Vancouver University.

Three years working in Beijing overseeing all the PR and administrative issues of the Trade Council’s representative offices in northern China proved an invaluable crash course in doing business on the mainland. Intensive traveling within the northern China region and liaising with locals got her up close and knowledgeable about the practices and cultures of mainland cities. “There are many different practices and mindsets among people, even between neighboring cities like Beijing and Tianjin.”

From her current position as business development manager for a newspaper group in Hong Kong, Kan has been spotting an increasing demand on the mainland for “people with international experience.” That’s good news for Kan, who misses Beijing and will return to the mainland “if a good opportunity arises.”

With her English fluency and international experience, Kan still has a competitive edge over locals. She believes it will be
“a long time” before mainlanders can do her job. And given China’s continuing boom, Kan predicts more Hong Kongers will follow her lead. Among executives contending for positions on the mainland, she feels Hong Kong people have the edge, “because of their basic understanding of Chinese culture, coupled with international experience and exposure.”

In the hospitality sector, expatriates easily pick up management positions at internationally-run hotels because they have the training and work experience in international-standard establishments. “Locals don’t yet have the connections and knowledge,” says Barbara Leung Maradik, director of Sales and Marketing at the Intercontinental Hotel on Beijing’s Financial Street.

Given that China will almost certainly become the world’s largest source of tourists, and the most popular destination for international travelers, by 2020, a career in the hospitality industry seems like a good option for young Chinese, says Leung Maradik. After building up an impressive CV of experience over 20 years of sales and marketing in hotels throughout Asia and the US, she moved to Beijing to juggle roles at the recently opened Financial St hotel with her position as head of marketing for north China at the US-based Intercontinental Hotels Group (IHG).

Hong Kong may be a model for the mainland, as it builds establishments to match its rising popularity among business and leisure tourists. The Special Administrative Region has ten places in Travel & Leisure magazine’s annual rankings of the world’s top 100 hotels. The Chinese mainland has one. Front of house skills are especially important in getting more mainland establishments onto the list. “Reservation skills are really important – making sure they get the minor details right, like the credit card expiration date. Most people here have never had a credit card,” says Leung Maradik.

A long tradition of hospitality industry careers has given Hong Kong an extensive talent pool in the sector. Leung Maradik studied hotel management and catering in Switzerland. “I was one of many Hong Kong people to train there. Switzerland was then seen as the place to go. It has one of the longest traditions of tourism in the world, so they have the greatest expertise in hospitality and tourism management.”

For the foreseeable future China will need to employ expatriates to run its leading hotels. Leung Maradik’s employer IHG recently opened an academy in Chongqing to train staff for a series of new hotels opening on the mainland; the company plans to have seven in Beijing alone by early 2008. It’s all about service, says Leung Maradik. “From very basic skills to junior manager level, we have a lot of work to do.” Training for mainland staff begins with the basic fundamentals: “Setting tables, folding napkins, cleaning and vacuuming – green, green people have to be trained in all these areas.”
A business start-up fair for returned overseas students in Dalian, Liaoning Province.

Returned Overseas Students Lose Their Luster

By SI YAN

Not so long ago, returned overseas students were regarded as the cream of the crop among Chinese job-seekers. Between the start of the reform and opening-up policy in 1978 and the end of 2006, a total of 1.067 million students went abroad to study. Those that have since returned amount to 275,000, a figure that continues to rise.

Wang Yafei was one of 20 Chinese students that went to study in the UK in 1987, according to an agreement between the Chinese and British governments. Wang was the first Chinese woman to be awarded an MBA in the UK. She is now in charge of international exchange and cooperation at the Guanghua School of Management at Peking University, and a respected figure in the field of securities and financial investment. Wang is also founder of China’s first student vocational guidance center.

In the early 1990s, returned overseas students such as Wang Yafei were generally admired in Chinese society, being regarded as well versed in both Eastern and Western culture. Since study abroad became so much more attainable, however, returned overseas students are commonplace in the job market. Employers now see that overseas study is no substitute for overseas work experience. Returned overseas students, therefore, suffer the same job-hunting setbacks as their fellows that stayed at home. “As society and the economy develops, people on the Chinese mainland are changing their attitude towards returned overseas students who, in turn, no longer think of themselves as distinct from the general run,” Wang explains.

Lost Status

Of the tens of thousands of students that go abroad each year, many enroll in second- or third-rate schools, where the quality of education is often no better than what they would receive at home. The advantage of overseas returnees may therefore be little more than that of being able to speak a foreign language.

Zhang Jin, 16, is about to embark on an extended course of study in New Zealand. His parents expect him to complete his senior middle school, undergraduate and postgraduate education there, and eventually to mature into a senior talent. Realizing this dream is far from cheap. They must first lay out the cash necessary for Zhang’s six-month English language course that will equip him for his new life. This will cost them a cool RMB 48,000 (US $6,400). High school tuition is a further RMB 60,000 (US $8,000) per year, and the annual average cost of higher education in New Zealand is around RMB 80,000 (US $10,700). Taking into account the cost of living, Zhang Jin’s parents can reckon on paying no less than RMB 1 million (US $130,000) for their son’s overseas study. The New Zealand government permits students over the age of 16 to work part-time as a means of self-support, but this provides a level of income that amounts to little more than pocket money.

Recouping this huge investment is a daunting challenge to the job-hunting returned overseas student. Employers are no longer dazzled by foreign academic degrees. They want employees fit to take on the required tasks with minimum training. None are willing to hire a returned overseas student, any more than they are one that studied in China, that has no practical working experience. Employers are far more impressed with applicants who have work experi-
ence and personal ability than with those who are freshly graduated, no matter how prestigious their school.

Young people that choose to study abroad, however, believe that overseas life experience is of significance that goes beyond its superficial benefits. Li Qi was winner of a business start-up competition that qualified her for post-graduate study. Those around her generally believed that she had a bright future as long as she continued along what appeared to be her designated route of study. But Li was convinced that overseas study offered the best opportunities, both to obtain a degree and enrich her life experience. She eventually opted to study in the UK. Li is convinced that personal development occurs as a result of opportunity, personal ability and mindset. Opportunities are unpredictable, but it is possible to train personal ability through study and work. Li believes that improving the mindset requires seeking out new people within new situations.

**Starting a Business**

Li Kai was an excellent student at university and became a public servant after graduation. Soon afterwards he left to take up further study in the US. He returned, two years later, to a situation in China that had completely changed. After several fruitless job applications, he finally found work at an association directly under a ministry. Before long Li Kai discovered that his overseas experience had changed his outlook. Feeling that this bureaucratic job inhibited his personal development, he decided to resign and start his own business. This is the choice of an ever-greater number of returned overseas students.

The All-China Youth Federation holds various activities and offers all-around services to returned overseas students in order to encourage them to set up businesses on home territory.

Implementation of a business start-up plan for returned overseas students, in the form of 150 national-level high-tech zones in industrial parks, is planned in the coming years.

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**Top Five Vocations for Returned Overseas Students**

**Telecom**

Chinese telecom companies make consistently high profits, particularly those working with the latest technology such as NGN, 3G and IPTV. This is one area that offers broad development space to returned students with knowledge of the latest overseas telecom trends.

**Real Estate**

Real estate and the building industry are deeply influenced by globalization. There are many vacancies within project management, engineering cost management and accounting for talents with at least one foreign language that are familiar with international conventions.

**Finance**

The Chinese financial market has gradually opened to foreign capital since China entered the WTO. There is a growing need for foreign financial savvy as foreign banks stream into China and joint venture funded companies increase. Professionals with an international background are sorely needed in this field.

**Logistics**

Logistics is regarded as the sunrise industry of the new century. Encompassing as it does transportation, storage, manufacturing and many other fields, logistics plays an important role in international conferences and fairs.

As China hosts an ever-greater number of grand events, returned senior logistics talents are much sought after in this industry.

**IT**

E-commerce has been operating for some years in the domestic market, but could stand a great deal of improvement in certain aspects. Returned overseas students in the field are at a tremendous advantage, having been exposed to cutting-edge creativity and state-of-the-art theory.

A large proportion of returnees are also eminently suited to China's media and emergent consultancy services.
In Memory of Helen Foster Snow

By CHEN XIUXIA

In 1997, Helen Foster Snow passed away at the age of 90 in Connecticut, the United States.

HELEN spent some 12 years in China, mostly in the 1930s. She first arrived in Shanghai in August 1931. The city, then the fifth largest port in the world, was to have been the first stop in her travels around the world in search of adventure and gathering materials for a book. She had already read Pearl Buck’s classic Pulitzer Prize-winning novel about a Chinese farmer, The Good Earth. Beyond that, however, she knew little about China. She was the young “all-American girl” who even brought along her own golf bag and tennis racket. But she was anxious to learn. She had a sense of justice and strongly felt the natural and historic friendship between the Chinese and American peoples. Eager to be a writer, she first worked at secretarial jobs in Shanghai. There she met and married American journalist Edgar Snow.

Edgar and Helen both interviewed Mao Zedong, Zhou Enlai and other leaders of the Chinese Communist Party, as well as many revolutionary cadres, Red Army soldiers and common people. They were the first to convey to the world Mao Zedong’s message calling on the Kuomintang to stop the civil war and form a united front to fight the Japanese aggressors. From the valuable materials they gathered in several months of travel and interviews, Ed wrote and published Red Star Over China, and Helen the companion book Inside Red China. Being the first foreign journalists ever to visit Bao’an and Yan’an, their two books were regarded as international scoops.

During Helen’s visit to Yan’an in the summer of 1937, she conducted several interviews with Mao Zedong, who spoke to her about “the nature of revolution in China.” This trip was most educational and rewarding for Helen. In the foreword of Inside Red China, Helen wrote: “The rise of revolution among the multiple millions of China is one of the most interesting phenomena in the world. It has become a struggle of the greatest international social and political importance. To have lived in China during this historic moment is to have felt the forward movement of one of the mightiest forces of human freedom. It was a journey of discovery for me — of a new mind and a new people, creating a new world in the heart of the oldest and most changeless civilization on earth.”

Helen left China and returned to the United States in 1941. In the years following her return, Helen’s life was not easy due to the political climate in the US and personal economic hardship. She wrote over 40 books, mostly on China, but only eight were published.

I first heard about Edgar and Helen Snow in September 1937, shortly after the Japanese militarists launched their all-out war against China. The Snows were living in Beijing, but moved to Shanghai shortly after Beijing’s fall. They gave many lec-
tures in Shanghai about the situation in North China and the United Front that included the Communist-led Eighth Route Army. Of particular interest at that time to the Chinese, as well as the world at large, was information about the Chinese Communists and the guerrillas under their command, who Ed and Helen had both recently visited. While I couldn’t attend those lectures because of my age, my father, my elder brother and some other friends told me about what they had heard and their impressions.

In 1960, Edgar Snow became the first American correspondent to visit the People’s Republic of China post-war, thus continuing his role as a bridge-builder. He arrived in June and stayed for five months. It was on this occasion that my husband Chen Hui and I made Snow’s acquaintance. We were both working in the Press Department of the Foreign Ministry. As assistant to Director Gong Peng, I was in charge of organizing and coordinating Ed’s entire visit, and Chen Hui interpreted for him during his interviews with Mao Zedong in Zhongnanhai and Zhou Enlai in Beijing and on a trip to Miyun Reservoir.

I came to know more about Helen when I met Tim Considine and Loring Mandel, who came to Beijing in 1986 to interview people for a film based on Helen’s book *My China Years*. As deputy secretary-general of the “Edgar Snow, Agnes Smedley and Anna Louise Strong Society,” I helped set up interviews with Helen’s contemporaries Yao Yilin, Kang Keqing and Wang Bingnan. I also accompanied Tim and Loring to these interviews. Since then, I have been involved in other projects linked to Helen, such as translating and publishing her works. Through these projects, I gained a deeper insight into her personality and philosophy, her knowledge of Chinese and world history, and her vision for the future. Though the film project was not realized, Helen was not discouraged, for she was well armed with a correct and in-depth understanding of China’s realities and its people.

In June 1992, when I was in the United States, I called on Helen at her home in Madison, Connecticut, and met her

During Helen’s visit to Yan’an in the summer of 1937, she conducted several interviews with Mao Zedong, who spoke to her about “the nature of revolution in China.”

Edgar and Helen Snow (second and third left), and fellow writer Rewi Alley (second right) in the Philippines in 1940.

for the first time. I told her that I knew Gong Pusheng (Kung Pusheng), who was once with the YWCA in Shanghai, and that I had worked for many years under Pusheng’s sister Gong Peng in the Foreign Ministry of the PRC. They were both friends of Helen’s from the Dec. 9, 1935-movement days. I will never forget the warmth with which Helen received me. I also took some pictures of her wearing the batik jacket that Gong Pusheng had given her.

To honor Helen’s unique and outstanding contribution to understanding China, the China Literary Foundation conferred on her the first ever “Literary Prize for Contributing to International Understanding and Friendship” on September 20, 1991, the day before her 84th birthday.

On June 12, 1996, Helen received an award from the Chinese People’s Friendship Association with Other Countries for her lifelong dedication to advancing the cause of US-China relations by building a bridge of understanding and friendship between the two countries. When she received the award, she beamed with a smile and tears rolled down her cheeks at the same time. She said: “I love China. And it is my wish that China get better and better.”

CHEN XIUXIA is vice-president of the China Society for People’s Friendship Studies.
FROM midnight to 2pm every Monday, Hanyang Jiangtan Football Field in Wuhan, capital of Hubei Province, is brilliantly illuminated. Under the lights, a crowd of nightshift taxi drivers from the city’s Hankou, Wuchang and Hanyang districts gather for a weekly football match.

“I never guessed the drivers would respond so enthusiastically,” says Ai Yi, initiator of the midnight game and anchorperson of *Night Talk About Sports* on Chutian Traffic Sports Radio Station. Since the game kicked off on July 15 this year, the number of participants has risen from 30 to 100, and is still growing steadily. The teams have purchased water jugs, training waistcoats and medicine cabinets, with all expenses shared between participants.

The oldest player is 52 years old. Game organizer Zheng Yuanping is 48. “It gets quite uncomfortable spending a lot of time in the taxi,” says Zheng. “When I started playing, I couldn’t even go for 20 minutes, but now I can run for 40 minutes without feeling tired,” he says with a smile. “I gained 20 kg after driving nightshift taxis for eight months,” says Ren Wei from Hankou District, “but since joining the taxi driver football team, I’ve lost 5 kg.”

Drivers play enthusiastically and good moves draw rousing applause from the audience. “The drivers used to gather for a midnight snack,” says Mrs. Wang, who comes with her daughter to watch the matches and cheer her husband on. “Now they play football, which is much better for their health, so we both want to support him.”

At present there are 30,000 taxi drivers in Wuhan. Several major sporting events like the Women’s World Cup and the Sixth National Urban Sports Meeting were held in the city this year, inspiring a fitness craze amongst local citizens.
While driving the night shift, taxi driver Chen Jin arranges the game on his taxi radio.

The expenses for each game are carefully calculated and the costs shared between drivers.

Warming up before the game.

After parking their taxis around the football field every Monday night, drivers kick off their midnight match.
The Chinese people are rapidly discarding their mental wellbeing of China’s development. The halcyon days of liberation in the 1980s left a legacy of stress, strains on the Chinese family, decently housed, decently on their ability to cope with repetitive social en...

The people nevertheless approach the issues and joys as well as problems with optimism. This issue’s Special Report examines the lives of the contemporary Chinese everyman from multiple perspectives during China’s socio-economic transition.
HONGJIANG City is little known in modern times, but historically it was a key port and bustling trade center full of riches, spendthrift lifestyles and opium dens. Located in a mountainous zone in the southern province of Hunan, Hongjiang’s role as an important trade hub stretches back to antiquity. More than 3,000 years ago it lay on the trade route between China’s interior and the Indian and Arabic Oceans, and the Red and Mediterranean Seas. During the Han and Tang dynasties, it was an important link on the Southwestern Old Silk Road, and in the Ming and Qing dynasties it was one of the first areas in China to see the seeds of capitalist commerce germinate. Despite its remote location, in the early 20th century the inhabitants of this small city enjoyed a luxurious lifestyle equal to that found in major metropolises like Shanghai and Nanjing. In 1920 electricity came to the town, telephones were introduced in 1929 and silent movies arrived in 1931. “At that time, we had everything Shanghai inhabitants had,” says an official of the Hongjiang District Tourism Bureau, proudly recalling his city’s past glories.

In the Ming and Qing dynasties Hongjiang was one of the first areas in China to see the seeds of capitalist commerce germinate.

A Crucial Trade Junction
Hongjiang owed its prosperity to its position on the Yuanshui River, an important tributary of the Yangtze linking various big cities in south-central China, and Yunnan, Guizhou and Sichuan in southwestern China. Resources coming out of southwestern China, such as timber, herbal medicines and tung oil, had to change from the Yuanshui to Yangtze rivers here in order to reach Wuhan.
Before liberation in 1949, Hongjiang’s wooden boats were the largest on the Yuanshui River. Each vessel was as high as a five-story building.

Standing on Litouzui Dock, one of the places from which this city developed, 76-year-old Ruan Mingyi points to a fishing boat hauling in a net and reminisces, “Sixty years ago this river was covered with rafts and trading boats, and every day was a scene of flourishing business.” According to historical records, at its peak this city of less than four square kilometers had 48 docks. A merchant in the Qing Dynasty described Hongjiang as a “large town of thousands of households.” Of the city’s population of 36,700 people, 15,000 were traders.

Various support industries thrived in this prosperous center of commerce. Wang Tiande is a veteran worker who was employed by a local shipyard at age 17. After retiring, he continued to ply his trade, repairing boats for fishermen. “At that time, Hongjiang was famous for its shipbuilding,” he recalls. “Before liberation in 1949, Hongjiang’s wooden boats were the largest on the Yuanshui River. Each vessel was as high as a five-story building. Several dozen of these boats could be found navigating the river at any given time, each one a self-contained floating village. It was a splendid scene.”

Workers engaged in water transportation often worked onboard for one or two months at a time. Ships were fitted with all kinds of recreational facilities, such as musical instruments, food and beverages, and gambling equipment. The boats’ roofs were covered in soil and used for growing vegetables, as well as raising chickens and ducks.

**Prosperity Built on Timber, Opium and Tung Oil**

The three key commodities traded in Hongjiang before liberation were tim-
ber, tung oil and opium. Yang Peicheng, now in his late 60s, is the son of a timber merchant. He experienced the prosperity of the timber business in the early to mid-20th century. The image that has remained strongest in his mind is the sight of the rafts employed annually by his father to transport timber to Nanjing or Shanghai. Each raft comprised three to five tiers of tree trunks fastened together to form a floating platform 30 meters long and 7 meters wide. Yang Peicheng recalls, “When a Hongjiang merchant floated a train of rafts downstream, he usually hired more than 10 sailors. The two most important roles were the rafting manager and accountant. The former was responsible for hiring sailors, negotiating prices and commanding navigation, and the latter for arranging the sailors’ provisions and checking the quality, length and specification of the timber.” Yang Peicheng claims that at peak times, the river was so packed you could walk across the rafts from one bank to the other.

Conserved Ming and Qing dynasty architecture in Hongjiang old town.

The activities of the ambitious Hongjiang merchants were not limited to the timber trade however. Other raw materials were processed to accumulate wealth, most notably tung oil, an excellent anti-rotting and anti-moth varnish for wooden houses, boats and farm tools. Since the Ming and Qing dynasties, shipyards in coastal provinces such as Jiangsu, Zhejiang, Fujian and Guangdong have needed a steady supply of the oil, and Hongjiang’s large output and superior quality of its product ensured the commodity became central to the local economy. The oil was also exported abroad.

The third pillar of Hongjiang’s economy prior to liberation was opium. Liu Huiwu, aged 79, is the son of Liu Yongtai, former owner of the Yongtai Trading Company. At one time Huiwu’s father was the wealthiest person in Hongjiang. It is said dockers loaded opium onto the ships of the Liu family from six in the morning till dusk every day. The drug was traded for silver dollars, and according to local legend at nine o’clock each evening “The whole city could hear the sound of...
silver dollars being counted.” A fire in 1934 initiated the Liu family’s decline, but it was the 10,000 silver dollar ransom paid when Huiwu’s father was kidnapped by bandits that sealed their fate. The ransom triggered panic withdrawals from the family’s private bank, dealing a fatal blow to the family business.

The Liu family’s decline is indicative of a general trend in the city’s fortunes. On the one hand, Hongjiang traders were hardworking and capable, on the other they sought extravagant and indulgent lifestyles. Opium was not only traded, but also consumed by many in the town. Hongjiang’s opium dens were once famous in western Hunan, and many of the town’s rich were addicts. One story has a local spending 2,000 silver dollars on an opium pipe. The government’s banning of the opium trade was no doubt a heavy blow to them.

In more contemporary times, the massive expansion of China’s highway and railway system has meant Hongjiang has lost its geographical advantage, and commerce has gradually declined.

**Remains of the Ancient City**

Hongjiang is a veritable museum of Ming and Qing dynasty architecture. As a commercial city, it features a distinct flexible and practical architectural style designed to accommodate both commercial and residential needs. Among the ancient buildings that have survived are 17 newspaper offices, 23 old-style banks, 34 schools, 48 drama stages, 50 odd brothels, 60 opium dens, 70 restaurants, 80 hostels, 100 workshops, 1,000 stores and 380 yinzi buildings.

Similar in style to siheyuan (compounds with houses around a square courtyard), yinzi buildings combine the features of southern Anhui residences and the stilt houses found along the Yuanshui River. They usually comprise two courtyards with two-story houses, although compounds featuring three courtyards with three-story buildings can also be found in the city. Third floors are generally linked by a bridge running north-south. The roofs of the houses slope towards the center, leaving a skylight to let in sunshine and fresh air.

Yinzi buildings are constructed of brick, stone and wood without a single iron nail, but they are nonetheless very
solid structures. Practicality is emphasized in the design of doors, windows and the general layout. Buildings used by commercial firms, for instance, are mostly of the three-story variety. The first tall and spacious floor is used for business quarters, the second is a warehouse, and the third is a residential space.

Hongjiang’s grandest buildings are undoubtedly its guildhalls. Taiping Palace (Baoqing Guildhall), for example, features a magnificent archway carved from a single piece of rock. In the late Ming and early Qing dynasties, merchants from all over the country sought to safeguard their common interests and promote friendship by building guildhalls in Hongjiang. This trend reached its zenith in the 1920s and 1930s, when nearly 130 guildhalls were built, receiving merchants from more than 20 provinces. According to one local elder, Guizhou Guildhall was the most luxurious. The hall still stands, its pillars made from single pieces of rock and the gate tower exquisitely decorated with carved dragons and painted phoenixes.

Hongjiang owed its former prosperity to its location on the Yuanshui River, a tributary of the Yangtze.

The City Today

Nowadays Hongjiang has more than 2,000 households. Most of the town’s young adults have gone to other parts of the country to make money, leaving the elderly and very young at home.

Dong Hongmei, aged 59, is the daughter of a former dock owner, while her husband Yang Yun is the son of an erstwhile timber trader. They live in a yinzi building in the ancient city. The couple now operate a ferryboat belonging to a shipping company. They take turns at the prow pushing a long pole to help propel the vessel through the water, while their younger son Yang Mingye mans the boat’s wheel. Dong Hongmei says most of her passengers are farmers who go to urban areas to sell vegetables. She charges them one yuan each for a round trip. A moored cement boat is used as a waiting room.

Their older son, with aid from his parents, invested RMB 120,000 in the construction of a big boat to transport timber from Hongjiang to Jiangsu and Zhejiang, and bring commodities...
back to Xiangtan on the return journey. Yang Yun says that since childhood life on the water has not been easy, but he believes one must learn to endure. While his elder son followed him into the shipping business at an early age, Yang Yun is determined to send his grandchildren to university at any cost, since the riverine shipping business is declining daily.

In another part of the town, Mr. Nie, the current host of the Gao Family Academy, runs a small inn. He never promotes the business, only receiving guests introduced by his friends. In old times, the descendants of the Gao clan attended classes here in a family-run school. Two rooms on either side of the first floor sitting room are used to accommodate guests; on the second floor are the host's living quarters. The guest rooms are four meters tall from floor to ceiling and the windows small. Along the walls are neatly arranged pieces of old furniture, and on the big bed hangs a mosquito net. The bedding is clean and tidy, the ornaments and decorations exude historical dignity. It is a soothing and nostalgic place.

Mr. Nie and his wife reside in this house, but their children are working in other parts of the country. A hospitable host, Mr. Nie often shows his guests around the town and introduces the local folklore. He also invites guests to dinner parties. He says he runs his small inn not to make money, but for the pleasure of playing the host. “If you come here during Spring Festival, every family will treat you as their guest,” says Mr. Nie. Visitors can go door-to-door receiving treats and enjoying the special atmosphere of what was once one of China's busiest ports.

Located in Xiwengzhuang Town next to the Miyun Reservoir, Yunfoshan Resort is 80 kilometers from downtown Beijing, but the picturesque scenery and fresh air feel a world away from the bustling capital. The resort contains a three-star hotel, conference amenities, restaurants, and entertainment and outdoor sporting facilities.

Spread over an area of 67 hectares, Yunfoshan is built along the contours of the namesake mountain. There are nearly 300 guestrooms, including standard rooms, luxury suites, villas, and presidential suites, capable of accommodating up to 650 guests in total. The restaurants range from large to intimate in scale, and can receive up to 1,000 diners at a time. Sichuan, Shandong, Guangdong and Huaiyang dishes are on offer, as well as local specialties, all prepared by professional chefs with exquisite culinary skill. The extensive recreational facilities include karaoke, an indoor swimming pool, a bowling alley, a tennis court, a fishing park, a ski ground, and a man-made bathing beach. At the foot of Yunfo Mountain lies a natural limestone cave, formed over millions of years of natural evolution. The stalactites of various shapes and sizes form a unique scene telling of Yunfo Mountain's remote past.

The resort also features 19 conference rooms in a variety of sizes, all fitted with modern equipment.

With its unique character and picturesque charms, Beijing Yunfoshan Resort provides top quality, highly efficient and considerate service for both Chinese guests and visitors from abroad.

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Fax: 86-10-83032606 83031613
Website: www.yunfoshan.com
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Enjoy a stay on the luxurious Elite Floor of Beijing's Great Wall Sheraton Hotel from November 16, 2007 to February 29, 2008 -- at an especially comfortable price. During this period, rates start from RMB 2,488 per night, and include Elite breakfast, round trip airport transportation, a complimentary happy hour, and a 24-hour butler service. Rooms and rates for a minimum two-night stay are subject to availability and an additional 15 percent service charge. Call 800 810 3088 (in China) or (86-10) 6590 5566 ext 2257 for reservations.

Following establishment of cooperative ties last year, on October 12, 2007 the CTS HK Metropark Hotels Management Co. unveiled its eponymous scholarship at the Beijing International Studies University. The fund is expected to step up cooperation between business and academic circles within the tourism sector.

CTS HK Metropark Hotels Management Co. was founded in Hong Kong in 1985 by the 80-year-long established China Travel Service (Holdings) HK Limited. The group now has more than 30 hotels in Hong Kong, Macao and major commercial and tourist cities on the Chinese mainland, including the five-star Grand Metropark and the four-star Metropark.

The Chang Fu Gong Hotel offers diners a special preferential package with its Chang Fu Party Card, which gives cardholders up to RMB 2,800 worth of discount coupons. The Chang Fu Easy Card brings a wide variety of rewards and more. Please call 010-58775555 for more information.

You are cordially invited to the Beijing Novotel Xinqiao Christmas party this year, held in the hotel's Celebrity Hall and Coffee Shop. It promises to be a lively night, with a sumptuous feast, lucky draws, and live entertainment -- all for just RMB 1,488.

The Goodies Counter and Gift Hampers are highly recommended. Tel: (8610) 6513 3366 ext 1248 Fax: (8610) 6512 8902

The distinguished Fanghua pearl brand has 20 stores across China. Fanghua has an ever-greater presence in the nation's luxury hotels, with outlets at the Grand Hyatt, Shangri-La and China World hotels in Beijing, and the Hyatt Regency, Sheraton and Shangri-La Golden Flower hotels in Xi'an. Fanghua's reputation for high quality and innovatively designed pearl jewelry has earned it an exclusive clientele that includes Margaret Thatcher, Tarja Halonen, Ludmila Putin, Cherie Blair and Mr. and Mrs. George H.W. Bush. Fanghua jewelry is created using both cultured and freshwater pearls in natural and colorful shades. Fanghua exquisitely presents the essence of Chinese pearl culture.
What does the real Tibet look like? As an artist who loves Tibet, Qiu Zhijie often asks himself and the people around him this question. “Some hope this plateau stays poor and rooted in the old traditions, so they can take photos of its original beauty,” Qiu sighs. “They delete a photo if a telegraph pole appears in it. For these people, Tibet is a synonym for blue skies, stunning plateau scenery and local ethnic costumes. Their image of the autonomous region is based on books, photographs and paintings, rather than personal experience.”
The Clichéd Image of a Pure Land

James Hilton’s 1933 bestseller Lost Horizon portrayed Tibet as “Shangri-la” – an idyllic land nestled amongst snow-capped mountains, populated by people of different religions living in peace and harmony. This image is often reflected in paintings about Tibet, and for many outsiders is symbolized by forms of traditional Tibetan art such as mani stones (stones carved with Buddhist six-syllable prayers), strings of prayer banners (pieces of square cloth on which figures of Buddha and sutras are painted), prayer wheels, Buddhist pagodas and Tibetan Opera. These symbols help define Tibet as a pure, holy place in popular imagination. And although tourists have been flooding to the plateau since the Qinghai-Tibet Railway began operating in mid-2006, for many Tibet is little more than rosy-cheeked children with big eyes, wrinkled old people rotating prayer wheels, and wild yaks grazing the telegraph pole-free grasslands.

As an artist and Tibet enthusiast, Qiu Zhijie decided to try and correct this...
The usual symbols and images associated with Tibet tell us little about contemporary life there.

A Different Image of Tibet

The usual symbols and images associated with Tibet tell us little about contemporary life there. In studying existing art about the region, Qiu’s students found painters were frequently influenced by the ideologies of their times. "The students found many paintings about Tibet fall into easy categories of concerns, like ‘development in the new era,’ ‘a united nation,’ ‘the worship of primitive life’ and ‘an anti-modern attitude,’” says Qiu. These works are often more about "popular culture, revolutionary culture, national culture and the modern tourism industry than actual life in Tibet."

Like the rest of China, in the last three decades Tibet has experienced immense changes in the process of economic reform. Lamas use mobile phones, ride motorbikes and google subjects they are interested in. In Lhasa’s bustling Bark-
hor Street, most of the Tibetan-style handicrafts sold to tourists are from Yiwu, a famous manufacturing city in China’s eastern province of Zhejiang.

"Before I went to Tibet, I thought all Tibetans were pure, conservative and religious," says Liu Jiajing, one of the students who visited the area with Qiu Zhijie. Instead, she found people’s lives there are not that different from those of the Han Chinese. People in "Shangri-la" are working hard to rid themselves of poverty and seek a modern life of affluence.

Liu Jiajing encountered few students wearing traditional costumes; berets and hip-hop apparel are more common amongst young male undergraduates. Even in remote cities, hotel hostesses spend their spare nights at local discos. Herdsmen dream of living in, or close to, towns, and few Tibetans are strangers to the Internet. Students and lamas alike are more concerned with exchanging OICQ numbers with visitors than discussing traditional lifestyles.

Another of Qiu Zhijie’s students, Liu Tian, says of the Tibetan’s attitude towards art, "The people here are concerned with the picture itself. They like natural scenes. For paintings that reflect figures and events, they pay more attention to the reality of the scene than the skill of the artist."

Fellow student Hu Yun concurs, “Tibetan people see the arts from an angle different to us.” Hu was deeply impressed by local people’s comments on his paintings. “The saying ‘art is rooted in life, but is not life,’ is conventional wisdom for us, so we don’t care very much if works are loyal to ‘reality.’ But for Buddhist Tibetan people, art should be a true picture of real life.”

Qiu Zhijie hopes that the report produced by him and his students has contributed, in a small way, to forging a more realistic and nuanced vision of a present-day Tibet where modernity and tradition coexist.

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**COOKING CLASS**

**Steamed Eggs**

*(Xianmei Zhengdan)*

**Ingredients:**

- 5 eggs
- (A) 2 and a half cups of cold soup stock, 1 tsp. of salt
- (B) mushrooms, clams, shrimp
- (C) coriander

**Method:**

1. Beat the eggs in a bowl and mix with (A), then put the bowl in a steamer. Pour two and a half cups of water into the steamer. Leave the lid of the steamer slightly ajar.
2. When the water has almost boiled away, put (B) on the steamed eggs, then steam thoroughly. Sprinkle a dash of coriander before serving.

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**Corrections**

August issue, p24, *China’s Space Exploration*
Caption, “a huge screen at 9:00 am on September 12, 2005” should be October 12, 2005.

September issue, p60, paragraph 1, line 4, *Shaoxing’s Textile City Market*
“The China Light and Textile Industrial City (CLTIC) in Shaoxing, Jiangsu Province” should be Zhejiang Province.

October issue, p22, paragraph 1, line 7, *Invisible Changes Under Way*
“a postgraduate from Huazhong Agriculture University in Hunan Province” should be Hubei Province.

October issue, p22, paragraph 3, line 3, *Invisible Changes Under Way*
“Hunan Province delegates” should be Hubei Province.

October issue, p63, paragraph 2, line 1, *Good Fox, Bad Fox*
“Famous Ming Dynasty writer Pu Songling” should be Qing Dynasty.

October issue, p66, paragraph 3, line 1, *Wei Wei on the Web*
“The 34-year-old singer” should be 48-year-old.

October issue, p67, paragraph 7, line 8, *Wei Wei on the Web*
“she sang at the opening of 1991 Asian Games in Beijing” should be 1990.

China Today apologizes for any inconvenience caused by these errors.
Located in the hinterland of the Yangtze River Delta, Changzhou is one of the most prosperous places in southern China. At the end of September 2007, the city presented a brand-new animated face to the world, with the 4th China (Changzhou) International Animation and Digital Arts Festival, held in the local China Dinosaur Park.

The tone of the event was set by the opening ceremony, which featured a panoramic live drama entitled Grand Ceremony in Lubura. On a 1,000-square-meter stage set over water, 500 performers in gorgeous costumes acted the roles of agile goats, coquettish foxes, stouthearted mighty birds and flowery tropical fish, vividly enacting scenes of natural harmony from antiquity.

Since the first festival in 2004, Changzhou has not only devoted major efforts to developing the intensification and scale of its animation and digital arts industry, but has also gradually formed an industrial chain for researching, creating and producing new animation works. Many of the high-rating domestic cartoons produced in Changzhou and broadcast by the CCTV Children’s Channel and other TV stations were popular with the audience at this year’s festival. These programs have helped inspire the fashionable performing form “cosplay” (costume play), which has become a lively part of youth
culture, providing a stage for youngsters to showcase their personalities and acting talents by dressing up as their favorite animation characters. The cartoon works of children were displayed in the festival's exhibition hall, infusing the event with youthful vigor and vitality.

The festival drew famous cartoon organizations, scholars, publishers, distributors, purchasers, as well as related production houses from Asia, Europe and America. Over 200 enterprises from nine countries and regions including the U.S., the U.K., Spain and Hong Kong signed up 31 projects, generating a total trading volume of RMB 520 million.

As the only prefecture-level city designated a "National Animation Base" by the State Administration of Radio, Film and Television, Changzhou has won several honors since 2006, such as making China's "Top Ten Investment Creative Bases," being included in Jiangsu's "Modern Service Industry Cluster District" and being classified as an "International Service Outsourcing Demonstration Area." Changzhou Animation Base was also nominated as a "National Digital Entertainment Industry Demonstration Base" by the Ministry of Culture in 2007. Changzhou's animation industry has truly become the symbol of this vibrant, innovative 21st century city.

The 3D cartoon Buttercup Wood.

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Experience Royalty in Grand Hotel Beijing
Enjoy the Honor of a Few

Grand Hotel Beijing is superbly located within the red wall to the east of the Forbidden City and neighboring Tian'anmen Square and Wangfujing shopping street.

All of the guest rooms are decorated in the traditional Chinese imperial style and highlight royal elegance.
Three Pillars of Traditional Rudimentary Education

By staff reporter HUO JIANYING

The Chinese people have always set great store by rudimentary education. Centuries ago, boys of the age of five or six began their schooling with classes in ethics intended to guide them along the path to morally upstanding citizenship.

Precocious Wisdom

All Chinese people know the story of Kong Rong, descendant of Confucius (surnamed Kong) who lived in the late Eastern Han Dynasty (25-220). Kong Rong was the sixth of seven brothers. One day during his childhood, Kong Rong’s mother placed seven pears on the table for her children. Kong Rong picked the smallest. When his pleased but bemused father asked him the reason why, the four-year-old answered, “I’m young, and should leave the bigger pears for my elder brothers. But as I’m also an elder brother, I should leave a bigger pear for my younger brother.” This story is recorded...
in *San Zi Jing* (*Three-Character Classic*), an ancient textbook of rudimentary education.

Morals and ethics were a predominant aspect of Chinese education within the ancient Confucian culture. This emphasis gave rise to the well-known maxim: “A child’s potential as an adult is apparent when he is three; how he will actually turn out is apparent by the age of seven.” This saying alerted parents to the need to observe the personality traits of their children from infancy, rewarding good behavior while simultaneously discouraging antisocial tendencies. Behavioral defects that persisted by the time a child reached the age of seven were believed to be irrevocable. Modern psychology endorses the scientific soundness of this theory. As a person’s success in life depends largely on his or her conduct within a social environment, rudimentary education shapes the course of his or her entire life.

**The Rudimentary Education “Bible”**

It is incredible to consider that, until the advent of modern education and public schools in the latter half of the 19th century, Chinese rudimentary teaching materials remained unchanged for thousands of years. Outstanding among early primers are *San Zi Jing* (*Three-Character Classic*), *Qian Zi Wen* (*Thousand-Character Essay*) and *Bai Jia Xing* (*Book of Family Names*). Other commonly used textbooks were *Qian Jia Shi* (*Collection of Popular Ancient Poems*), *Dizi Gui* (*Code of Conduct for Students*), and *Ming Xian Ji* (*Book on Celebrities and Men of Virtue*).

*San Zi Jing* was the most commonly used, and consequently influential, of all primary school textbooks. It was introduced to Japan and Korea centuries ago, translated into Russian in 1727 and later became available in English and French. UNESCO listed the book in its series on moral education for children in the autumn of 1990. It has since been promoted and published throughout the world.

*San Zi Jing* was written by Wang Yinglin, the great 13th-century Confucian scholar and educator, for children in his clan. It is composed of three-character rhyming stanzas, four stanzas forming one sentence. *San Zi Jing*’s 1,415 characters capture succinctly the essence of the Chinese value system and code of ethics. This masterpiece has always been generally regarded as a humanities encyclopedia for children, a systematic pedagogical aide for teachers and an indispensable reader for parents.

The text begins with the importance of education, citing Mencius as an example. Mencius (surnamed Meng) lost his father when he was two. His widowed mother tried to make ends meet by weaving and selling cloth. No matter how hard life became, she always took the time to create the best circumstances for her son’s education. Mencius was a clever but mischievous boy. In his early years, he and his mother lived near a tomb area. Mencius quickly became familiar with the rituals involved in funereal ceremony. His mother, believing this to be an unhealthily morbid environment, moved to town near a market fair. Before long, Mencius began behaving in the manner of a shrewd trader. Seeking to curtail this tendency, his mother moved again, this time to a dwelling...
near a school. As she expected, young Mencius proved a bright student and a promising scholar. As he generally finished his schoolwork way in advance of the other children, however, he would steal out of the classroom to play. On one occasion he stayed away too long, and his teacher went to his home looking for him. Mencius’s mother reacted to the news of his truancy by cutting all the threads on her handloom, and telling her son to reconnect them. Mencius was at a loss as to how to restring this entangled mass of broken threads. This was his mother’s way of showing him that study is comparable to weaving, as the complex lines of knowledge are similar to the threads on a loom that, once broken, can never be reconnected. From that time onwards, Mencius studied very hard. He grew up to become a respected and celebrated Confucian sage.

This story is summarized in just 12 characters in San Zi Jing that translate to the effect: “Back in the time of Mencius’ mother, she was choosy about whom to neighbor. When the son would not learn, she cut her loom thread to warn.” In another 12-character line, San Zi Jing also holds: “Feeding (a child) without teaching him is the father’s fault. To teach without severity is the teacher’s laziness.” So in the conventional concept, both parents and teachers are considered crucial to children’s education.

The textbook is in two sections; the first examines the basics of humanities, nature, Chinese history and ancient classics; the second expounds on moral education and codes of ethics, citing many outstanding personages, such as Mencius and Confucius as role models.

**Thousand-Character Essay**

*Qian Zi Wen* (Thousand-Character Essay) is a textbook equal in importance within rudimentary education to *San Zi Jing*. Its author is Zhou Xingsi who lived in the early 6th century. The two celebrated calligraphers Zhong Yao and Wang Xizhi are also said each to have compiled a *Qian Zi Wen* prior to that by Zhou Xingsi. Both were aesthetically pleasing, but lacked the deep profundity of Zhou’s edition. They have consequently disappeared from view.

Zhou Xingsi was renowned for his breadth of knowledge, quick wits and literary eloquence. His reputation earned him the appointment as personal secretary to Emperor Wudi of the Liang Dynasty (502-557), during the Southern Dynasties Period (420-589). The emperor commissioned the compilation of a *Qian Zi Wen* textbook for the benefit of his sons and nephews. He ordered the selection of 1,000 characters from the calligraphic works of Wang Xizhi,
and instructed Zhou Xingsi to compose them into a rhyming essay. Zhou spent an entire night compiling these unrelated characters into a literary masterpiece. Upon reading the essay, the emperor was delighted and bestowed a generous largess on Zhou for his labors. The supreme effort of creating this literary masterpiece is said to have turned Zhou’s hair white overnight.

The *Qian Zi Wen* textbook was intended for the exclusive use of the imperial family. It was thanks to Monk Zhiyong of the late 7th century that it became available to the common people. Zhiyong was the seventh-generation descendant of Wang Xizhi, and also an accomplished calligrapher. He spent three decades transcribing more than 800 copies of his own edition of *Qian Zi Wen*, in both regular and cursive script, and donated them to various temples around Zhejiang Province. Before long recitations of the textbook could be heard throughout the nation.

*Qian Zi Wen* begins with antithetical descriptions of the universe that traverse the vastness of the heavens and the earth, encompassing the rising of the sun and the eclipse of the moon, the change of seasons from summer to winter, precipitant rain and the formation of frost. The author’s vision embraces the heavens and climatic phenomena that affect farming activities, nature and humankind, the lives of the people and the art of their governance, ancient scientific inventions and the arts of music and dance. The vast scope of topics that Zhou Yingsi covers within the designated 1,000 characters include astronomy, geography, history, politics, military affairs, culture, literature, arts, social life, ethics, and ancient saints and sages.

*Qian Zi Wen* is composed of 250 four-character rhyming stanzas, within which are many allusions to ancient classics. It is generally judged as an even greater poetic epic than *San Zi Jing*, being imbued with still deeper beauty and poetic fascination.

*Bai Jia Xing* (Book of Family Names) constitutes the final component of this ancient textbook trilogy. Its purpose is to help children learn Chinese characters by memorizing the most common “old hundred” Chinese surnames. It examines the origins of surnames and details famous personages within various clans, their virtues and merits. Raising these role models gives grounding in ethics. Studying these three books was generally expected to take a year and a half, during the course of which pupils mastered more than 1,000 characters. This is more than what a second grader at a contemporary school is expected to cover.

These three pillars of pedagogical wisdom may have been superseded by more contemporary educational theories, but their influence lives on by virtue of being permanently embedded in the Chinese consciousness.

Children in Shenzhen experiencing for themselves how and what their peers studied centuries ago, including this *guzheng* class.
AFTER months of will-they-won’t-they speculation, US indie rockers the Yeah Yeah Yeahs played the inaugural Modern Sky Festival that took place October 2-4 during the five-day National Day holiday. The hour-long wait between the preceding Joy Division-admiring RETROS and the headliners suggested some space between the on-stage requirements of the visitors and the preceding local bands. The New Yorkers finally hit the main stage around 9:10pm.

A rain-induced exodus prior to the Yeah Yeah Yeahs set suggested local fans aren’t yet hardened to rock festival conditions. The downpour drove about half the crowd to the sea of taxis outside, who were relying on the festival crowd for business on a slow holiday week night.

The New Yorkers’ appearance on stage ended a bizarre succession of build-up tunes; Phil Collins and R Kelly seemed a strange choice for a label with the indie credibility of Modern Sky. The Yeah Yeah Yeahs were up for it though. Band vocalist Karen O had learned a few Chinese words and belted off plenty of “xiè xiè” (thanks).

The enthusiasm of the mostly-student crowd suggests the gig was, in words frequently used by local cadres, a “complete success.” It certainly drew a significant local audience for the O and bandmates Nick Sinner and Brian Chase, who paid no heed to the rain as they belted out their trademark nonsensical lyrics to tunes like Is Is, Down Boy and Show Your Bones.

The New York trio came, conquered – and enjoyed themselves. After the show the band told of eating Peking duck and their admiration for local bands and organizers on their MySpace site. The Yeahs appeared with a mostly-Chinese lineup of Modern Sky bands: New Pants, Hedgehog and newcom-
ers My Little Airport. However, even though more foreign bands like the Yeah Yeah Yeahs are coming to China – propelled perhaps by pre-Olympics excitement – there hasn’t been a dramatic growth in the number of decent Chinese outfits. Beijing’s festival lineups this summer have all looked remarkably similar.

But Modern Sky was certainly this year’s most affordable festival. Low ticket prices – RMB 60 a day compared to RMB 150 per day at September’s Beijing Pop Festival – and the location in Haidian Park in the city’s main university belt, ensured a good turnout. Locals made up 70 percent of the crowd. There were none of the ticket touts of the Beijing Pop Festival in the more salubrious Chaoyang Park, which featured lots of freeloaders selling their VIP tickets for RMB 200 at the gate. Bag ladies collecting plastic bottles, and the scent of lamb skewers and marijuana lent Modern Sky further credibility.

But who paid for it all? Probably the marketing departments of Levi’s, MySpace and Motorola, all of whom paid to install marketing stalls on the festival site. Social website MySpace had a sizeable booth next to the Levi’s stand, and Modern Sky tagged Levi’s and Motorola as “partners” in their promotional material. In some ways the indie label, headquartered in a converted 1950s apartment block in an unglamorous pocket of Beijing’s northwest Haidian District, upstaged the Beijing Pop Festival, headquartered in more respectable digs in the heart of the CBD.

A local corporate presence was provided by Sculpting in Time, a chain of coffee stores set up by Taiwanese film graduate Jimmy Zhuang and his wife. The brand, whose outlets are larger and cosier than Starbucks’ in China, had a large stall selling tea and coffee, though the proliferation of plastic-coated paper cups called into question the environmental credentials outlined in their festival program advertisement. Others with stalls included glossy local rock magazine In Music and Beijing heavy metal publication Painkiller. Disposable camera maker Lomography was another corporate presence, with a big, red-livered booth manned by the Lomography Society of China.

No figures or arrangements for getting the Yeah Yeah Yeahs here have been disclosed – one imagines the Grammy-nominated New Yorkers don’t come cheap – but Modern Sky have copped a lot of criticism for engaging in vanity lao wai (local slang for foreigner) projects, hiring foreign bands for gigs and recordings in China which have no sustainable impact on the development of the local scene. The money, says critics like Berwin Song in That’s Beijing magazine, would be better spent finding and releasing quality local artists.

Sculpting in Time was inundated with customers as the rain spilled down on the last night of the festival. A lot of the corporate sponsors looked pretty glum, however, in the least glam-looking VIP tent, too far from the main stage to see anything and too scared of the rain to join the punters.

The choice of food vendors on the festival site – no camping allowed – was nothing if not colorful. What really stood out was the image of a smiling Middle Eastern-looking man, complete with red and white keffiyeh head dress, plastered over Arabic script above one of the food stalls. It all looked very exotic and drew an expectant crowd. The vendors, bearded Uyghurs from the western province of Xinjiang, sold the same lamb skewers found on many Beijing street stalls. True, no one does them like the Uyghurs, but what a smart way to draw a crowd!

Sales were brisk too in the plastic sheeted village constructed on a car park near the park’s southern entrance. Huddled beneath a giant replica space rocket, the vendors sold the usual mix of T-shirts and CDs on offer at most Chinese rock bars. Yet the range of shirts and the quality of the designs – from kitschy Cultural Revolution-era motifs to go green environmental slogans and nifty takes on Kurt Cobain and local stars AK-47 – indicated that China’s T-shirt makers are now as creative as they are prodigious. None of the foreign artists whose images and logos appear on these shirts will be getting any royalties from sales, but the uniqueness and cheapness of these items – average price RMB 50 – make them compelling buys for foreign fans.

Out of the piles of secondhand and shop-cut CDs on offer I plucked Lipstick Traces, a two-CD set of Manic Street Preachers B-sides, for RMB 40. A good bargain, a good night. More credit to Modern Sky.
Science and Technology: Pursue Independent Innovation and International Cooperation

At the 17th National Congress of the Communist Party of China in October, Deputy Minister of Science and Technology Li Xueyong declared that China's science and technology sector should pursue independent innovation, but not reject technology introduced from abroad, or resist international cooperation. In pursuing international cooperation, China believes in mutual benefit, and equality and respect, and protects intellectual property rights. China has enjoyed significant international information exchange in the field of science and technology with 152 countries and regions, and signed governmental cooperation agreements with over 100 nations. Chinese scientists have also participated in 350 international science and technology or academic organizations.

Science and Technology Guarantee Olympic Water Safety

China has set up a risk management control system to guarantee Olympic drinking water safety. An extensive network of fixed and movable drinking water purifiers and supply equipment has been designed to meet the diverse demands of Olympic venues. The "Study Project into Qualified Drinking Water for the Future Beijing Olympic Village and Demonstration Subdistricts" is the specialized research institution ensuring a safe Olympic water supply. The institute has developed new catalytic oxidation technology to remove micro-organic water contaminants and trace elements. They are also perfecting water quality stabilization technology for the water supply network, and have made breakthroughs in technology to remove arsenic, fluorine and nitrate traces from water.

China’s “Fengyun” Satellites Provide Observation Services for 17 Asia-Pacific Countries

On October 10, 2007, China's “Fengyun” satellite system began formally providing observation services of the Earth for 17 Asia-Pacific countries. Switched to the "C" waveband and covering the whole Asia-Pacific region, it has become the regional link in a global observation system that encompasses the entire planet. The system’s observation data is distributed throughout the Asia-Pacific region. Since being put into operation in 2005, the “Fengyun” system has broadcast 23GBs of data a day. Over 130 organizations utilize the system’s data, in fields as diverse as meteorology, water conservation and agriculture. The information has provided enormous economic and social benefits by allowing more accurate weather forecasting, disaster monitoring and environmental observation.

The First Genome Atlas of the Yellow Races

Chinese scientists have completed the first genome atlas of the yellow races. The human genome atlas is known as “the second atlas of human anatomy,” and is derived by analyzing the base sequence of 24 chromosomes. The atlas not only contributes to research
in the prevention of hereditary diseases amongst the yellow people, but also creates fertile ground for the development of new medicines and therapeutics. So far, 2,000 genes have been found to be linked to human diseases. Of these, 1,500 have been applied in clinical diagnosis in the United States. Due to differences between the yellow and Caucasian races, China cannot imitate foreign diagnostic standards. The genome atlas of the yellow races is, therefore, of great importance to the Chinese people.

New Hope of Curing Cancer Discovered by Scientist of Chinese Origin

Dr. Cui Zheng, associate professor at Wake Forest University’s School of Medicine in the U.S., has discovered that injecting healthy immunocytes into cancer patients can kill cancer cells. Born in China in 1956, Cui Zheng specializes in tumor biology. His research team distilled granulocytes from 100 volunteers including cancer patients, then mixed them with cervical carcinoma cells. The healthy people’s cells in the experiment killed up to 97% of the cancer cells within 24 hours. With approval from the U.S. Food and Drug Administration, Cui Zheng has injected 22 terminal cancer patients with healthy granulocytes. The curative effects are being carefully observed.

Beijing Initiates Fingerprint Banking

Using nothing more than a fingerprint, Beijing Rural Commercial Bank customers can now pay fees and make transfers between accounts through ATMs, making life easier and saving on labor costs for the bank. Using a database of customers’ fingerprints, advanced fingerprint identification technology allows ATM terminals to link directly with an individual’s account information and carry out any business required. For key information like the amount of money in an account, the ATM only has the ability to check and confirm, but can’t import and amend information, effectively limiting operational risks.

Ozone Action in China Wins International Affirmation

The State Environmental Protection Administration of China recently won the executive award of the United Nations’ Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol was signed by 24 countries on September 16, 1987. Since acceding to the Protocol in 1991, China has eliminated over 210,000 tons of materials that destroy the ozonosphere, accounting for almost half the amount eliminated by all developing countries. “The Chinese government will take responsibility and meet its obligations to be cooperative, and continue down the path of ozonosphere protection,” said Zhang Lijun, vice minister of the State Environmental Protection Administration of China.

China to Use “E-stamp” to Prevent Spam

The Internet Society of China is organizing the researching of an “E-stamp,” which would be able to identify an email’s source and block spam. The “E-stamp” will distinguish commercial emails from spam, so as to better protect Internet users’ interests and promote the development of the email industry.

College Undergraduate Invents a Water Extracting Machine

Chinese college undergraduate Jin Guoyong has invented a machine that uses electricity to extract 20 liters of water a day from the air, even in desert conditions. Air is sucked in through a copper tube and cooled through refrigeration. The hot air and cool air meet, forming water droplets on the outside of the tube, which then dribbles into a tank. The surplus cold air can also be used for refrigeration and air-conditioning purposes.

The machine invented by Jin Guoyong, which can extract 20 liters of water a day from the air. Photos by China Foto Press
DaiXian is an ancient town in central Shanxi Province, just a few hours by expressway from Beijing. People have been living here since the New Stone Age in around 7,000 BC. Marking the border between ancient China and the northern lands of nomadic tribes, it was once a place of considerable strategic importance that witnessed many significant battles. In times of peace, it was a prosperous nexus of trade and cultural exchange between Han people and visiting northern nomads. As a result, DaiXian is characterized by “Yanmen Culture,” a unique blend of Han and nomadic traditions.

The term “Yanmen Culture” is derived from the town’s proximity to Yanmen Pass, just 20 kilometers north of DaiXian. Regarded as the most important pass along the length of the Great Wall since the Warring States Period (475-221 BC), an ancient saying reveals its significance: “If you capture Yanmen Pass, you will get the whole country — if you lose it, you will lose the whole country.” It was from here that General Meng Tian, Emperor Qinshihuang’s military confidant and builder of the Great Wall, led a troop of 3,000 to bravely meet the enemy head-on during the Qin Dynasty (221-206 BC). Later, many famous generals from different dynasties were garrisoned here to protect the inner lands to the south, like Xue Rengui, Guo Ziyi and Li Keyong. The extensive fortifications in the pass survived many battles, and are listed as key cultural relics under national protection, along with the section of the Great Wall that passes through here dating from the Ming Dynasty (1368-1644).

One of the most famous names associated with DaiXian and Yanmen Pass is the Yang family of the Northern Song Dynasty (960-1127). Yang is still a respected name in the town, as after the first Yang general died, his wife and children continued to guard Yanmen Pass and the frontier area. The family earned the admiration of locals through their devotion to maintaining peace and order on the northern border. Their de-
scendants still live in the town today. The Yang Ancestral Hall lies 20 kilometers east of the town and has a history stretching back 700 years. A pair of powerful lions before the main gate protect the Yang ancestors inside, while inscriptions on a plaque praise the family's loyalty and courage. In the middle of the Grand Hall stand the statues of Yang Ye, the first general of the family, and his wife Dowager She, who was also a competent general. Next to them are their eight sons. The wing-rooms are home to the statues of the family's female generals, who dashed forward when their husbands or brothers were cut down in battle.

Like the area's famous defensive structures and the Yang Ancestral Hall, the town of Daixian itself is well preserved. Formerly called Daizhou, the town's strategic position meant that in ancient times the population had to be constantly vigilant. The old town has four gates in its city walls, one for each point of the compass. Four enceintes can be found outside each gate. A fortified gatetower overlooks each of the four gates and enceintes. In addition, the city walls have four corner towers. Within these heavy outer defenses can be found dozens of temples, nunneries and shops. In the town center stands the 700-year-old Bianjing Tower, known to locals as the "drum tower." In wartime, sentries were posted here and beat the drum if they saw enemy approaching.

Daixian contains two more important relics under national protection: Asoka Pagoda and the town's Confucian Temple. The first Asoka Pagoda was built of wood in 601, but the edifice we see today is a Tibetan-style brick pagoda built in 1275, featuring refined brick carving. Confucian temples can be found in almost every ancient Chinese town, but the one in Daixian still impresses visitors with its resplendent decoration and grand scale, occupying an area of 15,000 square meters. Built in the Tang Dynasty, it is the third largest Confucian temple in China, just behind the enormous temples in Beijing and Confucius' hometown Qufu.

Daixian saw a flourishing trade during the Ming (1368-1644) and Qing (1644-1911) dynasties and reached its economic peak some 200 years ago. According to county annals, by around the middle of the Qing Dynasty in the early 19th century, there were over 700 shops and 3,000 businessmen in the town. Shrewd local merchants also had business footholds in larger cities around the country.

In contemporary times, local authorities are working to revive the town's fortunes through investment in tourism. As well as the town itself, the county of Daixian boasts many tourist attractions, such as Zhaogaoguan Forest Park, Bairenyan Temple, the Tomb of Li Keyong (Prince of Jin in the late Tang Dynasty), Baiyun (White Cloud) Temple and Fuguang (Glory of Buddha) Temple. Recognizing the area's great potential, the local government has raised a fund of RMB 160 million and formulated plans to make tourism an important industry. As well as stimulating the local economy, development of local visitor services will allow many more tourists from China and abroad to witness the ancient wonders of Daixian County.
FACILITATING the development of provinces away from the coast has become a top priority for China’s national government. It’s generally agreed that transportation holds the key to prosperity in these areas. Hubei Province in central China is leading the way in this regard, rapidly developing a modern, integrated, environmentally friendly transportation network.

Linchpin of the Nation

Central China’s hope of attaining the level of development seen along the eastern seaboard relies heavily on the situation in Hubei Province, which has long held a strategic position in the Chinese nation. It has been wrestled for by military forces throughout history, and was the site of many famous battles in the Three Kingdoms Period more than 1,800 years ago. There is an old Chinese saying that most roads and rivers lead to Hubei’s capital, Wuhan.

Today the province sits at the crossroads of the Shanghai-Chengdu and Beijing-Zhuhai expressways, and the Beijing-Guangzhou Railway. Wuhan is situated approximately mid-way between the booming metropolises of Beijing, Tianjin, Shanghai, Chongqing and Xi’an. One-third of the Yangtze River’s navigable length lies within Hubei, providing the province with 1,038 kilometers of vital shipping routes. Four of the river’s 11 major ports are found in the area. With convenient access to this extensive riverine transport network and the sea, Wuhan is fast growing into a major shipping hub.

Lin Zhihui is the director of Hubei’s Communication Department, the only woman to hold such a post in China. In
August 2005 she delivered a report on the province’s planned highway network to President Hu Jintao, and in April 2006 the central government released the report Opinions on Promoting the Resurrection of Central China, which explicitly stated that building an integrated transportation system is one of the keys to galvanizing the region. Hubei declared at the ninth provincial CPC congress in June, 2007 that it will consolidate its position as a central China transportation hub by building an efficient and safe network that incorporates railways, highways, aviation and riverine shipping.

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Expressway Maps Outdated in the Blink of an Eye

Roads are central to Hubei’s development plans, as it is a time-tested rule that a region must build an extensive road network before it can expect an economic boom. Over the past five years the local government has invested RMB 115.7 billion in transforming the province’s fixed assets of communication, twice the total investment made in the previous 53 years of the People’s Republic. Investment for 2007 alone is expected to exceed RMB 30 billion.

Over the past five years 1,401 kilometers of expressways were built, and approximately 80,000 kilometers of pitch and cement roads were laid in rural areas. When describing how fast the local landscape is changing, Lin Zhihui says that maps of Hubei’s expressways become outdated in the blink of an eye. This is barely an exaggeration. Since 1991, when Hubei built its first expressway – the 70 kilometer road from Wuhan to Huangmei – the province has expanded the length of expressways open to traffic to 1,747 kilometers, predicted to reach 3,500 kilometers by 2010. Centered on the capital Wuhan, the network sprawls across the province and into neighboring areas. As a result, it now takes a mere three hours to circle the province, and cities in neighboring provinces such as Changsha, Zhengzhou, and Jiujiang can all be reached within five hours. By the end of this year expressways will find their way into all Hubei cities and prefectures, except the wooded areas in Shennongjia.

Since 2004 the province has been working on a “Pan-Wuhan circle,” which will see the capital and eight neighboring cities interlinked by highways. Wuhan’s outer ring road will be completed when Yangluo Bridge over...
the Yangtze opens to traffic at the end of this year. By then seven expressways radiating from the ring road will lead to neighboring major cities.

Besides facilitating regional travel, these roads escalate economic interaction between urban centers. Many big-name corporations have flooded into the area in the wake of the ongoing expansion of the expressway system, generating employment and spurring the local economy.

**New Roads, New Services**

With all these new roads and consequent expanding levels of traffic, the public demands a higher level of service from the local communication authority. Last year the Hubei Provincial Communication Department launched its interactive e-service platform (http://hbjt.gov.cn), offering route guides, updates on weather and traffic conditions, and a full range of information on public transport. It also operates a “Public Exchange” section, where people can communicate directly with the provincial transportation authority via the Director’s Letter Box, or Online Interview, and also receive feedback. The website recorded more than 70,000 hits during the week-long National Day holiday in October.

In addition to the website, the department runs a 24-hour service hotline and a complaints hotline to field suggestions and heed public opinion. Expressway tolls, fees for water transportation and bus fare cards are all handled via computerized systems, bringing convenience to both passengers and public transport workers. And a video-audio conferencing system is now in operation, covering all 17 cities and prefectures in the province.

Hubei Provincial Communication Department has designated 2007 the year of innovation, and has been working to improve services in areas most relevant to people’s everyday lives. Resultant programs and initiatives have included technical training on the construction of roads in rural areas, road safety projects, more guidance for the development of road and water transport in rural areas, control over the number of second-grade tollways and the number of toll stations on them, installing GPS systems in public vehicles, installing security systems in all passenger transport depots, promoting a one-stop service for transport administration, and upgrading the travel information service system.

**Rural Roads Crucial to Provincial Prosperity**

As in the big cities, transportation holds the key to prosperity in the countryside. Whenever a village is reached by highway, new buildings pop up, more public facilities appear, stores and factories open along the route and transportation businesses start. Yet like
much of inland China, rural areas in Hubei have long been plagued by poor road conditions. To address this problem, the province has introduced tailor-made plans for countryside road construction, offering preferential policies for impoverished regions in the areas of appropriation, project allocation and technical support. Provincial authorities have set up a special rural passenger transport fund, provided training for approximately 1,000 rural technicians, and opened dozens of demonstration routes for passenger transport in the countryside. The Country Roads Regulations of Hubei Province, passed by the Provincial People’s Congress this year, is China’s first set of local laws governing rural roads.

These efforts have already brought tangible benefits to Hubei’s rural population. One example can be found in Gaoshan Village in Xinzhou District, Wuhan. Dirt roads once turned the village into a quagmire whenever there was rain, making walking outdoors an ordeal. Blacktop roads have made such problems a thing of the past. To express their delight, many local families have hung signs at their gates reading “Good road, good mood; transport is well, all is well.”

The industrialization of tea production in Wushan Town of Gucheng County, Xiangfan City, provides another example of the benefits generated by improved rural roads. The dispersed tea-growing fields in the area are now linked by modern roads, allowing the formation of an integrated tea growing base of 1,700 hectares. The town now bustles with hired laborers and tea traders from all over the nation. Across Hubei, local rural economies are similarly growing in leaps and bounds, with industrial parks and modern plantations mushrooming along the new byways.

**Achieving Balanced Development**

In constructing all this modern infrastructure, Hubei has striven to achieve a balance between expressways and country roads, road and water transport, road construction and management, and development and the environment. Local authorities have utilized science and technology in their planning and building, and have stressed respect for the law in developing the transportation sector. The management mechanism of the transportation budget has also undergone reform.

Since 2003, expressway construction in Hubei has been open to public and private investment from both within China and abroad. Local authorities have signed contracts for nine expressway investment projects, involving RMB 28 billion. And the province is the first in China to allow corporations to act as government trustees and op-
erate the transportation projects they invest in.

Increasing attention is being paid to environmental friendliness and conserving resources in road construction, with the ultimate goal of achieving balanced and sustainable development of the region. The principle of environmental friendliness is paramount throughout the highway design, construction and evaluation process, so as to minimize the impact of human activities on the natural environment.

**Glory Goes to the Rank and File**

Behind the development of Hubei’s communications and transportation sector is the toil of countless engineers and workers in the field. For those on the exploration and construction posts, it has been routine to work extra hours and on weekends. Workers may have to leave their families for a new project at any time, and are often away from home for months at a time.

Chen Gangyi, a senior engineer with Hubei Communications Planning and Design Institute, served two terms of four years in Tibet as personnel aid to the region. Despite a cancer diagnosis during his second term, he headed the design and construction of two record-setting projects on the plateau – Hubei Avenue and the Jiaolongba Bridge. Chen’s deeds were reported nationwide via newspapers and the Internet, as well as being commended by state leaders.

There are also a good number of women working in the province’s infrastructure sector, putting in efforts equal to, or even greater than, their male colleagues. Cheng Wu, for example, is vice commander of the Cuijiaying Navigation and Hydropower Project. She and her team set a record by dredging two million cubic meters for an open diversion channel within a month. Shen Xuexiang, vice commander of the middle section of the Suizhou-Yueyang Expressway, introduced the practice of allowing bidding on key provincial transportation projects without base prices.

Hubei’s dynamic development has caught the eye of state leaders. President Hu Jintao inspected the province, and listened to a report on its plan for an artery highway network. Vice President Zeng Qinghong delivered a speech to honor Chen Gangyi, and two Communication Ministers, Li Shenglin (incumbent) and Zhang Chunxian (former), inspected construction sites in the province.

In short, with coordinated efforts and shared determination, Hubei is steadily improving and constantly adding to its transportation network. Passenger and cargo flows are escalating, stimulating social and economic development, and helping Hubei secure its place in the regional and national economy.
Lesson 12: That's a Really Inspiring Achievement!

Conversation

Jiaming: Have you got today's newspaper? I want to take a look at the results of the World Athletics Championships.

Jerry: Yes, I'm just reading it. It was a fantastic game. We won three gold medals.

Jiaming: That's right. I saw we won the men's 100-meter hurdles on TV. What were the other two events?

Jerry: The men's high jump and women's 1,500 meter race.

Jiaming: Great! Athletes need to train hard for years to achieve their best form, so defeat is a huge disappointment.

Jirui: Yes, I'm watching the uneven bars event to the floor exercises.

Jerry: The women's 1,500 meter champion knocked one second off the world record.

Jiaming: That's a really inspiring achievement!

Useful Sentences

1. 好运，北京！
   Good luck Beijing!

2. 他曾得过世界冠军。
   He is a former world champion.

3. 与自由体操相比，我更喜欢看高低杠比赛。
   I prefer watching the uneven bars event to the floor exercises.

4. 他的强项是单杠。天啊！多优美的空翻！
   He excels at the horizontal bar. Oh my! What a perfect somersault!

5. 你认为谁会是本届吊环冠军？
   Who do you think will win the swinging rings gold medal?

6. 看那边，一个女孩在表演平衡木。她的落地又快又稳。
   Look at the girl performing on the balance beam over there. Her landing is neat and steady.

7. 是谁打破了男子77公斤级举起重量纪录？
   Who broke the men's 77kg weightlifting record?
8. 你看，54号准备掷铁饼了。这是他最后一次试投。
Nǐ kàn, wūshí shí hǎo zhǔn bèi zì tiē hēng le. Zhè shì tā zú huò lì yī cì shì tóu.
No. 54 is ready to throw discus. This is his last warm-up pitch.

9. 李宁曾经是中国杰出的体操运动员。
Lǐ Níng cóng cèng shì zhōngguó jùtài yǒng yuán.
Lǐ Ning used to be one of China’s outstanding gymnasts.

10. 体操是我国的强项之一，它也是力量与技巧的完美结合。
Tǐ cāo shì wǒ guó de qiáng xiàng zhī yī, tā yě shì lì liàng yǔ jiǎo qí de wěi měi jié hé.
Gymnastics is one of our strong events. It’s a perfect combination of strength and skill.

New Words

1. 五局三胜制 wǔjú sānshèngzhì  best of five games
2. 决胜局 juéshèngjú  the finals
3. 决胜球 juéshèng qiú  match point
4. 保龄球 bǎolíng qiú  bowling
5. 板球 bǎn qiú  cricket
6. 台球 tái qiú  billiards
7. 球门 qiú mén  goal
8. 球门 zhōng fēng (lán qiú) center (in basketball)
9. 中锋（篮球） zhōng fēng (lán qiú) center (in basketball)
10. 换人 huàn rèn  substitute
11. 抽签 chōu qiān  draw lots
12. 报分（乒乓球） bào fēn (píng pāng qiú) announce the score (in table tennis)
13. 削球 xiāo qiú  chop (in table tennis)
14. 交换场地 jiāo huàn dì qí  change ends
Gaomi – a Burgeoning City of Domestic Textiles

By YI FAN

SITUATED in the hinterland of Shandong Peninsula on China’s north-east coast, Gaomi was one of the first towns in the area opened by the State Council to foreign investment. Since then Gaomi has boomed, with Gross Regional Product hitting RMB 15.81 billion in 2006, up 19.9 percent over the previous year. Total regional revenue reached RMB 1.38 billion, while investment in fixed assets reached RMB 10.9 billion, up 17.3 percent over the 2005 figure.

First designated a county some 2,200 years ago, present-day Gaomi has a population of 860,000. To its west lies the world’s kite capital, Weifang, and to the east the beautiful seaside city of Qingdao. Gaomi’s location makes it an important traffic hub on the Shandong Peninsula, with Qingdao’s Liuting International Airport and Qianwan Harbor reachable by road in 40 minutes. Alternatively, Qingdao can be reached by rail in less than half an hour. Railways and expressways also link Gaomi with Weifang, Jinan and Rizhao.

Gaomi has a well-established utilities infrastructure (electricity, water and gas), a convenient postal and communications service, an extensive public service, and a green environment. These factors, combined with a temperate climate, make Gaomi an extremely livable city.

Puhui New Year Painting, paper-cut and clay sculpture all feature in the area’s handicrafts tradition. Maoqiang Opera and Puhui New Year Painting were both listed in the first national intangible cultural heritage preservation project.

Although now mainly known for its textile industry, wheat, corn, peanuts, soybeans, fruit and vegetables are all grown in the Gaomi area. Varieties of agricultural industries include grape growing for wine making, beef, chick-
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Focus
Voices
Sci-tech Info
A Stately Tower of Immense Cultural Connotations

The Yueyang Tower (Yueyanglou) stands on the banks of Dongting Lake in Yueyang City, Hunan. It is one of the three towers most admired in southern China. Of the numerous articles and poems it has inspired throughout the dynasties, perhaps best known is the essay by renowned scholar Fan Zhongyan, written to celebrate the tower’s reconstruction in 1046. It was the sentiment expressed within the work, “One should be the first to worry about the future of the state, and last to claim one’s share of happiness,” which carved for the tower its inalienable niche in Chinese history.

Since its recent expansion, the Yueyang Tower Scenic Area covers an area of more than 42 hectares, dotted with many new historic sites and scenic spots.

Watch Tower of Five Dynasties
The subtle refurbishments, carried out during the Tang, Song, Yuan, Ming and Qing dynasties, embody the Yueyang Tower’s most fascinating aspects. They are examples of imperial architecture throughout these five epochs.

Corridor of Inscribed Steles
There have recently been 50 additions to the steles in this 240-meter aisle, which from overhead resembles a key. Inscriptions on the steles are the hitherto unpublished works of respected calligraphers of five dynasties.

Shuanggong (Two Men) Memorial Temple
This Ming-and-Qing style structure is a memorial to the scholar Fan Zhengyan and his friend Tong Zijing, who sponsored the 1046 reconstruction of Yueyang Tower. It houses two exhibitions celebrating the history of the tower and the lives of these two historical figures. Among its exhibits are graphics, writings and documents that demonstrate the tower’s historical, cultural and ideological significance.

Website: www.yueyanglou.com
Tel: 86-730-8135588
Photos by Li Jianping
The Chinese people are rapidly discarding their mental wellbeing of China's development. The halcyon days of liberation in the past decades have dealt with the stress of riding the "China Economy", decently housed, treated decently on their ability to maintain a repetitive social environment.

The people nevertheless approach these phases and joys as well as problems, with realism. This issue's Special Report examines the lives of the contemporary Chinese everyday during China's socio-economic transition.
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<td>HKD</td>
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2008

# Feb 7: Spring Festival  May 1: Labor Day  Oct 1: National Day