Case Number: 2010-1024-F

FOIA MARKER

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	Table of Contents at 30. (1 page)	1999	P1/b(1)
002. paper	China's Options (1 page)	11/01/1997	P1/b(1)
003. paper	Beijing (2 pages)	10/25/1997	P1/b(1)
004. talking points	Environment/Climate Change (3 pages)	1999	P1/b(1)
005. cable	re: Chinese State Power (5 pages)	04/10/1998	P1/b(1)
006. memo	For the Secretary of State from Melinda Kimble. Subject: Climate Change (5 pages)	04/20/1998	P1/b(1)
007. draft	Draft Agenda for Yellen Delegation. [partial] (1 page)	04/27/1998	P6/b(6)
008. resume	Home Address, Phone Numbers. [partial] (1 page)	1999	P6/b(6)

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2010-1024-F
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RR. Document will be reviewed upon request.

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27. SOCIAL SECURITY

Pension Reform in China

"The Reform of Social Welfare in China," Mark Selden, World Development, 1997.

"Employment, Social Security, And Enterprise Reforms in China," Lin Lean Lim.

"Employment and Social Protection Policies in China: Big Reforms and Limited Outcome," Barry Friedman.

"The Past—And Future—of Labor Law in China," James Feinerman.

Charts and Tables

28. INCOME DISTRIBUTION

Inequality in China

Income Distribution Data and Chart

"Income Distribution in Chinese Society," Xiazhun Liu.

29. HOUSING REFORM

China's Housing Sector Reforms

General Information: Housing

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004. talking points	Environment/Climate Change (3 pages)	1999	P1/b(1)

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006. memo	For the Secretary of State from Melinda Kimble. Subject: Climate Change (5 pages)	04/20/1998	P1/b(1)

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CEA/SDPC Dialogue
Briefing Book

China: 1998

Beijing	*Shanghai*	*Hong Kong*
April 30 - May 6	May 6-7	May 7-9

1. SCHEDULE

Schedule for Saturday, April 25 - May 9, 1998

Draft Agenda (Itinerary) for Yellen Delegation to China

Letters of communication with SDPC

Delegation Bios

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007. draft	Draft Agenda for Yellen Delegation. [partial] (1 page)	04/27/1998	P6/b(6)

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Washington, D. C.-Paris, France-Beijing & Shanghai, China-Hong Kong-Washington, D. C.

Saturday, April 25 - May 9, 1998
(See following agenda for details.)

Saturday, April 25, 1998

6:15 p.m. Lv Dulles via UN #914

Sunday, April 26, 1998

7:45 a.m. Ar Paris

Wednesday, April 29, 1998

6:55 p.m. Lv Paris via Air France #128

Thursday, April 30, 1998

10:40 a.m. Ar Beijing

Wednesday, May 6, 1998

8:40 a.m. Lv Beijiing via Air China Int'l #1501

10:35 a.m. Ar Shanghai

Thursday, May 7, 1998

8:50 a.m. Lv Shanghai via China Eastern #501

11:00 a.m. Ar Hong Kong

Saturday, May 9, 1998

12:45 p.m. Lv Hong Kong via UN #2

10:25 a.m. Ar Los Angeles

11:40 a.m. Lv Los Angeles via UN #190

7:32 p.m. Ar Dulles

Draft Agenda for Yellen Delegation to China

April 27, 1998

Delegation:

Dr. Janet Yellen	Council of Economic Advisers	(General/Safety Net Issues)
Dr. Roger Ferguson	Federal Reserve Board	(Monetary Issues/Banking)
Dr. Robert Shapiro	Department of Commerce	(SOE/Public Finance/Trade)
Dr. Jon Haveman	Council of Economic Advisers	(General/Safety Net Issues)
Anthony Markus	Department of the Treasury	(Tax/Fiscal Policy)
Michele Jolin	Council of Economic Advisers	

Consular Contacts:

Beijing:	Scott Rees	Embassy	86-10-6532-3831 x428
			86-10-6532-6422 fax
		Home	P6/(b)(6)
Shanghai:	Bruce Nelson	Embassy	86-21-6433-6880 x300
			86-21-6433-4122 fax
		Home	P6/(b)(6)
Hong Kong:	Brian Goldbeck	Embassy	85-2-2841-2113
			85-2-2526-7382 fax
		Home	P6/(b)(6)

[007]

Wednesday, April 29

Jon Haveman arrives Beijing: 5:45pm
Taxi to hotel: China World Hotel

Hotel: *China World* 1 Jianguomenwai Dajie, 100020
86-10-505-2266 fax:505-3167

Thursday, April 30

Jon Haveman departs for Xi'an, leaves 7:35am
Overnite: Jianguo Hotel

Janet Yellen arrives Beijing: 10:40 am
Car w/ Embassy officer Scott Rees will meet and transport
To hotel: China World Hotel

Monday, May 4

AM: Meetings with SDPC

9:00 Mtg with Vice Minister ???

Lunch: Ambassador or Beijing Economists (not CCER)

Afternoon: mtgs (time to be determined)
Minister: Ministry of Finance
Minister: People's Bank of China
Minister: State Economic and Trade Commission
Premier: Zhu Rongji

Dinner: Hosted by SDPC

Tuesday, May 5

See above list of mtgs

Late afternoon: Roundtable with 10 CCER (Peking University) Academic economists. Possible dinner with same.

Press Briefing in Beijing (FEER, WSJ, etc.)

Friday, May 1

Jon Haveman arrives Beijing: 9:30 am

Yellen/Haveman tour Beijing (walk/taxi)
- Forbidden City
- Temple of Heaven

Anthony Marcus arrives Beijing: 5:45pm
Taxi to hotel: China World Hotel

Saturday, May 2

Yellen/Marcus/Haveman tour Beijing with SDPC provided guide and car

Michele Jolin arrives Beijing: 5:45 pm
Taxi to hotel: China World Hotel

Sunday, May 3

Breakfast with IMF Team (Tentative/Optional)
- Move to dinner if not w/ Ambassador

Yellen/Jolin/Marcus/Haveman to Great Wall at Mu Tian Yu

Robert Shapiro and Roger Furgeson arrive Beijing: 5:45 pm
Car w/ Embassy officer Scott Rees will meet and transport
To hotel: China World Hotel

Possible dinner w/ Ambassador

Wednesday, May 6 (notional schedule)

Delegation departs Beijing for Shanghai: dep 8:40 arr 10:35am
Will be met by Control Officer: Bruce Nelson

11:15 Check-in at Hotel

Hotel: *Portman Ritz-Carlton* 1376 Nanjing Road $138US w/breakfast
86-21-6279-8888 fax: 6279-8887

12:15 Lunch with Academics and Businessmen Hosted by Consul General

2:00 Mtg with PBOC Governor or Vice Governor

3:30 Mtg with Shanghai Stock Exchange President

4:30 Roundtable discussion with expatriate bankers and other financial experts at the U.S. Commercial Center

6:30 Dinner hosted by the Chinese

8:30 Optional Drive to the Bund

Other Possible mtgs
Mayor of Shanghai (Possibly Deputy Mayor)

Thursday, May 7

Delegation departs Shanghai for Hong Kong: dep 8:50 arr 11:00am
Met by Deputy Principal Officer Schlaikjer and Economic Officer Goldbeck.
Proceed to Hotel:

Hotel: *JW Marriot* Pacific Place, 88 Queensway, Central
86-10-2810-8366 fax: 2845-0737

11:45 Briefing with Consul General Boucher and limited country team at the Marriot.

12:30 Luncheon hosted by Acting Financial Secretary and Financial Service Secretary Hui

15:00 Visit to Hong Kong Futures Exchange (same building as HKMA)

15:30 Meeting with Hong Kong Monetary Authority Chief Executive Joseph Yam

16:30 Meeting with Chief Executive C. H. Tung

18:00 Consul General's reception In Honor of Chair Yellen and delegation

19:45 Drinks hosted by the American Chamber of Commerce - Hong Kong

Friday, May 8

Roger Ferguson departs Hong Kong: 9:55 am
Robert Shapiro departs Hong Kong: 10:50 pm

8:00 Breakfast hosted by Hong Kong Forum

9:30 Discussions with senior economic analysts and financial representatives at the Consulate General

Visit toHong Kong Island or trip to outer island, such as Lantau or Lamma islands. Macau side trip possible.

18:00 Dinner Cruise

Saturday, May 9

8:00 Breakfast hosted by Vision 2047

9:30 Economic/financial news services (Far Eastern Economic Review, Asian Wall Street Journal, etc.)

11:30 Yellen/Jolin Depart for airport - Accompanied by Econoff

12:45 Janet Yellen and Michele Jolin depart Hong Kong

Sunday, May 10

Haveman and Marcus depart Hong Kong

1998 CEA/SDPC Dialogue

Beijing, China

Suggested Topics for Discussion

Submitted by CEA

1) Government restructuring and

   a) The changing role of government ministries in the economic policy making process
   b) Implications for growth and development of the changing focus of economic policies

2) The ongoing economic reforms in China

   a) Enterprise reform
   b) Banking reform
   c) Housing reform
   d) Reform of the external sector

3) The development of an independent safety net:

   a) Unemployment Insurance
   b) Social Security/Pension Reform
   c) Health Care

4) The effect of the Asian Crisis on:

   a) The domestic economy
   b) The focus of reform efforts
   c) External sector policy

5) Income distribution

6) Energy and the Environment

Chairman Zeng Peiyan
State Development and Planning Commission
Beijing, China

Dear Chairman Zeng:

I would like to congratulate you on your assuming the position of Chairman of the State Development and Planning Commission. I wish you well as you carry out your new responsibilities during this important time for China's economy.

As you know, the Council of Economic Advisers began an economic dialogue with the SPC two years ago. We have found these meetings to be extremely useful for exchanging ideas on a range of economic issues. Recent financial and economic developments in Asia and the far-reaching economic reforms announced by your government make it even more important for us to continue to meet and exchange views.

To that end, I would like to propose that we hold the third session of our dialogue in Beijing on May 1 and May 4. I would lead the U.S. side and I anticipate that, in addition to my Chief of Staff and a senior CEA economist, several other senior U.S. government officials will participate on our delegation.

I would also like to suggest two topics for this year's dialogue: strategies for managing enterprise reform and related employment and social welfare issues in China and lessons to be learned from the Asian financial crisis. I look forward to hearing your views on these and other topics. During last year's dialogue in Washington, the SPC delegation met with a wide variety of officials and experts from other U.S. government agencies. Because these meetings promote greater understanding of our economies and economic policy making, I would very much hope to also have an opportunity to meet with Chinese officials from different economic ministries and agencies during my visit this year.

I look forward to meeting with you.

Sincerely,

Janet Yellen

中华人民共和国国家计划委员会

THE STATE PLANNING COMMISSION OF THE PEOPLE'S REPUBLIC OF CHINA

38 S. Yuetan Street, Sanlihe, Beijing. China

April 13, 1998

T0: Dr. Jon Haveman
Council of Ecnomic Advisers
Fax: 202-395 6853

You are kindly expected by the State Development Planning Commission of China to visit Beijing on April 30, 1998 for visit. The duration of the visit is 8 days. Please apply for one entry visa at the Chinese Embassy in Washington DC with this fax.

Namelist of the Delegation

Dr.Janet Yellen	Chair	Council of Ecnomic Advisers
Dr.Robert Shapiro	Under secretary	Department of Commerce
Roger Ferguson	Governer	Federal Reserve Bank
Dr.Jon Haveman	Senior Ecnomist	Council of Economic Advisers
Susan Shirk	Deputy Assistant Secretary	State Department
Michele Jolin	Chief of Staff	Council of Economic Advisers
Anthony Marcus	Economist	Treasury Department

Deptment of Foreign Affairs
State Development Planning Commission
China 0102

THE COUNCIL OF ECONOMIC ADVISERS

The Council of Economic Advisers was established by the Employment Act of 1946 to provide the President with objective economic analysis and advice on the development and implementation of a wide range of domestic and international policy issues.

The Chair and Members of the Council

The Chair of the Council is responsible for communicating the Council's views on economic matters directly to the President through personal discussions and written reports. The Chair also represents the Council at Cabinet meetings, meetings of the National Economic Council (NEC), daily White House senior staff meetings, budget team meetings with the President, and other formal and informal meetings with the President, senior White house staff, and other senior government officials. The Chair is the Council's chief public spokesperson. She directs the work of the Council and exercises ultimate responsibility for the work of the professional staff. In addition to the Chair, there are two other members of the Council. The Chair and members work as a team on most economic policy issues.

The Function of the Council

A primary function of the Council is to advise the President on all major macroeconomic issues and developments. The Council prepares for the President, the Vice President, and the Whit House senior staff almost daily memoranda that report key economic data and analyze current economic events. The Council, the Department of the Treasury, and the Office of Management and Budget -- the Administration's economic "troika" -- are responsible for producing the economic forecast that underlies the Administrations's budget proposals. The Council, under the leadership of the Members, initiates the forecasting process twice each year. In preparing these forecasts, the Council consults with a variety of outside sources, including leading private sector forecasters.

The Council is also an active participant in the international economic policy making process through the NEC and the National Security Council, providing both technical and analytical support and policy guidance. The Council has taken an active role in international economic issues, including evaluating and explaining the case for trade liberalization, the Administration's policy approach to Asia's financial crisis, U.S. trade remedy laws, and the agendas of multilateral and regional forums such as the World Trade Organization, the Asia-Pacific Economic Cooperation forum, and the proposed Free Trade Area of the Americas. Because of the growing importance of international economic issues, the Council often represents the United States at international meetings and forums.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

JANET L. YELLEN
CHAIR
COUNCIL OF ECONOMIC ADVISERS

Janet L. Yellen was appointed Chair of the Council of Economic Advisers (CEA) by President Clinton and confirmed on February 13, 1997. Dr. Yellen previously served as a Member of the Board of Governors of the Federal Reserve System. She was appointed to that position by President Clinton in February 1994.

Before becoming a member of the Federal Reserve Board, Dr. Yellen was the Bernard T. Rocca, Jr. Professor of International Business and Trade at the Haas School of Business at the University of California at Berkeley where she taught since 1980. She also served on the Panel of Economic Advisers for the Congressional Budget Office and as senior adviser to the Brookings Panel on Economic Activity.

Dr. Yellen was Assistant Professor at Harvard from 1971-1976. She also served as an economist with the Federal Reserve's Board of Governors from 1977-1978, specializing on issues of international trade and finance, including stabilization of international currency exchange rates.

Dr. Yellen has written on a wide variety of macroeconomic issues, while specializing in the causes, mechanisms and implications of unemployment. She is also a recognized scholar in international economics, recently focusing on the determination of the trade balance, as well as the course of economic reform in Eastern Europe.

Dr. Yellen was born on August 13, 1946, in Brooklyn, New York. She graduated summa cum laude from Brown University with a degree in economics in 1967, and received her Ph.D. in economics from Yale University in 1971.

Dr. Yellen is married to George Akerlof, who is a Professor of Economics at the University of California, Berkeley and Senior Fellow at the Brookings Institution. They have one son, Robert, who is a junior at St. Albans.

Members of the Board of Governors

Members

Alan Greenspan,
Chairman
Alice M. Rivlin,
Vice Chair
Edward W. Kelley, Jr.
Susan M. Phillips
Laurence H. Meyer
Roger W. Ferguson, Jr.
Edward M. Gramlich

Roger W. Ferguson, Jr.

Dr. Ferguson took office on November 5, 1997, as a member of the Board of Governors of the Federal Reserve System to fill an unexpired term ending January 31, 2000.

Dr. Ferguson was born October 28, 1951, in Washington, D.C. He received a B.A. in economics (magna cum laude) in 1973, a J.D. (cum laude) 1979, and a Ph.D. in economics in 1981, all from Harvard University. From 1973 to 1974, Dr. Ferguson was Frank Knox Fellow at Pembroke College, Cambridge University.

Before becoming a member of the Board, Dr. Ferguson was a Partner at McKinsey & Company, Inc., an international management consulting firm. He was based in New York City and he managed a variety of studies for financial institutions from 1984 to 1997. Dr. Ferguson also served as Director of Research and Information Systems, overseeing a staff of 400 research professionals and managing the firm's investments in knowledge management technologies.

From 1981 to 1984, Dr. Ferguson was an attorney at the New York City office of Davis Polk & Wardwell, where he worked with commercial banks, investment banks, and Fortune 500 corporations on syndicated loans, public offerings, mergers and acquisitions, and new product development.

He is an elected member of the Board of Directors of the Harvard Alumni Association and formerly was Treasurer of the Friends of Education, a Trustees' Committee of The Museum of Modern Art, New York City.

Dr. Ferguson is married to Annette L. Nazareth and they have two children.

ROBERT J. SHAPIRO

Robert Shapiro currently serves as the Undersecretary of Commerce for Economic Affairs. From the time of his nomination in November 1997 to his confirmation by the Senate on April 2, 1998, Dr. Shapiro served as Senior Advisor to Secretary of Commerce William Daley.

Prior to joining the Clinton-Gore Administration, Dr. Shapiro was Vice President and co-founder of the Progressive Policy Institute and director of economic studies and co-founder of the Progressive Foundation. In those capacities, Dr. Shapiro published widely on the U.S. economy and economic policy, and played an influential role in debates over tax and budget policy, industry subsidies or "corporate welfare," social security reform, and trade policy.

While Dr. Shapiro was affiliated with the Progressive Policy Institute and the Progressive Foundation, he also was the President of the Committee on Free Trade and Economic Growth, an adviser to members of Congress, and consultant to major U.S. corporations and financial institutions. He also was a contributing editor to *The New Republic*, *International Economy* and IntellectualCapital.com, a trustee or advisory board member to several educational and charitable organizations, and a frequent lecturer at U.S. universities and research institutes.

Dr. Shapiro also was principal economic adviser to then-Governor Bill Clinton in his 1991-1992 presidential campaign and a Senior Adviser in the Clinton-Gore transition. In 1988, he was Deputy National Issues Director and chief of economic policy in the Dukakis-Bentsen presidential campaign.

Previously, Dr. Shapiro was Associate Editor of *U.S. News & World Report.* Prior to that, he served as the Legislative Director, Tax Counsel and Legislative Assistant for Budget Policy to Senator Daniel Patrick Moynihan of New York.

Dr. Shapiro has been a Fellow of Harvard University and of the National Bureau for Economic Research. He holds a Ph.D. and M.A. from Harvard University, an M..Sc. from the London School of Economics and Political Science, and an A.B. from the University of Chicago.

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JON D. HAVEMAN

SENIOR ECONOMIST
COUNCIL OF ECONOMIC ADVISERS

Dr. Haveman has been a senior economist at the Council of Economic Advisers since August of 1997. Prior to his appointment there, he was a professor of international economics at Purdue University. He will serve at the Council until July of 1998, at which point he will return to his permanent position at Purdue.

At Purdue, Dr. Haveman has published academic work on the impact of changing international trade patterns on jobs and workers in the United States. He has also published work on poverty, U.S. trade laws, and the economic effects of reducing U.S. military expenditures.

Dr. Haveman was born on October 8, 1964 in Grinnell, Iowa. He graduated with a degree in economics from the University of Wisconsin at Madison in 1986, and received his Ph.D. in economics from the University of Michigan in Ann Arbor in 1992.

ANTHONY D. MARCUS

Anthony Marcus is an international economist in the U.S. Treasury Department's Office of East Asian Nations, where he focuses on China and Hong Kong. He is responsible for analysis of the two economies and for coordination of economic policy towards them. He also works on various regional issues.

Mr. Marcus previously covered Korea and the Philippines. Before that, he worked in Treasury's Office of Latin American and Caribbean Nations, where his assignments ranged from Brazil to small Caribbean island nations.

Mr. Marcus joined Treasury in 1992 after completing his graduate studies. He has degrees from Columbia, Cambridge and Princeton Universities.

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Michele M. Jolin
P6/(b)(6)

[008]

EDUCATION

J.D., University of Virginia. May 1992
Activities: Appointed Member, University of Virginia Committee on Judicial Policy; Vice President, J.B. Moore Society of International Law; Law Democrats

M.Sc., London School of Economics. June 1989.
Courses: International Trade, International Economics, International Business
Activities: Editorial Board Member, Millennium Journal of International Studies

B.A., University of Wisconsin - Madison. May 1987.
Activities: Intern, Office of Senator William Proxmire; Associate Director of Legislative Affairs, Wisconsin Student Association; Intern, Common Cause

WORK EXPERIENCE

Chief of Staff — May 1995 - present
Council of Economic Advisers

Legislative Assistant — May 1993 - May 1995
Office of U.S. Senator Barbara Boxer
– Advise Senator Boxer on economic issues, including international trade, budget, banking and tax policy; Staff for Senator Boxer on the Senate Banking, Housing and Urban Affairs Committee, the Senate Budget Committee and the Joint Economic Committee.

Associate — Sept. 1992 - May 1993

Patton, Boggs & Blow
– Worked on issues in the areas of international trade, legislation and litigation.

Legal Intern, Office of GATT Affairs — July to December 1990
Office of the U.S. Trade Representative
– Assisted in formulation of U.S. negotiating position for reduction of tariff and nontariff measures in the Uruguay Round of GATT negotiations.

Summer Associate
Patton, Boggs & Blow — May to August 1991
Sonnenschein Nath & Rosenthal — May to July 1990
– Analyzed problems and drafted memoranda involving international trade, environmental and employee benefits issues.

2. GENERAL INFORMATION

Chinese Customs

"The China Hawks," John Judis, The American Prospect, September-October 1997.

History and Culture: Beijing

History About (sic) Hong Kong

Shanghai

China (People's Republic of)

- The Western custom of shaking hands is spreading rapidly and is now probably the customary form of greeting, but often a nod or slight bow is sufficient. Don't be upset, though, if the Chinese do not smile when being introduced; this is rooted more in the Chinese attitude of keeping feelings inside rather than displaying them openly.
- Business cards are often exchanged, and yours should be printed in your own *and* in the Chinese language. Also, it is more respectful to present your card—or a gift or any other article—using *both* hands.

- Hugging and kissing when greeting are *un*common.
- Generally speaking, the Chinese are not a touch-oriented society. This is especially true for visitors. So avoid touching or any prolonged form of body contact.
- Public displays of affection are very rare. On the other hand, you may note people of the same sex walking hand-in-hand, which is simply a gesture of friendship.
- Avoid being physically demonstrative, especially with older or more senior people.
- Posture is important, so don't slouch or put your feet on desks or chairs. Also, avoid using your feet to gesture or move articles around.
- Personal space is much less in China. This means when conversing, the Chinese will stand much closer than Westerners. This often results in Westerners moving backward, with the Chinese following along in something of an unintended *pas de deux*.
- The Chinese are enthusiastic applauders, so don't be surprised if you are greeted with group clapping, even by small children. When a person is applauded in this fashion it is the custom for that person to return the applause.

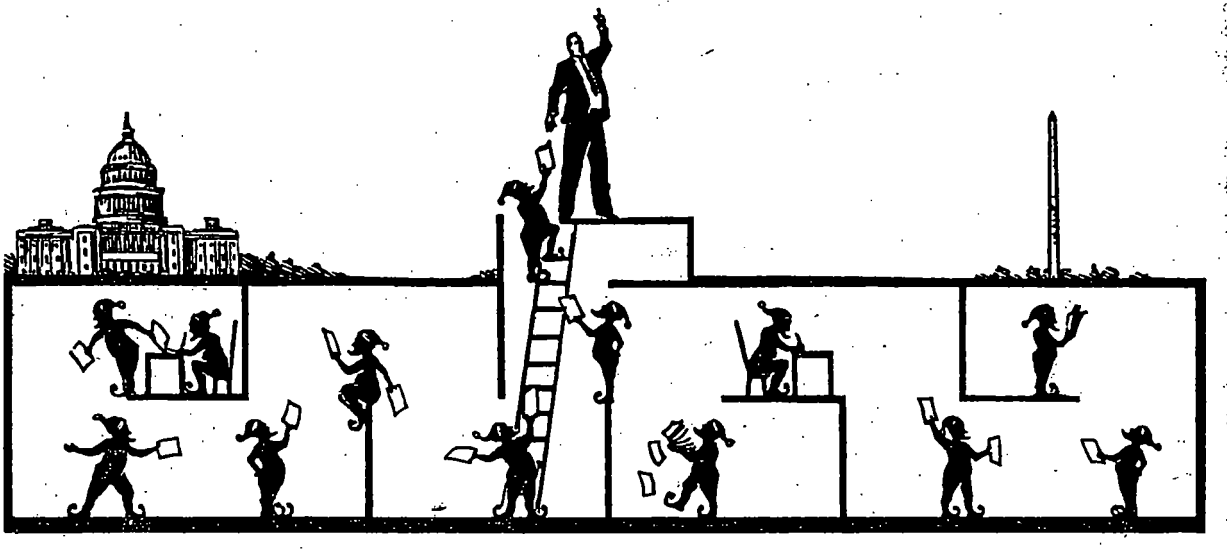
- A distinctive Chinese (and Japanese) action is to suck air in quickly and audibly through the lips and teeth. This is a common reaction when something surprising or difficult is proposed or requested. If this reaction is given, it would be best to modify your request rather than risk having your Chinese counterpart face the highly embarrassing (for them) situation of having to say "no."
- When walking in public places, direct eye contact and staring is not common in the larger cities, especially in those areas accustomed to foreign visitors. However, in smaller communities, visitors may be the subject of much curiosity and therefore you may notice some stares, especially if you are blond or red-headed.
- Silence can be a virtue in China, so don't be dismayed if there are periods of silence in your dinner or business conversations. It is a sign of politeness and of contemplation. During conversations, be especially careful about interrupting.
- Don't begin eating until the host picks up his or her chopsticks.
- It is the Chinese way to decline gifts or other offerings two or even three times, even when they want to accept, as a matter of etiquette.
- Seating arrangements are important, whether at business meetings or while dining. At meetings, the chief guest is always seated at the "head of the room," facing the door; the host with his or her back to the door. While dining, the guest sits to the left of the host.
- Before taking any photographs of local people, ask their permission.
- If you wish to smoke, offer your cigarettes to those around you. Chinese women rarely smoke, however. If you object to others smoking in your presence, this may pose a difficult situation since segregated smoking areas are uncommon in China. If this is extremely important to you, one gambit is to explain to your host that you are allergic to cigarette smoke.
- The open hand is used for pointing (*not* one finger).
- To beckon someone, the palm faces downward and the fingers are moved in a scratching motion.
- On public streets, spitting and blowing the nose without the benefit of a handkerchief is fairly common, although the government is waging a campaign to reduce this. It is regarded as ridding the body of a waste and is therefore considered an act of personal hygiene.

- Dining revolves around the use of chopsticks. Just watch your host for tips and techniques. Here are some finer points:
  - —With wooden chopsticks, you may see the Chinese first rub them together before eating. This is merely a way of removing any possible splinters. But, if you are a guest, it is impolite to do this because it suggests you have been given cheap, rough chopsticks.
  - —Even though there will be communal dishes of food, don't take your portions with the ends of the chopsticks you have put in your mouth. Either your host will place food on your plate, or a separate pair of "serving" chopsticks will be near the serving dish.
  - —Don't stick your chopsticks upright in your rice. Among some Chinese this is a superstitious act that could bring bad luck. In some areas placing chopsticks in rice in this fashion is done as an offering to the dead.
  - —Don't worry if you drop a chopstick on the floor. Some Chinese believe this means you will get an invitation to dinner.
  - —Don't suck on your chopsticks.
  - —To eat large pieces of food (when a knife is not available for cutting), it is perfectly acceptable to lift the morsel to your mouth with the chopsticks and bite off a piece.
  - —When you are finished eating, place your chopsticks in parallel across your dish or bowl.
- The Chinese will hold bowls of food directly under their lower lip and use the chopsticks to push the food into their mouths. When eating long, slippery noodles it is perfectly acceptable to place one end in your mouth and slurp or suck up the remainder.
- Refusing food may be considered impolite. If you don't wish to eat it, just poke it around and move it to the side of your dish.
- Bones are often placed directly on the table alongside your dish.
- Toothpicks are commonly available and used during and after a Chinese meal. Just be certain to cover your mouth with the other hand while poking and picking.
- Offering toasts is common in China and is a relatively simple and uninvolved act: just raise your glass, look at your host and those around him, nod, and drink. You may also say *Kan-pie,* which means "bottoms up," and some Chinese will actually invert the glass "bottom up" to show they have finished the whole drink.

- Don't worry about a bit of pushing and shoving in stores or when groups board public buses or trains. Apologies are neither offered or expected.
- Most of the more popular gestures discussed in Chapter 2 will be familiar to the Chinese. However, many Chinese will not recognize the "O.K." sign; instead, the "thumbs up" signal is known and means "Everything is O.K." When beckoning, the curling inward of the index finger is not used in China.

JOHN B. JUDIS

The China Hawks



Since the end of the Cold War, the main challenge to those who favor a "constructive engagement" with China has come from human rights advocates and labor leaders. But in the last year, a new opposition voice has been heard, arguing for a return to the containment strategy used against the Soviet Union. This new strategy has very little support at the Brookings Institution or the Council on Foreign Relations, but it is well represented in the *Weekly Standard*, *Commentary*, and the *New Republic*, and in the columns of **George Will**, **William Safire**, and **A.M. Rosenthal**. Some of the loudest voices are former Cold War conservatives who were exiled from inner policy circles in the last revisionist years of the Reagan administration. These include **Michael Ledeen** (who helped broker the first arms-for-hostages deal with Iran), **Frank Gaffney** (who was deputy to Defense Department official Richard Perle), and **Robert Kagan** (former aide to State Department official Elliot Abrams).

These advocates of containment have drowned out other critics of constructive engagement. When the Senate Foreign Relations Committee met last May to consider granting most-favored-nation status to China, the committee invited Kagan rather than a representative from the AFL-CIO or Human Rights Watch/Asia to present the dissenting view. That's unfortunate—not because Kagan is inarticulate, but because the alternative he espouses is not preferable to constructive engagement. If actually adopted, it could spell disaster for the United States and China.

The advocates of containment see China as the latest in a series of twentieth-century "revisionist" powers—from Germany to Japan to the Soviet Union—threatening to impose its will upon the world. Conflict between the United States and China, containment advocates argue, is inevitable. "The Chinese leadership views the world today in much the same way Kaiser Wilhelm II did a century ago," Kagan told the Foreign Relations Committee. "So long as China remains a ruthless Communist dictatorship . . . the inevitability of conflict must inform all our thinking and planning," wrote Ledeen in the *Standard*.

Thus advocates of containment want to deny China most-favored-nation status not in order to

win specific concessions, but rather as part of a long-term strategy for, as George Will puts it, "the subversion of the Chinese regime." Withholding economic and military ties from China and creating NATO-like alliances to block China's expansion, this logic goes, will eventually force the country to abandon communism for democracy. "As was the case earlier in this century for Germany, for Japan, and for Russia, the only enduring solution to the threat posed by China is a change in the regime, in the direction of political democracy," writes Harvard professor Arthur Waldron in *Commentary*.

This position is based upon a failure to understand how China is different from previous "revisionist" powers and how the world itself has changed since 1945. In the first decades of the twentieth century, Wilhelmine and Nazi Germany, Czarist Russia, Britain, and Japan were each imperial powers seeking through war to alter the distribution of colonized nations. China was a victim of this imperialism. Hong Kong, for instance, was seized by the British during the Opium War, and Taiwan was taken by the Japanese in 1895. China's desire to reclaim Hong Kong, Taiwan, or the Ryukyu Islands cannot be identified with Germany's seizure of Poland or, later, the Soviet Union's domination of Eastern Europe.

Of course, China also has an imperial past, but its ambitions were confined to adjoining lands. The Chinese, like nineteenth-century Americans, regarded themselves as the citizens of a superior civilization that other countries should emulate. Except during Lin Biao's ascendancy during the Cultural Revolution, the Chinese, unlike the Soviets, did not adopt a messianic, millenarian view of themselves as leaders of world communism. And China's current communism is free of any universal pretensions. If China has an ambition, it is to restore its pre-imperial status as the great power of Asia. While this ambition may lead to conflicts with other Asian nations and with the United States, it should not be equated with the Soviet Union's or Nazi Germany's drive for world domination.

Indeed, even if China had such ambitions, the country is incapable of exerting protracted military force power beyond the Asian continent. Its military consists primarily of poorly equipped land forces. It does not really have a navy. It does have nuclear weapons, but a recent Pentagon study describes China's air force as "obsolescent" and "incapable of mounting any effective largescale and sustained air operations." China's economic power is also wildly overrated. While its coastal towns and cities have enjoyed a boom, much of the country in the west and north lacks the infrastructure and level of education even for industrialization. Much of China is very backward and poor. Its national government runs at a huge deficit, and many of its state-owned enterprises would not survive the rigors of market competition.

China can still cause enormous military problems in Asia—for instance, in disputes with Southeast Asian countries over the potentially oil-rich Spratly Islands—but that doesn't call for the kind of containment strategy the United States adopted toward the Soviet Union. Instead, it requires a regional strategy aimed at discouraging China from military adventures—the kind of limited strategy that **Walter Lippmann** proposed for the Soviet Union in 1947, but that **George Kennan, Dean Acheson,** and the advocates of containment adamantly opposed.

China can still cause enormous military problems in Asia, but that doesn't call for the kind of containment strategy the United States adopted toward the Soviet Union.

A limited strategy would include a U.S. naval presence and might involve Japan in a more active military role; most important, however, it would encompass the kind of positive incentives favored by proponents of constructive engagement. These include the acknowledgment of China's legitimate territorial aims in Hong Kong, Taiwan, and the Ryukyu Islands and the invitation to China to play a significant role in regional and international organizations. This kind of nuanced approach is completely inconsistent with a strategy aimed at isolating, encircling, and subverting China.

The current containment strategy is also based on an outmoded model of world affairs. What would it mean, after all, for China today to follow the example of Wilhelmine Germany? For several thousand years, nations identified wealth and power with the acquisition of resource-rich colonies. Both world wars were precipitated by struggles to redivide the world's colonies. The Cold War itself was fought over control of Eastern Europe, Asia, the Near East, and Latin America. But the Cold War's end has concluded a process of change toward what political scientist Richard Sklar calls a new "postimperial" world. Countries can still go to war over access to raw materials—witness the Gulf War—but in this new world order, great economic powers no longer identify wealth and power with colonial possessions, but with the command of technology and finance; and former colonies no longer see foreign investment as an instrument of imperialism, but as the means of improving their own standard of living. A nation seeking power would not envisage occupying its neighbors but would strive to make them dependent upon its own banks and factories.

Because of its own experience of colonialism and communism, China's entrance into this new postimperial world has been delayed. China's attention is still directed at regaining its possessions—its principal arms race is not with the United States but with Taiwan. And some of China's aging leaders still speak the language of either Marxism-Leninism or older imperialism. But their words should be compared against what China has done since 1978, when Deng Xiaoping, borrowing a term from American Secretary of State John Hay, inaugurated an "open door" for foreign investment.

The United States should make sure that China continues its transition into this new postimperial order. There are two principal obstacles. One is China's political and military relations with its neighbors. The other, which neither the proponents of constructive engagement or of containment sufficiently acknowledge, is China's economic relationship with the rest of world capitalism, including the United States. While China is by no means an economic superpower, it is the world's largest repository of low-wage manufacturing labor. China's workers' wages are one-tenth those of Hong Kong, and with a huge reserve of unemployed workers, and the army and party preventing the formation of unions, wages will remain among the world's lowest for decades to come. Combine that with a mercantile strategy designed to block imports and force foreign investors to produce only for export, and you have a recipe for global economic disruption.

If China were allowed into the World Trade Organization (WTO) as a developing nation, it could fend off complaints against its trade barriers and absence of labor rights. In that position, it would threaten the standard of living of workers around the globe, and could eventually wreck the organization itself, as countries found themselves unable to use its tribunal to remove trade barriers. The United States, which has become China's market of last resort, needs to use the WTO negotiations to force dramatic changes in China's trade practices. The United States also needs to persuade other countries—Japan in particular—to help absorb China's exports. Without an outlet for their exports, China and other less advanced Asian countries might one day find themselves at sword's point. But, to date, the Clinton administration's economic policy toward China has been driven by multinational corporations and banks that see China as an outlet for investment and by proponents of constructive engagement who want to barter economic concessions for geopolitical ones.

The advocates of containment don't present an alternative to this glaring weakness of constructive engagement. Instead, they denigrate what the *New Republic* has called "economic considerations" in favor of "strategic considerations and moral considerations," as if economics were simply a matter of cost and profit and not the welfare of human beings, and as if economic security were not central to the stability of the region. The current prominence of the containment strategy skews the debate over China; it diverts policymakers from considering real dangers in order to refute imagined ones; it puts American foreign policy back onto the frozen terrain of the Cold War, where questions about trade were subordinated to the threat of war. If we want to figure out what to do about China, it will not be through conjuring up ghosts of Wilhelmine Germany or Stalin's Russia, but through filling in the dim outlines of an unfamiliar post-Cold War, postimperial future.❑

HISTORY & CULTURE

The well-worn image of Chairman Mao, standing on The Gate of Heavenly Peace (Tiananmen), the gate to the Imperial City, proclaiming the founding of the People's Republic of China is symbolic of Beijing's importance as the capital of this vast country. But the city's rise has been violent and uncertain. Only after many cycles of destruction and reconstruction has the garrison town become the political and cultural centre of the Middle Kingdom.

Mao Zedong's historic address

Frontier Days

The discovery of the Peking Man in 1929 proves that settlements of some kind existed here up to 500,000 years ago. In recorded history, however, Beijing goes back to about 1000BC, when it was a trading town called Jicheng (City of Reeds). Because of its strategic location on the edge of the agrarian plains to the south and the steppes to the north, it became a garrison town, changing hands repeatedly as kingdoms in the north fought their turf wars.

Qin Shi Huangdi, the first emperor of the Qin dynasty, unified China in 221BC, making Beijing part of one of the world's largest empires of the day. This same ruler later became obsessed with protecting China's northern frontier, by connecting walls built by previous kingdoms to form the Great Wall. The grandiose project was continued by successive rulers, but the city was still often overrun and ruled by northern tribes. It was, in fact, these 'barbarian' conquerors from the north, the Mongol rulers of the Yuan dynasty, who first turned Beijing into a capital for a Chinese dynasty. From the early 15th century on, the Ming and Qing dynasties lived in Beijing's Imperial Palace, commonly known as the Forbidden City.

Mongol Conquest and Rule (1276–1368)

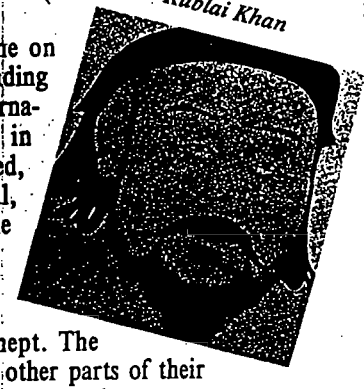
When Genghis Khan's armies swept across the northern plains and stormed Beijing in 1215, the month-long invasion was the most brutal suffered by the area. The court's treasures were looted and the city razed to the ground. But from these ashes rose one of the world's greatest capitals.

By 1279, Genghis Khan's grandson, Kublai Khan ruled not only all of China, but over much of the Eurasian continental mass, from Annam (Vietnam) to the Baltic Sea. But, like other foreign rulers before and after him, he was as much conquered by China as it was by him. He built his capital at the present site of Beijing and named it *Dadu* (Great Capital), though it is better known by its Mongolian name, *Khan Balik* (City of Khan).

Kublai Khan was charmed by Buddhism and interested in China's advanced astronomy and farming methods. For lack of educated Mongol officials, his administrators were mostly Chinese and his capital, a copy of traditional Chinese cities.

This was the city that impressed Marco Polo, who for 17 years served at the court of the Khan. The Italian merchant, fresh from medieval Europe, noted that *Dadu* was laid out with the precision of a chessboard, with broad, straight streets lined with fine courtyard homes and inns. There were hostels in the suburbs for merchants from all over the known world, amply served by some 20,000 prostitutes. In the city centre, where Beihai is today, stood the Great Khan's palace, surrounded by a 6.5-km (4-mile) long wall.

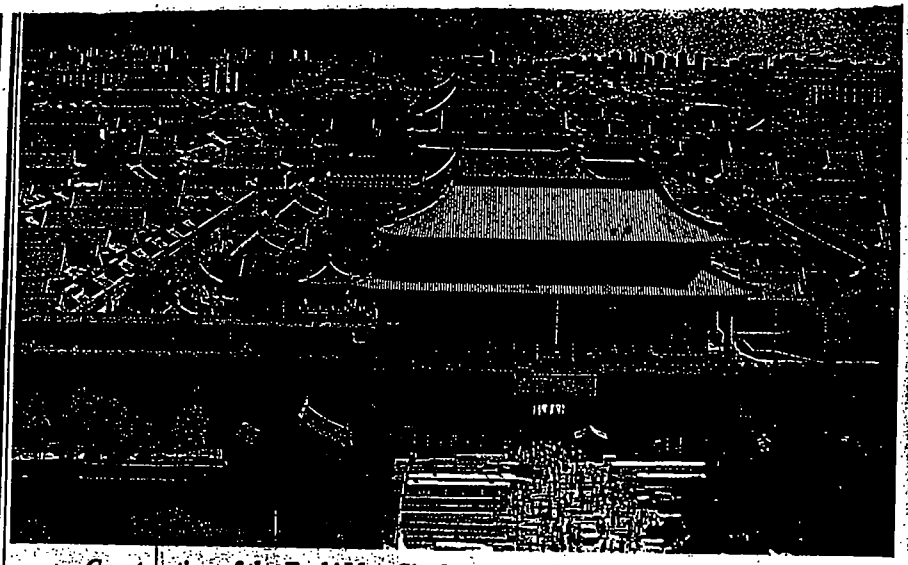
Kublai Khan



Under the Mongols, much work was done on building and improving roads and canals, leading to an increase in trade, both regional and international. By the end of Kublai Khan's reign in 1293, the Tonghua Canal had been completed, connecting the capital with the Great Canal, and there were approximately 500,000 people living in the city.

Like their counterparts in previous dynasties, the later generations of officials and civil servants became increasingly corrupt and inept. The Mongols exported much of China's wealth to other parts of their kingdom and starvation was widespread. What's more, heavy taxes were levied on all citizens except those of Mongol descent. No longer faced with a shortage of educated personnel, the Mongol rulers further alienated the Chinese by excluding them from government posts, choosing Mongols and foreigners instead. The Chinese had become lower class citizens in their own country, behind the Mongols and their central Asian allies. Thus, while the ruling class and foreigners prospered, the Chinese peasants remained appallingly poor.

A peasant uprising in 1368 overthrew Kublai Khan's descendants easily, ending Mongolian rule in China.



Construction of the Forbidden City began under Emperor Yongle

The Ming Dynasty

With the founding of the Ming Dynasty (1368–1644), the Chinese were again masters of a unified China. Logically enough, the new rulers moved their capital to Nanjing, in the heart of a rich agricultural region near the mouth of the Yangtze River. With an eye to expanding China's northern territory, Emperor Yongle later moved the capital back north, calling it Beijing (Northern Capital).

Emperor Yongle's reign (1403–25), at the beginning of the Ming Dynasty, was Imperial Beijing's cultural pinnacle, particularly in terms of architecture. The Forbidden City that now stands, with its sweeping yellow tiled roofs, was constructed under Yongle and has remained symbolic of Beijing's pre-eminence ever since. Tiananmen (Gate of Heavenly Peace), now adorned with Mao's smiling portrait, is a legacy of that period. So is the city's most striking structure, the Temple of Heaven, where the emperor communed with the gods twice yearly. Yongle also rebuilt Kublai Khan's city walls around the imperial city and added another rectangle encompassing the Temple of Heaven in the south.

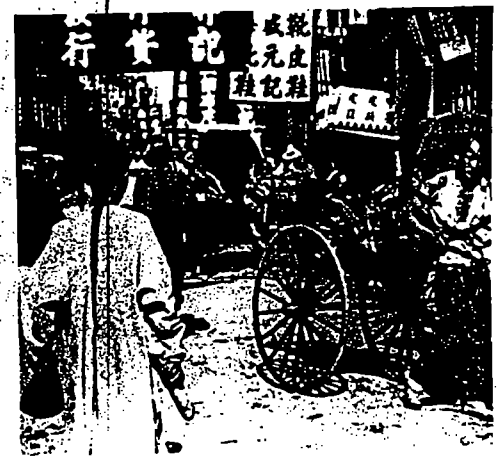
Soon after Yongle's death, however, China closed itself to the outside world and forbade its people to emigrate or explore foreign lands. Foreigners were, by and large, despised for their barbarian ways. So, too, the Chinese rejected Western science, which had just begun to revolutionize the outside world. This paranoia and insecurity led to a retardation of China's growth in areas such as astronomy and navigation, where it had once been a frontrunner.

Each successive emperor also became increasingly caught up in palace ceremony and isolated from the world outside. Palace eunuchs became corrupt and powerful, siphoning riches from the palace and forcing heavy taxes on the poor. They controlled information to the emperor so that news of peasant rebellions d[illegible] always reach him. Not surprisingly, a peasant rebellion eas[illegible] pled the Ming dynasty in 1644 and paved the way for the Manchus' invasion 43 days later. But the drive for expansion that began with Yongle carried into the Manchu's Qing dynasty, and became the main focus of their 267-year reign.

The Qing Dynasty

Unlike the invaders before them, the Manchus who founded the Qing dynasty (1644–1911) did not destroy the city they occupied. Prolific builders and renovators, the Qing rulers built lavish palaces for themselves, mixing the styles of past dynasties, often with gaudy results. Under their care, many of the 800 or so pavilions, palaces and temples built by the Ming were kept in fair condition at the turn of the 20th century. Today, most of the relics in Beijing date to the 600 years of Ming and Qing rule.

The Qing dynasty emperors tried to grapple with the problems that had toppled the Ming. They preserved the Chinese examination system for choosing officials, slashed the number of eunuchs to minimize court intrigue and tried to reform the tax system. By far the most colourful character was Qianlong (1736–99), the longest reigning Chinese emperor. Qianlong was a despot who ruthlessly suppressed intellectuals whom he suspected of disloyalty. But he was also a lover of the arts and responsible for some of the more flamboyant architectural details in the city. Under his rule, Chinese territory expanded dramatically northwards and westwards. By the end of the 1800s, Beijing ruled over four times as much territory as it had during the Ming dynasty.



Old Beijing

The Fall

While China expanded in the 1700s, Western colonial powers and foreign trade were changing the face of the globe. Beijing became increasingly suspicious of the outside world. Foreign trade was limited to Canton and frustrated by complex regulations. The British, who were keen to acquire better access to the Chinese market, in 1793 sent a high level delegation aboard a man-of-war loaded with expensive gifts and state-of-the-art technology to the Chinese port of Tianjin. But Emperor Qianlong quickly rebuffed the British with an edict to King George III, stating that China did not need to trade with Britain because she 'already possessed everything a civilized people could ever want'. Britain's request to set up a consulate in Beijing was also rejected.

Puyi, last emperor of China

But Britain had a growing [illegible]ficit with China and would not take no for an answer. Backed by military force, foreign traders pressed shipments of opium on the Chinese market to offset their growing trade deficit. The First Opium War of 1840 forced the palace to allow foreign governments extra-territoriality in an area just outside the palace gates. By the end of the Second Opium War in 1860, the Qing emperor had fled to Chengde while Western troops destroyed a large swathe of the city, including the old Summer Palace. The rulers' impotence infuriated the Chinese. Secret societies sprang up and small-scale rebellions became common.

In the final days of the Qing Dynasty, the palace was a fortress against the reality of China's decay and became the stage where the last court tragedy was acted out. The emperor's favourite concubine, Cixi, rose to eminence after a power struggle in the palace in 1861. Empress Cixi dominated and terrorized the court, but she could not hold the crumbling kingdom together. In 1900, a secret society called the Boxers laid siege to the foreign legation quarter for 50 days and Cixi was forced to flee. Before her death in 1908, she installed three-year-old Puyi on the throne. His story is told in the 1988 movie, *The Last Emperor*.

The Republican Era

In 1911, a revolution led by Dr Sun Yat-sen attempted to launch China into the modern world. It ended imperial rule, but the age-old problems of feuding warlords, poverty and factionalism continued for another 30 years.

At the end of World War I, Western powers continued to carve up China for themselves. The Versailles Treaty ceded Chinese territory to the Japanese, humiliating China. The reaction to this marked a turning point in the Chinese people's psyche: students and intellectuals around the country took to the streets in a revolution that came to be known as the May Fourth Movement of 1919, demanding independence and territorial integrity.

In 1927, the Nationalist Party (Kuomingtang) tried to unify China again by force. On 10 October 1928, it formally founded the Republic of China with its capital in Nanjing. In the countryside, the Chinese Communist Party (CCP), founded in Shangh[illegible] and led by a young Mao Zedong, waged a guerrilla war against the new government. But the Japanese occupation of China soon forced the Nationalists and the Communists to form an uneasy alliance. This only lasted until the end of World War II. In the bitter civil war that followed, the Communists had the final word.

Communist China

In true imperial style, Mao Zedong declared the founding of the People's Republic of China (PRC) from the reviewing stand of Tiananmen, restoring Beijing as the capital in 1949. The new regime took to their task with the zeal of a mop-up task force. They redistributed land to the peasants (killing many in the former ruling classes in the process) and undertook massive industrialization projects. In Beijing, slums were razed, new Soviet-style factories and buildings built, streets widened and transportation improved. New universities were also built. In 1957, most of the city walls were demolished as were hundreds of temples and historical sites. Twelve thousand 'volunteers' worked at breakneck speed to complete Tiananmen Square and the gargantuan buildings surrounding it in time for the PRC's 10th anniversary.

But the euphoria was followed by a series of political campaigns which left deep scars on the whole nation. The anti-Rightist movement of 1957 targeted intellectuals, capitalists and other 'class enemies'. Hot on its heels was the Great Leap Forward (1958–60), a disastrous attempt to modernize the country overnight.

The most devastating mass movement was the Cultural Revolution (1966–76) during which millions of young Chinese were encouraged to wage war on feudal and bourgeois culture. The truth, which became clear after Mao's death in 1976, was a disgraceful reminder of dynastic rule: the Gang of Four, headed by Mao's wife were using the movement to gain power as Mao's health declined. The 'class war', which lasted for a decade, left thousands of historical relics defaced or destroyed and caused appalling loss of life and near economic collapse. The death of Premier Zhou Enlai (regarded as a moderating force in the government) in January 1976 sparked mass mourning in Beijing, which turned into an anguished outcry for change.

Red Guards waving Mao's Red Book of quotations

Reform Years

Since Mao's death in September 1976 and the disgrace of the Gang of Four, Beijing has been struggling to modernize and lead the rest of China along the path of progress. Ideology has gradually been discarded for economic reform under Deng Xiaoping's leadership since 1978. Chinese people today have more contact with the outside world. The rigid state bureaucracy is also giving way to a more freewheeling society.

But these new policies involve a balancing act, and nowhere has it been clearer than in Beijing: in 1979, the Democracy Wall Movement brought millions onto the streets, calling for greater political freedom. In 1986, a democratic movement in the central Chinese city of Hefei soon sparked off protests in Beijing and Shanghai. Both events, led by students and intellectuals, were followed by repression of the press, arts and political reformers. In 1989, millions of students and workers marched to Tiananmen Square to appeal for political reform. When the military moved in to quell the demonstrators on 4 June, a pall of silence fell over the city.

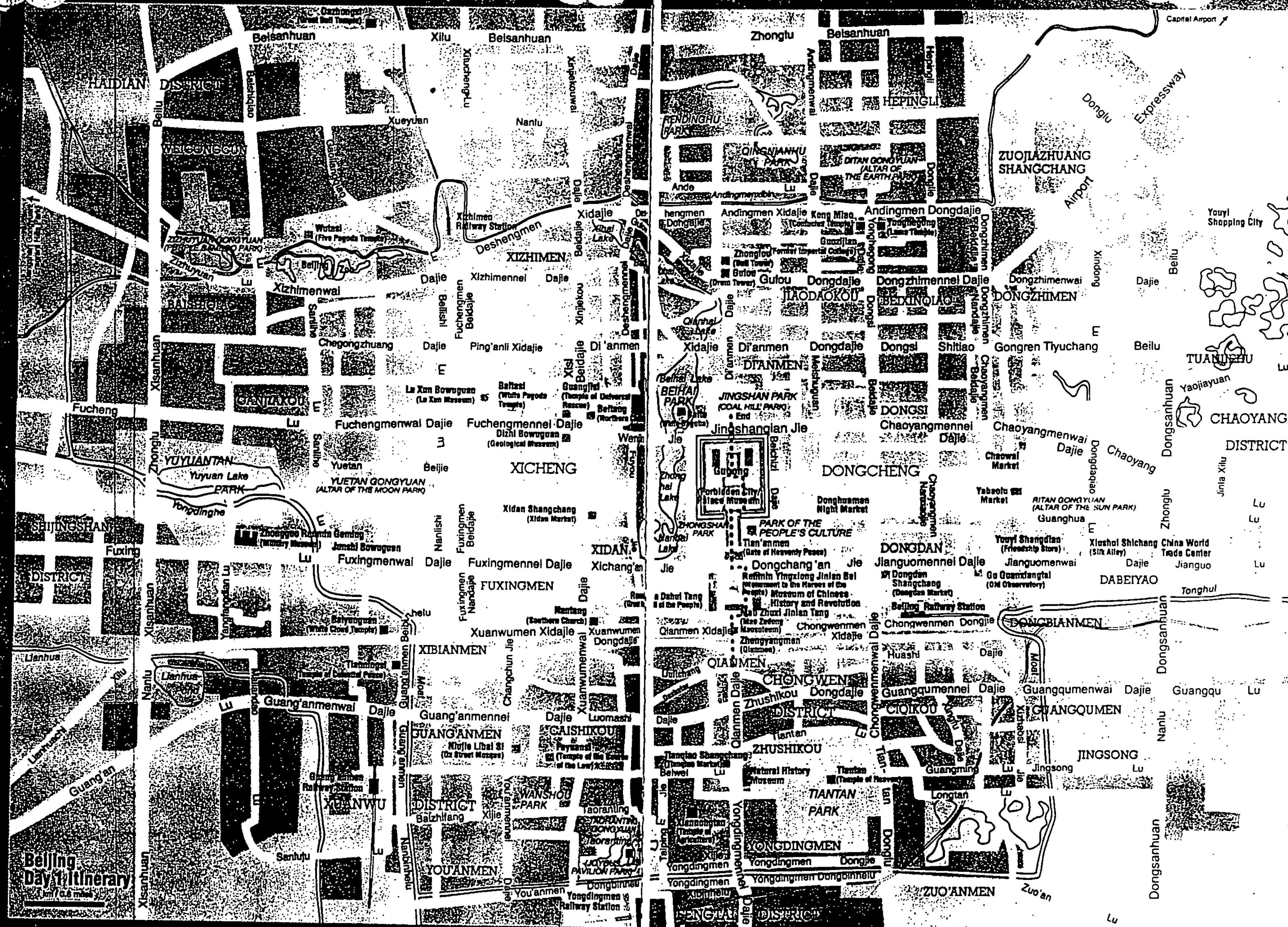
While martial law troops lined the Avenue of Eternal Peace, Beijing's future seemed bleak. Political reform was not in the offing and economic reform seemed threatened. But after some political jockeying, senior leader Deng Xiaoping made a highly publicized tour to the booming southern provinces in 1992 where his reforms had taken hold. Deng's brainchild – the socialist market economy – became the core of party and government policy by March 1993. Deng's logic was simple: if people became rich, the rest would take care of itself.

New Beijing

Perhaps no place in China has changed more dramatically in the 1990s than Beijing. Every day, more people abandon government jobs for the cellular phones of entrepreneurship. McDonald's and mtv have made their entry. Accounting is replacing Marxist studies in universities and the arts are emerging. Frenzied construction of new roads, hotels and shopping centres is underway, and temples and towers are being renovated. There is a sense of expectation that Beijing will become the nucleus of a powerful empire. For the traveller, there is no time like the present to see the city at the crossroads between the past and the future.

Historical Highlights

1030–221BC The city of Ji develops at the site of Beijing.
221–207BC Qin Shi Huangdi unifies China and begins building the Great Wall.
200BC–AD1200 Beijing becomes a strategic garrison town between warring kingdoms.
1215 Mongol [illegible] Genghis Khan overruns Beijing.
1260 Kublai Khan founds the Mongol (Yuan) dynasty.
1271 Kublai Khan establishes the capital of [illegible] at Beijing. [illegible] Marco Polo [illegible] China and [illegible] at the court of the Khan for 17 years.
1368–1644 The Ming dynasty.
1400s Forbidden City and most of the adjoining Great Wall built.
1644–1911 Manchu or Qing dynasty is established.
1839–42 First Opium War forces open five Chinese ports.
1860 The Second Opium War.
1861–1908 Cixi rises to power.
1900 Boxer Uprising lays siege to the Foreign Legation Quarter.
1911 Revolution headed by Sun Yat-sen ends dynastic rule.
1919 May 4th Movement for democracy and sovereignty is sparked off by the Versailles Treaty.
1921 China's Communist Party is founded in Shanghai.
1928 Republican government establishes its capital in Nanjing.
1935 Communists embark on the Long March to escape from Nationalist forces.
1937 The Marco Polo Bridge Incident sets off a full-scale invasion by the Japanese, who occupy China until the end of World War II.
1949 Mao Zedong declares the founding of the People's Republic of China. Beijing becomes the capital.
1957–59 Tiananmen Square and surrounding monoliths are built. Most of the city wall is demolished.
1957 The Hundred Flowers Movement launched by Mao urges intellectual expression.
1957 The Anti-Rightist Movement singles out at least 300,000 intellectuals for criticism, punishment or imprisonment.
1958 Mao launches the Great Leap Forward.
1959–62 Famine claims the lives of 20 million people.
1960 Beijing and Moscow split over ideology, followed by two decades of Cold War.
1966–76 Cultural Revolution. Widespread persecution, chaos and near economic collapse occurs.
1972 US President Richard Nixon visits Beijing, marking the first official contact between the US and the PRC.
1976 Deaths of Premier Zhou Enlai and Chairman Mao Zedong. The Gang of Four tries to seize power but is later arrested.
1978 Deng Xiaoping launches economic reforms.
1979 Democracy Wall Movement is quashed.
1980 Gang of Four is tried on nationwide television. Economic and political reforms are effected.
1989 Soviet President Mikhail Gorbachev visits Beijing.
1989 Democracy Movement is crushed by China's military.
1990 Beijing hosts the 11th Asian Games, marking its return to the international community.
1992 Deng Xiaoping tours southern cities. Japanese Emperor Akihito visits China. The first McDonald's opens near Tiananmen Square.
1993 China's Parliament officially endorses market economy.
1994 Structural reforms of financial, currency and taxation systems mark dramatic push towards market economy.
1995 Beijing hosts the United Nations' Fourth World Conference on Women.


Beijing
Day 1 Itinerary
Capital Airport
Beisanhuan
Xilu
Zhongtu
HAIDIAN DISTRICT
Xueyuan
Nanlu
HEPINGLI
Dongtu Expressway
ZUOJIAZHUANG
SHANGCHANG
Airport
Andingmen Xidajie
Andingmen Dongdajie
Youyi Shopping City
Deshengmen
Xidajie
XIZHIMEN
Xizhimennei Dajie
Xizhimenwai
Dajie
Gulou
Dongdajie
JIAODAOKOU
Dongzhimennei Dajie
DONGZHIMEN
Dongzhimenwai
Dajie
Beilu
Di'anmen
DI'ANMEN
Dongsi
Shitiao
Gongren Tiyuchang
TUANJIEHU
Chegongzhuang
Ping'anli Xidajie
JINGSHAN PARK
BEIHAI PARK
Yaojiayuan
CHAOYANG
DISTRICT
Fucheng
Lu
Fuchengmenwai Dajie
Fuchengmennei Dajie
DONGSI
Chaoyangmennei
Chaoyangmenwai
Chaoyang
XICHENG
DONGCHENG
Yuetan
YUETAN GONGYUAN
(ALTAR OF THE MOON PARK)
Yuyuan Lake
PARK
Yongdinghe
Gugong
Forbidden City
Palace Museum
Donghuamen Night Market
RITAN GONGYUAN
(ALTAR OF THE SUN PARK)
Guanghua
SHIJINGSHAN
Fuxing
DISTRICT
Xidan Shangchang
(Xidan Market)
XIDAN
PARK OF THE PEOPLE'S CULTURE
ZHONGSHAN PARK
DONGDAN
China World Trade Center
Fuxingmenwai Dajie
Fuxingmennei Dajie
Dongchang'an Jie
Jianguomennei Dajie
Jianguomenwai Dajie
Jianguo
FUXINGMEN
DABEIYAO
Tonghui
Xuanwumen Xidajie
Chongwenmen Dongjie
DONGBIANMEN
XIBIANMEN
QIANMEN
CHONGWEN DISTRICT
Guangqumenwai Dajie
Guangqu
GUANGQUMEN
Lianhua
Guang'anmenwai Dajie
Guang'anmennei Dajie
Luomashi
CAISHIKOU
ZHUSHIKOU
CIQIKOU
JINGSONG
GUANG'ANMEN
Guang'an
XUANWU
DISTRICT
WANSHOU PARK
TIANTAN PARK
Baizhifang
Sanlulu
YONGDINGMEN
Yongdingmen
Dongjie
YOU'ANMEN
You'anmen
ZUO'ANMEN
Zuo'an
Dongsanhuan
FENGTAI DISTRICT
Xisanhuan
Nanlu

History About Hong Kong

Hong Kong's English name is derived from two Chinese characters, Heung and Gong, usually translated as "Fragrant Harbour". Originally it was only the name of a small settlement near Aberdeen, the main fishing and entrepot port on pre-colonial Hong Kong Island. Some historians suggest that Hong Kong's Chinese name was inspired by its export of fragrant incense.

The explanation for the name of Kowloon is even more romantic. In Chinese, the peninsula's name is "Kow Lung", meaning "Nine Dragons". The name is thought to have been coined by Emperor Ping, one of two boy-emperors of the doomed Sung Dynasty whose court fled to Hong Kong eight centuries ago. He is said to have counted eight mountains in the area, and decided to name it "Eight Dragons" (in accordance with the belief that every mountain is inhabited by a dragon).

The Emperor's tally of the peaks was corrected by a quick-witted courtier who pointed out that as emperors were also believed to be dragons, the place was really, "Nine Dragons" -- Ping being the ninth. The origin of Kowloon's name may be a legend, but it is a historical fact that the boy-emperor's travelling palace stayed there. One ancient carved-rock inscription recording the imperial visit stands in a small park on the very edge of Hong Kong International Airport.

Until recently history books began the story of Hong Kong with the British colonial presence. However, what we now call Hong Kong has been inhabited for millennia.

The chief evidence for this is archaeological: recently a 5,000 year-old kiln was unearthed on Lantau. Rock carvings from Neolithic times can be found on several sites, though their significance and their creators' identities are unknown. It stands to reason, however, that the sheltered harbour and fresh water would attract the people who were making their way along the Pacific coast.

During the Han Dynasty, around 2,000 years ago, China absorbed Hong Kong and its hinterland. The Han Dynasty tomb at Lei Cheng Uk, in Kowloon, dates from this period. Probably during the 14th Century the Cantonese settled here in number, followed closely by the Hakka people. Many modern Hong Kong people still pay rent to descendants of the dominant settler families of those times, known as the "Five Great Clans".

Some of the earliest written references to Hong Kong foreshadow its destiny as an economic centre. Imperial records state that troops were garrisoned at Tuen Mun and Tai Po -- now major New Territories town developments -- in order to guard the pearls which were harvested from Tolo harbour by aboriginal Tanka divers.

The Hoklos, a spirited seafaring people, had made Hong Kong their home by this time. By the 17th Century the region was a bastion of rebellion and piracy. To isolate and starve out the miscreants, the ruling Manchus ordered the area evacuated. Eventually the order was rescinded, and new settlers descended upon the territory: the Hakka (or "guest") people, a clan of farmers. Rice, tea, incense and pineapples were cultivated here.

Evidence of Hong Kong's early period can be found today in its fishing communities and its small villages, many of which are still protected by defensive walls, moats, and gatehouses. In addition to hundreds of ancient Taoist and Buddhist temples and shrines, there are many historical relics.

The Opium Wars

The coming of the British marks the territory's emergence in world affairs. In the early 19th Century British traders were making a fortune in the opium trade, exchanging the infamous commodity for China's silver, silk, tea and spices. Eventually the Chinese Imperial Government, worried about the drug's effects on its population, sought to ban the import of opium. Britain, on the other hand, wanted to strengthen its foothold with its own port, free of Imperial control. This led to the Opium Wars (1840-1842). Queen Victoria's gunboats prevailed, and Hong Kong Island was ceded to Britain in perpetuity under the Treaty of Nanking in 1842. Sir Henry Pottinger, whose name can be found on a street in Central district, was its first governor.

Territory Expands

Though the Chinese were trading actively in Hong Kong, intermittent hostilities broke out between the two nations. Britain's response was to take more territory for itself, to allow for better protection. The Kowloon Peninsula and Stonecutter's Island were handed over in 1860. In 1898 a 99-year lease on an area called the New Territories was granted.

20th Century

Hong Kong's cityscape soon reflected its status as an important trading port: the Peak Tram funicular railway was built in 1885, followed by a new tramway system in 1904 and a new railway to Canton six years later.

At the turn of the century around 11,000 ships berthed here each year. A decade later the number had doubled. New industries were founded as commerce grew. Though the founding of the Republic of China, the Sino-Japanese War, the Second World War, and the revolution of 1949 all rocked the territory, they also provided new vigour, in the form of refugees who would eventually take their place in the territory's teeming workplace.

In the 1950s Hong Kong began in earnest a new career as a manufacturing and industrial centre. Textiles, electronics, watches, and many other low-priced goods stamped "Made in Hong Kong" flowed from the territory in ever-increasing amounts.

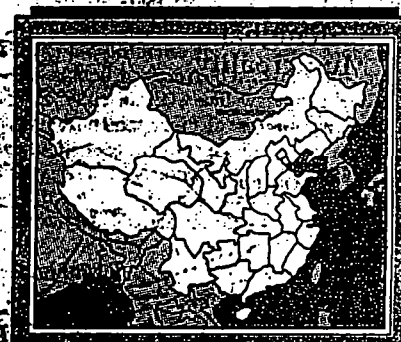
Back

Nanjing. Outside the tourist season, however, you'll probably have to change in Qingyang, from where there are roughly seven buses daily to Jiuhuashan year-round.

WUHU & GUICHI
(wūhú, guìchí)

Wuhu is a Yangzi River port and useful railway junction. Railway lines branch south to Tunxi, east to Shanghai via Nanjing and, from the northern bank of the river, another line heads north to Hefei. There are also buses to Huangshan and Jiuhuashan from Wuhu. To the west of Wuhu is the Yangzi port of Guichi, which also has buses to Huangshan and Jiuhuashan.

Shanghai 上海



...re of the East, Paris of China, Queen of the Orient, city of quick riches, ill-gotten fortunes lost in vice and the tumble of ... domain of adventurers, swindlers, ...blers, drug runners, idle rich, dandies, ...ans, missionaries, gangsters and bank ...mps; the city that plots revolution ...dances as the revolution shoots its way ...town, Shanghai *(shànghǎi)* has always ...a dark memory in the long years of ...ting that the Communists brought ...their new China.

Shanghai put away its dancing shoes in ...9. For 40 years, those who returned came ...city whose decaying colonial ambience ...the only hint that the city was once ...mbolo of the West's rape of the East and ...that went with it.

...day Shanghai has reawakened. Once ...in sleazy backstreet dives and dance ...the city parties on until daybreak. ...ve hotels, department store complexes ...office buildings litter the horizon, the ...subway line has opened, Mercedes ...the streets, and child beggars and pros... ...lurk in the shadows.

Shanghai is a city relearning its past and ...ning its future. And at this point we ...an apology. Almost everything you ...here will be changed by the time you ...this book in your hands. The juggernaut ...of change in Shanghai is such that even ...despair of keeping up with it. The ...included in this chapter were chosen ...the basis that they are most likely to last ...remember that there will be much that ...w as well.

...ryone who wanders along the Bund or ...ugh the backstreets of Frenchtown (sh... ...Shanghai (the name means "by the sea") ...western invention. At the gateway to the ...it was an ideal trading port. But ...the British opened their first conces... ...here in 1842 after the first Opium War ...it was little more than a small town supported by fishing and weaving. The British changed all that. The French followed in 1847; an International Settlement was established in 1863; the Japanese arrived in 1895; and the city was parceled up into settlements, all autonomous and immune from Chinese law. It became in effect China's first fully fledged Special Economic Zone.

In the mid-18th century Shanghai had a population of just 50,000; by 1900 the figure had jumped to a million. By the 1930s, the city claimed some 60,000 foreign residents. The International Settlement sported the tallest buildings in Asia. Shanghai had more motor vehicles than all the rest of China put together. The world's great houses of finance

and commerce descended on the city and erected grand palaces of trade; those who ran them built mansions. The city became a byword for exploitation and vice in countless opium dens and gambling joints in myriad brothels. And guarding over it all were the American, French and Italian marines, British Tommies and Japanese bluejackets. Foreign ships and submarines patrolled the Yangzi and Huangpu rivers and the coasts of China. They patrolled the biggest single foreign investment anywhere in the world – the British alone had £400 million sunk into the place. After Chiang Kaishek's coup against the Communists in 1927, the Kuomintang cooperated closely with the foreign police and with Chinese foreign factory owners to suppress labour unrest. The Settlement police, run by the British, arrested Chinese labour leaders and handed them over to the Kuomintang for imprisonment or execution, and the Shanghai gangs were repeatedly called in to mediate disputes inside the Settlement. If it was the Chinese who supported the whole giddy structure of Shanghai, it was the Chinese who worked as beasts of burden and provided the muscle in Shanghai's port. Chinese, it was simultaneously the Chinese who provided the weak link. Exploited in sweatshop conditions, penniless on the streets, sold into slavery, excluded from the high life and the parks created by the foreigners, Shanghai was always a potential hotbed of unrest. And finally, in 1949 – it was inevitably – the Communists liberated the city. The Communists eradicated the slums, decimated the city's hundreds of thousands of opium addicts and eliminated child slave labour. These were staggering achievements. Unfortunately, they also put Shanghai to sleep. It was not until 1990 that the central government finally allowed Shanghai to go about reinventing itself as a modern metropolis.

agement of factories to the workers' associations.) The Shanghai Commune lasted just three weeks before Mao ordered the army to put an end to it.

The so-called Gang of Four had their power base in Shanghai. The campaign to criticise Confucius and Mengzi (Mencius) was started here in 1969, before it became nationwide in 1973 and was linked to Lin Biao. And once again, in the emerging power struggle leading up to the imminent death of Deng Xiaoping, commentators were talking of a Shanghai clique in many of Beijing's centres of power, and Shanghai old hands.

Economy

Shanghai's long malaise came to an abrupt end in 1990, with the announcement of massive plans to develop Pudong on the east side of the Huangpu River, though there have been teething problems. Foreign investors complain that costs have risen so sharply that they have been forced to shift production out of Shanghai. But, nevertheless, Shanghai is China's financial centre and an emerging economic powerhouse. By 1998 local planners reckon Pudong will have half as much office space as Singapore. Lujiazui, the area that faces off the Bund on the Pudong side of the Huangpu river, will be a modern high-rise counterpoint to the austere old-world structures on the Bund.

Shanghai has a unique opportunity, and the savvy with which locals have grabbed it have many shaking their heads knowingly, saying that Shanghai always had the potential to be a great city. Massive freeway projects criss-cross the city, the subway system is proceeding apace, and the indications are that this forward planning will circumvent the infrastructure problems that face other Asian cities such as Bangkok, Jakarta and Taipei.

Population

Shanghai has a population of around 13.4 million people, but that figure is deceptive since it takes into account the whole municipal area of 6,100 sq km. Nevertheless, the central core of some 220 sq km has over 7.5

million people, which must rate as one of the highest population densities in China, if not the world.

Orientation Shanghai municipality covers a huge area, but the city proper is a more modest size. Within the municipality is the island of Chongming, part of the Yangzi River delta worth a footnote because it's the second-largest island in China (or third if you recognise China's claim to Taiwan).

Broadly, central Shanghai is divided into two areas divided by the Huangpu River: Pudong (east of the Huangpu River) and Puxi (west of the Huangpu River). The First Ring Road does a long elliptical loop around the city centre proper, which includes all of commercial west-side Shanghai, the Lujiazui Finance and Trade Zone and the Jinqiao Export Processing Zone of Pudong. A second (Outer) Ring Road will link Hongqiao International Airport (in the west of town) with the new Gaoqiao Free Trade Zone, a port on the Yangzi River in Pudong.

For visitors, the attractions of Shanghai are in Puxi. Here you will find the Bund, the shopping streets, the foreign concessions, hotels, restaurants, sights and nightclubs. Street names are given in Pinyin (which makes navigating easy, and many of the streets are named after cities and provinces. In the central district (around Nanjing Lu) the provincial names run north-south, and the city names run east-west. Some roads are split by compass points, such as Sichuan Nanlu (Sichuan South Rd) and Sichuan Beilu (Sichuan North Rd). Some of the monstrously long roads are split by sectors, such as Zhongshan Dong Erlu and Zhongshan Dong Yilù, which mean Zhongshan East 2nd Rd and Zhongshan East 1st Rd.

There are four main areas of interest in the city: the Bund from Suzhou Creek to the Shanghai Harbour Passenger Terminal (Shiliupu Wharf); Nanjing Donglu (a very colourful neighbourhood); Frenchtown, which includes Huaihai Zhonglu and Ruijin Lu (an even more colourful neighbourhood); and the Jade Buddha Temple and the side trip along Suzhou Creek.

Information

CITS The main office of CITS (☎ 6321-7200) is on the 3rd floor of the Guangming Building at 2 Jining Donglu. Train, plane and boat tickets can be booked here, but it is obviously subject to availability. It is often possible to book train tickets for the next day if your destination is Hangzhou, Suzhou or Nanjing. More distant locations, which require sleeper bookings, will take longer to book, sometimes up to a week or more. Train tickets are easier to book at CITS, but it's a lot more expensive than doing it yourself across the road at the boat ticketing office.

Tourist Hotline There is a tourist hotline number (☎ 6439-0630) in Shanghai. This is a new concept in China, so don't expect too much from it. It is essentially geared to dealing with complaints.

PSB The office (☎ 6321-5380) is at 27 Hankou Lu, one block north of Fuzhou Lu, near the corner of Henan Zhonglu.

Money There are money-changing counters at almost every hotel, even cheapies like the Pujiang and the Haijia. Credit cards are more readily accepted in Shanghai than in most parts of China.

Most tourist hotels will accept major credit cards such as Visa, American Express, MasterCard, Diners and JCB, as will Friendship stores (and related tourist outlets like the Antique & Curio Store). The enormous Bank of China right next to the Peace Hotel tends to get crowded but is better organised than Chinese banks elsewhere around the country. It is also worth a peak inside for its grand interior.

American Express American Express (☎ 6279-8082) has an office at Room 207, Retail Plaza, Shanghai Centre, 1376 Nanjing Xilu.

Post & Telecommunications The larger tourist hotels have post offices from where you can mail letters and small packages.

The express mail service and poste restante is at 276 Bei Suzhou Lu. Letters to London take just two days, or so it advertises.

The international post and telecommunications office is at the corner of Sichuan Lu and Bei Suzhou Lu. The section for international parcels is in the same building around the corner at 395 Tiantong Lu.

Express parcel and document service is available from several foreign carriers. You can contact DHL (☎ 6536-2900), UPS (☎ 6248-6060), Federal Express (☎ 6275-8888) or TNT Skypak (☎ 6419-0000).

Long-distance calls can be placed from hotel rooms and do not take long to get through. The international telegraph office, where you can make long-distance phone calls and send international telexes and telegrams, is on Nanjing Donglu next to the Peace Hotel.

Foreign Consulates There is a growing number of consulates in Shanghai. If you're doing the Trans-Siberian journey and have booked a definite departure date, it's much better to get your Russian visa here than face the horrible queues at the Russian embassy in Beijing.

Australia
Fuxing Xilu (☎ 6433-4604; fax 6437-6669)

Canada
Suite 514, Shanghai Centre, 1376 Nanjing Xilu (☎ 6279-7196; fax 6279-7198)

France
Room 604, West Tower, Shanghai Centre, 1376 Nanjing Xilu (☎ 6279-8400; 6279-8401)

Germany
4A Qihua Tower, 1375 Huaihai Zhonglu (☎ 6431-4301; fax 6471-6343)

India
Room 2008, Ruijin Building, 205 Maoming Nanlu (☎ 6472-3631; fax 6472-5247)

Germany
181 Yongfu Lu (☎ 6433-6951; fax 6471-4448)

Hungary
Room 1810, Union Building, 100 Yan'an Donglu (☎ 6326-1815; fax 6320-2855)

Ireland
2200 Yan'an Xilu (☎ 6275-8885; fax 6472-9589)

Italy
127 Wuyi Lu (☎ 6252-4373; fax 6251-1728)

Japan
1517 Huaihai Zhonglu (☎ 6433-6639; fax 6433-1008)

Korea
2200 Yan'an Xilu (☎ 6219-6417)

New Zealand
15B, Qihua Tower, 1375 Huaihai Zhonglu (☎ 6433-2230; fax 6433-3533)

Poland
618 Jiangsu Xilu (tel/fax 6433-9288)

Russia
20 Huangpu Lu (☎ 6324-2682; fax 6306-9982)

Singapore
400 Wulumuqi Zhonglu (☎ 6433-1362; fax 6433-4150)

UK
244 Yongfu Lu (☎ 6433-0508; fax 6433-0498)

USA
1469 Huaihai Zhonglu (☎ 6433-6880; fax 6433-4122)

Bookshops Shanghai is one place where you can replenish your stash – there are numerous foreign-language outlets if you take the tourist hotel bookshops into account. The main Foreign Languages Bookstore is at 390 Fuzhou Lu. The 1st floor has an excellent range of maps and the 2nd floor has probably the widest range of foreign novels in China, with everything from *Space Cops* to Gore Vidal's *Lincoln*. Fuzhou Lu has traditionally been the bookshop street of Shanghai, and there are other bookshops close to the Foreign Languages Bookstore.

A small range of foreign newspapers and magazines is available from the larger tourist hotels (eg Park, Jinjiang, Sheraton Huating) and some shops. Publications include the *Wall Street Journal*, *International Herald Tribune*, *Asiaweek*, *The Economist*, *Time* and *Newsweek*. The latter two make good gifts for Chinese friends.

Get a copy of Pan Ling's *In Search of Old Shanghai* (Joint Publishing Company, Hong Kong, 1982) for a rundown on who was who and what was what back in the bad old days.

Newspapers & Magazines There is quite a number of free magazines available in Shanghai, and there will undoubtedly be