

BEIJING REVIEW

They may include everyday people, not only soldiers and Olympic champions like Liu Xiang

TODAY'S HEROES

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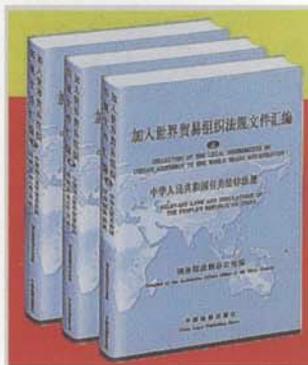
CHINA AND JAPAN TALK AMID TENSION

Collection of the Legal Instruments on China's Accession to the WTO

The Legislative Affairs Office of the State Council, which is especially responsible for compiling and publishing state laws, regulations and official documents, compiled this book. All the official English editions, as well as their referential Chinese translation, of the legal documents involving China's entry into the WTO are included. The documents include Protocol on the Accession of the People's Republic of China and all of its appendices, Report of the Working Party on the Accession of China and the Decision on the Accession of the People's Republic of China of November 10, 2001. This book also includes laws, administrative regulations and department rules related to China's commitment to the WTO. With useful and valuable content, the book is an indispensable tool for overseas investors, foreign business representatives in China as well as managers doing business in China.

The hardcover book has three volumes.

RMB1,280.00



Sun-Tzu's Art of War (A gold edition in both Chinese and English)

《孙子兵法》(中英文黄金版)

Sun-Tzu, whose first name is Wu, was also called Changqing. He was born in the late Spring and Autumn Period (770-476 B.C.), almost in the same period as Confucius, but the exact time of his birth and death is unknown. His birthplace was Le'an of Qiyu (today's Huimin County, Shandong Province). In the summer of the 13th year (532 B.C.) of the reign of Duke Jing of Qi State, a fierce battle was fought between the new and old forces, known as "rebellion of four families."

Sun Wu then left his hometown and migrated to the southern State of Wu. He lived in reclusion in its capital Gusu (today's Suzhou, Jiangsu Province), where he became a friend of Wu Zixu, who had fled there to escape the persecution of the King of Chu.

In King Jing of Zhou's fourth year as monarch (516 B.C.), a political incident took place in the State of Wu. King Liao was assassinated and King Helu succeeded to the throne. At that time Wu State was weak and suffered from oppression by the powerful State of Chu. Helu was striving to make his state prosperous, paying little attention to his food, accommodation and items of luxury. Wu Zixu knew his ambition and his eagerness to find talented people. As he knew that Sun Wu was a rare talent in military affairs, he recommended him to the king, who, upon hearing that, summoned Sun Wu for an interview. Sun introduced his *Art of War* to the king, and was appointed a general for his brilliant talent in military affairs.

The gold edition of *Sun-Tzu's Art of War* contains 100 sheets of 99.9% 24 carat gold foil that have a soft texture and are easy to handle. It has two parts: one in Chinese and the other in English. The texts are inscribed and printed using laser technology. The book is wrapped with royal yellow silk and comes in a box made of red sandalwood.

The strict examination of the China Quality Inspection Center of Gold and Silver Products confirms the book to be a product of 99.9% gold leaf. This makes it a valuable collection. Copies of the book are produced on request according to the serial number, as it is currently out of print.

The gold edition of *Sun-Tzu's Art of War*, featuring a superb English translation of the Oriental classic by experts and of high printing quality, is worthy of a place on any collector's shelf. It also makes a perfect gift.

RMB12,800.00



China Business 《中国商务》

In the past two decades, China has become an important global commercial venue. With its burgeoning market that draws world attention, China is a source of international curiosity as to the development of its industries; its basic policies regarding trade and investment, its promises on joining the WTO, the investment environment of various localities, business opportunities in the west development drive, changes taking place in its business environment, and business information channels. This book focuses on the realities of business operations in China, and provides information about the business environment and relative rules and regulations. It also constitutes a valuable source of reference material on China's economic development trends. For the convenience of business people, the book comes with a CD-ROM detailing all major laws and regulations on trade and investment in China, and provides links to the websites of government departments, various trades, organs of commerce and the mass media.

RMB188.00

World Heritage Sites in China (Photo Album)

《中国的世界遗产》

At present, 29 of China's historical sites and scenic areas are on the UNESCO list of world heritage sites. This photo album focuses on China's 29 world heritage sites. Its pictures were selected from more than 2,000, and in the course of compilation it won the support of nearly 100 photographers. It highlights the unique aspects of the 29 world heritage sites, their cultural relics, history, geography, and natural condition.

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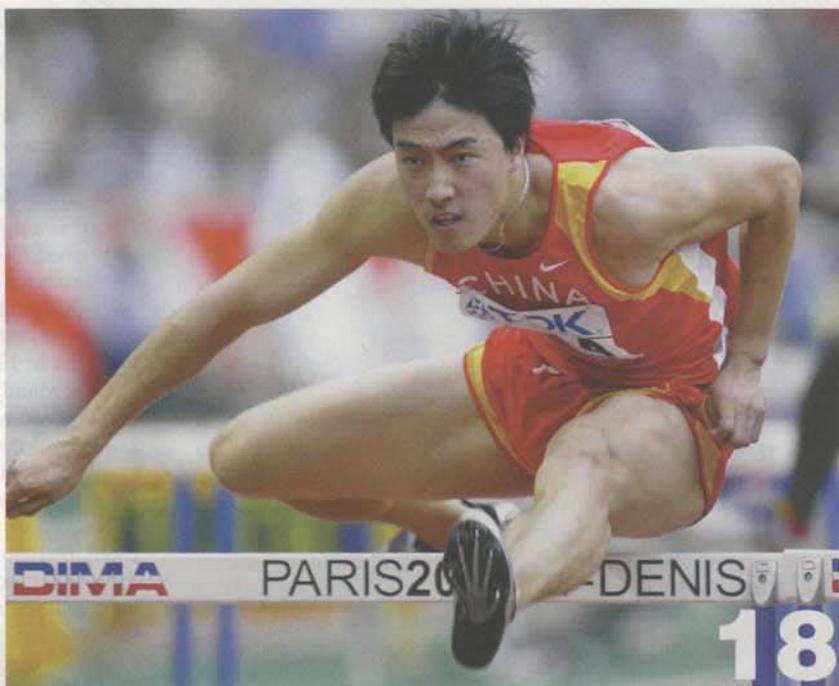
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Cover Story Everyone has their own ideas about what makes a hero. In China, heroic qualities range from self-sacrifice and bravery to material success. The Chinese hero also seems to change from generation to generation. Today, as Chinese society becomes more multi-faceted and worldly, the concept of the hero has become more complex.

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Who Is Our Hero?

By LI JIANGUO

Strolling through the streets of any Chinese city, whether it is Beijing, Shanghai or Guangzhou, if you ask random Chinese people about their heroes, you may get widely varied answers, as people within different age groups or different professions have their own judgments of what makes a hero.

You may say it is not a surprise at all. But as for China, the "hero" is a mirror that reflects the new era. In China, a country distinguished by its long history and culture, people's definitions of the hero have changed slowly yet fundamentally in accordance with changing social values.

In the first 30 years after the founding of the People's Republic of China in 1949, the hero in the Chinese people's hearts was very simple. Mainly two kinds of people were regarded and praised as heroes. One was the combat hero or national hero in times of war. Lei Feng, known as moral hero, represented the other kind.

The initial stage of China's reform and opening up starting from 1979 was a time when people denied authorities and overturned old values. With China opening up wider and becoming more internationalized, the values of its people started becoming more and more diversified. Despite the re-acknowledgement of heroes in recent years, the definition in citizens' minds has less to do with ideology or morality.

More diverse kinds of people are put onto the list of heroes these days. Among them are Yang Liwei, the first Chinese man in space, Yao Ming, the Chinese NBA star, and even some popular singers or movie stars. Of course, some foreigners like Bill Gates of Microsoft are also considered heroes by the Chinese, which would have been unbelievable 30 years ago.

Foreign readers might get their major impression of Chinese heroes from kungfu movies. For instance, in the 1970s the Chinese-American Bruce Lee appeared on the screen to single-handedly and fearlessly crack down on dozens of gangsters with Chinese kungfu and he has become a true hero, acknowledged by people all over the world. Furthermore, Bruce Lee was once named as one of *Time* magazine's 100 Heroes and Icons of the 20th Century.

There has never been a clear definition of the hero in China. Heroes in the mind of this generation differ a lot from those of our ancestors. Sina.com, one of the four most influential Chinese portals, conducted an online survey last September on the "Chinese value of heroes." Answering the question "Who do you think is the hero of our time?" 70.14 percent of the respondents chose "ordinary people with noble spirit," 22.71 percent preferred "able-minded professionals," while 7.15 percent regarded "the rich or the powerful." Answering the question "What kind of person can be qualified as a hero?" 62.78 percent of the respondents believed those who made great sacrifices or achievements could be qualified as heroes. And 35.15 percent considered those ready to help others for a just cause, while 2.08 percent chose rich people.

The survey may not be scientific. But from it we can see that the traditional evaluation value has not completely upset the contemporary Chinese value of heroes, while the change is found in the diversified criteria of heroes. Meanwhile, heroes are no longer confined as the people who safeguard the national interests. Successful people from all walks of life have already become heroes of the new era.

Have a comment, complaint or question? *Beijing Review* welcomes your feedback. E-mail our editorial team at contact@bjreview.com.cn or write to us at *Beijing Review*, 24 Baiwanzhuang Lu, Beijing 100037, China. Letters may be edited for length or content.

Cricket Diplomacy

Pakistani President **Pervez Musharraf**, carrier of what he called “a message of peace from Pakistan,” left India a satisfied man on April 18. His three-day visit started with a prayer for peace, harmony and amity between the two neighbors at a shrine in the desert state of Rajasthan and then was highlighted when he and Indian Prime Minister Manmohan Singh watched a cricket game between their national teams.

It was Musharraf’s first visit to India in four years. His last, in July 2001, ended in deadlock and the two countries came close to a fourth war in 2002.

Referred to in the media as “cricket diplomacy,” Musharraf’s visit was originally intended as an informal trip to watch Pakistan play India in cricket, but effectively turned into substantive talks with Singh.

In a joint statement, the two countries announced to make concerted efforts toward a “soft border” in Kashmir, opening meeting points for divided families, increasing bus services across the cease-fire line and boosting trade, travel and cooperation across the frontier. Both sides also agreed that terrorism would not be allowed to derail peace efforts and clearly warned Islamic separatists fighting Indian rule that neither side would tolerate attacks on a just-launched bus service uniting divided Kashmir. Drawing an upbeat conclusion, the statement reads, “The two leaders are determined that the peace process is now irreversible.”

Other topics being discussed include increasing joint promotion of tourism, cooperation on environmental issues, building an Indo-Iran gas pipeline passing through



Pakistan, reducing the military presence in Kashmir and ending the row over a strategic Kashmir glacier.

While the agreement on the approach was a breakthrough, there was no major progress toward a final solution on Kashmir, the Himalayan region divided between the two countries after Britain partitioned its Indian empire in 1947 and claimed in full by both. Currently, Pakistan adheres to UN resolutions on final disposition of Kashmir issued in the 1940s and 1950s, giving residents there the right to choose between India and Pakistan, while India insists on maintaining its part of Kashmir through pressing Pakistan to accept the so-called Line of Control as a permanent division of Kashmir.

The South Asian neighbors have fought two wars over Kashmir since gaining independence in 1947. Tens of thousands of people have died in a 15-year reign of violence in Kashmir, despite the thaw between the two countries.

“I was cautiously optimistic about the peace process. Now, I am optimistic. The spirit of this round of talks as reflected in the joint statement showed that neither side is trying to score brownie points, but is cognizant of the concerns of the other.”

C. Uday Bhaskar

Officiating Director of New Delhi-based Institute for Defense Studies and Analysis

“The story has shifted from something that seemed like *Mission Impossible* to something where you will see substantive changes in people’s lives.”

C. Rajamohan

Political scientist at the Jawaharlal Nehru University

“All that comes very easy when there is trust between the two countries. There are many ways to build this in both countries, and to

work for the benefit of Kashmiris.”

Prem Shankar Jha

Indian columnist

“There has been a momentous shift in the attitudes of the two governments, a shift from total confrontation to full cooperation.”

Talat Masood

Retired Pakistani General

“Musharraf has to come to the realization that no Indian government is going to make concessions on the border. India simply cannot afford to make any territorial compromises.”

Sumit Ganguly

Director of the India Studies Program at Indiana University in Bloomington

OPINION

Educate Youth About IPR

The importance of intellectual property rights (IPR) cannot be overstressed in the context of globalization and the knowledge-based economy. Premier Wen Jiabao has said that the future international competition will be one of IPR. However, China lags behind developed countries in this regard. The deficiency not only lies in the fact that we are not doing well in respecting the IPR of other countries, but also in our weak capacity to create and protect our own intellectual property.

It is an urgent task of China to raise the IPR awareness across the country. From the perspective of sustainable development, special attention needs to be given to educating the youth about it. Imbuing the younger generation with a sense of innovation and IPR protection has come to be a global endeavor. Such programs are underway in South Korea, Germany and Britain. The Chinese youth are also eager to learn about IPR protection, as children in Tianjin voiced such an appeal several years ago.

It is suggested that authorities concerned should add this essential part to primary and secondary school textbooks. The IPR education actually hinges on the rejuvenation of the Chinese nation and the consolidation of our comprehensive national strength.

People's Daily

Hotlines Show Inefficiency

Ever since the 1980s, many local governments have launched hotlines to hear complaints from citizens. Serving as a bridge between the government and the people, the hotlines have helped the governments to improve their decision-making process, while settling practical problems for the citizens. No wonder the hotlines are so well received that they are still functioning effectively today.

However, this system has its drawbacks as well. The effectiveness of mayor's hotline reflects the inefficiency of the municipal government agencies, as they are unable or unwilling to solve people's problems until they get the mayor's directives. Besides, the idea of counting on the mayor's decrees to solve all problems is inconsistent with law-based administration, which is a must in modern society. The problems of the citizens should be addressed by proper procedures instead of relying on the all-inclusive power of the mayor.

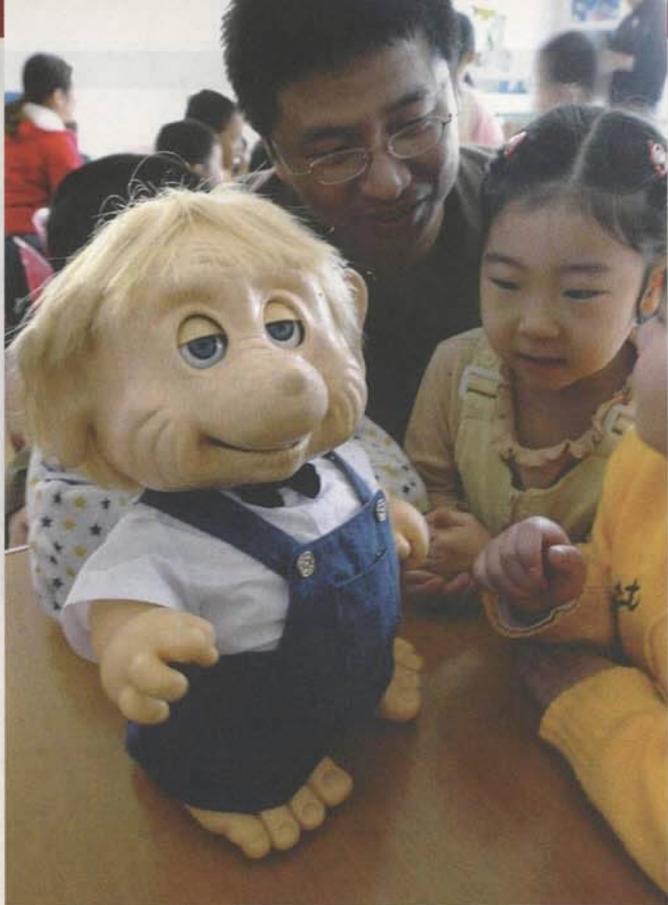
The governments should sort out their administrative systems. The accountability mechanism should be set in place to guarantee that all government agencies assume full responsibility in their own field of work.

China Business Times

Risks of Good Deeds

It is reported that candidates in some village committee elections are encouraged to canvass votes by pledging "political good deeds" in their election campaigns. The "good deeds" include not asking for remuneration during the tenure and donating money to public undertakings. This should not be regarded as bribing, according to officials.

At first glance, this policy can achieve a "win-win" situation. On the one hand, the rich candidates can boost their chance to win the election and seize the public power that they have always coveted. On the other hand, the villagers can get tangible benefits from rich candidates' commitments. However, this risks a backward turn in grassroots democracy. It might lead to the cor-



ROBOT BREAKTHROUGH A researcher demonstrates a newly developed robot, the first of its kind over which China claims the full IPR.

rupt practice of public power acquisition. Besides, the richest and the most generous may not always turn out to be competent village administrators.

The rules in the village elections should be tightened to prevent the grassroots elections from being relegated to a game that only the rich people are entitled to.

Jiefang Daily

Poor Rich People

China is not an affluent country as yet, but its rich people are living quite extravagantly. Some Chinese tycoons own luxurious homes in the United States. The Chinese mainland has become one of the world's largest markets of luxuries.

Lacking in the sense of social responsibility and usually unconstrained by moral principles, quite a few Chinese magnates like showing off their wealth in an attempt to win recognition from others. This is in sharp contrast with their much wealthier counterparts in the West. Britain, for example, bred a group of nouveau riche in its history. These people, in an effort to outshine the aristocrats, adopted a different lifestyle. They often used their money to help others, while living a simple life themselves. This helped to raise their social status by winning support from the ordinary people and also fostered a good tradition, which still prevails today. That explains why the wealthy people in the West are economical in their own lives, while being generous to give away donations to the society.

Flaunting their wealth on the world scene, the Chinese upstarts may know little that they are looked down upon by the culturally advanced Westerners.

The Beijing News

Measure Expedition



Chinese expeditioners head for Qomolangma Feng, known in the West as Mt. Everest, to remeasure the height of the world's tallest mountain for the first time in 30 years. The surveyors are expected to reach the peak by mid-May.

A Chinese mountaineering team first surveyed the height of the Qomolangma in 1975 and the Chinese Government later confirmed the altitude of the peak as 8,848.13 meters above sea level.

According to the State Bureau of Surveying and Mapping, the current height of the mountain may have changed after 30 years of geological movement in this region and improved technologies are expected to help the upcoming survey achieve a more precise result.

KMT Visit Lien Chan, Chairman of Taiwan's Kuomintang (KMT), would visit mainland cities of Nanjing, Beijing, Xi'an and Shanghai from April 26 to May 3, officials announced on April 20.

The schedule was jointly decided by the Taiwan Work Office of the Central Committee of the Communist Party of China (CPC) and the relevant department of the KMT.

Lien's visit, the first of a KMT chairman in 56 years, is at the invitation of Hu Jintao, General Secretary of the CPC Central Committee. The two party chiefs are expected to meet in Beijing on April 29, according to Lien's visit schedule.

In addition, Hu has formally invited James Soong, Chairman of Taiwan's People First Party (PFP), to tour the mainland. Soong "happily accepted" the invitation and hoped to visit as early as in May, said PFP.

Indonesian Milestone

Beijing and Jakarta have agreed to launch a strategic partnership during Chinese President Hu Jintao's visit to Indonesia, said Vice Foreign Minister Wu Dawei on April 18.

The Chinese president kicked off his state visit to Brunei, Indonesia and the Philippines on April 20. During the trip, he would also attend the Asia-Africa Summit in Jakarta on the occasion of the 50th anniversary of the Bandung Conference.

IPR Paper China has published a white paper detailing its efforts to protect intellectual property rights (IPR) over the past decade.

The paper, the second of its kind since 1994, aims to keep the international community up to date on China's progress in IPR protection, said the Information Office of the State Council.

Congratulating New Pope

The Catholic Patriotic Association of China and the Chinese Catholic Bishops College have sent congratulatory messages to the newly elected Pope Benedict XVI and told churches across China to pray for the new pope.

Foreign Ministry spokesman Qin Gang also expressed the Chinese Government's congratulations, saying China is ready to improve its relations with the Vatican. He also reiterated China's two principles for relations with the Vatican, namely, terminating its so-called "diplomatic relations" with Taiwan and recognizing the fact that the Government of the People's Republic of China is the sole legitimate government representing whole China and Taiwan is an inseparable part of Chinese territory; and not interfering in China's internal affairs, including any intervention under the pretext of religious affairs.

Archeological Findings

China recently announced its



LIGHT OF EINSTEIN Students of Shangdong University in Jinan wield fluorescent sticks welcoming the arrival of the "Light of Einstein," a worldwide relay of lights to mark the 50th anniversary of Albert Einstein's death.

top 10 most valuable archeological findings in 2004, five of which were unearthed during construction.

The 10 findings, selected from 22 archeological sites recommended by the archeological teams of 13 provinces, autonomous regions and municipalities, include a tomb complex of the Yue State dating back to the Spring and Autumn Period (770-476 B.C.) in Wuxi, Jiangsu.

China has issued its annual list of the country's top 10 archeological findings for 15 consecutive years, which is meant to bring attention to archeological heritages across the country.

Nuclear Power Project

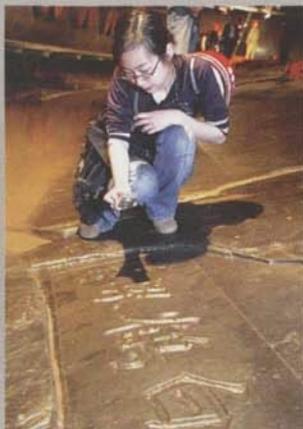
Sanmen Nuclear Power Co. Ltd., which will undertake the construction of China's fifth nuclear power plant in

Zhejiang Province, was officially launched on April 17.

The Sanmen nuclear power project, which is meant to enhance China's nuclear power capacity, is designed to have a combined installed generating capacity of 12 million kw upon completion.

International bidding will soon begin on building two 1-million-kw pressurized water reactor units for the plant, located in Jiantiao Town, Sanmen County. The first phase of the project is expected to be commercially operational by 2012.

There have been four nuclear power plants in China. They are the Qinshan Nuclear Power Plant in Zhejiang, Daya Bay Nuclear Power Plant and Ling'ao Nuclear Power Plant in Guangdong Province, and Tianwan Nuclear Power Plant in Jiangsu Province.



RELICS SEARCH A journalist takes pictures inside the Baiheliang Underwater Museum at the Three Gorges reservoir area in the upper reaches of the Yangtze River, which houses the world's oldest hydrologic inscriptions.

DOMINO DESIGNS Dominoes are made into elaborate patterns at a ceremony held on April 17 to mark the 15th anniversary of the Pudong New Area in Shanghai.



GDP Growth in Q1 China's GDP grew by 9.5 percent to 3.14 trillion yuan (\$379 billion) in the first quarter of this year, announced the National Bureau of Statistics on April 20. The growth rate was 0.3 percentage points lower than a year earlier.

In a breakdown, the added value of China's primary industry went up 4.6 percent year on year to 228.7 billion yuan (\$27.6 billion), while that of the secondary industry went up 11.3 percent to 1.84 trillion yuan (\$222 billion).

Meanwhile, the added value of the tertiary industry had a year-on-year growth of 7.6 percent to reach 1.07 trillion yuan (\$129.4 billion).

Banks to Launch Funds

Financial regulators have recently approved three domestic banks—the state-owned Industrial and Commercial Bank of China and China Construction Bank, as well as the Shanghai-based joint-stock Bank of Communications—to launch pilot fund management programs, ushering in a new era that banks can also take part in capital market investments.

Previously, Chinese banks were not allowed in securities investments or insurance and focused mainly on traditional lending and deposit services. Meanwhile, China's fund sector has witnessed rapid expansion in the past two years. About 50 funds were issued last year, which raised more

than 170 billion yuan (\$20.5 billion), according to the China Securities Regulatory Commission.

Joint Stock Media Co.

China Insurance Media Corp., the country's first joint-stock media company, opened for business on April 18. Besides running a newspaper, the new company will also engage in other publications, exhibitions, educational training and consultancy.

Shareholders with 100 million yuan (\$12 million) in registered capital in the new company include China Reinsurance (Group) Co., China Life Insurance (Group) Co., China Life Insurance Co. Ltd. and the PICC Holding Co. together with Beijing Changxiang Media Investment Co. and Shanghai Fuxi Investment Holding Co.

State Companies Stronger

According to the State-owned Assets Supervision and Administration Commission of the State Council, growth of enterprises directly under its oversight achieved an added value worth of 429.8 billion yuan (\$51.91 billion) in the first quarter of this year, an increase of 17.8 percent.

These companies earned 1,422.69 billion yuan (\$172.33 billion) in sales and 140.41 billion yuan (\$16.96 billion) in profit, increasing by 22.7 percent and 31.2 percent year on year, respectively.

The commission said that



OLYMPIC ADVISOR Gilbert Van Kerckhove, Managing Director of the Beijing Global Strategy Consulting Co., meets the press after his appointment as consultant on the Olympic economy of the Beijing Municipal Government on April 18, along with four other people from France, the United States and China.

the higher growth rate of profits than that of sales indicated improving efficiency at these companies.

Taming Textile The Chinese Government is not considering higher duties on textile exports, said sources with the Ministry of Commerce.

However, the ministry recognized the importance of building a more disciplined textile industry. According to Lu Jianhua, Director with the ministry's Foreign Trade Department, new measures to be taken likely include policies that will facilitate brand promotion, marketing and advertising of Chinese enterprises in overseas markets.

Meanwhile, Lu said, there will also be incentives to brand building, technical transformation and industrial upgrading.

Loans for SMEs The top banking regulator has encouraged commercial banks to

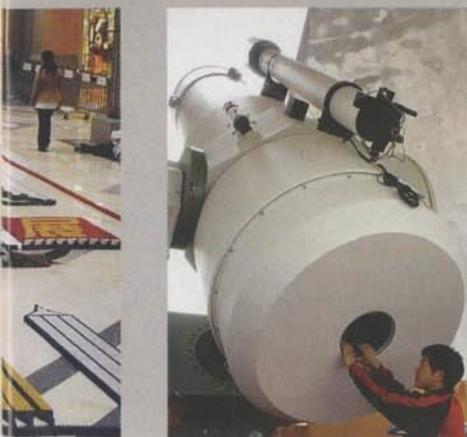
increase loans to small companies.

The fundraising problem has limited the development of small companies in China, according to Liu Mingkang, Chairman of the China Banking Regulatory Commission.

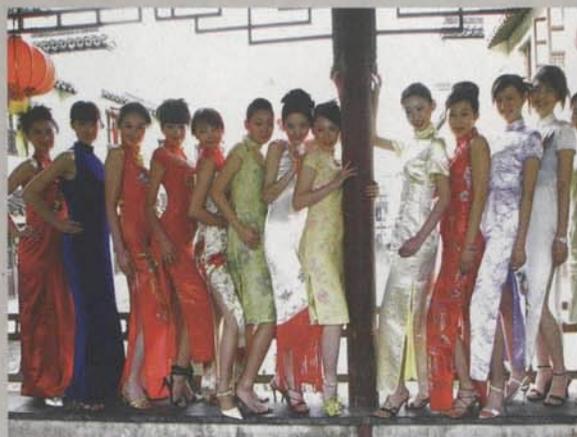
Liu's remarks were echoed by Wu Xiaoling, Vice Governor of the People's Bank of China, who predicted that small and medium-sized enterprises (SMEs) would be a new source of profit growth for commercial banks.

Aussie Trade Talks China and Australia agreed to start talks on establishing a free trade area following Australia's recognition of China's full market status, according to a memorandum signed on April 18.

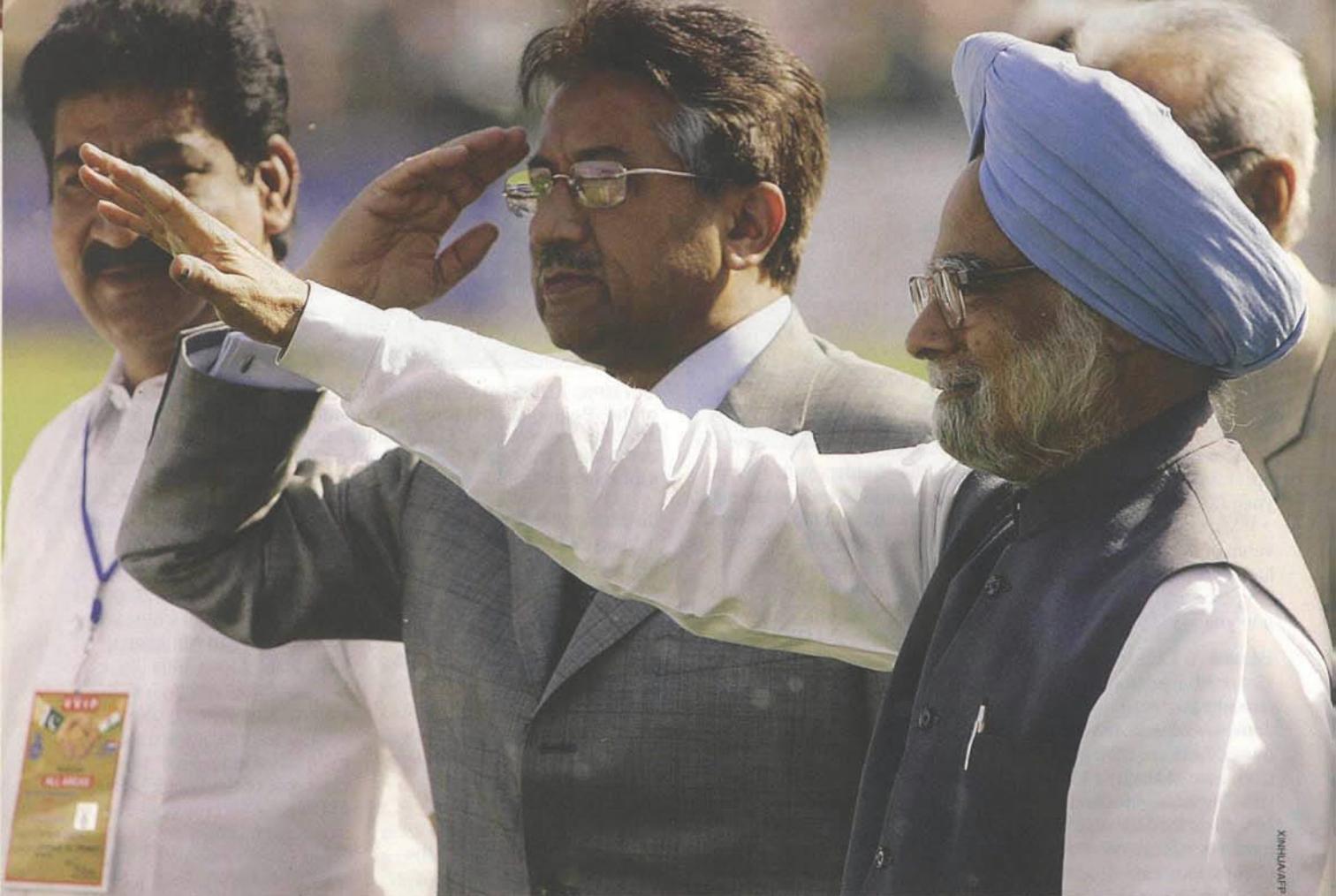
China is now Australia's third largest trading partner, second largest export market and second largest origin of imports.



EYE INTO SPACE The biggest astronomical telescope in Asia, 1.2 meters in caliber and 2.4 meters in diameter, will soon be fully operational in Nanjing, capital of Jiangsu Province.



MISS TOURISM Ladies wear traditional Chinese qipao at West Lake in Zhejiang before the finals of Miss Tourism Queen International 2005 China.



PEACE PROCESS IRREVERSIBLE April 17, Pakistani President Pervez Musharraf (center) and Indian Prime Minister Manmohan Singh (right) wave to the crowd before a cricket match between India and Pakistan in New Delhi. The meetings between the two leaders were characterized by a new determination to advance in tandem rather than score points against each other.



IRAQ CITY SWEEP Iraqi Special Forces detain a suspect in Madain, 30 km south of Baghdad, during a sweep of the city after Sunni gunmen allegedly threatened to kill up to 150 Shiite residents.



PRISONS PROTESTED A Palestinian boy peeks through a tent during a demonstration in the West Bank city of Nablus calling for the release of Palestinians held in Israeli prisons.



PRAYER FOR THE COUNTRY Indonesian President Susilo Bambang Yudhoyono prays at the Istiqlal Mosque in Jakarta. Yudhoyono has been told to slaughter 1,000 sheep to prevent a repeat of the disastrous quakes that have hit his country, but he rejected the advice as superstitious nonsense.



MARBURG VIRUS SPREADS Two health workers in protective outfits leave the quarantine area of Americo Boa Vida Hospital in Luanda where people infected by the deadly Marburg virus are being treated. The death toll from the Ebola-like virus rose to 235 in Angola as of April 17.



RESIGNING, BUT NOT LEAVING Italian Prime Minister Silvio Berlusconi hands in his resignation on April 20 to the president and pledges to form a new government to tackle the worst political crisis in his four-year tenure.



POPPY PROBLEM Afghan officials destroy poppies in a field 45 km west of Kandahar. Afghanistan's fledgling counter-narcotics brigade has just begun facing the challenges of the country's war on opium production.



UNBEARABLE MEMORY

A former Polish inmate of the Sachsenhausen Concentration Camp wipes his eye during a ceremony marking the 60th anniversary of the liberation of the camp 35 km north of Berlin.



MA ZHANGCHENG

HANDSHAKE FOR TRADE: Australia's recognition of China's market economy status is a highlight of John Howard's recent Beijing trip

Ready to Trade

China and Australia would see big money with free trade

By LI LI

Australia and China agreed on April 18 to formally start negotiations on a free trade area (FTA). The initial steps toward opening up trade between the two countries came after Australian Prime Minister John Howard officially recognized China as a "market economy" during his recent trip to Beijing, the fifth since he assumed the premiership in March 1996.

The recognition is seen as an important move in cementing Sino-Australian economic ties. Granting China a market economy status means that Australia will treat Chinese companies the same as other WTO members when it comes to the application of standards of anti-dumping investigation and implementation of safeguard measures when trade conflicts arise.

Australia is the second developed country only after New Zealand to grant China such a status. "It will certainly help China to win similar recognition from other major trading partners, like the United States and the EU," said Li Gang, a researcher with Beijing-based Chinese Academy of International Trade and Economic Cooperation.

The two sides signed a memorandum of understanding on the issue following Howard's talks with Chinese President Hu Jintao and Premier Wen Jiabao. During the talks, Premier Wen reiterated China's willingness to pursue the free trade process and called for more efforts from the two countries to build up political trust and consult each other on regional security issues.

"China and Australia are important countries in the Asia-Pacific region and share wide-ranging common interests in safeguarding regional peace and promoting common prosperity," said Wen.

Addressing a luncheon hosted by the China-Australia Chamber of Commerce, Howard said, "We [Australia and China] are great trading partners and we will be even greater trading partners even without the free trade agreement. But if we can achieve it, it will be a model to the rest of the world."

The prime minister admitted it would be a challenging and complicated task to establish the FTA. But, he continued, "We approach it with a great deal of optimism and enthusiasm and I believe China will do likewise, and if that attitude continues there is no reason why, after a difficult negotiation, success cannot be achieved."

The decision to proceed with negotiations follows the completion of a joint feasibility study that shows there will be substantial economic and trade benefits to each side from freer trade. According to the study, free trade will enhance output and employment in both countries and in all Australian states and territories. In present value terms, an FTA could boost Australia and China's real GDP by up to 24.4 billion Australian dollars (\$18 billion) and 529.7 billion yuan (\$64 billion), respectively, in the period from 2006 to 2015.

Commenting on the prospects of free trade between China and Australia, Peter Hendy, Chief Executive of Australian Chamber of Commerce and Industry, said, "A successful outcome will place us in a unique position and one in which we would be the envy of our trading competitors—as the only country in the world with comprehensive free trade agreements with both China and the United States."

Hendy's comment was echoed by Australian Trade Minister Mark Vaile, who welcomed the free trade negotiations from Canberra and said he looks forward to ensuring new opportunities for Australian exporters in China.

"An FTA would give our exporters a competitive edge as key suppliers to the vast Chinese market," said Vaile. "Australia and China are not direct competitors in all segments of the manufacturing market. In fact, Australia's manufacturing exports to China have grown faster than anywhere else in the world. The services and investment sectors will also be a focus of discussion to overcome some of the barriers faced by Australian businesses."

According to statistics of the Australian Department of Foreign Affairs and Trade, in 2004 two-way merchandise trade with China was valued at \$20.4 billion, a doubling of trade since 1998. Australian exports to China surged 21 percent to \$9 billion in 2004 and have increased at an average annual rate of 20 percent in the past five years. China now is Australia's third largest trading partner and second largest merchandise export market. Among China's top 10 merchandise imports from Australia, iron ore rose by 105 percent, wool increased by 53 percent, and coal shipments climbed by 86 percent in 2004 over the previous year.

The recent soaring iron ore prices have worried China, the world's biggest importer. Australian resources giant BHP Billiton announced five days before Howard's visit that it had agreed to limit its price increases on iron ore supplied to Chinese steel makers to 71.5 percent, the same rise charged by rival suppliers, despite seeking increases of 114 percent. The company denies any pressure from the government to back down. ■

Talks Amid Tension

Japan's foreign minister says sorry for past history



LET'S TALK: Li Zhaoxing (first right) and Machimura Nobutaka (first left) agree to view Sino-Japanese relationship from "a long-term, strategic perspective"

By **DING ZHITAO**

There has been a flurry of diplomatic efforts of late in a bid to ease ongoing tension between Japan and its Northeast Asian neighbors. The tension is a result of a hotly disputed textbook that is criticized for whitewashing Japan's part in World War II colonial rule.

Japanese Foreign Minister Machimura Nobutaka flew into Beijing this month to hold talks with his Chinese counterpart Li Zhaoxing, after heated demonstrations erupted in some major Chinese cities calling for Japan's reflection of its militarist past. In the capital, Nobutaka acknowledged the suffering his nation had caused to the Chinese people in the past. "Japan feels deep regret for that and once again expresses deep remorse and apology," he said.

China and Japan agreed to view their relationship from "a long-term, strategic perspective," in an attempt to open a channel for dialogue. They also pledged to actively seek and expand common interests and continued to consolidate bilateral exchanges and cooperation in various fields.

Nobutaka also met with State Councilor

Tang Jiaxuan during his visit, when the Japan expert pointed out that the Japanese side had "repeatedly failed the trust of the Chinese people" and had been "driving in reverse gear" on issues like history and Taiwan in recent years.

In early April, Japan's Education Ministry approved the revised edition of a history textbook compiled by a right-wing group, which has been widely criticized for distorting history during Japan's colonial rule in Asia and its wartime atrocities committed during World War II.

The controversial textbook immediately sparked strong protests from other Asian countries. In China, thousands of people took to the streets to voice their anger. Several incidents of stone and egg throwing at Japanese businesses and the Japanese Embassy in Beijing have been reported.

The government was not in favor of these acts of violence during the demonstration, said Chinese Foreign Ministry Spokesman Qin Gang.

Tang also assured Nobutaka that China has taken and will continue to take various measures to protect the security of Japanese diplomatic missions, businesses and citi-

zens in China in accordance with the law.

Nobutaka said Japan's invasion in the first half of last century had greatly damaged China and brought much suffering to the Chinese people. He promised that Japan would draw lessons from its aggressive history and continue to embrace a path of peaceful development.

Japan invaded China in 1931 and its troops only retreated from Chinese territory in 1945, after the country announced unconditional surrender. China and Japan normalized their diplomatic relations in 1972. All aspects of Sino-Japanese cooperation have expanded since the normalization of relations, especially economically. Japan now is China's third largest trading partner with bilateral trade hitting \$168 billion in 2004.

Trilateral Preparation

Before Nobutaka's China trip, senior officials from China, Japan and the Republic of Korea (ROK) gathered in Beijing, to prepare for a trilateral foreign ministers' meeting in Japan next month, against a backdrop of growing tension between Japan and its Asian neighbors.

Cui Tiankai, head of the Chinese Foreign Ministry's Asian Affairs Department, met his Japanese and South Korean

counterparts on April 14. They then held a two-day forum to set the agenda for the trilateral talks scheduled for May 7. All three sides agreed on the necessity for coordination in the region and pledged to expand cooperation in various fields.

"The trilateral meeting provides our three countries with more opportunities and expands the space for cooperation," said Cui. His remarks were shared by his counterparts—Kenichiro Sasae, head of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau, and Park Joon Woo, ROK Director General of the Asia-Pacific Affairs Bureau of the Ministry of Foreign Affairs and Trade.

The three-nation talks are expected to be held on the sidelines of the Asia-Europe Meeting (ASEM) foreign ministers' conference in Kyoto. The idea of a trilateral foreign ministers' meeting was first put forward in October 2003, when Chinese Premier Wen Jiabao, Japanese Prime Minister Koizumi Junichiro and ROK President Roh Moo Hyun signed the Joint Declaration on the Promotion of Tripartite Cooperation in Indonesia's Bali to promote trade, culture, personnel exchanges, politi-

cal and security cooperation among the three Northeast Asian neighbors. The foreign ministers' meeting was first held in Beijing last June, where they agreed to make it an annual event.

The Beijing News reported that sensitive historical issues were addressed between the three parties in the Beijing meeting, where China's Cui pointed out that cooperation could only be advanced on the basis of facing up to history and resolving outstanding issues. Japan's TBS News reported that Japanese diplomatic sources have revealed recent events on Sino-Japanese relations took a center stage of the discussion. However, according to Chinese diplomats, issues relating to Japan's wartime invasion of Asian countries were not mentioned at the meeting.

In spite of the conflicting reporting on



REGRETTING THE PAST: Japanese Foreign Minister Machimura Nobutaka (left) says Japan will draw profound lessons from its aggressive history and continue to embrace a path of peaceful development

how much the history issues were addressed during the trilateral talks, one thing is certain that future cooperation must have outweighed different opinions on the past. As for the achievements of the trilateral talks, *The Beijing News* quoted an anonymous official from the Japanese Embassy in China as saying, "Against the recent disputes among the three countries, the meeting stressed that cooperation among the three parties was of active and constructive significance to the promotion of trilateral relations."

The Japanese diplomat continued that his country would promote coordination with China and the ROK according to the Joint Declaration on the Promotion of Tripartite Cooperation reached last year.

"This year's objective is to implement the declaration," he added. ■

Jewish Settlements Key to Peace

Bush rejects Sharon's plan for extending West Bank settlement to boost his own strategy in the region

By NI YANSHUO

Armed with an ambitious unilateral disengagement plan, Israeli Prime Minister Ariel Sharon met with George W. Bush in the U.S. president's ranch in Crawford, Texas, early this month, to discuss dismantling Jewish settlements in the Gaza Strip and West Bank, while expanding the largest West Bank settlement bloc.

Of Sharon's 10 trips to the United States since he came to power in 2001, this was the only time he was invited to the Crawford ranch, where Bush often meets key world figures.

After the summit meeting, Bush indicated that he would press Sharon publicly and privately to stop expanding the settlements and said he had told Sharon that "Israel not undertake any activity that contravenes 'road map' (peace plan) obligations or prejudices final status negotiations."

"Though Bush holds divergent stand on this issue with Sharon, the basis for U.S.-Israeli relations remains solid," Zhang Guoqing, a researcher with the Chinese Academy of Social Sciences (CASS), told *Beijing Review*. The America expert explained that Bush just intended to give Israel a chance to improve its image in the international community through making concession together with Palestine for the peace process in the Middle East

"Greater Jerusalem"

This February saw Abbas and Sharon meeting in Sharm el Sheikh, Egypt, the first such meeting between Israeli and Palestinian leaders after October 2000. However, to calm down the dissatisfied factions of his Likud Party and demonstrate his resolve to maintain the existing interests of Israel and the Jews, Sharon approved the construction of 3,650 new homes in the



SHARON DETRACTORS: Israeli Jews protest Sharon's disengagement plan at the Wailing Wall in Jerusalem's Old City

West Bank in March. It was a bid to secure a "Greater Jerusalem" with two new neighborhoods linking the settlement of Ma'aleh Adumim to East Jerusalem.

Soon after this plan was approved, relations between Israelis and Palestinians took a nose-dive.

Observers say the main goal of Sharon's U.S. trip was to win Washington's support for his settlement enlargement plan. But he failed to get the nod for a new Jewish settlement along the 5-km long corridor connecting Ma'aleh Adumim and East Jerusalem, which the Palestinians also claim as the capital of their future state.

Bush is fully aware of the aftermath of the new moves by Israel in a region that earlier this year saw the first hope of peace after more than four years of conflict. He told Sharon he clearly objected to Israel's settlement expansion project, not only in Ma'aleh Adumim but also elsewhere.

"Israel should remove unauthorized outposts and meet its 'road map' obligations regarding settlements in the West Bank," Bush told a news conference with Sharon at his ranch. "That's no expansion of settlements."



REACHING OUT: Israeli Premier Ariel Sharon and U.S. President George W. Bush meet at the presidential ranch in Crawford, Texas



PASSOVER PREP: Jewish children prepare Matza, a traditional bread for the April festival of Passover, in the settlement of Neve Dekalim in the Gaza Strip



LONG WAIT: Palestinians parade in Gaza calling for release of their compatriots in Israeli jails

Abbas' Role

"Sharon may only use his plan to enlarge the West Bank settlements as a bargaining counter to seek financial and political support from Washington," said Li Weijian, Director

of the Middle East Studies Center of the Shanghai Institute of International Studies.

In his meeting with Bush, Sharon laid down a stern marker to the Palestinians for the resumption of talks under the "road map," saying Abbas must stop militants who have been launching mortar attacks on Israeli settlements.

"Only after the Palestinians fulfill their obligations, primarily a real fight against terrorism and the dismantling of its infrastructure, can we proceed toward negotiations based on the 'road map,'" Sharon reiterated.

However, experts believe this is no easy task.

"Actually, Abbas has done much to promote the Middle East peace process," said Zhang with the CASS.

In order to counter Israeli and U.S. complaints that little was being done to control the armed groups, the Palestinian leader adopted a new jobs-for-guns program, which offers the biggest

rewards to those who have spent the longest time in Israeli prisons or are on the run from the military. Hundreds of Palestinian gunmen have signed pledges to halt violence in exchange for government jobs.

Observers believe Abbas' move has given great impetus to the peace process in the Middle East. However, his mildness and concessions have displeased some Palestine factions. If the Israeli Government goes ahead with the settlement enlargement plan, Abbas' political position itself may be threatened. Some Palestine military factions may even scrap their ceasefire agreements of March 17 and once again drag the region into an abyss of conflict.

Bush's Agenda

In his first term, Bush was involved in the anti-terrorism campaign and the Iraq war and was less focused on the development of Israeli-Palestinian relations. But in his second term, Bush is becoming more engaged in this region.

According to observers, Bush had two options in the face of Sharon's plans to expand Jewish settlements in the West Bank. He could have continued his pro-Israeli policy to press Palestinians and supported or tacitly consented to Sharon's settlement enlargement plan. This would have blocked the peace process in the Middle East, weakened Abbas' power, as well as damaged Bush's image as a peacemaker. The other option was to maintain his pro-Israeli stance while exerting pressure on Sharon on the question of settlement expansion in the West Bank. But this would upset pro-Israeli Republicans in the United States.

After weighing the two carefully, Bush chose the latter.

Though Sharon has agreed to dismantle unapproved settlements and indicated that he will follow the "road map," observers warn it is still uncertain whether Bush and Sharon's oral commitments will be translated into action.

Bush has also strengthened his own intermediation between Israel and Palestine. The outgoing World Bank President James Wolfensohn was named on April 14 as international "special envoy" to help coordinate Israel's planned withdrawal from the Gaza Strip and to spearhead reconstruction there once the Palestinians take over.

Bush said Wolfensohn would work with Abbas "to help them try to pull out of this ash heap of what used to exist, a government that will function and meet the will of the people."

Meanwhile, Abbas is scheduled to meet Bush in Washington on May 1 for talks on Middle East peace efforts and the White House has said Abbas is welcomed anytime.

"The fact is, the biggest obstacle for Bush to promote his initiative in the Middle East is the conflict between Israel and Palestine. Bush must solve this issue before he can make any progress in his Middle East reform initiative," Zhang added. ■

Mending Fences

China and India get down to solving their age-old border disputes



COOPERATION HIGH: Chinese and Indian soldiers, guarding each country's boundaries, hold a joint mountain climbing exercise in China's Tibet Autonomous Region last year

By DING YING

Chinese and Indian leadership are only too aware that no matter how close the relationship of their two countries becomes, there will always be a sense of hollowness until the dispute of boundary issues is fully resolved.

It is said, "Good fences make good neighbors." In an effort to begin mending fences long left damaged and tainted with historical baggage, and focus on developing bilateral cooperation, China and India have signed an agreement of political guidelines on settlement of boundary questions.

The two countries actually began negotiations to resolve the unsettled problems concerning the 2,000 km long boundary more than a quarter of century ago.

Late Chinese leader Deng Xiaoping, while addressing the boundary problem, continued to implement the policy of mutual understanding put forward by late Premier Zhou Enlai during the latter's visit to India in 1960. Meeting then Indian Foreign Minister Atal Bihari Vajpayee on February 14, 1979, Deng put forward a proposal of "package solution," involving

China making concessions on the eastern sector, while India would make concessions on the western sector.

Late Indian Prime Minister Rajiv Gandhi's visit to China in 1988 resumed the exchange of visits by leaders of the two countries and became an important turning point in Sino-Indian relations. During the visit, both sides agreed to settle the boundary question in a peaceful and friendly way

and to set up a joint working group to address problems. It was also agreed that while seeking a settlement, relations would be developed in other fields to create conditions conducive to a fair and reasonable settlement of the boundary question.

To maintain peace along the border area, pending an ultimate solution, the two governments signed agreements during former Indian Prime Minister Narasimha Rao's visit to China in September 1993, and during former Chinese President Jiang Zemin's visit to India in November 1996.

These agreements called on the two sides to respect and observe the Line of Actual Control (LAC) between them. Agreement was also reached that references to the LAC decided upon do not prejudice their respective positions on the boundary question.

Special Representatives

During former Indian Prime Minister Vajpayee's visit to China in June 2003, both sides agreed to appoint a special representative to explore the boundary settlement from a political perspective of overall bilateral relations.

This showed that both sides were determined to explore new avenues to reach a political settlement, so as to speed up the final settlement process. Up to now, the special representatives have already held five rounds of meeting.

In a joint statement signed by visiting Chinese Premier Wen Jiabao and his Indian counterpart Manmohan Singh in New Delhi on April 11, the two sides expressed satis-

The following is Article 11 of the Joint Statement of the People's Republic of China and the Republic of India signed by Chinese Premier Wen and Indian Prime Minister Singh in New Delhi on April 11:

During the visit, the two sides exchanged views on the China-India boundary question and reiterated their readiness to seek a fair, reasonable and mutually acceptable solution, through equal and friendly consultations and proceeding from the overall interests of bilateral relations. They expressed satisfaction over the progress made in the discussions between the special representatives of the two countries and welcomed the conclusion of the Agreement on the Political Parameters and Guiding Principles for the Settlement of the Boundary Question. Both sides are convinced that an early settlement of the boundary question will advance the basic interests of the two countries and should therefore be pursued as a strategic objective. They expressed their commitment to the mechanism of special representatives for seeking a political settlement of the boundary question in the context of their long-term interests and the overall bilateral relationship.



PIONEER NEGOTIATORS: Chinese Vice Foreign Minister Wu Dawei (left) with Indian Foreign Secretary Shyam Saran on January 24 in New Delhi, during a first-ever strategic dialogue between the two countries

faction over the progress made in the discussions between the special representatives of the two countries. The two leaders welcomed the conclusion of the Agreement on the Political Parameters and Guiding Principles for the Settlement of the Boundary Question, which was signed by the special representatives, Indian National Security Adviser M K Narayanan and Chinese Vice Foreign Minister Dai Bingguo.

Foreign Ministry spokesman Kong Quan explained on April 12 that the two sides agreed that it is in the fundamental interests of both nations to develop strategic cooperative partnership toward peace and prosperity on the basis of the Five Principles of Peaceful Coexistence, which includes mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

"An early settlement of the issue that sets store by the overall and long-term interests of the two countries serves the basic

interests of them and should therefore be pursued as a strategic objective," said Kong.

Border Settlement Principles

According to Kong, the two sides agreed to work mainly under the following principles for the settlement of the border issue:

The border issue should be resolved through peaceful and friendly means, rather than resorting to force or the threat of force. The two countries will work on the basis of the Five Principles of Peaceful Coexistence, proceed from the political perspective of the overall bilateral relations and seek a fair, reasonable and mutually acceptable solution to the issue through consultations on an equal footing.

In the spirit of mutual respect and understanding, the two countries will make meaningful and mutually acceptable adjustments on their respective claim on the issue, so as to find a package solution. They will take into consideration each other's strategic and reasonable interests and the principle of equal security for both.

Pending a final resolution, the two sides will continue to make joint efforts to maintain peace and tranquility in the border areas in accordance with the agreements of 1993 and 1996. Both sides agreed that while continuing the discussions between the special representatives, it is also important that the joint working group continues its work to seek an early clarification and confirmation of the LAC. Progress made so far on the clarification of the LAC in the China-India border areas was noted. It was agreed to complete the process of exchanging maps indicating their respective perceptions of the entire alignment of the LAC on the basis of already agreed parameters, with the objective of arriving at a common understanding of the alignment, as soon as possible. The two sides expressed satisfaction at the progress achieved in the implementation of the agreements of 1993 and 1996 and agreed to fully implement them expeditiously. Toward that end, they concluded a Protocol on Modalities for the Implementation of Confidence Building Measures in the Military Field along the LAC in the China-India border areas.

(Source: Xinhua)

The two sides will take into account both sides' historical evidence, national sentiments, actual difficulties, legitimate concerns, sensitive factors and the actual conditions in border areas. The border should be demarcated along a distinctly marked and conspicuous geographical feature agreed upon by both sides. All necessary interests and benefits of the residents of both countries living in the border area should be protected.

Pending the final settlement of the issue, the two sides should respect and conform to the Line of Actual Control in real earnest, and make joint efforts to maintain peace and stability in the border areas.

Kong Quan said the special representatives of the two countries would continue consultations so as to come up with a framework that lays the foundation for future border survey and demarcation by the two sides.

Expanding Economic Ties

According to the joint statement signed by Chinese Premier Wen and his counterpart Singh, China and India have agreed that an all-round expansion of economic cooperation between the two countries constitutes an important dimension of their strengthening relationship and they should make joint efforts to increase bilateral trade volume to \$20 billion or even higher by 2008.

"The first formal document on boundary settlement between China and India will pave the way for developing Sino-Indian relations on political dialogues, trade exchange and economic cooperation," predicted Fu Xiaoqing, a research fellow from the China Institute of Contemporary International Relations.

Fu said that both China and India are big developing countries, which share a lot of mutual interests in establishing a multi-lateral world and new international, political and economic orders. Now, boundary problems are no longer seen as the main problem between the two countries, instead, cooperation will be the mainstream of the bilateral relations. How to reduce differences while increasing trust and promoting common prosperity through positive competition would be the major tasks of the two sides, said Fu.

"The handshaking of China and India is expected to benefit the security and stability of the whole of Asia," stressed Fu.

Meanwhile, the way of solving boundary disputes and focusing on developing trade and economic cooperation was considered to be a new mode of ending regional conflicts. Indian media believed that the Sino-Indian mode was also a good reference to addressing the Kashmir problem between India and Pakistan. ■

Handling China-Japan Ties Carefully

Chinese State Councilor Tang Jiaxuan met with visiting Toyohiko Yamanouchi, President of Japan's Kyodo News Agency, in Beijing on April 12. Tang expressed his opinions on issues related to China-Japan relations, in the hope that the largest news agency in Japan will convey his ideas to the people and all circles in Japan. He also hoped that the Japanese Government would confront the issues concerning history in the spirit of "taking history as a mirror and looking into the future" in an effort to improve and develop the China-Japan relationship. Excerpts follow:

Anti-Japan Protests

Recently, some people in Beijing and other places have voluntarily staged demonstrations to voice their dissatisfaction with the wrong attitude that Japan has taken toward historical and other issues. The Chinese Government has attached great importance to the situation and has urged the public to express its concerns in a calm, sane, law-abiding and orderly manner and to avoid extreme activities.

China had made great efforts in preventing the issue from escalating. A large number of police personnel have been deployed to secure the safety of Japanese agencies and citizens in China. The Chinese Government did not approve of and did not want to see the extreme activities which occurred sporadically during the protests.

However, such incidents show that China-Japan relations are faced with a grave and complex situation which deserve sufficient attention from both sides. Both sides should find out the deep-rooted reasons for such incidents in order to appropriately resolve the issue. If we judge things out of context, the problems will only become more complicated, which will not benefit the long-term development of China-Japan relations.

It was regrettable that some people in Japan alleged the extreme activities were supported by the Chinese Government and had resulted from the so-called "anti-Japanese education" by the Chinese Government.

I have to point out here that such allegations are totally groundless and a serious distortion of truth. It is quite normal for any country in the world to give a patriotic edu-



BRIDGE BUILDERS: Chinese State Councilor Tang Jiaxuan (right) with Toyohiko Yamanouchi, President of Japan's Kyodo News Agency

cation to its people, but China's patriotic education is by no means based on an anti-Japanese orientation.

China has never tried to instill such sentiments as repulsion or hatred toward Japan in its general public. We only ask our people not to forget historical lessons so as to avoid the recurrence of historical tragedies, and we have always emphasized that peoples of both countries should look forward into the future and be friends forever.

China has never viewed the broad masses of the Japanese people as the same as a few militarists who started the war of aggression against China 60 years ago, and has never held the opinion that the people in Japan today should be blamed for their country's history of invasion.

This point was made clear a long time ago by the first generation of Chinese leaders. Late Chinese Premier Zhou Enlai said upon the normalization of Sino-Japanese ties in 1972 that both the Chinese and Japanese peoples were victims of the aggressive war launched by the Japanese militarists.

For many years, China has been educating its people in this way, and we have been trying our best to make a correct guidance of the general public. The recent demonstrations by some people in China

were actually triggered by the Japanese Government's adoption of the new right-wing history textbooks, which tampered with history and glorified aggression, and were aimed at preventing Japan from becoming a permanent member of the United Nations Security Council.

Comparing Japan with Germany, while Germany had promulgated laws to prohibit any reversal of the historical verdicts on Nazi fascism, Japan has allowed the publication of right-wing history textbooks to whitewash its history of invasion.

In as early as the 1970s, former German Chancellor Willy Brandt got down on his knees before the Holocaust monument in Warsaw to show his country's repentance. But the Japanese prime minister is still visiting the Yasukuni Shrine (where 14 Class A war criminals of World War II are honored) every year. How sharp the contrast is!

The Chinese people really cannot understand how a nation which cannot honestly look at its aggressive history and which cannot correctly understand the feelings of the people of the countries it victimized could be qualified to bid for a permanent seat on the UN Security Council.

This is not only the feeling of the Chinese people, but also a common feeling

shared by the people of Japan's other neighboring countries.

Japan, which once showed an attitude of remorse and apology toward its aggressive past and once expressed understanding of and respect for the feelings of the victims of war, now tends to overemphasize the factor of internal politics while turning a blind eye to the feelings of its neighbors.

Nowadays the Japanese Government only stresses that the visit to the Yasukuni Shrine by its prime minister is a matter of national and cultural tradition, and that it has no power to intervene in the history textbook issue. It also pays no attention to the sentiments of the people in the neighboring countries, regarding them as so-called external interference.

With such foreign policy, how can Japan win trust and support from its neighbors and from the international community?

Historical Issue

The Japanese leaders' Yasukuni Shrine visit remains the most prominent issue hindering Sino-Japanese bilateral ties. It is the crux of the matter that has resulted in a suspension of the exchange of high-level visits between the two countries. We cannot evade the question if we want to improve bilateral relations.

The question should be dealt with properly and as soon as possible and the Japanese leaders themselves should make a

political decision conducive to good overall bilateral relations.

The essence of the textbook issue is whether Japan can appropriately recognize and treat its militaristic history of aggression and instill in its young generation a correct perception of that history.

Japan's stance on the textbook issue is directly related to Japan's future and Japan's image in the hearts of the people of its Asian neighbors and the world at large.

Taiwan Issue

The Taiwan issue concerns China's sovereignty, reunification and core interests of the country. We have taken notice of the Japanese Government, which has repeatedly stated that it will observe the principles in the China-Japan joint statement and not support "Taiwan independence."

But we are strongly dissatisfied with some negative tendencies in Japan's recent policies concerning the Taiwan issue, and are especially concerned with deepening Japan-Taiwan ties in security.

Opposing "Taiwan independence" and containing the secessionist activities of "Taiwan independence" forces conform to the common interests of China, Japan and other countries in the Asia-Pacific region.

We hope Japan will fully realize the complexity and sensitivity of the current situation across the Taiwan Strait and the serious harm of "Taiwan independence," and will keep its promise by actions and

demonstrate its clear objection to "Taiwanese independence" to maintain the peace and stability across the Taiwan Strait and in the region.

East China Sea Issue

Shelving disputes and engaging in joint development is the sole correct choice for China and Japan in addressing the East China Sea issue.

China and Japan have disputes on boundary demarcations in the East China Sea and this is an objective reality. China has always maintained it will resolve the disputes through negotiation.

It is known that the Japanese Government has initiated steps to grant Japanese firms the right to conduct test drilling for potential gas and oil fields to the east of the so called "demarcation line" in the East China Sea. Any unilateral action like this will make the situation more complex and acute and even lead to a fundamental change in the nature of the issue.

Nevertheless, I am still convinced that cooperation with mutual benefits can be achieved provided both sides treat and handle the issue proceeding from an overall perspective.

Challenges can be transformed into opportunities and mutual cooperation will materialize, so that the East China Sea will be turned truly into a sea of friendship, and a sea of cooperation instead of a sea of conflict.

Japan's Bid for UN Security Council

Japan's bid for UN Security Council permanent membership is not merely a question of voting, but a question of political trust and popular support.

China understands Japan's aspiration to play a bigger role in the international community, but if Japan wants to become a member of the UN Security Council, it should first of all do more to win the political trust and recognition from people of its neighboring countries.

On the enlargement of the UN Security Council, China perseveres in its position that consensus should be reached through consultations. If disputes and even splits incurred thereafter in the world body, the image of the UN will be impaired and the role of the UN affected.

The UN reform should be multi-dimensional as the world today is faced with various kinds of threats and challenges, and the reform should not be confined to issues of interest only to a few nations and, in implementing the millennium development goals, ample attention should be given to the reasonable concern of the developing countries and therefore this should be focus of the reform. ■



WATER FRIENDSHIP: Water from Hangzhou's West Lake being drawn for the opening ceremony of Expo Aichi, 2005. It was mixed with water from the famous Nagara Lake of Gifu City and poured into a fish tank, to symbolize the long-standing relationship between China and Japan

Wartime tales of heroism are losing their shine as more Chinese identify with stories that are in tune with the times and reflect the aspirations of a younger, globally-engaged generation

HERO IS AS HERO DOES

By FENG JIANHUA

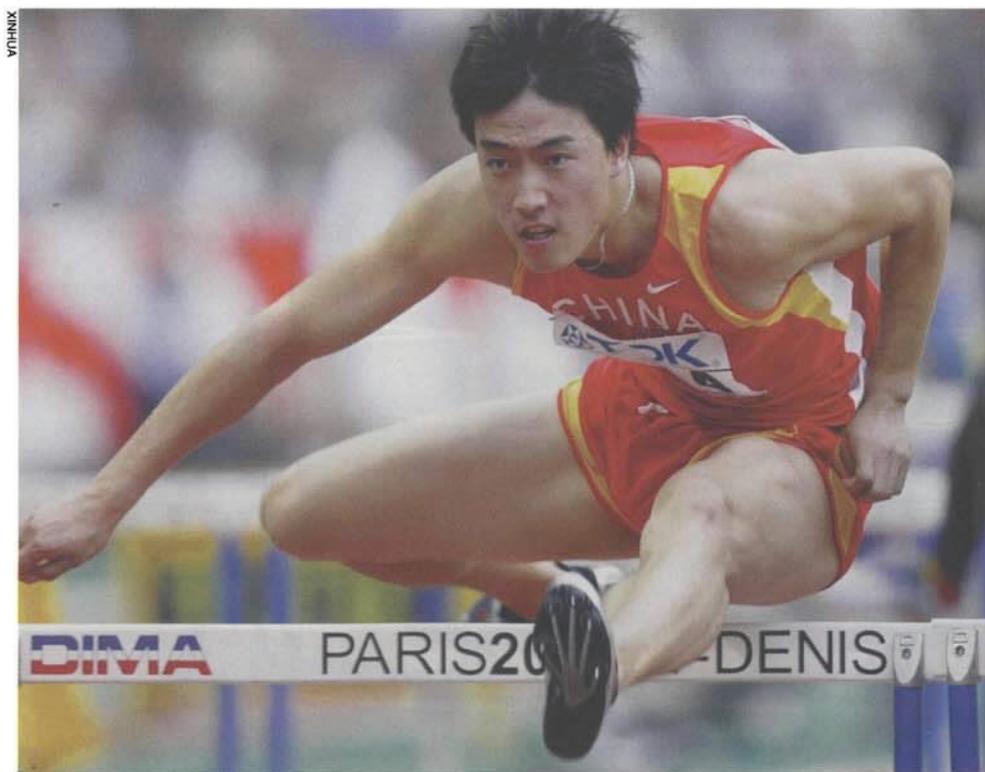
'See, Liu Xiang!" Zhang Xiaojuan, a second grader at Beijing Primary School, shouts excitedly, brandishing her reading book on the Olympics. All her classmates immediately turn to the page on the Olympic champion and get talking about their hero.

On August 27, 2004 in Athens, **Liu Xiang** became the first Asian in history to win the men's 110m hurdles at the Olympic Games. He crossed the line in 12.91 seconds to equal the world record set by Britain's Colin Jackson in 1993. Liu Xiang made history for China and his feat has been dubbed a miracle by the media. The Chinese had made their presence felt in this track-and-field event long dominated by athletes from Europe and the United States.

"Liu Xiang is our hero. Many of my classmates and I admire him," said Zhang Xiaojuan.

Defining a Hero

But a feature on this Olympic champion included in the new Chinese textbook for Shanghai's primary school pupils on March 5 has generated a lot of debate recently.



LEAP OF FAITH: Liu Xiang becomes the first Asian in history to win the men's 110m hurdles at the Athens Olympic Games

According to Zhu Jianmin, one of the textbook editors, but for his excellent Olympic performance, Liu Xiang would not have appeared in the new textbook. The editing work on the new textbook began during the summer vacation last year, when the 2004 Athens Olympics had not yet started. When Liu made history, the textbook team promptly included Liu's story in the textbook.

"We had never expected a sports star in the textbook," said Wu Ming, a primary school teacher in Shanghai.

Differing from him, Wang Juexuan, Director of the Teach and Research Office under the Shanghai Education Committee, endorsed the inclusion of the Olympic champion's story. He said school-age children are especially thirsty for heroes and Liu Xiang is a hero of the times. Textbooks should be encouraged to embody the pulse of the people, he said.

In half a month, the whole debate came to a head when a text titled "Five Heroes of Langyashan" was formally removed from the textbook. The story is about five soldiers of an army under the leadership of the Communist Party of China, who fought bravely against the invaders during the War of Resistance Against Japanese Aggression (1937-45). When their ammunition was exhausted, they chose to jump off a cliff rather than be captured and two of them survived.

Their fortitude and revolutionary heroism has inspired two or three generations of post-1949 Chinese. The idea behind the re-telling of tales of wartime heroes is simple: To let the current generation realize that today's comforts are thanks to such martyrs and they should give back to society just as richly.

"The removal of the five heroes' story is to reflect the real interests of modern society," said Xu Genrong, Chief Editor of the Shanghai Textbook Compiling Team. "As values characterizing society diversify, it becomes increasingly difficult for students to identify with the setting of subjects of revolutionary war."

"Peacetime is still in need of revolutionary heroism but this is



STANDING TALL: Basketball star Yao Ming finds fame and fortune through his own efforts and becomes a role model for millions of teens around the world

expected to take on a different form," added Xu. "Any one who makes a contribution or sacrifices to the country is as heroic as martyrs during the wartime, like Liu Xiang." Besides, Liu is also a Shanghai native and this, according to Xu, "will be helpful for children to understand and learn heroism."

The stories of heroes will not fade with the times, just as history is not subject to changes. To some extent, it is true that heroes of different ages are not comparable and no one can be dubbed superior to the other. The definition of hero varies from time to time, which explains why Chinese say "some particular situations make a hero."

Those opposed to the removal of the Five Heroes story say such stories are an indispensable part of their own childhood memories and they do not want their children growing up knowing nothing about the Langyashan heroes. Others stress that people should not celebrate only modern idols while ignoring heroes of the past.

Humanizing Heroes

After securing an NBA title, **Yao Ming** has become an idol Chinese teenagers are crazy about. Posters and T-shirts of the NBA star are always the sought-after items among young people.

"A basketball athlete has made kids so crazy that they want to wear him?" asks an incredulous Zhang Yuhu, a 55-year-old retiree from Hohhot, capital of the Inner Mongolia Autonomous Region. He remembers that when he was young, only a notebook printed with "Learn From Comrade Lei Feng" on the cover could give him the same delight.

Lei Feng (1940-62) was a truck driver in the People's Liberation Army, helpful, hardworking and dedicated. He was killed in an accident while at work in 1962. A year later, on March 5, Chairman Mao Zedong wrote an inscription and called on the entire nation to "Learn From Comrade Lei Feng." Since then, Chinese of several generations, including Yao Ming, have received education on the "Lei Feng Spirit" during their school years. The Chinese Government has designated March 5 as the Day for Learning From Lei Feng.

In the latest "Learn From

Comrade Lei Feng" campaign, the government published for the first time a photo of Lei Feng wearing a watch, and disclosed bits of his love life. The watch and love story, considered "bourgeois" and "flaws" of heroic characters during Lei's time, had to be kept secret for the sake of Lei Feng's heroic image for the past several decades.

Zhou Xiaozheng, Professor with the Sociology Department of the Renmin University of China, pointed out to *Beijing Review*: "Heroes in old days were usually favored and recommended by certain government departments for imitating, when the public has only incomplete information, and always with strong ideological color." Under such circumstances heroes were expected to be free of personal feelings or interests and

thus seemed larger than life to ordinary people.

"Any hero should first be human and be fleshed out. As an incarnation of heroism, Lei Feng is becoming real, from deity to human," said Professor Zhou.

Yao Ming, who has been preached the "Lei Feng" spirit since he was young, has now himself become a "hero" in a sense other than what Lei Feng is to many Chinese. Yao Ming in NBA is not just an athlete but also a messenger of Chinese culture, because he represents a new, open and engaged China, say some people.

"Yao is more like a hero, a great source of national pride, and thus has become an example for young people today," said Zhou.

Yet, some sociologists believe Yao

Ming and Lei Feng share many traits in common, such as diligence, perseverance, modesty and a team spirit. They point out that an important reason for Yao's good relationship with his team members in the United States is his strong team spirit.

Unlike Lei Feng, however, Yao Ming rose to fame through his own efforts, becoming a multi-millionaire. Statistics show that the income tax Yao has paid back to China for the 10 NBA seasons he has taken part in equals the cost of holding 10 Chinese Basketball Association seasons.

And for this reason, a popular joke is that Yao is the most expensive commodity China has ever exported to the United States. Many people know that Yao is

Chinese Heroes

By REBECCA YANG

Nearly everyone has his or her own concept of what defines a hero. The definition seems to change from generation to generation, as well as from person to person. Different times produce different heroes. And the heroes of a specific period always seem to tell something about the times they lived through. A collection of the household names from different generations since the founding of the People's Republic of China pieces together the evolution of a nation from a unique angle. It shows the traits, deeds, and acts that the nation has come to value over the past 56 years. Maybe the character of a country can be known by studying those its society has deemed "heroes."

Huang Jiguang was one of the two "Heroes of Special Class" during the Chinese People's Volunteers' fight in the Korean War in the early 1950s. He was seriously wounded in a fight during the Battle of Sangkumryung in October 1952, reportedly China's most famous battle of the war in which Chinese soldiers defeated an army with 20,000 more troops and with much more firepower. After throwing out his last hand-grenade, Huang sacrificed his life by throwing himself against a machine-gun slit of a bunker. The machine-gun was silenced and the area was taken. Huang became a household name soon after. In his memory, his hometown village in southwest China's Sichuan Province was renamed after him and a Huang Jiguang Memorial Hall was built in 1962 and rebuilt in 1984 in the town.

In 1960 when China mainly relied on oil imports to meet its meager oil demand,



Huang Jiguang

Chairman Mao Zedong decided "to fight 'a massive battle' to open up the Daqing Oilfield (in northeast China)" and become self-sufficient in oil. Wang Jinxi, a veteran oil worker, and his famous No.1205 drilling team rushed to the bleak grasslands from Yumen Oilfield in the western province of Gansu, to find that there were no roads, no houses, few lorries, incomplete drilling equipment and a shortage of daily necessities. It was a harsh time for China and natural disasters added to its economic woes. The workers, however, knew they had no choice but struggle against the odds. Without waiting for cranes or lorries, Wang and his team unloaded 60 tons of drilling equipment from trains by themselves. Using their shoulders, crowbars and homemade



Wang Jinxi

tools, they hauled the equipment across the plains to the oil drilling site. His team struck Daqing's first production well after five days of non-stop work. Wang earned his nickname "Iron Man" for his total devotion to work despite fatigue, injuries and difficulties. Wang's two mottoes—"Conditions aren't ready, but we'll create them" and "Even if I live 20 years shorter, my life will be totally devoted to building productive oilfields for my motherland"—became so famous that they inspired workers across China to develop the country.

Born into a poor peasant's family in Hunan Province in 1940, Lei Feng became an orphan in his childhood. His father died of starvation and his mother who worked as a family servant commit-

sometimes perceived as acid-tongued or arrogant but this has not marred his image in the minds of his countrymen.

In an increasingly open and tolerant society, more Chinese are becoming successful through their own endeavors, such as China's first astronaut **Yang Liwei** and NetEase founder **William Ding** who, at 32 years old, has swept to the No.1 spot of China's top 100 richest list (2003) compiled by Rupert Hoogewerf.

Their successes are making for a new kind of Chinese hero. Today, people decide whom they want to hold as their hero instead of reacting passively. With globalization even some foreigners are becoming heroes for the Chinese such as Microsoft founder **Bill Gates** and Argentinean former football star **Diego**

Maradona.

With heroes becoming more human and individuals free to select their own, a large section of the population, mostly the younger generation, is quite happy to be sans hero worship since the 1990s. "In an open society, it is normal to have non-heroism worshipers due to the diversifying values. It embodies, in a certain sense, the right to spiritual freedom," said Zhou.

Plebeian Heroes

Then there are the silent heroes of every society. They are known only to a few people but they shoulder heavy responsibilities.

Take **Gui Xi'en**, a professor in Zhongnan Hospital of Wuhan University, who is involved in the prevention and

treatment of infectious diseases and epidemics, for example. Few Chinese know the 68-year-old but international praise for the government's handling of AIDS owes much to Professor Gui's persistent efforts.

In 1985, for the treatment of epidemic hemorrhagic fever (EHF), Gui brought back from the United States the Recombinant interferon alpha 2b (IFN alpha 2b) and experimented with it on himself. He suffered a fever of as high as 40 degrees Celsius and became the first Chinese to use the IFN alpha 2b.

In 1999, Gui decided to expose the worrying AIDS situation in Wenlou Village of Shangcai County in Henan Province after field trips over four years. He not only made known to the country the extent of the



Lei Feng

ted suicide after her landlord raped her. After his mother's death, Lei Feng became a street beggar at the age of six.

After Lei Feng's hometown was liberated in 1949, the local government took very good care of him and sent him to school. Lei Feng, homeless and an orphan, had a home and became a member of the local community. Having completed his elementary school education at the age of 16, Lei Feng joined the People's Liberation Army (PLA). He became a soldier, a cook and a truck driver in the army. He studied very hard and wholeheartedly helped his comrades-in-arms and served the people. He always loved whatever assignment he was given, worked hard and became an expert in it.

Always ready to help those in need

without thinking of himself, he treated others as his family members and considered the motherland as his own parents. He once said, "It is the people and the government who have given me a second life. I will put my limited life into the unlimited service to the people."

In 1961, Lei Feng was killed in an accident at work. In his honor, the PLA published his voluminous diary. The nation was shocked by his life story, and deeply moved by his single-minded dedication and service to the people. His motto, "To live is to serve the people—live to make others happy," greatly inspired the Chinese people, especially the young generation.

On March 5, 1962, Chairman Mao Zedong wrote an inscription and initiated a nationwide campaign of "Learn From Comrade Lei Feng," which is marked every March 5.

Enjoying fame in China like Helen Keller does in the United States, **Zhang Haidi** became a national hero after being awarded the honor of "Lei Feng of the 1980s" by the Central Committee of the Communist Youth League of China in 1983. Zhang became a paraplegic at the age of five following four operations for the removal of tumors in her spine. Because of her disability, she has never been to school, but she has diligently educated herself at home. She received her Master's degree in philosophy from Jilin University in 1993 after finishing all necessary courses in two years. She also learned English, German and Japanese by herself and began to try her hand at writing prose and novels in 1983. She is now an author of a dozen books, including three bestsellers, and a translator of several novels. As a member of the National Committee of the Chinese People's Political Consultative Conference, she remains an advocate for the rights of the



Zhang Haidi

disabled and for the improvement and accessibility of public facilities for them.

Immediately after China's adoption of reform and opening up, China was eager to show the world an image of a waking power and an opening society. A breakthrough was made in sports and Chinese women's volleyball was the first sport to catch the world's attention. China's National Women's Volleyball Team took its first world championship title with a surprising win at the 1981 World Cup in Japan after a thrilling 3-2 victory over the host team in the final. Between 1982 and 1986, Chinese women's volleyball team swept another four titles in the Olympic Games, the World Cup and the World Championships, winning victory five consecutive times. With members of the

AIDS infection but also disclosed that contaminated blood was a major factor in its spread in China. His findings went a long way in China's AIDS prevention and treatment program.

For five years after the exposure, Gui made several dozen more trips to Henan Province, carried out blood tests on more than 500 AIDS-endangered people and financed more than 100 children and adults living with AIDS.

And for all his sterling efforts, the most expensive thing he owns is a 25-inch color TV set.

Gui, as "the representative of China's AIDS prevention and control work," was awarded the 2003 Barry-Martin Prize and was referred in the following year as one of the "Annual Top 10 Figures" by



SILENT HERO: Professor Gui Xi'en at Zhongnan Hospital, Wuhan University, is awarded the 2003 Barry-Martin Prize for his work in AIDS prevention and control

national team becoming household names across the country overnight, tens of millions of TV viewers and radio listeners became huge fans of the volleyball team simply for the honor they earned for China. The brightest star of the national fervor is the team's captain **Jenny Lang Ping**, who was dubbed the "Iron Hammer" for her powerful spikes. As Lang led the team to a gold-medal victory over the United States in the 1984 Olympics in Los Angeles, life in China stood still. Factories and businesses were shut down so workers could watch the match live. Among the victories, the term "spirit of Chinese women's volleyball players" was widely used to illustrate relentlessness and hard work, and the women were viewed as role models for the whole nation.

Originally working as a government official in China's eastern Shandong Province, **Kong Fansen** had twice volunteered to work in Tibet on the world's highest plateau, known as the "roof of the world," before he died at his post as secretary of the Ngari Prefecture Committee of the Communist Party of China in a traffic accident. When he applied for his second tenure in Tibet in 1988, he was a father of three adolescent children and a son of an 80-year-old mother, which meant he had to overcome harsh living conditions as well as his concern about family. For all the difficulties, he managed to devote himself wholeheartedly to improving life of local people in his two terms lasting 10 years in Tibet. During his less than two-year tenure in Ngari, Kong traveled more than 80,000 km and visited 98 of the prefecture's 106 townships, paying door-to-door visits and seeking the advice of local people on ways of developing the local economy. To better communicate with local people, he taught himself the Tibetan language. Every time



Kong Fansen (right)

he made visits, he carried a medicine box to conduct checkups using the knowledge he gained as a soldier and would give away medicine he bought with his own money. He adopted three Tibetan children orphaned from an earthquake and treated them as his own. Since he spent his salary aiding destitute people during his inspections, he found it difficult to support his own three children. After his death in 1994, his life stories caught nationwide attention and he was regarded as a role model for all government officials by "serving the people."

In 2002, when **Xu Benyu** first came to Goudiaoyan Village in the mountainous areas of southwest China's Guizhou Province, he was a fourth-year university student doing a two-week summer vaca-

tion voluntary teaching program with four classmates. Xu was shocked by the poor conditions of the school, which was then held in a cave, and the ignorance of his students who had difficulty understanding Mandarin and had no knowledge of the outer world. Toward the end of Xu's stay, he made up his mind to do anything possible to help those innocent children. In July 2003, after graduating from Huazhong Agricultural University, he decided to give up his opportunity to receive a postgraduate education and went back to Goudiaoyan Village to be a full-time voluntary teacher. Yet the decision was not very surprising given Xu's character. Born into a family that was not very well off, Xu mainly lived on the money he earned through part-time jobs and scholarships from his university. He was still quite generous in donating money to other poor students and to charity.

Living conditions are unimaginably harsh in this poverty-stricken area of Guizhou. Goudiaoyan Village is linked to the outside world only by a narrow path winding through the mountains and has no access to electricity and telephones. When the hard life there drove the other volunteers away in one month, Xu became the sole person left to run the school. Yet the biggest problem of all for 22-year-old Xu was the pervasive loneliness. He once said, "The happiest thing for me was reading letters from my family and friends and loneliness would bite during the days without letters or electricity." Giving a speech to students of his old university in 2004, he said, "I would wake up at midnight with my pillow wet from tears. I felt pain and confusion in my heart. It was almost too much for me."

Xu rose to fame immediately after he was selected as CCTV's "People Who Moved China, 2004" in February. Moved by his altruism, people are making dona-

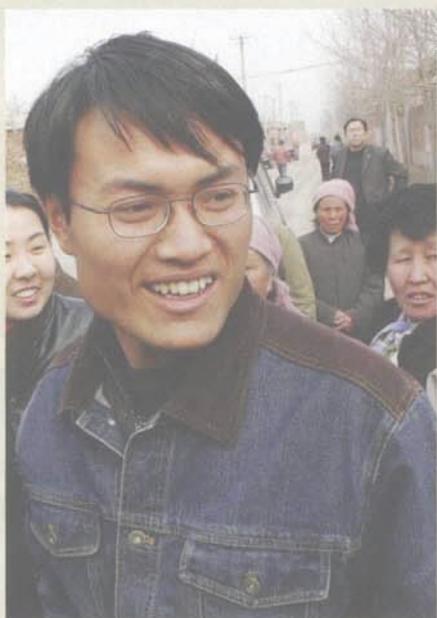
CCTV.

Another such figure, who is also active in AIDS prevention, is **Gao Yaojie**, a retired doctor. Now approaching 80, she has been active in this field since 1996. She has spent thousands of her own pension money buying medicines and compiled pamphlets on AIDS prevention and treatment, distributing them to the public for free.

She was once asked what was the biggest obstacle in China's AIDS prevention and treatment work. "It is the practice of hushing up truth at local units," she said. She also wrote in an article, "The problem at present is that some guys view their official titles more important than lives. No one can keep back truth forever. What I do is to break open the lid and what I want is to have less deaths."



OLD IS GOLD: Gao Yaojie, a retired doctor in her 70s, is another prominent activist who is urging local officials to come clean on AIDS numbers



Xu Benyu

tions to help the underprivileged students in Goudiaoyan Village.

Grandmas are supposed to potter around their crammed apartments, grumble about their senile husbands and make endless mugs of tea for visitors. But not **Gao Yaojie**, a retired professor in ovarian gynecology now in her 70s. Gao is acknowledged as the first Chinese person to ring the alarm of the spread of HIV/AIDS in China.

She encountered her first AIDS patient in 1996. After diagnosing the 40-year-old woman's deadly disease, she traced it to a tainted blood transfusion from stations where blood was sold illegally, a situation that was quite serious in central China's Henan Province. As her research continued, she uncovered a hidden epidemic.

Facing ignorance about AIDS among residents in AIDS-prone villages, the then 68-year-old professor decided to mount a campaign of her own. Marshalling funds from a few donors, but relying mainly on meager personal resources, she published a stream of AIDS-related reports and brochures and distributed them from lane to lane on bicycle. She traveled to AIDS-impacted villages to treat and comfort patients and to build awareness among their neighbors. Increasingly, Gao shared what she knew with reporters. Worried about the adverse publicity on Henan induced by Gao's acts, some local officials monitored her movements, tapped her phone line and confiscated her photographs. But Gao carried on fearlessly, and the tide began to turn. Fully aware of the country's serious AIDS situation, the Chinese Government has made efforts to check the spread of the deadly disease and take care of people living with HIV/AIDS nationwide. Yet Grandma Gao's fight against AIDS did not stop there. At the age of 76 she started to devote herself to the caring of orphans left behind by those who died of AIDS, who suffer the most from the disease's stigma. She finds families for them and, in AIDS-wary villages, holds them in her arms. As the winner of the Jonathan Mann Award for Global Health and Human Rights in 2001 and the Ramon Magsaysay Award for Public Service, Asia's equivalent of the Nobel Prize, in 2003, Gao donated all of her prize money along with most of her savings and pension to the prevention of HIV/AIDS. In 2003, she was selected as CCTV's "People Who Moved China." Many admire the 78-year-old woman as a hero for her non-stop crusade to confront the AIDS in China and her way of addressing it humanely.

Yao Ming has all the right moves when it comes to professional achieve-

Gao was among the "Asian heroes" named by the U.S.-based *Time* magazine and honored as an "AIDS Activist" by the *BusinessWeek* in 2002. Even the United Nations Secretary General Kofi Annan called her a "hero." Despite all these honors, Gao Yaojie has not lost sight of her mission. "The most important for me is to prevent the deadly disease from spreading," she says.

Putting the issue of heroism in perspective, Zhou Xiaozheng says, "It is through hardship that heroes acquire even greater value and play important roles, which is especially true with plebeian heroes.

The Chinese society in transition probably needs more plebeian heroes than other kinds." ■

ments. After leaving China to play in the NBA in 2002, Yao has gained international popularity, not only for his basketball prowess, but also for his humble demeanor and intelligence. He has become more than the pillar of the Chinese national basketball team. He broke a record for receiving the most fan votes in the NBA all-star balloting for his excellent performance as center of the Houston Rockets. Besides having 270 million fans in his home country, the 7-foot-six gentle giant has charmed NBA fans in the United States and has inspired songs, cheers, bobble-heads, advertising campaigns, thousands of websites, a solid work ethic and, most importantly, the people. As one of NBA's most respectable players, Yao has long been regarded as a valuable image ambassador by many multinational companies, from manufacturers of sportswear to hi-tech firms. According to a Celebrity List released by *Forbes China* in March, Yao topped the list based on his annual income of 150 million yuan (\$18.1 million), the highest among all the listed celebrities. Yao has also earned respect back home for his patriotism. Before leaving for the United States, he vowed to return to play on his national team whenever he was needed, a stand quite different from his fellow countryman in the NBA, Wang Zhizhi, who was permanently expelled from the national team after failing to serve his country during the World Basketball Championships and the Asian Games.

After being hailed as a "hero" by a teenage fan at a press conference for the publishing of his autobiography, Yao said, "I am far from a hero. In the NBA success is measured only by the championship ring. I am not yet a successful player, or a hero. I think **Yang Liwei** (China's first astronaut in space) is a hero." ■



Zhou Enlai (1898-1976)

Heroes Through Ordinary Eyes

By LI LI

If beauty is in the eyes of the beholder, so is the concept of the "hero." There are lines and lines of poetry devoted to heroes. James Autry wrote, "It is the nature of people to be heroes, given the chance." Surveys of ordinary people's understanding of heroes usually reveals something about their values and beliefs. It is particularly true for China. *Beijing Review* has recently conducted a sample survey of 100 people ranging from 16 to 50 years of age from all walks of life, and found some interesting and original ideas about heroes.

Li Ling, female, 17, high school student:

In my eyes, the image of the hero has never come down to one specific figure. As I define it, heroes are those who can do things that I will never be able to, like those who devote their lives to the founding of our country.

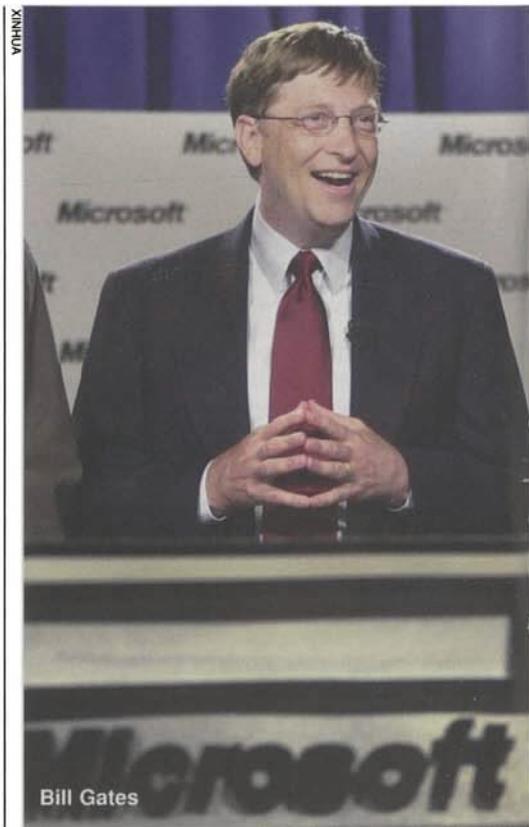
When I was in my second year of primary school, I began to forge my own standard of a hero, a very definite one. Heroes are those who fight foreign invasions, whether in ancient times or modern times, whether in China and in foreign countries.

I think you can seldom have a hero in a peaceful environment. Heroes should come from doing more than helping others or fighting thieves and robbers. In this sense, heroes should do something more sensational. Talking about whether heroes should be tragic figures, I believe heroes are not necessarily made from dying, but a person's death can make him or her more like a hero. Like Kong Fansen, why is he given publicity as a hero? Partly because of what he had achieved and half because he died. I think Lei Feng is also a hero, not because he died but because he had done things that others cannot.

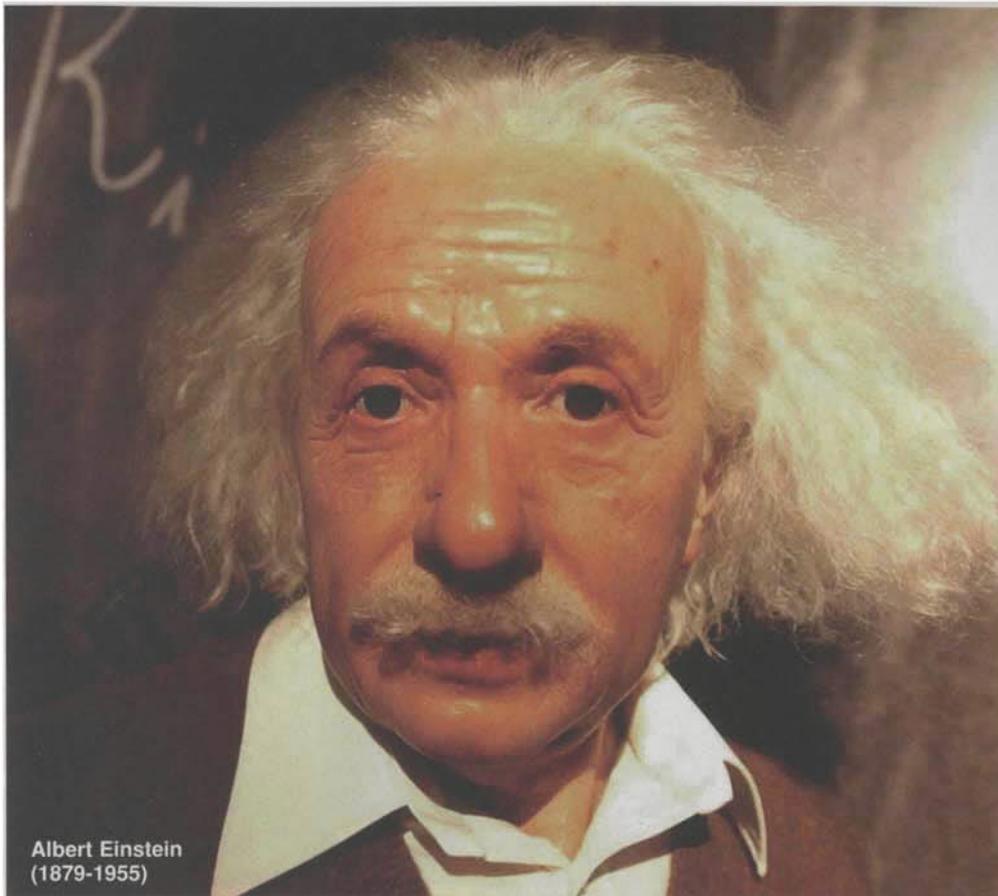
I like Yao Ming and Liu Xiang, but it goes too far to call them heroes. I think my parents are too ordinary to be heroes.

Jia Hanke, male, 32, engineer of Newgen Telecom Co. Ltd.:

My initial concept of heroes comes from war heroes, who were vividly portrayed in my primary school textbooks.



Bill Gates



Albert Einstein
(1879-1955)

Now I think heroes should be those who help the world change in a positive way and are dedicated to helping others. Heroes usually affect people's life in a dramatic way. Thus I would not consider my parents as heroes. I think former South African President Nelson Mandela is a hero.

Bi Xiaojie, female, 23, editor of Beijing Sunvale Culture Co. Ltd.:

Heroes should be people I really know about, whom I've met or know personally. I don't believe reports on people's heroic deeds, which sometimes are made up by journalists. Talking about Lei Feng, I don't think he is a hero. As a human being, his personality does not seem complete. I believe that desire is a basic factor of being human, which, at least to me, does not exist in Lei Feng. In this sense, Lei Feng is not even normal, let alone a hero. This is what I understand a hero to be in a narrow sense. But if hero is understood in a broader sense, they can be what positively affect your life most, like parents and close friends. Then every one is a hero.

Li Yizhong, female, 48, magazine editor:

When I was a teenager, I admired

everyone who was reported to be a hero, like Huang Jiguang and Lei Feng. I thought they were the kind of people I would become one day. Now my standards of heroes have changed. I think heroes should be those who are totally devoted to their career and make remarkable achievements, like basketball star Yao Ming. I think many excellent colleagues are heroes around me. Chinese people tend to report tragic figures as heroes and this has something to do with our culture. A modern Chinese poet, Bei Dao, once wrote a famous line, "Virtue is inscribed on the grave of virtuous people," which also reflects this kind of tradition. I think Lei Feng is at most a media-made hero.

Zou Yun, male, 22, tourist guide:

I believe heroes are those who are successful in their career and also willing to help disadvantaged people with their own strength. In other words, those who are professionally and morally superior. I think Jackie Chan is a hero, who as far as I know has for a long time devoted most of his leisure time

to all kinds of charitable activities, donating money and using his fame as an international movie star to help others. In comparison, I think Liu Xiang and Yao Ming are not yet heroes since I have not heard much about their efforts in charity. There are more and more heroes in our times.

Wang Zhancheng, male, 23, civil servant of the Ministry of Foreign Affairs:

I think Lei Feng is a kind person, but not a hero. When I hear the word hero, the first image is of those who fought the Western invasions when China was quite weak between 1840 and 1945. I believe the more peaceful and mature a society becomes, the fewer heroes we will have.

Tan Wenwen, female, 22, sales clerk of Sainty Group:

I started to develop the concept of the hero in my junior high school days. Premier Zhou Enlai and Margaret Thatcher were both once my heroes. I believe heroes should be those who have made great contributions and who are morally noble. Our former Premier Zhu Rongji best represents my image of a hero. Lei Feng is more of a kind person under certain historic background than a hero.





BUSY ON THE JOB: Austrian technicians assist on the construction site of the new Qinhuangdao-Shenyang Railway

Wanted: Foreign Skill

New rules adopted to make recruiting foreign talent easier

By TAN WEI

When Zhang Qi, who had studied in Britain for years, returned to China and found a Beijing-based training center advertising for English teachers, he thought that he had a language advantage and could get the job. When he went to apply for the job, he found that most applicants were foreigners. "All are international competitors. China is no different than Britain," said Zhang sadly.

The change was unbelievable for Zhang Qi. In the time before he left Beijing, most foreigners in China were diplomats or workers of international organizations. Since China began opening up, especially since its WTO accession, more and more foreigners have come to visit China, and

many of them have chosen to live and work here.

For a long time, overseas specialists and professors who had been directly employed by the Chinese Government were called "foreign experts." With more foreigners flowing into China and the standards for recruitment becoming more selective, that appellation will change.

On February 28, a national meeting for the directors of the bureaus of foreign expert affairs was held in Beijing. The meeting declared that China would build a brand-new system for recruiting high-level professionals to work in China and that ordinary professionals would not be called "foreign experts" any more but "foreign employees." The item will be included in the new management statute for foreign employees in China, which will be issued

by the State Administration of Foreign Experts Affairs (SAFEA) in June 2005. The new statute will also include new items about the management and salaries of foreign employees.

Wan Xueyuan, Director of SAFEA, said that China would advance to an important level on the institutionalization and legalization of recruiting foreign employees. The new statute is expected to make recruitment more scientific and democratic and more akin to international norms.

"China will put its emphasis in recruiting foreign agricultural experts, especially those who are professional on breeding improved strains, reforming growing technology and preventing plant diseases and insect pests," said Wan.

China also plans to emphasize bringing in experts in such fields as resource-con-

servicing agriculture, ecological environment development, special economy, transformation of traditional resource-oriented cities and public sanitation.

Liu Yongzhi, Director of the Department of Statute of SAFEA, said, "The establishment of the statute will provide a legal base for our foreign expert management work. In the past, there was only a general policy, but in the future we should put our emphasis on creating open and transparent laws and regulations for the work."

Liu said the main area needing improvement had to do with China's foreign expert recruitment standards.

On July 8, 1983, after China's late leader Deng Xiaoping met with an overseas Chinese expert, he had an important discussion with some other Chinese leaders and proposed to "introduce foreign talent," with the aim of learning advanced foreign technology and management expertise.

SAFEA, as the administrative department of the Chinese Government in charge of the introduction of foreign talent, is responsible for the administration of experts from abroad and from the Hong Kong Special Administrative Region (SAR), the Macao SAR and Taiwan in various fields, including economy, technology, management, education, science, culture and healthcare. It is also in charge of sending Chinese technical and managerial professionals from government departments and enterprises for overseas training.

At present, SAFEA has built cooperative relationship with more than 100 foreign experts' organizations. Every year, thousands of foreign experts are recommended through those organizations to work and live in China.

Besides advanced technology and management expertise, China can also understand the situation of other countries better by cooperating with foreign talent.

Through their foreign employees, Chinese enterprises can acquire accurate information about related countries, which helps them make their way into foreign markets. In general, foreign employees enjoy a fairly high salary and pay a correspondingly high income tax, thus contributing to China's tax revenue.

Foreign employees are also influencing China's social activities, cultural concepts and customs, and are promoting China's opening up to a certain degree. Today, many restaurants with different foreign flavors can be found in China. In some communities with a large expatriate population, some foreigners have even been elected as community leaders.

On December 8, 2002, Jason, an Australian, and Lu Lilian, a Singaporean,

were elected neighborhood committee members of the Renheng Bingjiang Garden area in Pudong, Shanghai, making history in China. Since then, more foreigners have been elected.

It is reported that foreign recruitment in specialized fields has spread through all provinces. In Heilongjiang, for example, the local government plans to expand recruitment beyond the high-tech field to many other areas in need of foreign expertise.

"Heilongjiang will organize foreign mining experts within the year to examine the latent problems in local mines and help

establishment of the new statute will break this block, and more foreign talented people can come to China."

Wen Jun, owner of a private business, said that the new statute will not affect his company to employ foreign talents. He said, "Except for foreign experts and professors directly employed by the government, most foreign employees were recruited through agencies."

According to sources from the Ministry of Labor and Social Security, at the end of 2003, more than 90,000 foreigners were working in China. They mainly came from Japan, the Republic of Korea, Singapore,



FOLLOW ME: A Canadian teacher has fun with her pupils at the Jinxing Art Kindergarten in Fuzhou, Fujian Province

with the building of an early-warning mechanism for gas explosions," said Xu Hongguang, Director of the Heilongjiang Bureau of Foreign Experts Affairs. "Some foreign experts could even go down into the coal pits several hundred meters deep to find the source of the trouble.

"Heilongjiang will also invite Russian ophthalmologists to treat patients with various eye diseases," said Xu.

Some people worry that the new statute would reduce foreign professionals coming to work in China. But Liu Zhiyong disagrees, "I think that the statute will attract more foreigners. In the past, because the management policy was not clear, China lacked channels to attract and recruit foreign professionals. This blocked the exchange of intellectual resources between China and other countries. The

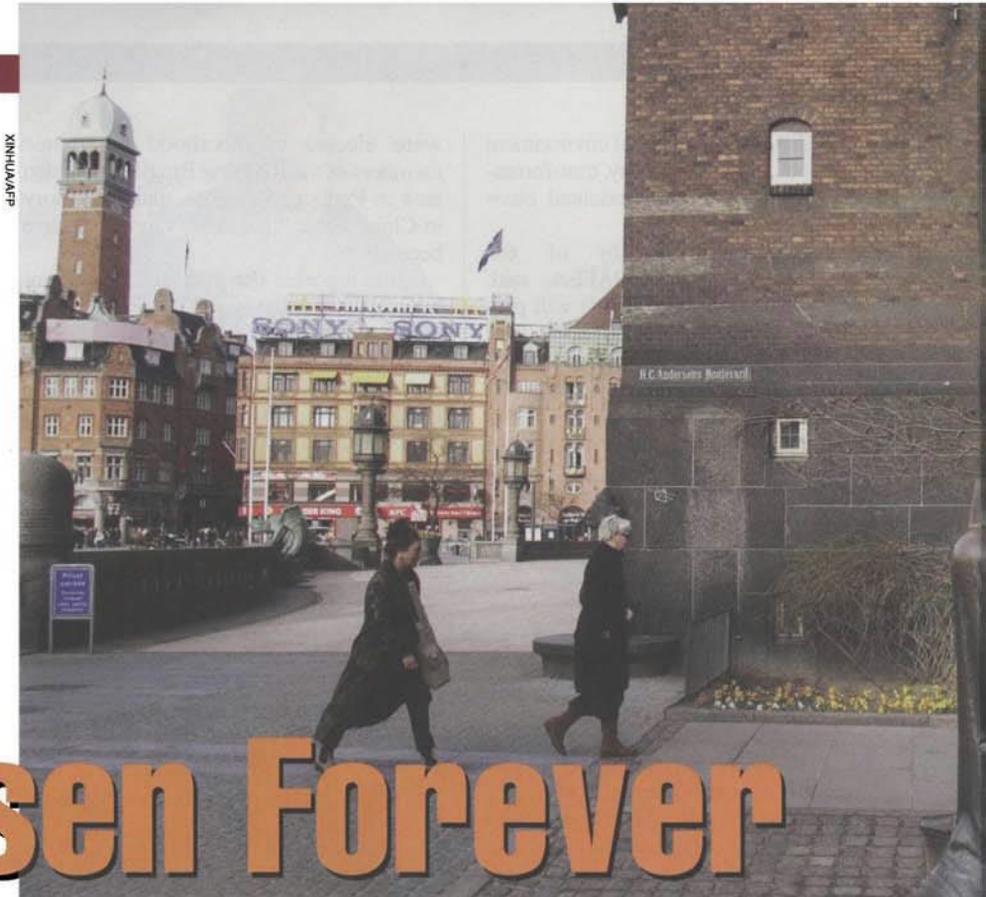
the United States and European countries. More than 70 percent of them were working in foreign-funded enterprises and about 10 percent in foreign companies' representative offices in China.

The problem of obtaining employment has become an international problem. Some people worry that the inflow of foreigners will aggravate China's employment problem. Yao Yuqun, professor at the School of Labor Relations and Human Resources of the Renmin University of China, said that thus far there was not any organization researching the impact of foreign talent on the Chinese labor market. However, he believed that foreigners would not influence the employment situation in China because the number of foreigners working in the country is still very small compared to the huge Chinese work force. ■

By TANG JUN

It's nearly midnight on April 2. Tian Tian, a five-year-old boy, is excited and restless because he got to meet "Grandpa Andersen" earlier in the day.

The day marked the 200th anniversary of Hans Christian Andersen, the Danish author famous worldwide for his fairy tales. To mark the occasion, the China National Children's Art Theater in Beijing staged a drama called *The Journey of Hans Christian Andersen*. The show, specially designed for children, featured Mr. Snore and Miss Yawn, two imaginary figures searching for Anderson, while having dramatic encounters with many widely recognized characters in Andersen's tales, such as *The Ugly Duckling*, *The Nightingale*, *The*



Andersen Forever

The writer of classic fairy tales continues to live in the hearts of the Chinese people

Little Mermaid and *The Little Match Girl*.

Born on April 1, Tian Tian faulted his mother for not giving birth to him just a few hours later. If he had, he would have been able to celebrate his birthday together with "Grandpa Andersen" every year. Theater, however, invited children born on April 2 to watch the show for free. More exciting for Tian Tian was that the fortunate kids in attendance were invited on the stage to share a birthday cake with "Grandpa Andersen" during the show.

Andersen is a household name in China. Almost every Chinese, children and adults, are familiar with his tales, although some may be unclear about his nationality. The bicentennial celebrations the Chinese prepared for the great storyteller were not limited to theatrical shows or to the beginning of April. A wide range of activities will last through December 6. Danish Prime Minister Anders Fogh Rasmussen said during a visit to China in February last year that Denmark had chosen China as the major venue for the celebrations, not only because the two countries have been maintaining friendly ties ever since the 1950s but also because the Chinese people hold deep feelings toward Andersen. The Ministry of Culture, the Danish Embassy in China and the HCA 2005

Foundation have co-sponsored "Andersen and China," an extensive celebration project including about 30 programs, such as a children's painting contest, a modern visual art exhibition, theatrical performances based on Andersen's tales and the publication of the latest edition of Andersen's tale collection. Hong Kong Post issued a set of stamps featuring Andersen's popular tales. In addition, his fairy tales have once again hit the program lists of many TV and radio stations and have appeared in newspapers, magazines and websites.

Apart from government-sponsored activities, an "Andersen rush" is sweeping across the nation. People of different ages and various backgrounds are reviewing their memories about Andersen's works. Ren Rongrong, 82, a famous writer of children's stories in his own right, is the translator of the latest edition of Andersen's collection. He is very grateful to the Danish author for his inception of an era of children's literature that is enjoyed today. Xu Dan, a young woman in her 20s, is pursuing a Master's degree in children's literature in the Beijing Normal University. Like her peers, she grew up with Andersen's tales. However, the fantastic tales had a special significance for her. Driven by the interest

in Andersen's tales, she chose Chinese literature as her major at college and then went on postgraduate studies in the field of children's literature to explore the mysteries behind the fairy tales. "What you read in your childhood can have an influence on your whole life," she said.

"No other foreign writers have forged such a successful synergy with the Chinese culture as Andersen did," said Professor Che Jinshan with the Institute of Comparative Literature and Comparative Culture at Peking University. For Chinese readers, the ugly duckling, the mermaid and the little match girl are all close childhood companions. Even some metaphors in Andersen's works, like *The Emperor's New Clothes*, have lost their exotic flavor, becoming colloquial Chinese expressions. Xing Ye, a six-year-old boy, feels some affinity for the ugly duckling.

"People differ from one another in terms of intelligence, living environment and circumstances, but the ugly duckling will become a beautiful swan as long as he does not lose heart and keeps trying," the boy said.

Andersen had a special bond with China. When he was young, he dreamed about the ancient country, hoping that he



GREAT STORYTELLER: A statue of Andersen in Copenhagen

could go there one day. Never having the opportunity to go, he expressed his wish in one of his fairy tales, in which he portrayed a Chinese emperor and a nightingale. However, because of his excellent tales, Andersen's work was introduced to China in 1912, about half a century after his death, when Zhou Zuoren (1885-1967), a famous Chinese writer and the younger brother of Lu Xun (1881-1936), published an essay on Andersen's life and works. It was the first essay on Andersen published in China. For the first 20 years of the 20th century, Chinese scholars who returned from their overseas studies were very keen on bringing Western children's literature to China under the slogan of "the liberation of humanity" and "the liberation of women." One of the most remarkable achievements of that period was the Chinese translation of the Andersen and Grimm fairy tales, which helped the Chinese become modern writers of children's literature.

Among the several Chinese translations of Andersen's tales, Ye Junjian's version, which was directly translated from Danish, was the most influential in the second half of the last century and remains an authoritative translation today. Yuan Yin, wife of the famous writer, translator and foreign literature scholar, recalled the experiences of her late husband. While studying Western liter-

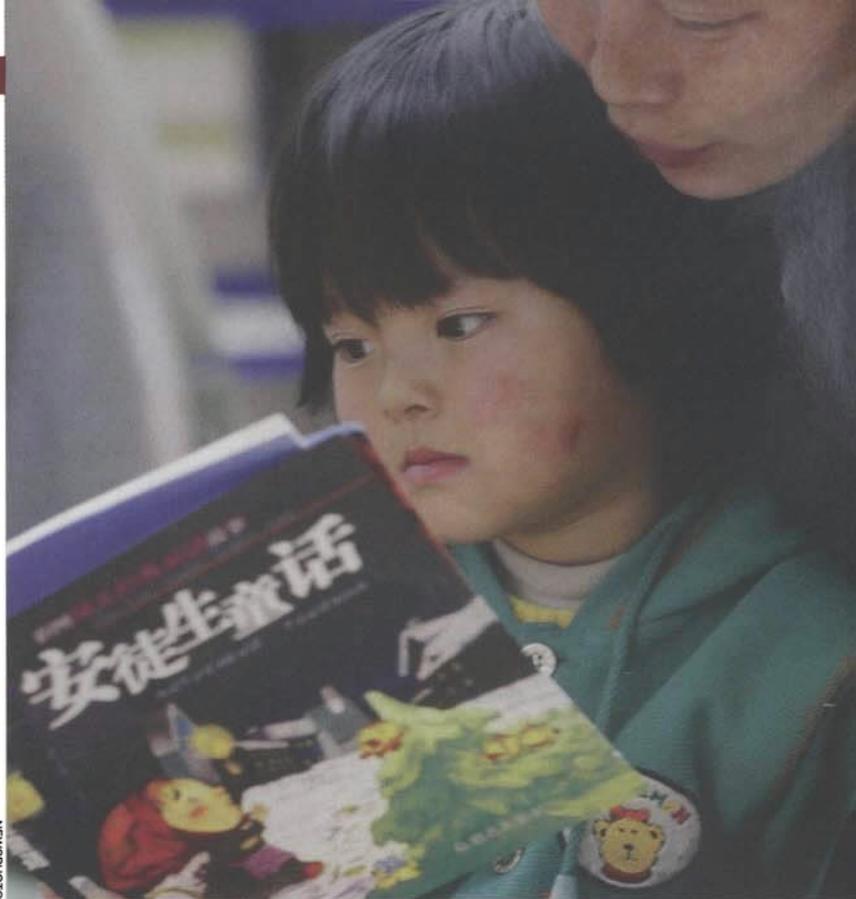
ature in Cambridge after World War II (1937-45), he visited the Scandinavian country at the invitation of Danish friends during winter and summer vacations. He learned more about Andersen and his tales there. To his great surprise, he found that Andersen also grew up in a poor rural family just like him. This similar personal experience brought him closer to the great Danish author. More importantly, he discovered the poetic charm and the deep philosophical ideas embodied in Andersen's tales. Later, some Danish critics commented that Ye interpreted Andersen not only as a storyteller, but also as a philosopher, a poet and a democrat upholding progress and opposing backwardness and tyranny. He was awarded the Order of the Dannebrog by the Danish Queen. Yuan Yin believes that in a commercial society valuing material gain, human sympathy and moral lessons have become more indispensable. "The humanitarianism reflected in Andersen's works can always purify and elevate our souls," she noted.

In the face of the challenges posed by the success of Harry Potter series and countless other new fairy tales, Andersen's tales still have a ready market in China, securing a share of around 10 percent of the total children's literature sold. Various editions including Andersen's complete works,

hardbacks, paperbacks, editions with *pinyin* and illustrated editions are available on the market. "It is no exaggeration to say that Andersen's tales are fuelling a huge cultural industry," said Huang Jianjun, a book dealer.

According to Tang Dajun, a second grader in Beijing, all the children in his class have read Andersen's tales and at least half of them have Andersen's tales at home. The boy can name quite a few tales written by Andersen, although he has not learned them at school. He likes reading Andersen's tales after class and showing off what he knows about the great author. "Andersen was born on a wooden bed converted from a coffin," Tang said, "and he cried and cried after his birth, while his smiling father read a story by a famous writer to him and asked him, 'Wouldn't you listen quietly?'"

Two centuries after Andersen's birth, his works remain a bedtime tranquilizer for the children all over the world. Tang's mom began to tell Andersen's stories when he was two. From then on, he became so "spoiled" that he required a fairy tale every day, otherwise, he would be inconsolable. Later on, his father bought him an illustrated selection of Andersen's tales. "I read it every day," he said. "I've read it for many times but I'm still interested." Gu Yixin, Tang's mother, is quite willing to read



KEEN READER: A five-year-old is preoccupied with Andersen's tales

Andersen's tales to her son at bedside. "They can send my son to sleep," she said. "Besides, I myself have been touched by these infectious tales again and again."

Gu's feelings are largely shared by Yu Zifan, a retired professor of Hohai University, who has been in love with Andersen all his life. Today at such a senior age, he still often gets emotional when reading the fairy tales. It is his belief that five-year-olds listen to Andersen, 15-year-olds read Andersen, 25-year-olds digest Andersen and 45- to 55-year-olds review Andersen. "That could be Andersen's eternal charisma," he declared.

Yu can still remember the day when his mother told him an Andersen's tale for the first time. It was in the 1940s during the War of Resistance Against Japanese Aggression. His father, a teacher, was forced to leave many of his cherished books behind on the family's refugee journey from the south to Shanghai, but his mother managed to preserve the collection of Andersen's tales translated by Ye Junjian, believing that Andersen can give them confidence and strength that can prevail any hardships.

Ju Ping, the well-known hostess of CCTV's children's programs, thinks that Andersen's tales inform the children of riches and poverty and teach them to respect others and to work hard. It also gives them a picture about reaping the harvest of hard work, Ju said. As a mother-to-be, she made a record of Andersen's tales for the Chinese children in 1993. "I thought it would be the best prenatal education," she said. "It can nurture numerous angelic children." Ju was named "Hans Christian Andersen Ambassador" last year by Danish Prime Minister Anders Fogh Rasmussen, along with six other famous people including Lin Hua, one of the translators of Andersen's works, Yao Ming, the Chinese basketball star in the NBA, Zhang Jinlai, the emblematic figure behind the most loved Chinese stage character, the Monkey King, and the pianist, Sun Yan.

In recent years, the Chinese education circle has come to grips with the value of Andersen's tales in fostering children's intelligence. The Institute of Early Education under the Beijing Academy of Educational Sciences has launched an experiment in which they try to nurture a child's interest in reading and improve their reading competence by guiding them through Andersen's tales. Beijing Shijiyanguang Kindergarten has been designated as an experimental base for the project.

Despite the ongoing craze about Andersen's fairy tales, there are still some people who feel differently and believe that Andersen has become "outdated," and his

ZHANG YIWEI



LIGHT OF HOPE: The little match girl in *The Journey of Hans Christian Andersen* staged by the China National Children's Art Theater

tales are "superficial." Liu Jie, a second-year Chinese major at Wuhan University shelved Andersen's tales years ago. "They fit into the classical type that exhibits characteristics of an agricultural society. They don't represent the modern civilization in the industrialized world. Modern readers will have to struggle to understand them," she said. Children born in the 1990s have the access to ungraded TV programs, obsessive video games and sensational cyber stories on the Internet. Given this, even the students' writings have taken on an aura of "profundity, subtleness and complexity," according to Liu.

For 12-year-old Hong Yue, fairy tales are just for casual browsing. What really interests him is "books of greater profundity." Liu Jiaxuan, a fourth grader, prefers Harry Potter series to Andersen's fairy tales. Shi Li, a third grader, feels the same. "The Hogwarts School is just like our school, and the adventures of Harry Potter and his

friends are fascinating. I can always talk about them with my friends," she said. Shi has found many similarities between what J.K. Rowling has written and the real life. The Harry Potter Broom, which can be upgraded, is like Windows 2000. A girl writes on a magic diary pad and gets response from a powerful charming man. This is precisely a representation of online chatting.

Li Zhong, a primary school teacher and father of an eight-year-old, also thinks that Harry Potter is closer to the real world. Its quickened tempo and thrilling effects are much to the taste of modern readers, he added. "The well constrained horror and the surprisingly emotional ending are enough to seduce the young readers," he said. It is also his belief that every period produces distinctive literary works. The debate on whether Andersen's tales are relevant today has actually provided evidence to their long-lasting value, he noted. ■



Project: Gateway
Developer: Beijing Bstride Estate Development Co., Ltd.
Location: North Road of Third Ring Road, Chaoyang District
Tel: 84486666

Project introduction:

Beijing Bstride Estate Development Co., Ltd.

Gateway, a new landmark by Sanyuan Overpass, is close to the China World Trade Center in Lufthansa commercial area.

- Formal opening next March
- Unique 7,200 sq m front garden with fountain
- Impressive 2,500 sq m Sky Lobby
- Show floor open to the public
- Looking forward to your presence & suggestions



Project: Beijing YinTai Center
Developer: Beijing Yintai Property Co. Ltd.
Location: No.2, Jianguomenwai Dajie, Beijing
Tel: 65666060

Project introduction:

Standing 249.9 meters tall, the YinTai Center is conve-

niently situated at the core of Beijing's Central Business District. Upon completion, it will become the tallest building on Chang'an Avenue offering Beijing's first comprehensive lifestyle center that includes a five-star boutique hotel and office, retail and residential spaces.

To create the Beijing YinTai Center, an alliance was formed with world-renowned architectural firm, John Portman & Associates, Inc. The combination of cutting edge design and a deep understanding of traditional Chinese culture has resulted in a number of unique features including a sightseeing hall at the Apex of the Park Hyatt Hotel, which features aesthetic elements taken from the design of Chinese palace lanterns.

Besides hi-tech intelligent systems in the office building, such as automatic temperature control with fresh air convection and double-decker elevators, the Beijing YinTai Center is also a lifestyle destination offering a sanctuary for the senses: world-class shopping, deluxe food choices and a dedicated fitness center and spa.

Project introduction:

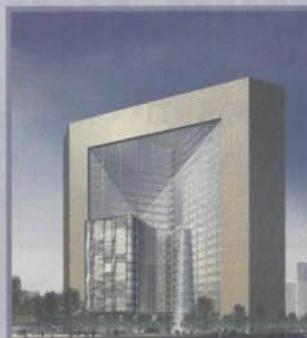
The Beijing Gulfland Real Estate Co. Ltd. is developing the New Gateway as a multi-use complex combining the City Mall business center, office buildings and serviced apartment. At the beginning of 2005, the City Mall business center first put forward the concept of a "reformed shopping area," and the multiplex business center, City Mall, performs as a large entertainment space, offering high-end fashion boutiques, a Warner Brothers cinema, an Alexander Club, and themed restaurants. It covers approximately 4,000 square meters in the New Gateway of the Zhongguancun area.

New Gateway is also a metro complex in the west CBD of Beijing. With the conjunction station—



Project: New Gateway
Developer: Beijing Gulfland Real Estate Co. Ltd.
Location: Huangzhuang Crossing, Zhongguancun Dajie, Haidian District, Beijing
Tel: 82656666

Huangzhuang Station of Line 4 and Line 10 in the New Gateway commercial area, transportation is easy and convenient. Just imagine everything you need close at hand: The Carrefour Asian flagship shop, an eco-plaza of 100,000 square meters, an environment of strong planning, apartments and a business center of modern design, and a magnificent landmark location.



Project: New Poly Plaza
Developer: Beijing New Poly Plaza Real Estate Co. Ltd.
Location: Southwest Corner, Dongsishitiao, Dongcheng District, Beijing
Tel: 65066565

Project introduction:

The New Poly Plaza, developed by China Poly Group, is estimated to cover a ground area of 10,600 square meters, with a total

construction area of 103,308 square meters. The 27-story A-class office building (23 above-ground and 4 underground) is located to the southwest of Dongsishitiao bridge, Dongcheng District. The sales price of the office building is estimated to be \$3,100 per square meter and the commercial price is 45,000-65,000 yuan (\$4,831-\$7,246) per square meter. The New Poly Plaza offers facilities ranging from a business center and restaurants to a first-class fitness center with a standard 4-line swimming pool. Moreover, the world famous Poly Art Museum will be relocated in the New Poly Plaza upon its completion.



Project: CBD Central International Trade Center
Developer: Beijing Huaxi Xinyuan Real Estate Co. Ltd.
Location: Jianguomenwai Dajie, Beijing
Tel: 65667886 65682628

Project introduction:

The Central International Trade Center, one of the top 10 major projects of the CBD in Beijing, is located at the junction of the East Third Ring Road along Chang'an Avenue. The office complex has a 5A intelligent system and usable floor space that efficiently covers 76 percent of the building. It is due to be completed by mid-2005. The net height of the units ranges from 3 to 3.2 meters and offers business support facilities. To the south of the project is one of the outdoor cultural plazas of the CBD areas offering a lush garden and fresh air.

By LAN XINZHEN

As a part of its WTO commitments, China opened its retail oil market at the end of last year. By December 2006, China will open up its wholesale market, allowing foreign enterprises to sell oil in larger quantities and compete head-on with China's state-owned oil companies. Foreign oil businesses will be able to build up oil depots, set up wharfs for shipping and create bigger sales networks. In order to capture as much market share in China as possible, many foreign oil giants have already allocated capital to expand their presence in China and devised strategic plans to increase their competitive edge.

Fierce competition is unavoidable as the Chinese oil market opens further. China is now the world's third largest consumer of oil. Currently, the two state-owned enterprises, China Petroleum and Chemical Corp. (Sinopec) and China National Petroleum Corp. (CNPC), dominate the Chinese wholesale market, and foreign companies must get their approval before they can enter local retail and wholesale markets. In addition, the oil import business is monopolized by the following five Chinese enterprises: Sinopec, CNPC, Sinochem Corp., China National Offshore Oil Corp. and Zhuhai Zhen Rong Co. Nonetheless, experts say that as long as

kets. However, by 1998, the oil market became uncontrolled. It fell into disorder with the positioning of too many gas stations and rampant international oil smuggling. With ineffective government management and control, the private enterprises expanded viciously, causing Sinopec and CNPC millions of U.S. dollars in income losses.

In May 1999, the State Council decided to rectify the chaos in the domestic oil market by retaining no wholesalers other than Sinopec and CNPC. Thereafter, the wholesale market changed from a free market into one monopolized and controlled by Sinopec and CNPC.

After China's entry into WTO, the wholesale market was loosened to some extent. In October 2003, Hubei Tianfa Co., Ltd. was granted a license to enter the wholesale market by the Ministry of Commerce, allowed to deal in the gasoline, kerosene and diesel oil wholesale business. While it marked the entry of a third company in the wholesale market, the license was the first ever granted to a Chinese private enterprise since the market was restructured in 1999. Since then, Chinese private capital has gradually begun to enter the wholesale oil market.

Foreign Competition Ready

"The wholesale oil market is going to be opened up in 2006 and the cooperation between foreign oil companies and their

Prospecting the Local Oil Market

For foreign companies investing in the Chinese wholesale refined oil market, the biggest problem will be the competition in price and point of sales

WTO commitments are honored, the monopoly in China's oil sector will be broken. Though the market share of foreign companies will likely increase to some extent, experts say that it shouldn't challenge the dominance of Sinopec and CNPC.

Breaking the Monopoly

"After 2006, the monopoly will end. The market will be carved up by three kinds of companies: state-owned wholesale enterprises, foreign enterprises and domestic private enterprises," noted Wang Degang, Deputy Secretary General of the China Chamber of Commerce for the Petroleum Industry.

Coincidentally, China tried to adopt a relatively free market before 1999. Private- and state-owned enterprises were developing together in the oil retail and wholesale mar-

kets. However, by 1998, the oil market became uncontrolled. It fell into disorder with the positioning of too many gas stations and rampant international oil smuggling. With ineffective government management and control, the private enterprises expanded viciously, causing Sinopec and CNPC millions of U.S. dollars in income losses.

Chinese counterparts is beginning to change," said Li Weiping, professor of University of Petroleum, Beijing. Li said that the focus of foreign companies is changing from cooperation with Chinese companies on exploration and development. They are now building their own petroleum processing and storage stations and increasing their stake in sales centers. On March 3, Exxon Mobil Corp. sold all of its 3.7 percent stake in CNPC. While as early as 2004, the Royal Dutch/Shell Group sold its total 1.85 billion shares of CNPC at a price of HK\$5.83 billion (\$747.43 million). The two overseas oil giants have stopped making strategic investment with Chinese companies and are changing their way of investment. They are putting huge amount of money into the con-

struction of their own gas stations and oil depots across the country.

According to the current local policy, the storage capacity of a wholesaler's oil storage depots must be larger than 4,000 cubic meters. Last year, BP Global (British Petroleum) built up the Nansha oil depot as a joint venture with Guangzhou Development Industry (Holding) Co., Ltd. The Nansha oil depot, currently the largest and most advanced oil depot in China, is located on the banks of the Zhujiang River, Guangdong Province. It is capable of storing some 360,000 cubic meters of oil, and can also store reserves of diesel oil, gasoline and other chemical products. In addition, the oil depot has a wharf with a capacity of 80,000 tons.

It is reported that apart from BP other foreign oil giants like Exxon Mobil are step-





FULL STEAM AHEAD: Shell is building more gas stations in the ever competitive Chinese fuel market

ping up their effort to build their own oil depots in China.

As a matter of fact, foreign companies have long coveted the Chinese oil market. As early as in 1985 and 1987, Shell was involved with two oil depot joint ventures in the Shenzhen Special Economic Zone, Guangdong Province. About 10 years ago, many foreign companies built gas stations as joint ventures in China. Currently, BP is one of the biggest transnational corporations investing in Chinese gas and oil fields, with an aggregated investment of \$4.5 billion, 36 gas stations and many natural gas joint ventures in China. The total investment of Shell in China has reached \$1.7 billion, possessing 20 oil enterprises and 40 gas stations.

Foreign oil giants are also cooperating with Chinese oil enterprises to become more directly involved in the sale of oil and petroleum products in China.

Sinochem Corp. and the French oil company Total SA recently signed a joint venture agreement to establish a retail network of about 200 gas stations in China's Bohai-Rim area, covering Beijing, Tianjin,

Hebei and Liaoning. Meanwhile, Exxon Mobil had agreed with Sinopec to jointly build 1,100 gas stations in Guangdong and Fujian provinces. Statistics show that BP, Exxon Mobil, Shell and Total SA have all been approved to set up 3,600 gas stations altogether in cooperation with Sinopec and CNPC in north China as well as in the Jiangsu, Zhejiang, Fujian and Guangdong provinces. The establishment of the gas stations will help expand the wholesale network of foreign oil products in China.

It is reported that there are about 85,000 gas stations in China, of which more than 30,000 belong to Sinopec, 37 percent of the total. They occupy 52 percent of the market share. More than 20,000 gas stations belong to CNPC, accounting for 19 percent of the total number and about 28 percent of the market. Apart from Sinopec and CNPC, there are more than 33,000 gas stations owned by other companies and about 400 joint venture gas stations, making up 44 percent of the total and amounting to a market share of about 20 percent.

Market Shares

The opening-up of the wholesale market will bring great competitive pressure on Sinopec and CNPC. Just how much market share foreign companies will take is probably the biggest question for many oil insiders as well as the long-time local giants, Sinopec and CNPC.

"The market share of foreign companies will definitely be expanded in the future. We cannot estimate how much it will be increased, but one thing is for sure: it will

pose no big challenge to Sinopec or CNPC," Li Weiping said.

Li Weiping said that market share in the retail area will naturally depend on how many gas stations foreign companies can snap up. The station can also give them leverage in capturing more of the wholesale market. The problem is that the Chinese retail market has become saturated, according to Li. The number of Chinese gas stations has currently exceeded the demand, so the construction of new gas stations will mean more resources wasted. Furthermore, the sales network, mainly belonging to Sinopec and CNPC, has already spread across the country. Therefore, it will be hard for foreign companies to gain a competitive edge. Some of the other 40,000 gas stations are controlled by private wholesale oil enterprises. Because of their own limitations, these wholesalers are unable to compete with foreign wholesale companies. As a result, foreign oil companies will target joint gas stations; on the other hand, more independent gas stations will choose foreign enterprises as gas providers.

"Another big challenge confronting foreign companies is the retail price of oil," stated Li Weiping.

It is a rule that the foreign companies entering Chinese market must follow the Chinese pricing mechanism for oil products. Retail price fluctuates with the market and is subject to price caps prescribed by the country. At present, the retail and wholesale price of oil in China is based on the weighted average of prices in New York, Rotterdam and Singapore. The retail price is 5.5 percent higher than the wholesale price and it can also fluctuate below or above 8 percent after the retail price is fixed. However, taking market security into account, China does not strictly carry out the pricing fixing measures, meaning the domestic price does not reflect the international price. In general, the wholesale price is determined by wholesale enterprises and is subject to some fluctuations, while the retail price, decided by the State Development Planning Commission, will not change even if the wholesale price changes.

Sinopec and CNPC are both integrated systems of production, supply and marketing. They change the wholesale price of refined oil in accordance with the market situation. When the goods are in short supply, the wholesale price can equal or even exceed the retail price. Under those circumstances, Sinopec and CNPC can reduce their cost by different means within their systems. But the foreign and domestic private enterprises will suffer losses when wholesale prices exceed retail price, as when the international oil prices increase by a big margin. Therefore, foreign companies and their joint ventures will have to face considerable risks. ■



JOINT VENTURE FUEL: Sinopec and BP establish their first jointly owned gas station in Zhejiang Province

Substantial Railway Reform Expected

Railway sector needs to separate administrative management from business operation

By FAN REN

Many people have experienced afflictive traveling by train during the holiday season—standing in long queues for a ticket and then squeezing into carriages like sardines. In spite of several rounds of reform launched by the Ministry of Railways, these problems persist. In a new step, the ministry is planning to shrink its administrative structure from four to three levels, said Minister of Railways Liu Zhijun on March 18. After reform, the branch bureau will be done away with, leaving only the ministry, bureau and railway stations. This move has once again rekindled people's hope for an improvement in railway services.

The media have heaped praise on the latest move, calling it "an unprecedented stride of reform." Some even lauded the move as "the heaviest storm in recent years, which will lead to a big shock in the railway sector."

But some experts do not agree with the media. Rong Chaohe, professor with Beijing Jiaotong University, said, "Institutional reform in the railway sector is more difficult than expected. It is too early to give a comment."

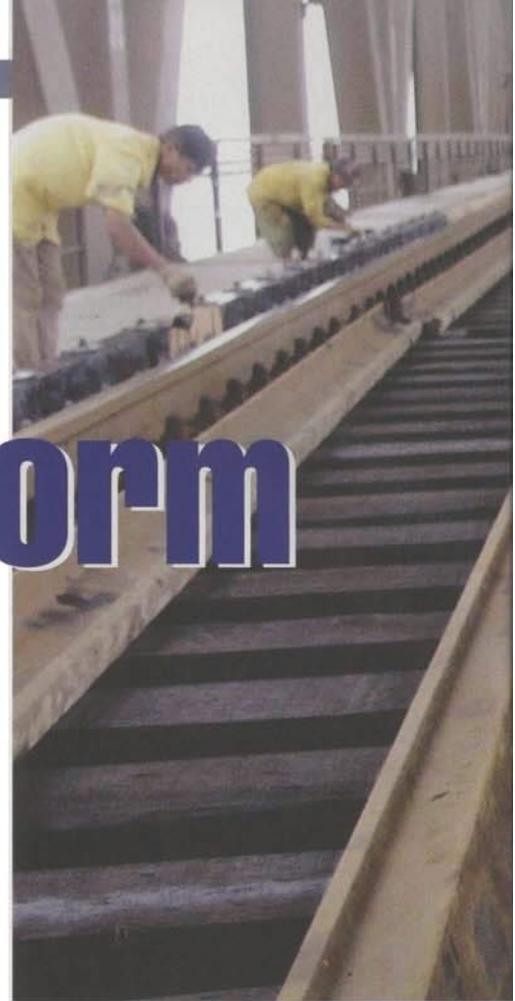
"Strictly speaking, the move of the ministry is not a reform, instead it is nothing more than a structural adjustment," said Wen Li, professor with the Beijing Normal University and formerly an engineer with the Economic Planning Research Institution and director of the Transport Economy Research Institute of the Ministry of Railways.

Professor Wen expressed fears that shrinking the current administrative structure could lead to a concentration of power within the ministry. For years, Professor Wen has been appealing for wider inclusion of public opinion on the sector's reform, but its practice has not been satisfying.

Bumpy Ride

The earliest institutional reform of the railway sector can be traced back to 1983, when the ministry did away with Jilin, Wuhan and other railway bureaus. In 1986, another two bureaus and 21 branch bureaus were canceled. However, in the 1990s, some of them were resumed and some branch bureaus were even upgraded.

The reform on business operation began at the end of the 1990s. Mirroring the experience of Britain and Sweden, the



Ministry of Railways separated the railway-network operation from transportation operations and further divided the latter into passenger transport and freight transport. They are independent in terms of economic operations.

In early 2003, the country's 14 railway bureaus set up passenger transport companies and introduced competition. But three months later, all of the companies shut down and the old institutional structure was back.

Shortly afterwards, the ministry drew up plans to introduce the system of combining railway network operations with transport operations and establishing regional companies, as was the practice in Japan and the United States. Under the system, a state railway holding company and three regional passenger-and-freight companies located in north, central and west China will be established. When the time is ripe, the railway network sector will be separated from that of transport, and the state railway holding company will be changed into a state rail network company.

According to the media, the State Council has not yet approved this plan that was delivered two years ago. The rea-



RAILWAY SAFETY: Workers at the Jinan Railway Bureau grease the tracks

son is, probably, wide objection from various circles. Against this backdrop, the reform of the railway sector was suspended. But, rising appeals for reforming state monopolized sectors such as electric power, telecom and petroleum have increased the pressure for the railway sector's reform.

Raising efficiency and providing high-quality, low-price services is the avowed purpose of reform. But past attempts have failed to realize this goal. Train travel remains difficult and frontline workers' incomes have stagnated for a decade. In some cases, individual income has actually fallen.

The proposed new round of reform, not aiming at the structure, will make matters worse, said Liu Jipeng, professor of the Capital University of Economics and Business. "The reform of the electric power sector is an example. Instead of falling electricity prices, there have been more power cuts," he added.

Currently, the Ministry of Railways serves as both the administrative organ and business operator. Hence, the ministry benefits most under the current system, which it is unwilling to change even

Many people have experienced afflictive traveling by train during the holiday season — standing in long queues for a ticket and squeezing into carriages like frozen shrimps. In spite of several rounds of reform launched by the Ministry of Railways, these problems persist

though it talks much about reforms. This is one reason overseas investment has failed to enter the sector, in spite of badly needed capital, said Wang Ming, Deputy Director of the Comprehensive Transport Research Institute of the National Development and Reform Commission.

"It is high time to make substantial reform. Since it is hard to succeed by relying on self-revolution, outside force should be introduced to drive up the reform," said Professor Wen Li.

Reform Focus

It is hard to undertake reform of the state-owned railway sector since there is no ready experience to copy. But the separation of the ministry's functions as both government administrator and business operator must be done, said Wang Ming.

At present, the ministry determines the distribution of earnings. It collects all business earnings made by the departments under its jurisdiction first and then decides how much money is to be given to each department. Quite often, the distribution is not commensurate with the work done by the departments. As a result, those who do more may earn little. ►►

This has greatly dampened the enthusiasm of the workers, said Professor Wen.

There are other problems. For instance, to increase their usage of the railway network from the ministry, transport companies often budget for a higher transport volume than the actual need. A company transporting 600 tons may declare a capacity of 1,500 tons. Hence, statements of shortages in network capacity can only be taken with a pinch of salt.

The separation of the ministry's administrative and enterprise functions is the key to reform, said Professor Wen. A railway network dispatch department and a financial accounting department must be established, with both introducing a directorate system. Members of these departments should be large transport enterprises with independent qualification as legal entities. The departments should be overseen by an institution that is not linked to the Ministry of Railways.

Some people hold that the practice of the ministry giving up its power in allocating the use of railway network may lead to social chaos. International practice

shows that as long as there is strong supervision, the railway network can be distributed properly. On the contrary, with business operation earnings remaining in the hands of the ministry, corruption is bound to occur sooner or later.

"Up to now, there is not a successful railway enterprise in the world that is run by the government," said Professor Wen. Hence, the Ministry of Railways should exit the operational field. The function of the ministry is macro-control, making long- and medium-term plans, supervising security operations and preventing market monopoly, he added.

Help of the Law

Experts noted that legislation is a must to ensure the smooth progress of reforms. Laws should cover structural readjustment, establishment of stock holding companies, administrative scope, introduction of overseas investment and railway security and protection.

"Policy consistency often failed, just because of the changes of leaders, which has been proved by the zigzag reform of the railway sector. Legislation can pre-

vent a repetition of the problem," said Professor Wen.

Since the current Railway Law was formulated under the planned economic system, it does not fit the current situation. It is the outdated law that has made the ministry expand its administrative powers, to some extents. Hence, revising the Railway Law is a crucial task. Many people pin their hopes for reform on the debut of an anti-monopoly law, believing that such a law can uproot government monopoly in the sector and guide reforms toward a market orientation.

Li Shuguang, professor with the China University of Politics and Law, noted that it is hard to cater to all interests under the current structure. The railway sector has now become an obstacle in the formulation of an anti-monopoly law. But if its reform proceeds smoothly, the sector can help the passing of the law, said Professor Li. "Besides, the anti-monopoly law will help maintain the achievements of reform for a long period and in an effective way," the professor added. ■



MASS MOVEMENT: Passengers are looking forward to railway reforms to ease the difficulties of train travel, especially during the busy holiday season

TV Production Breakthrough

With regulations being relaxed, media giant Viacom expands its presence in China

By LI LI

Foreign companies have been given the go-ahead to invest in TV production, a move that marked a breakthrough in a country that has long forbidden foreign ownership of media content. Shanghai Haha Nick TV Production Ltd., a joint TV production venture between international media giant Viacom and Shanghai Media Group (SMG) that is also China's first TV content joint venture, airs their first children's program in April after a three-month trial operation.

With a planned registered capital of \$6 million, the establishment of Haha Nick TV was first announced in March 2004, soon after China's State Administration of Radio, Film and Television (SARFT) issued new regulations that heralded a relaxation of a previously rigid system. Haha Nick was formally ratified in November 2004.

In compliance with government regulations, Viacom has a 49 percent stake in the new joint venture dedicated to *putonghua* (also known as Mandarin) programs targeting children and young adults for SMG and other Chinese cable channels. The two sides will sell advertising and share the revenue according to an undisclosed formula.

When Viacom Chairman and CEO Sumner R. Redstone visited China in March 2004, to announce the planned TV production company to create Chinese language programs for distribution in China and abroad, it became the first foreign investment in media content industry on China's mainland. Yet at that time, there was no concrete law or regulation on this issue. Redstone also signed a second agreement with China's biggest broadcaster, China Central Television (CCTV), to air two shows of Viacom's children's channel Nickelodeon in CCTV's first dedicated children's channel and co-produce Nick's Kids Choice Awards for Chinese viewers. During Redstone's second China trip in September 2004, he revealed Viacom's second content production partnership—a strategic alliance with

LI SHIDONG



NEXT STOP, CHINA: More and more Nickelodeon's brand name cartoon characters will be introduced to Chinese children soon

Beijing Television (BTV), which will yield Chinese language music and entertainment program for distribution to BTV's channels, as well as to other channels throughout China and worldwide.

CCTV agreed to extend Nick's programming agreement based on its top-rated performance. Another milestone of Viacom China was the deal to triple the reach of its 24-hour channel MTV China, China's version of Viacom's signature music channel MTV, in Guangdong Province by the end of 2004, boosting nationwide viewing to nearly 10 million households. "MTV China's expansion into Guangdong Province, China's most important regional advertising market, is critical to our business develop-

ment and paves the way for continued growth of MTV's 24-hour service in China," commented Redstone in company's press release.

On October 28, 2004, SARFT and the Ministry of Commerce jointly released a new regulation on the establishment of joint ventures of radio and TV programming excluding news. According to the new regulation, effective since November 28, 2004, foreign media companies are allowed to establish TV program production joint ventures with Chinese companies on the condition that the Chinese side takes a minimum 51 percent stake in the joint venture and over two thirds of programs produced should be about China. The regulation also

Viacom's Operations in China

MTV China's 24-hour channel, which first aired in Guangdong Province, Hong Kong and hotels throughout China in April 2003, had reached a total of nearly 10 million TV households in China by the end of 2004.

Syndication of MTV China's locally produced entertainment programming to cable channels across China has reached 117 million TV households.

Since 1999, CCTV and MTV have co-produced the annual CCTV-MTV Music Honors, which has become a major annual music event in China. According to the official website of Viacom, the show aired on various CCTV channels reaches over 300 million TV households, and is broadcast annually to all of MTV's 150 million TV households across Asia. The event is also made available to all MTV channels worldwide, which reach more than 379 million households across 164 countries.

As Viacom's multimedia entertainment brand dedicated exclusively to kids, Nickelodeon's animations were broadcast for the first time in China in June 2001 and can be seen by 62.9 million households throughout the country as a daily, half-hour Mandarin Chinese language block via over 100 cable and terrestrial stations nationwide. In addition, on March 23, 2004, Haha Nick's *CatDog* and *The Wild Thornberrys* premiered on CCTV's new dedicated kids channel, airing for 1.5 hours daily, to almost 386 million households across China, marking the debut of Haha Nick's animation in China. *CatDog* and *The Wild Thornberrys* become the top-rated shows on CCTV with an average share of 5.6 and 5.3 for the kids four to nine years of age, respectively, according to ACNielsen.

A strategic partnership with BTV for music and entertainment content production was announced in September 2004. Viacom's alliance with BTV will produce Chinese language music and entertainment programming for distribution to BTV's channels, as well as to other channels across China and around the world.



SHE DESERVES IT: Star actress Zhang Ziyi, international screen idol, is awarded Best Asian Entertainer at the CCTV-MTV Music Honors

stipulates that joint venture productions should be treated the same as those of Chinese companies.

Content Is King

Popularity of Viacom's international and locally tailored programs broadcast in China is guaranteed by its long-time experience in show business and the "Content Is King" slogan put forward by its CEO Redstone back in the 1980s.

Take Viacom's children programs as an example. Nick is a cable service of Viacom's MTV networks targeting four- to 14-year-olds. Launched on April 1, 1979, Nick has been the highest-rated basic cable network in the United States since 1995. It directly reaches a total of 287.6 million households in 162 countries and regions worldwide and programs aired on third party broadcasters in major regions have

increased Nick's exposure to 673.6 million households. After Nick's *CatDog* and *The Wild Thornberrys* premiered on CCTV's new children's channel on March 17, 2004, they became the most-watched programs of that channel within months. According to surveys of ACNielsen, a leading marketing information company, among children between four and nine in four major cities in China (Beijing, Shanghai, Tianjin and Fuzhou), *CatDog*'s viewership enjoys ratings from 10 to 27, which is quite impressive considering that CCTV's top five programs can achieve national viewership ratings of 4 or above.

Viacom also attaches great importance to localization of programs. MTV China enlisted China's most popular VJs (Video Jockey) to produce its four entertainment programs especially for Chinese youth audiences. As a result, 40 percent of content

Opening to Overseas TV Broadcasters

According to sources from the SARFT, foreign cable channels are barred from being broadcast on the Chinese mainland, except in hotels with three stars or above. By January 12, 2005, SARFT has granted cable television licenses in Guangdong Province to six overseas TV broadcasters, including CETV, Xingkong TV, Chinese channel of Phoenix TV, Cantonese channel and international channel of Asia TV, and MTV China. A total of 31 overseas channels have been given licenses to broadcast in hotels with three stars or above and communities occupied mainly by foreigners across China.



YUAN YAN

broadcast on MTV China is tailored for Chinese markets. All the four programs, *MTV Tianlaicun*, *MTV English*, *MTV Countdown Chart* and *MTV Mega Star*, have become top-rated programs in cable and terrestrial stations nationwide. Li Yifei, Viacom's Managing Director of MTV Networks China, believes in localization, observing in an interview in July 2004, "Success of MTV China would not be sustained only by broadcasting programs produced overseas. Rather, local customization of programs is the only way out."

In a recent interview by *Outlook* magazine, Redstone re-emphasized his faith in the importance of content. "Content is king and will remain king. For the foreseeable future, we intend to spend whatever funds we have on content," he said.

Nationwide Platform Vital

Aspiration for a nationwide platform is quite obvious through Viacom's choice of strategic partners. By the end of 2004, SARFT had granted 24 private TV program producers equal status as program producers affiliated with TV stations, which are all owned by the government. Among the 24 private TV content producers are many dynamic ones like Beijing-based Enlight TV Production Co. Ltd., which enjoys annual growth rate of over 100 percent and produces China's most popular entertainment program that has been bought and broadcast by over 200 TV stations nationwide. But Viacom prefers to cooperate with state-owned TV stations. Of Viacom's three

most important strategic partners, CCTV is China's only national TV broadcaster, SMG has 12 channels, and BTV has 10. It seems that Viacom has been fully aware that it shares the same handicap as private TV production companies, namely lack of their own channels. In a recent interview, Wang Changtian, President of Enlight TV Production Co., said, "I don't think Mr. Redstone's Content Is King theory applies to China under the current situation. I think it will not work until broadcasting channels are also open to market."

According to a report of *South China Morning Post* on March 24, 2004, permission for foreign companies to set up TV content joint ventures is not that groundbreaking considering it "does not alter the tight restrictions on channel distribution."

"Our goal to have a 24-hour MTV channel in Beijing and Shanghai has been made very clear to the Chinese Government, but officials told us it is impossible at the moment," said Redstone during his visit to China last September. He has also said on many other occasions that it is no secret that the company's eventual plan is to distribute its flagship MTV channel to Chinese viewers nationwide.

Huang Shengming, head of the School of Advertising Studies of the Communication University of China, said of Viacom's operation in China, "Viacom will never have the initiative as long as it has no channel of its own and depends solely on selling programs. Running its own channel should be the ultimate goal of any TV media company."

Promoting China

Viacom attaches great importance to the great potential of the most populous country in the world. In 2004, its 81-year-old CEO paid two visits to China. Commenting on these visits, Redstone told *Outlook* magazine, "I have been going there for six years, and I think we have built relationships of friendship and trust. What we found this time was that ministers were suggesting to us ways in which we could enhance our presence in China." The key provisions of a contract between Viacom and SMG in setting up a joint venture announced in March 2004 are mostly consistent with SARFT's regulations released in October 2004. It is no coincidence. Li Yifei said Viacom was allowed to participate in the consultation and brewing of the regulations through the whole process.

As part of an exchange deal for MTV's landing in Guangdong, MTV Networks distributes China's English language channel CCTV-9 to hotels across the United States and plans to expand its coverage. Other examples of Viacom's support for Chinese

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culture include sponsoring the China Broadcasting Cultural Orchestra's U.S. tour in February 2003, organizing the Development of Media in the 21st Century Conference in partnership with SARFT in July 2002, and establishing a scholarship program for the Beijing Central Music Academy. Whenever he speaks in China, Redstone always emphasizes Viacom's ongoing commitment to celebrating Chinese culture around the world. "China's rich and vibrant creativity is underexposed outside of China, and Viacom sees significant opportunities for facilitating cultural exchange between China and other countries around the world—particularly in the United States," said Redstone during his March 2004 visit to China.

Viacom's Gamble

Redstone has said publicly that he hoped Viacom's deal with SMG was not an exclusive one, as he also wanted to set up a joint venture with BTV. However, this dream was dampened by a recent SARFT circular released on February 25, 2005, in which SARFT states that foreign media companies are allowed to set up only one radio or TV program production joint venture in principle. What's more, Chinese TV stations and radio stations are not allowed to

be associated with such a joint venture. This supplement to the groundbreaking regulation actually puts paid to any foreign media companies' aspirations of operating their own broadcasting platforms in China.

Financially, without regarding profit as top priority in the development stage, Viacom is gambling on a bright future in the Chinese market. According to an interview in July 2004, Li Yifei said that Viacom China is seeking to expand in China by investing heavily in program production, public relations and brand promotion. "Instead of putting profit into our pocket, we will use it to enlarge the company in the market," said Li. "We can turn a profit any time we want now."

Take introduction of Nick's animated programs for example. Li said that animated programs that were sold at \$500,000 per episode would be provided to SMG-Viacom joint venture for free and then broadcast on SMG's channels together with co-produced programs. Even if Viacom's huge investment, Viacom's China company refused to release the exact amount, is to better position itself for further opening of the world's biggest potential media market, it faces stiff competition from another global media giant, News Corp., which shares similar scopes of business and plans of development on the Chinese mainland.

Xing Kong TV under News Corp. was granted cable-television licenses in Guangdong Province by SARFT one year before MTV China. News Corp. is also the biggest shareholder of Phoenix TV, which reaches over 42 million households on the Chinese mainland or 140 million viewers according to its website. Furthermore, Star TV under News Corp. launched a dedicated music channel, Channel V, which can be readily received throughout China by installing satellite receivers under government's ratification.

Though much younger than MTV, according to business insiders, Channel V is riding on the coat tails of MTV's reputation built over 20 years. Often Chinese audiences believe they are watching MTV when in fact they are watching Channel V, which has a lot to do with imitation of logo, said Luo Qing, manager of a media research agency.

Viacom is desperate to gain a nationwide platform for its operation and is optimistic about loosening of policies in the near future. However this optimism may be just false hope. According to Vivek Couto, a Hong Kong-based analyst with Media Partners Asia Ltd., Viacom's effort to achieve full distribution in China will probably proceed slowly over 10 to 15 years. ■

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Procedures and Due Diligence in Acquiring SOEs

By CHRIS DEVONSHIRE-ELLIS

● **Inheriting staff.** You can pick up the entire welfare and pensions burden of SOE (state-owned enterprise) personnel if they are transferred over to your company, backdated to the day they started work for the SOE. Take professional advice over this issue or you may end up inheriting a massive burden.

● **Are liabilities clean?** Get a binding statement that liabilities, incurred up to the date of the acquisition, are not part of your acquisition agreement and are to be borne by the Chinese side and not you.

● **Assessing financial statements and audits.** Asset valuers are just that—assets. Get in a professional accounting practice that has experience of conducting work with SOEs to assess the quality of the audited accounts as presented. A two-three day site visit by an experienced, impartial auditor should be enough to provide an opinion on whether accounts and financial statements as presented to you are indeed a true statement of fact or whether there are areas within them that warrant further investigation or explanation. Chinese listed companies in Hong Kong only averaged a score of 44 out of 100 in corporate governance and transparency issues in the latest survey conducted by the Hong Kong City University. You must get in someone to check that what you are being told—even if they

are presenting Chinese audited accounts—is correct.

Negotiating the Valuation

There is some flexibility in negotiating the valuation, often with issues that are unique to the specific case. Frank and cordial discussions with the Chinese side can often lead to breakthroughs via balancing various issues in different ways.

Approval Procedures

Once an acquisition fee has been agreed at the subsidiary level, the Chinese side will need to make a proposal to its own parent SOE in order to have the sale ratified by the main board. Depending upon specific circumstances, this will also need to be filed at either the State-owned Assets Supervision and Administration Commission of the State Council or the local state-owned assets exchange center. These centers charge for examining the applications, usually about \$3,000 a time.

Public Bidding and Auction

Although you may well have first right of refusal, the acquisition of SOEs must now go through a public auction. This has recently been introduced as law following the deliberately low acquisition of some SOE assets previously—especially to locally connected Chinese business people. Essentially, however, the “public auction” is far from internationally public. An advertisement, in Chinese, is placed in the local

paper with details of invitations to bid. The period for submitting bids is usually 20 days, and if no other bid is received, the price for the assets is deemed to be that based upon the final valuation agreement between the two parties as submitted to the State-owned Assets Supervision and Administration Commission of the State Council or a local asset exchange center as mentioned above.

If another bid is received, if you possess right of first refusal you may raise your offer. Obviously the assets commissions will want to attract the highest bid. In practice, however, rival bids have thus far been relatively uncommon.

Concluding the Transfer

At this point, administration takes over, with a variety of different procedures to go through depending upon how the acquisition was structured. If finances are to be sent from overseas, then a bank account will need to be opened on behalf of the overseas parent with the State Administration for Foreign Exchange (SAFE), who will provide security over this money until the deal is satisfactorily concluded.

If the deal has been funded from funds belonging to the foreign investor remaining within the joint venture, you may also be able to claim certain tax benefits, as China rewards companies who re-invest their profits—seek professional advice over these details.

Paperwork confirming the transfer also needs to be raised and filed with the Ministry of Commerce on the share transfer, with additional filings at the local administration for industry and commerce; together with newly drafted articles and applications for a new business license and various other mandatory registrations. ■

Chris Devonshire-Ellis is a senior partner of Dezan Shira & Associates, Business Consultants
www.dezhira.com

Note: This is the last part of a two-part series. The first was published in Beijing Review Issue No.15.

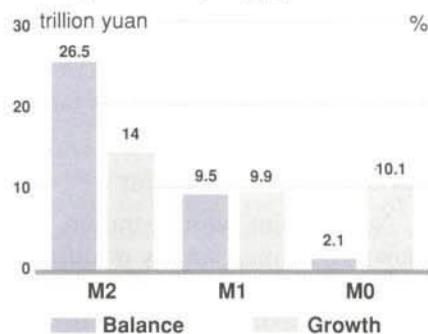
State of the Market

Finance

From January to March, financial performance remained on an even keel, according to the People's Bank of China, the country's central bank.

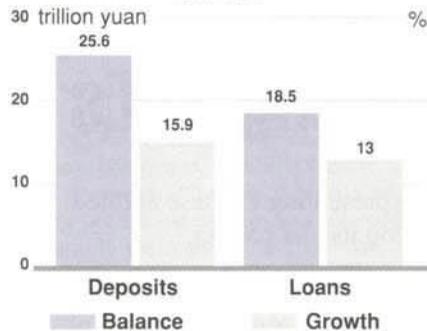
Increase in broad money (M2) remained stable (see graph 1). In the first three months, 22.9 billion yuan in cash was withdrawn from circulation, 21.9 billion yuan less than the figure for the same period last year.

Graph 1: Money Supply, Jan.-Mar.



At the end of March, the balance of renminbi (RMB) and foreign currency deposits among all financial institutions stood at 26.9 trillion yuan, up 15.6 percent compared with the same period last year (see graph 2). During the January-March period, 1.2 trillion yuan of new RMB deposits were added, which was 22.3 billion yuan less than in the same period last year. Of the total, household deposits increased 969.1 billion yuan, with 696.4 billion yuan of term deposits and 272.7 bil-

Graph 2: RMB Deposits & Loans, Jan.-Mar.



lion yuan of demand deposits, while the deposits from non-financial institutions grew 66.8 billion yuan and fiscal deposits increased 193.8 billion yuan. Up from January to March, new foreign currency deposits increased \$8 billion, up \$10.4 billion year on year.

At the end of March, the excess reserve rate for all financial institutions stood at 4.17 percent, down 0.11 percentage points than the same period last year, 1.1 percentage points lower than at the end of 2004 and 0.2 percentage points lower than in February.

At the end of March, the outstanding RMB and foreign currency loans among all financial institutions totaled 19.8 trillion yuan, growing 13 percent year on year (see graph 3). During the first three months, increased RMB loans totaled 737.5 billion yuan, 97.6 billion yuan less than in the same period last year. Of the newly added RMB loans, households borrowed 162.9 billion yuan and non-financial institutions

Graph 3: Foreign Currency Deposits & Loans, Jan.-Mar.



574.6 billion yuan. In the first quarter, foreign currency loans increased \$10.8 billion, \$1.4 billion more than in the same period last year.

By the end of March, the balance of the country's foreign exchange reserves stood at \$659.1 billion, surging 49.9 percent year on year. From January to March, the foreign exchange reserves grew \$49.2 billion, \$12.6 billion more than in the same period last year. The RMB exchange rate remained stable, with \$1 equaling 8.2765 yuan at the end of March.

Foreign Direct Investment

According to statistics released by the Ministry of Commerce (MOFCOM), up through the first three months, the Chinese Government approved the establishment of 9,305 foreign-invested enterprises, a decline of 9.15 percent compared with the same period last year. The commitment and paid-in capital stood at \$35.22 billion and \$13.39 billion, up 4.5 percent and 9.48 percent, respectively, year on year.

As at the end of December 2004, there were 280,000 foreign-invested enterprises in China and the investment volume stood

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at \$213.29 billion.

Trade in Hi-Tech Products

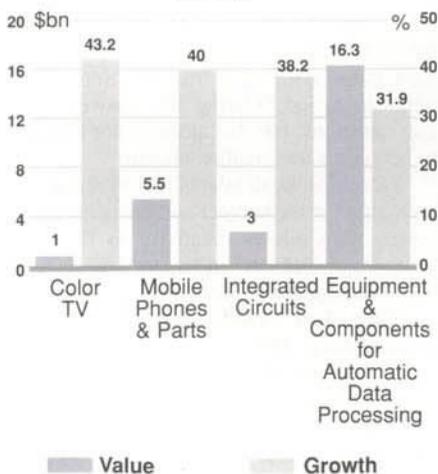
An official from the Department of Scientific and Technological Development and Trade in Technology of MOFCOM said that in the first quarter, total imports and exports of hi-tech products amounted to \$84 billion, up 26.2 percent compared with the same period last year. Of the total, imports were valued at \$40.29 billion, up 20.4 percent year on year, and exports at \$43.7 billion, growing 32.3 percent and accounting for 28 percent of the nation's total exports.

Total imports and exports of hi-tech products in March exceeded \$30 billion and reached \$33.23 billion, surging 30.6 percent, of which exports were \$17.52 billion and imports \$15.71 billion, increasing 36.7 percent and 24.5 percent, respectively, year on year. The trade surplus amounted to \$1.81 billion.

In March, the growth rate of hi-tech imports and exports was 5 percentage points higher than the overall growth in the country's foreign trade. Since October 2004, foreign trade in hi-tech products has generated a trade surplus. The figures for the first three months of this year stood at \$430 million, \$1.16 billion and \$1.81 billion respectively or a total of \$3.41 billion.

Exports of major products in the first quarter grew rapidly. Exports of integrated circuits, color TV sets, mobile phones and equipment and components for automatic data processing totaled \$25.8 billion (see graph 4), accounting for 59 percent of the total exports of hi-tech products and representing a growth of 34.7 percent.

Graph 4: Exports of Hi-Tech Products, Jan-Mar.



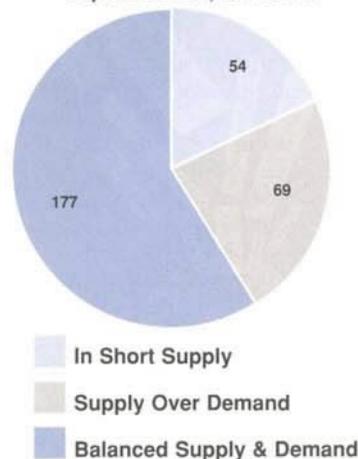
Both export volumes and prices of integrated circuits and automatic data processing equipment showed increases in the first quarter. Export values of integrat-

ed circuits went up 38.2 percent to \$3 billion and the average export price went up 14.5 percent. Exports of equipment and components of automatic data processing touched \$16.3 billion, up 31.9 percent, and the average export price increased 19 percent.

Capital Goods Market

According to a market survey released by MOFCOM on April 11, sales of capital goods are expected to maintain comparatively rapid growth. This expectation is based on rapid growth of domestic investment, better consumption structure, growth in international demand and continuous rise in the prices of oil and basic minerals in the first half of 2005. There will be over-supply in some commodities and slight shortages in others (see graph 5).

Graph 5: Supply and Demand of 300 Capital Goods, Jan.-June



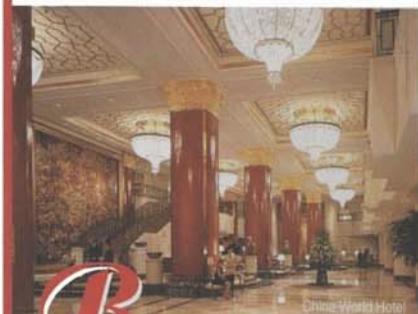
MOFCOM obtained these results by analyzing the supply and demand of 300 major commodities on the capital goods market in the first half of 2005. Supply and demand are expected to be balanced generally and prices of commodities will tend to be stable at a high level.

Demand for capital goods is expected to continue to increase given China's rapid growth, development of the western region and the revitalization of the old industrial base in the northeast, upgrading of infrastructure and the expansion of consumption.

MOFCOM also believes that the rapid growth of the capital goods market will gradually taper off and the burden on energy and mineral supplies will ease. The prices of domestic capital goods will fluctuate with changing supply and demand and will stabilize at a high level. ■

\$1 = 8.28 yuan

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China's Progress in Human Rights in 2004 (I)

2004年中国人权事业的进展 (上)

Information Office of the State Council of the People's Republic of China

中华人民共和国国务院新闻办公室

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2005年4月·北京

Foreword

The year 2004 is an important year for China in building a well-off society in an all-round way. It is also a year that saw all-round progress in China's human rights undertakings.

In that year, China expressly stated in its Constitution that "The state respects and safeguards human rights," further manifesting the essential requirements of the socialist system. The Chinese Government pressed forward on promoting administration according to law in an all-round way. It promulgated the document Outline of Full Implementation for Promoting Administration According to Law, which clearly states that China must basically realize the goal of establishing a government under the rule of law after making sustained efforts for about 10 years. A series of effective measures were adopted to standardize and restrain administrative power, and to safeguard and protect citizens' rights and interests. The Communist Party of China (CPC) adopted the Decision on Strengthening the Party's Governing Capability, which stresses that state power should be exercised in a scientific and democratic manner within the framework of the law, and that human rights should be respected and protected.

In 2004, China adhered to the scientific view of development by putting people first, and made every effort to build a harmonious society. New progress was achieved in its reform, opening up and modernization drive. Along with continuous economic growth, more democratic practices were seen in the political arena, and the society progressed in a comprehensive way. Further improvements were made in people's living standards, and China's human rights conditions were continuously improved and developed in all fields.

China is a developing country, and its human rights conditions are in a process of sustained development and perfection. The Chinese Government pays special attention to respecting and safeguarding human rights. It will take effective measures to promote the development of human rights and to raise the level of human rights and basic freedom enjoyed by the Chinese people.

前言

2004年是中国全面建设小康社会的重要一年,也是中国人权事业取得全面进展的一年。

在这一年里,中国在宪法中明确宣示“国家尊重和保障人权”,进一步体现了社会主义制度的本质要求。中国政府全面推进依法行政,发布了《全面推进依法行政实施纲要》,明确提出了要经过十年左右的不懈努力,基本实现建设法治政府的目标和任务,采取了一系列有效措施,规范和约束行政权力,维护和保障公民权利。中国共产党通过《关于加强党的执政能力建设的决定》,强调科学执政、民主执政、依法执政,尊重和保障人权。

在这一年里,中国坚持以人为本的科学发展观,着力构建和谐和谐社会,改革开放和现代化建设取得了新的进展,经济持续发展,政治更加民主,社会全面进步,人民生活进一步提高,人权状况呈现出不断改善和全面发展的良好局面。

中国是一个发展中国家,中国的人权状况正处于不断发展和完善之中。中国政府高度重视尊重和保障人权,将采取有力措施,不断推动中国人权事业的发展,提高全国人民享受人权和基本自由的水平。

To help the international community toward a better understanding of the human rights situation in China, we hereby present an overview of the developments in the field of human rights in China in 2004.

I. People's Rights to Subsistence and Development

In 2004, China's economy developed steadily and relatively rapidly, and people's rights to subsistence and development were improved considerably. China's gross domestic product (GDP) reached 13.65 trillion yuan, an increase of 9.5 percent over the previous year. Total grain output in 2004 reached 469.5 billion kg, an increase of 9 percent over the previous year.

The people's overall living standard and quality of life were improved considerably, and the consumption pattern of society continued its shift from one of living on the breadline to one of living a more comfortable lifestyle. In 2004, the per-capita net income of rural residents was 2,936 yuan, an increase of 6.8 percent in real terms and the biggest increase since 1997. The per-capita disposable income of urban residents was 9,422 yuan, an increase of 7.7 percent in real terms. Retail sales of consumer goods totaled 5.4 trillion yuan, an increase of 13.3 percent. The Engel coefficient (i.e., the proportion of food expenditure in the total consumption spending) per rural and urban household was 47.2 and 37.7 percent, respectively. The number of private cars kept increasing, reaching 6 million at the year's end, making China a market with the quickest increase in the number of private cars in the world. Over the past four years, China has witnessed an addition of 90 million telephone users annually, and in 2004, some 14.5 million new Internet users were recorded in China. At present, there are more than 650 million telephone users and over 94 million Internet users in China.

The state has adopted effective measures to increase input into agriculture and spared no pains to increase farmers' incomes and improve their lives. In February 2004, the Central Committee of the CPC and the State Council jointly promulgated the Opinions on Several Policies to Promote Increase of Farmers' Incomes, known as the No.1 Document, which explicitly stated that China must adhere to the strategy of comprehensive development of urban and rural areas and the principle of "giving more, taking less, and being flexible," and that it is a basic task to realize, safeguard and develop farmers' material interests and protect their rights and interests. Within a year, the state formulated a series of policies that were well endorsed by the farmers, directly contributing to the increase of their incomes. At the beginning of 2005, the Central Committee of the CPC and the State Council again promulgated, in the form of No.1 Document, the Opinions on Several Policies on Further Strengthening Agricultural Work and Enhancing the Comprehensive Agricultural Productive Capability, deciding to further intensify efforts in implementing the policies of cancellation of special agricultural product tax, reduction or exemption of agricultural tax, and provision of direct subsidies to grain growing farmers, for quality seeds for four grain crops, and for those who buy large or medium-sized agricultural vehicles or equipment (abbreviated as "two reductions and exemptions" and "three subsidies") so as to further guarantee the rights and interests of the farmers. The state

为增进国际社会对中国人权状况的了解,现将2004年中国人权事业进展情况公布如下。

一、人民的生存权和发展权

2004年,中国经济平稳较快发展,人民的生存权和发展权得到了较大的改善。2004年国内生产总值达到13.65万亿元,比上年增长9.5%。全年粮食总产量达到4695亿公斤,比上年增长9%。

人民总体生活水平和质量得到较大提高,社会消费结构继续从基本生活型向现代生活型转变。2004年,全国农村居民人均纯收入2936元,实际增长6.8%,是1997年以来增长最快的一年;城镇居民人均可支配收入9422元,实际增长7.7%。社会消费品零售总额达到5.4万亿元,增长13.3%。农村居民家庭恩格尔系数(即居民家庭食品消费支出占家庭消费总支出的比重)为47.2%,城镇居民家庭恩格尔系数为37.7%。私人轿车拥有量继续上升,年末达600万辆,成为全球私人轿车增长最快的市场。近四年来,中国每年新增电话用户9000万户以上,2004年新增互联网用户约1450万户。目前,中国电话用户总数已超过6.5亿户,互联网用户数超过9400万户。

国家采取有力措施,加大对农业的投入,千方百计增加农民收入,改善农民生活。2004年2月,中共中央、国务院发布《关于促进农民增收收入若干政策的意见》的一号文件,明确提出了坚持统筹城乡发展的方略和“多予、少取、放活”的方针,把实现好、维护好、发展好农民的物质利益、保护农民权益作为基本出发点。一年来,国家制定了一系列深受农民欢迎的政策,直接促进了农民增收。2005年伊始,中共中央、国务院再次以一号文件的形式下发了《关于进一步加强农村工作提高农业综合生产能力若干政策的意见》,将继续加大取消农业特产税、减免农业税、对种粮农民进行直接补贴、对四种粮食作物良种进行补贴、对购买大中型农

greatly increased its input into agriculture, rural construction and other undertakings that would help increase farmers' incomes. In 2004, the Central Government appropriated funds worth 262.6 billion yuan for these purposes, an increase of 22.5 percent over the previous year. Statistics show that 11.6 billion yuan was used as direct subsidies for grain growing farmers in major grain-producing areas; 2.8 billion yuan was used as subsidies for quality rice, corn, soybean and wheat seeds; 500 million yuan was allocated as special subsidies to appropriately assist farmers who bought large agricultural vehicles or equipment. Meanwhile, greater efforts were made to reduce or exempt agricultural taxes. In 2004, the amount of agricultural taxes that were reduced or exempted came to 23.3 billion yuan, and 6.8 billion yuan in special agricultural product tax was cancelled. The farmers were relieved of tax burdens, which totaled 30.1 billion yuan. Throughout the country, 150 million farmers no longer pay agricultural tax, the rate of agricultural tax for 540 million farmers was reduced by 3 percentage points, and the agricultural tax rate was reduced by 1 percentage point for the rest of the farmers.

The housing conditions and living environment for urban and rural residents have been improved considerably. China actively promotes the development of an urban housing security system, which comprises the system of publicly accumulated housing funds, the system of affordable and functional housing, and the system of low-rent housing. By the end of 2004, the low-rent housing system for minimum-income families was established in 35 large and medium-sized cities. By the end of 2003, the per-capita living space in cities and towns reached 23.7 square meters, and it was 27.2 square meters in rural areas. Families and communities began to realize the importance of environmental protection, and the people's living environment was further improved.

The Chinese Government continues to take effective measures to help the rural poor shake off poverty. In 2004, the Central Government earmarked 12.2 billion yuan as funds to aid the poor. By adopting effective measures such as improving production and living conditions in the poor areas, and enhancing the comprehensive quality of poor rural farmers, the government has greatly reduced the number of poor farmers without adequate food and clothing throughout the country. The population of poor farmers in the countryside was 2.9 million fewer than in the previous year. The International Aid-the-Poor Conference convened in Shanghai in May 2004 spoke highly of the achievements China had made in helping the poor, declaring, "The achievements China has made in helping the poor is a good example. It has proved that it is not an unreachable goal for mankind to eliminate poverty. The example of China will reverse the pessimistic sentiment surrounding the argument on poverty elimination."

The Chinese Government considers the safety of life of the people above everything else. In recent years, the state has taken a series of measures to enhance production safety and check the occurrence of all sorts of accidents. In 2004, the state promulgated one administrative law, 15 departmental regulations, five industrial standards on production safety and more than 70 regulatory documents to tackle the problem of industrial hazards. Small coalmines and other industrial enterprises, which did not meet the requirements for production safety, were resolutely

机具进行补贴（“两减免”、“三补贴”）等政策的实施力度，进一步保障农民的权益。国家大幅度增加对农业、农村建设和帮助农民增收的投入，2004年全年中央财政用于这方面的支出共2626亿元，比上年增长22.5%。据统计，国家安排资金116亿元，对粮食主产区的种粮农民给予直接补贴；安排资金28亿元，对水稻、玉米、大豆、小麦四种粮食作物实行良种补贴；安排专项补贴资金5亿元，对购置大型农机具给予适当补贴。同时，加大农业税减征免征力度。2004年，全国减征免征农业税233亿元，取消农业特产税68亿元，共减轻农民税收负担301亿元。全国已有1.5亿农民不再交纳农业税，有5.4亿农民交纳的农业税比原来降低了3个百分点，其余农民的农业税也降低了1个百分点。

城乡居民住房条件和居住环境有较大改观。中国积极建立以住房公积金制度、经济适用住房制度和廉租住房制度为主要内容的城镇住房保障制度。截至2004年底，全国已有35个大中城市全面建立了最低收入家庭廉租住房制度。到2003年底，全国城镇人均居住面积达到23.7平方米；农村人均居住面积达到27.2平方米。绿色环保走进家庭和社区，人居环境进一步改善。

中国政府继续坚持不懈地采取有力措施帮助贫困人口脱贫。2004年，中央财政安排扶贫资金122亿元，通过改善贫困地区生产和生活的基本条件、提高贫困农户的综合素质等有效措施，使全国农村未解决温饱的贫困人口总量大幅减少，农村贫困人口比上年减少290万。2004年5月于中国上海召开的全球扶贫大会，高度评价中国的扶贫成就，认为“中国的扶贫成就是一个生动的例子，可以证明人类消除贫困不是遥不可及的目标，中国的例子将改变整个世界关于扶贫争论的悲观基调”。

中国政府视人民的生命安全高于一切。近年来，国家采取了一系列措施加强安全生产，控制各类事故发生。2004年，国家出台了1部行政法规、15个部门规章、5个安全生产行业标准和70多个规范性文件，开展安全

shut down. The total number of accidents of the whole year somewhat decreased. The number of accidents and deaths throughout the country were reduced by 16.22 and 0.23 percent, respectively, compared with the previous year. The state made great efforts to guarantee safety in coalmines, including preventing gas explosions. It strengthened the establishment of safety production systems and mechanisms and exerted concentrated efforts to tackle gas-related accidents in coalmines. As a result, the number of gas-related accidents in coalmines dropped by 15.6 percent, and that of deaths by 7.8 percent.

The state attaches great importance to combating natural disasters and carrying out related relief work, making sure that people hit by natural disasters are able to subsist. In 2004, natural disasters caused great damage throughout China. Serious flooding occurred in some medium and small river basins, coastal areas in Zhejiang Province were devastated by the strongest typhoon since 1956, and in some regions, mountain torrents, mud-rock flows and landslides happened frequently. Because the government had improved its early-warning systems, exercised scientific command and effective administration, people in the disaster-stricken areas were evacuated and resettled promptly, and the injured received timely treatment. The Ministry of Civil Affairs and the Ministry of Finance jointly appropriated 4 billion yuan in relief funds, plus 4.89 million yuan in donated funds, and dispatched 31,000 tents to the disaster-stricken areas. The government helped evacuate and resettle 6.11 million disaster victims, and rebuilt more than 1.4 million houses that had been destroyed in the disasters. During the spring and winter of 2004, when crops were not harvested, some 90 million people received relief aid, and their fundamental needs for food, clothing, lodging, water and medical treatment were met.

The state continues to provide special aid to minimum-income urban families whose members either suffer from critical illness or are seriously handicapped and without any financial income. To carry out the Measures for Assisting and Managing Urban Vagrants and Beggars With No Means of Livelihood, in 2004 a total of 550,000 vagrants and beggars received much-needed assistance from the government. Now there are 909 assistance and management centers across the country and 130 assistance and protection centers for vagrant children. A system of guaranteeing the minimum standard of living for rural residents has been established in 1,206 counties (cities), with 4.96 million beneficiaries.

China attaches great importance to the health conditions of the people. The national public medical care network has been strengthened further. In 2004, China had 296,000 health care institutions, 3.047 million hospital and clinic beds, 4.39 million medical personnel, and 3,586 disease prevention and control centers (including anti-epidemic stations) with 160,000 medical personnel. Moreover, there were 1,279 health care supervision and examination institutions with 26,000 medical personnel, and 42,000 township clinics with 669,000 beds and 881,000 medical personnel. A new rural cooperative medical service system has been tried out in 333 counties (cities) across the country. It covers about 100 million rural residents so far, 80.4 million farmers participating in this scheme.

The state has strengthened its overall supervision over food and drugs. It cracks down heavily on such illegal and criminal

生产专项整治, 坚决关闭不具备安全生产条件的小煤矿和其他工业企业, 全年事故总量有所下降, 全国事故起数和死亡总人数比上年分别下降了16.22%和0.23%。国家狠抓煤矿安全和瓦斯防治, 加强了安全生产体制和机制建设, 对煤矿瓦斯灾害进行了集中治理, 全国煤矿瓦斯事故起数下降15.6%, 死亡人数下降7.8%。

国家高度重视抗灾救灾和救济工作, 切实解决受灾群众的生存问题。2004年, 一些中小河流发生特大洪水, 浙江沿海遭遇了1956年以来强度最大的台风, 部分地区山洪、泥石流和滑坡频繁, 灾害十分严重。政府加强预警预报、科学调度和有效管理, 及时转移群众, 抢救伤员, 妥善安置灾民。民政部会同财政部共向灾区拨救灾补助资金40亿元, 救灾捐赠款489万元, 调拨救灾帐篷3.1万顶, 紧急转移安置受灾群众611万人, 全年恢复重建灾民倒房140多万间, 春荒冬令期间救助人数达9000万人次, 保证了受灾群众的衣、食、住、水、医等基本需求。

国家对城市中重病、重残和无经济收入等低保家庭继续给予重点救助。为落实《城市生活无着的流浪乞讨人员救助管理办法》, 2004年共有55万流浪乞讨人员得到了及时的救助。全国现有救助管理站909个, 流浪儿童救助保护中心130个。全国已有1206个县(市)建立了农村低保制度, 享受农村低保人数达496万人。

中国高度重视人民的健康保障, 国家公共卫生体系进一步加强。2004年, 全国共有卫生机构29.6万个, 医院和卫生院床位304.7万张, 卫生技术人员439万人; 全国有疾病预防控制中心(防疫站)3586个, 卫生技术人员16万人; 卫生监督所1279个, 卫生技术人员2.6万人; 乡镇卫生院4.2万个, 床位66.9万张, 卫生技术人员88.1万人。全国共有333个县(市)开展了新型农村合作医疗试点工作, 约覆盖1亿农村人口, 实际参加新型农村合作医疗的农民8040万人。

国家加强食品药品综合监督, 依法严厉打击生产、销售假冒伪劣食品药品和有毒品

acts as the manufacture and sale of counterfeit and inferior foodstuffs and drugs, and poisonous and harmful foodstuffs in order to ensure the safety of consumers. Meanwhile, it has adopted effective measures to prevent, treat and control serious epidemics. It quickly brought under control and eventually eliminated the SARS epidemic that occurred in Guangdong, Beijing and part of Anhui Province. The State Council has issued the Notice on Enhancing the Prevention and Treatment of AIDS. A working committee on the prevention and treatment of AIDS was set up, and a national conference on the prevention and treatment of AIDS was held. The state has provided free anti-AIDS medicine to patients among farmers and to other patients in straitened circumstances. In AIDS-prevalent areas, people receive anonymous examinations free of charge, free HIV screening was given to pregnant women and medical treatment was offered to those infected with HIV/AIDS to prevent mother-to-child transmission. Children of people living with HIV/AIDS and orphans of those who died of the disease are exempted from paying school fees, and financial support is given to needy people living with AIDS. President Hu Jintao has visited AIDS patients in hospitals, showing that the state attaches great importance to the prevention and treatment of AIDS and that it cares about people living with AIDS.

To ensure the people's health and safety, and to protect their interests and right to enjoy a wholesome environment, the state revised the Law on the Prevention and Control of Environmental Pollution by Solid Waste, issued the Measures on the Licensed Management of Dangerous Waste, the Measures Regarding Administrative Penalties for and Management of Medical Waste and the National Plan for the Construction of Installations for the Disposal of Dangerous and Medical Waste. In order to ensure the people's health and protect the environment, the government launched a special campaign to rectify and punish enterprises, which illegally discharged pollutants. In the campaign, it dealt with 3,365 severe cases of environmental pollution that seriously harmed people's rights and interests, and closed down 6,462 enterprises that seriously polluted the environment. With this effective crackdown, the environmental quality of some areas was improved noticeably.

At present, the general health of the Chinese people is better than that of the average level of middle-income countries, and ranks among the top of the developing countries in this respect. The average life expectancy has increased from 35 years before the birth of New China in 1949 to the present 71.4 years. The mortality rate of women in childbirth has dropped from 1,500 out of 100,000 in 1949 to 51.3 out of 100,000 in 2003, and the infant mortality rate from 200 per thousand before the birth of New China to 25.5 per thousand in 2003.

II. Civil and Political Rights

In 2004, China adhered to the road of political development with Chinese characteristics. It actively promoted democracy in political affairs and the building of political civilization to guarantee the citizens' civil and political rights.

The National People's Congress (NPC) and the local people's congresses at various levels are the organs through which the people exercise state power. The NPC and its Standing Committee are playing a more and more important role in

害食品的违法犯罪行为,保障人民群众食品消费和用药安全。同时,采取有力措施防治和控制重大传染病,迅速控制并扑灭了广东、北京、安徽局部地区发生的非典疫情。国务院印发《关于切实加强艾滋病防治工作的通知》,成立防治艾滋病工作委员会,召开全国艾滋病防治工作会议,落实对经济困难和农民艾滋病患者免费发放抗病毒药物,在重点地区施行免费匿名检测,免费实行母婴筛查和阻断,对艾滋病患者的孤儿免收上学费用,对经济困难的艾滋病患者给予经济救助等各项政策。国家主席胡锦涛专程到医院探望艾滋病人,体现了国家对防治艾滋病工作的重视和对艾滋病患者的关怀。

为保障人民的健康安全,维护其环境权益,国家修订了《固体废物污染环境防治法》,发布了《危险废物经营许可证管理办法》、《医疗废物管理行政处罚办法》和《全国危险废物和医疗废物处置设施建设规划》。在全国开展了“整治违法排污企业保障群众健康环保专项行动”,对3365件严重损害群众权益的突出环境问题进行了整治和督办,取缔关闭6462家严重污染环境的企业,有效打击了环境违法行为,使一些地区的环境质量得到明显改善。

目前,中国人民健康总体水平已超过中等收入国家的平均水平,处于发展中国家前列。平均期望寿命已从1949年新中国成立前的35岁上升到71.4岁;孕产妇死亡率从新中国成立前的1500/10万下降到2003年的51.3/10万;婴儿死亡率由新中国成立前的200‰下降到2003年的25.5‰。

二、公民权利和政治权利

2004年,中国坚持中国特色的政治发展道路,积极推进民主政治和政治文明建设,切实保障公民权利和政治权利。

人民行使国家权力的机关是全国人民代表大会和地方各级人民代表大会。全国人大及其常委会在依法治国、保障人民民主权利方面发挥着越来越重要的作用。2004年,第

governing the country according to law and guaranteeing the people's democratic rights. The amendments to the Constitution adopted at the Second Session of the 10th NPC in 2004 added many new provisions to the Constitution that are closely related to human rights. In 2004, the NPC Standing Committee examined drafts of 33 laws, interpretations of laws and decisions related to legal issues, and adopted 25 of them, providing further legal guarantee for economic and social development and human rights. Of them, the amended Law of Election of the NPC and Local People's Congresses further improved the election system, standardized the election procedures, and expanded and guaranteed the citizens' right of election. The amendments made to the Law on the Prevention and Treatment of Infectious Diseases focused on the prevention of and early warning on epidemics, strengthened control over the spread of epidemics and medical treatment measures, and provided greater guarantee for the rights of citizens, sufferers from infectious diseases, and actual and suspected virus carriers. The recently adopted decision on the improvement of the system of people's jurors increased the transparency of the activities of the judicial departments, strengthened citizens' supervision over such activities and provided a guarantee for the procedural rights of citizens.

The NPC and its Standing Committee have strengthened supervision over the administrative and judicial organs as well as examination of the enforcement of laws, and support and encourage relevant state organs to do their duty and exercise their power according to law so as to safeguard the interests of the general public. In 2004, the NPC Standing Committee examined the enforcement of six laws, including the Land Administration Law, the Law on Compulsory Education and the Trade Union Law. It examined and deliberated 11 work reports of the State Council, the Supreme People's Court and the Supreme People's Procuratorate about the establishment and improvement of an emergency mechanism concerning public health contingencies and the building of courts and procuratorates at the grass-roots level. Throughout the year, the NPC Standing Committee received more than 40,000 people seeking help from higher authorities for their problems, handled more than 60,000 petitions, and urged relevant departments and local governments to solve some of the problems that had caused great discontent among the masses, thus guaranteeing the citizens' right to appeal to higher authorities, file a charge and report an offence as provided for in the Constitution. During the Third Session of the 10th NPC, convened in 2005, deputies submitted a total of 991 bills, an increase of 54.6 percent over those submitted during the Second Session of the 10th NPC, convened in 2004. The bills touched upon the enactment or revision of laws on food safety, compulsory education, social security, land administration, etc.

The system of multi-party cooperation and political consultation under the leadership of the CPC is a basic political system in China. A political party system with Chinese characteristics, it has played an ever greater role in the political life of the state. In 2004, the National Committee of the Chinese People's Political Consultative Conference (CPPCC) performed its functions of participating in the discussion and administration of state affairs, exercised its democratic rights and carried out democratic supervision through its regular work of making proposals, inspections and investigations into specific issues, and

十届全国人民代表大会第二次会议通过的宪法修正案,增加了许多与人权息息相关的内容。一年来,全国人大常委会共审议了33件法律、法律解释和有关法律问题决定的草案,通过了25件,为经济社会发展和人权保障进一步提供了法律保障。其中,经修改的全国人民代表大会和地方各级人民代表大会选举法,进一步完善了选举制度,规范了选举程序,扩大和保障了公民的选举权利。传染病防治法的修订,突出了对传染病的预防和预警,强化了疫情控制和传染病的医疗救治措施,加强了社会、公民、传染病病人、病原携带者和疑似传染病人权利的保障。新作出的关于完善人民陪审员制度的决定,增强了司法活动透明度,加强了公民对司法活动的监督和公民诉讼权利的保障。

全国人大及其常委会加强了对行政、司法机关的监督和対法律实施情况的检查,支持和督促有关国家机关依法行使职权,维护广大人民群众的利益。2004年,全国人大常委会对土地管理法、义务教育法和工会法等6件法律的实施情况进行了检查;就建立健全突发公共卫生事件应急机制、基层法院和检察院建设情况等听取和审议了国务院和最高人民法院、最高人民检察院的11个专题工作报告;全国人大常委会全年共接待人民群众来访4万多人次,办理人民群众来信6万多件,督促有关部门和地方解决了一批群众反映强烈的问题,保障了宪法规定的公民申诉、控告和检举的权利。2005年召开的十届全国人大三次会议全国人大代表共提出议案991件,涉及食品安全、义务教育、社会保障和土地管理等方面法律的制定和修改问题,比2004年十届全国人大二次会议增加54.6%。

中国共产党领导的多党合作和政治协商制度是中国的一项基本政治制度,是具有中国特色的社会主义政党制度,在国家政治生活中的作用得到了越来越好的发挥。2004年,全国政协积极通过提交提案、视察、专题调研和反映社情民意等经常性工作履行参政议政职能,行使民主权利,开展民主监督。全

reflecting public opinion. The CPPCC National Committee organized people to make revisions to the Regulations on the Work of Making Proposals of the National Committee of the Chinese People's Political Consultative Conference, thus helping make the work of making proposals constitutionalized, standardized and in line with prescribed procedures. In the past year, the CPPCC National Committee received 4,478 bills submitted by its members and participating organizations. Of these, 4,263 were accepted for further deliberation. These bills covered such topics as the building of democracy and the legal system, increasing the farmers' incomes, safeguarding the legitimate rights and interests of migrant workers, establishment of a multi-layer social security system in the countryside, employment and re-employment, and welfare. It organized 30 inspection groups composed of over 750 CPPCC members. They went on inspection tours across the country, and submitted 26 reports. The various special committees of the CPPCC National Committee made in-depth investigations into specific issues, resulting in 68 investigative reports plus 1,390 other reports containing important information. The central committees of all the non-Communist parties and the All-China Federation of Industry and Commerce submitted 115 bills and 2,503 reports concerning public opinion and information. These bills and information were promptly dealt with, and feedback was given. The Third Session of the 10th CPPCC National Committee, convened in 2005, received 4,508 bills, of which 4,375, or 97.05 percent, were accepted for further deliberation.

The building of grass-roots democracy in the countryside entered a new phase. In 2004, the State Council issued the Opinions on Making Village Affairs Public and Improving the Democratic Management System, which helped improve the system of making village affairs public and the system of democratic management at the grass-roots level and promote protection of ordinary villagers' democratic rights. A democratic management system based on the Regulations on Villagers' Self-government and the Village Regulations and Agreements was established all over the country. A democratic decision-making system mainly in the form of villagers' congresses and representative conferences, and a democratic supervision system based on making village affairs public and democratic evaluation were also established, thus considerably raising the level of villagers' self-government within the framework of the law. A campaign was launched to create "exemplary villages of democratic management and rule of law." At present, about 10 percent of villages across the country have been awarded this honor.

The state pays special attention to guaranteeing—through petitions and visits—citizens' right to criticize, make suggestions, appeal to higher authorities, file a charge and report an offence. In 2004, the State Council revised the Regulations on Petitions and Visits. The revised edition increased the government's responsibilities by demanding that its powers and responsibilities should be balanced, and highlighted the principles that all matters concerning petitions and visits should be conducted in an open manner and be convenient for the people, and the citizens' rights and interests must be protected. In 2004, the state created a joint meeting system to solve the most difficult problems encountered when handling petitions and visits, and cases involving large numbers of people, with focus being put on problems caused by housing demolition and relocation in

国政协组织修改了《中国人民政治协商会议全国委员会提案工作条例》，促进了提案工作的制度化、规范化和程序化建设。一年来，全国政协共收到来自各参加单位和全国政协委员的提案4478件，其中立案4263件，内容涉及民主法制建设、农民增收、维护农民工合法权益、建立多层次的农村社会保障体系、就业再就业、福利等方面；组织了30个视察团，有750多位委员赴全国视察，提交视察报告26份。全国政协各专门委员会深入进行专题调研，形成调研报告68份，提供重要信息1390篇。各民主党派中央、全国工商联共提出提案115件，提供反映社情民意信息稿件2503篇，这些提案和信息都得到了及时的办理和反馈。2005年召开的政协第十届全国委员会第三次会议共收到提案4508件，立案4375件，占提案的97.05%。

农村基层民主建设进入新阶段。2004年，国务院发出了《关于健全和完善村务公开和民主管理制度的意见》，健全、完善了村务公开和民主管理制度，促进了基层群众民主权利的保障。各地普遍建立了以《村民自治章程》和《村规民约》为主要内容的民主管理制度，以村民大会和村民代表会议为主要形式的民主决策制度以及以村务公开和民主评议为主要内容的民主监督制度，使村民自治的法治化管理水平明显提高。开展了“民主法治示范村”创建活动，目前全国已有10%左右的村跨入“民主法治示范村”行列。

国家重视通过信访渠道依法保障公民的批评、建议、申诉、控告和检举权利。2004年，国务院对《信访条例》进行了修改，强化了政府信访工作的责任，突出了权责统一、公开便民、保障公民权利的精神。2004年，国家建立了解决信访突出问题及群体性事件联席会议制度，重点解决城镇房屋拆迁、农村土地征占等方面的突出问题，加大了督察督办力度。信访部门认真办理群众来信，文明接待群众来访，办信访质量有了新的提高。国家还出台了《关于进一步加强律师参与涉法信访工作的意见》，组织律师参与涉法信访工作，引导信访群众通过法律渠道依

towns and cities, and requisition of land in the countryside, and intensified its supervision on the handling and solution of the problems. Correspondence and visitation departments handled petitions conscientiously, and received visitors in a gracious manner, and the quality of their work further improved. The state issued the Suggestions on Further Involvement of Lawyers in Handling Law-Related Petitions and Visits From the People. Lawyers were organized to provide legal advice to help people solve their problems through legal channels.

Citizens' freedom of information, of speech and of the press is protected by law. At present, a three-level news briefing system consisting of the State Council's Information Office, various departments of the State Council and provincial governments has basically been established. Sixty-two departments of the State Council have established the news briefing system, and appointed 75 spokespersons. Twenty-three provinces (autonomous regions and municipalities directly under the Central Government) have established the news briefing system, and 20 of them have appointed spokespersons. Last year, 44 departments of the State Council gave some 270 press conferences, and 28 provinces (autonomous regions and municipalities directly under the Central Government) gave 460 press conferences. These activities greatly increased the transparency of government work, and helped citizens become better informed about administrative affairs. Protection of citizens' rights to information, supervision and participation in public affairs was further promoted. In 2004, the state enacted a series of laws and regulations to further improve China's press system and ensure that citizens can better exercise their right of freedom of the press.

Employees' right to participate in and organize trade unions has been further exercised and developed. In 2004, a national check was conducted of the enforcement of the Trade Union Law, which promoted the building of trade union organizations. Special efforts were made to establish trade unions in non-public enterprises and have migrant workers join trade unions. The year 2004 also saw a considerable development of grass-roots trade union organizations and increase of trade union members. By the end of September 2004, China had 1.02 million grass-roots trade union organizations, 115,000 more than in the previous year, an increase of 12.6 percent. Non-public enterprises had 459,000 trade unions, 102,000 more than in the previous year. The number of trade union members nationwide was 137 million, 13.544 million more than in the previous year, a growth of 11 percent. Trade unions at non-public enterprises had 55.463 million members, 14.543 million more than in the previous year. Nationwide, 63 percent of employees had joined a trade union, an increase of 6.2 percentage points over the previous year. The employees' representative conference system was established in 369,000 enterprises and institutions that had trade unions, involving 78.364 million employees, an increase of 2.211 million over the previous year. Enterprises and institutions that practiced the publicizing of internal affairs numbered 316,000, with 70.612 million employees involved, an increase of 4.373 million over the previous year. Boards of directors were established in 57,000 enterprises with grass-roots trade unions, and supervisory boards were established in 42,000 enterprises with grass-roots trade unions. Of these, 24,000 enterprises established boards of directors including ordinary employees, and

法解决问题。

公民的信息、言论、出版自由依法得到保障。目前,国务院新闻办公室、国务院各部门和省级政府三个层次的新闻发布体制已基本建立,62个国务院部门建立了新闻发布制度和设立了75位发言人,全国有23个省(自治区、直辖市)建立了新闻发布制度,有20个已设立了省级政府发言人。2004年,国务院44个部门举办了约270场新闻发布会,28个省(自治区、直辖市)召开了460多场新闻发布会,极大地增强了政府工作的透明度和政务信息的公开,公民的知情权、监督权和参与公共事务的权利保障得到了加强。2004年,国家制定了一系列法规规章,进一步完善国家的新闻出版制度,保障公民更好地行使出版自由的权利。

职工参加和组织工会的权利得到进一步实现和发展。2004年,在全国开展了《工会法》执法检查,推动了工会组织建设,突出抓好非公有制经济单位工会组建和进城务工人员入会工作,基层工会组织和工会会员均有较大发展。到2004年9月底,全国工会基层组织总数为102万个,比上年增加11.5万个,增长12.6%,其中非公有制企业工会45.9万个,比上年增加10.2万个;全国工会会员人数1.37亿人,比上年增加1354.4万人,增长11%,其中非公有制企业工会会员5546.3万人,比上年增加1454.3万人。全国职工入会率为63%,比上年增长6.2个百分点。全国基层工会所在企事业单位建立职代会制度的有36.9万个,覆盖职工7836.4万人,比上年增加221.1万人;实行厂务公开的31.6万个,覆盖职工7061.2万人,比上年增加437.3万人。全国基层工会所在公司制企业建立董事会和监事会的分别为5.7万个和4.2万个,其中建立职工董事制度和监事制度的企业分别为2.4万个和1.8万个,进入董事会和监事会的工会主席分别为2.5万人和2.1万人,分别占44.7%和49.9%。

公民依法享有宗教信仰自由。宗教团体、宗教活动场所和信教公民的合法权益和正常的宗教活动受到法律保障。2004年,国务院

18,000 enterprises established supervisory boards with employees as members. The numbers of trade union chairmen and chairwomen who held posts on boards of directors or supervisory boards were 25,000 and 21,000, respectively, accounting for 44.7 percent and 49.9 percent of the members of each organ.

Citizens enjoy the freedom of religious belief in accordance with the law. Religious groups, venues for religious activities, the legitimate rights and interests of religious adherents and their normal religious activities are protected by law. In 2004, the State Council promulgated China's first comprehensive administrative regulation on religious matters—the Regulations on Religious Affairs. It clearly defines the rights of religious groups and adherents with regards to religious activities, establishment of religious colleges and schools, publishing of religious books and periodicals, management of religious properties and foreign religious exchanges. It also regulates the administrative acts of relevant departments of the government so as to ensure that the legitimate rights and interests of religious believers, religious groups and venues for religious activities are not infringed upon. According to incomplete statistics, China has now more than 100 million religious adherents, more than 100,000 venues for religious activities, and about 300,000 religious clerics. Normal religious ceremonies or rituals conducted by ministers and all other normal religious activities—carried out either in venues for religious activities or homes of religious adherents in accordance with religious tradition—are taken care of by believers themselves and protected by law. Different religions, of their own accord, have created more than 3,000 national and regional religious organizations. They elect their own leaders in accordance with their own regulations and conduct religious ceremonies independently. They also print and publish religious classics and periodicals, and hold public welfare services. The accumulative print run of *The Bible* has reached 35 million. Religious organizations run 76 religious colleges where ministers are trained. All religions follow the principle of running their own affairs independently and, on the basis of equality and friendship, they are actively engaged in exchanges and communication with religious organizations in other countries.

III. Judicial Guarantee for Human Rights

In 2004, China strengthened its judicial reform to ensure strict law enforcement and fair administration of justice, and guarantee citizens' legal rights according to law.

China has cracked down on various criminal offenses in accordance with the law to protect citizens' life and the safety of their property. From January to October 2004, the Chinese public security organs investigated and cracked 2.004 million criminal cases. The people's courts at all levels wound up 644,248 criminal cases of first instance, in which 767,951 criminals were sentenced, effectively protecting the victims' legitimate rights and interests.

Adhering to the principle of "enforcing law in the interest of the people," the public security organs strengthened construction of the law enforcement system to ensure that law enforcement is strict, just and humane, improved the system of supervision over law enforcement, and made real efforts to solve some outstanding problems in law enforcement. From September 2003 to October 2004, the public security organs sorted out all the public security rules and regulations in effect since the

颁布了中国第一部宗教方面的综合性行政法规《宗教事务条例》。《条例》明确规定了宗教团体和信教公民在举行宗教活动、开办宗教院校、出版宗教书刊、管理宗教财产、开展对外交往活动等方面诸多权利，同时规范了政府有关行政管理部门的行政行为，依法确保信仰宗教的公民、宗教团体和宗教活动场所的合法权益不受侵害。据不完全统计，中国现有各种宗教信徒1亿多人，宗教活动场所10万余处，各种宗教教职人员约30万人。宗教教职人员履行的正常教务活动，在宗教活动场所以及按照宗教习惯在教徒自己家里进行的一切正常的宗教活动，都由宗教组织和教徒自理，并受到法律保护。各宗教自主成立的全国性和地方性宗教团体3000多个，按照各自的章程选举、产生领导机构和领导人，自主办理教务，并印刷发行宗教经典，出版宗教刊物，兴办社会公益服务事业。其中仅《圣经》的印数已累计达3500万册。宗教团体根据需要办有培养宗教教职人员的宗教院校76所。各宗教实行独立自主自办的方针，同时在平等友好的基础上积极与世界各国宗教组织进行交往和联系。

三、人权的司法保障

2004年，中国加大司法改革的力度，确保严格执法，公正司法，依法保障公民的合法权利。

中国依法打击各类犯罪活动，保障公民的生命财产安全。2004年1月至10月，全国公安机关共破获刑事案件200.4万起；全国各级人民法院全年共审结刑事一审案件644248件，判处罪犯767951人，有效地维护了受害人的合法权益。

公安机关坚持执法为民，强化执法制度建设，严格、公正、文明执法，完善执法监督制度，切实解决执法中的突出问题。2003年9月至2004年10月，公安机关对建国以来现行有效的涉及公民、法人和其他组织权利义务的公安法规和规章进行全面清理，共清理出1871件，决定保留558件，废止1077件，

founding of the People's Republic of China concerning the rights and duties of citizens, legal entities and other organizations. Among the 1,871 laws and regulations, 558 remained, 1,077 were abolished and 164 amended. In 2004, the public security organs worked out the Working Plan for Solving Outstanding Problems in Law Enforcement to Promote the Construction of a Law Enforcement System of Public Security Organs, which listed key problems to be solved in law enforcement over next three years, and launched a special campaign to address breaches of regulations in law enforcement to conscientiously solve the problems of seizing, sealing up, freezing and confiscating properties, giving orders for business suspension and rectification, and revocation of business certificates and licenses in violation of set regulations. Meanwhile, the public security organs strengthened supervision over key links in law enforcement related to the protection of human rights. According to statistics, in 2004, the Chinese public security and judicial organs handled 22,976 administrative reconsideration cases and 3,666 lawsuits, which were respectively 3.6 percent and 5.4 percent more than those in the previous year. The quality of work in the handling of administrative cases and level of administrative law enforcement were further improved.

The judicial organs have adopted vigorous measures to prevent and contain extended detention. In 2004, the Chinese procuratorial organs had no extended detention, and urged other law-enforcing organs to correct the extended detention of 7,132 people. The courts nationwide cleared up 873 old and new cases of extended detention involving 2,432 people, settling all the cases save a handful due to technical legal problems. By the end of 2004, the Chinese public security organs had no extended detention.

The procuratorial organs have performed their functions honestly, conscientiously strengthened legal supervision and safeguarded justice in law enforcement. In 2004, the procuratorial organs rejected applications for the arrest of 67,904 people; supervised over the canceling of investigation of 2,699 cases, which they found should not have been put on file for investigation; made decisions not to prosecute 21,225 people; appealed against court judgments of 3,063 criminal cases and 13,218 civil and administrative cases; proposed for review of 4,333 cases; put 5,569 criminal appeal cases on file for reinvestigation and changed the original judgments in 786 cases; and filed for investigation cases of power abuse, dereliction of duty, soliciting or accepting bribes and malpractices for personal gains involving 3,010 judicial personnel, thus effectively safeguarding the citizens' rights and ensuring fairness and justice. To strengthen the work of investigation and arrest, and to protect suspects' legitimate rights and interests, the Supreme People's Procuratorate formulated the Opinions on Interrogating Suspects When Handling and Investigating Cases Involving Arrest. At present, all the provincial procuratorates, 349 at the prefecture and city level and 2,407 at the county level are experimenting with the system of citizen supervisors. They account for 86 percent of the total number of procuratorates throughout the country. Under the supervision of the citizen supervisors, 3,341 cases have been concluded, thus effectively preventing handling of cases in violation of law and guaranteeing the quality of case handling.

Since May 2004, the Supreme People's Procuratorate has carried out a special campaign to severely deal with criminal

修改164件。2004年,公安机关推出《关于解决执法突出问题推进公安机关执法制度建设的工作计划》,提出了今后三年需要重点解决的执法问题,并对执法违规问题进行了专项治理,切实解决公安机关在执法中违反规定扣押、查封、冻结、没收财产、违反规定责令停业整顿、吊销证照等问题,对保护人权的重点执法环节加强了监督。据统计,2004年,全国公安法制部门办理行政复议案件22976件、诉讼案件3666件,分别比上年的维持率上升3.6%和5.4%,行政案件质量和行政执法水平有了进一步提高。

司法机关采取有力措施预防和遏制超期羁押。2004年,全国检察机关保持了无超期羁押,并督促其他机关纠正超期羁押7132人;全国法院清理旧存和新增超期羁押案件873件2432人,除法定事由外,全部清理完毕。到2004年底,全国公安机关无超期羁押案件。

检察机关认真履行检察职能,切实加强法律监督,维护司法公正。2004年,检察机关对不应当逮捕,决定不批准逮捕67904人;对不应当立案而立案的,监督侦查机关撤案2699件;作出不起诉决定21225人;裁定提出抗诉的刑事判决3063件;裁定提出抗诉的民事行政判决13218件,提出再审检察建议4333件;立案复查刑事申诉案件5569件,改变原处理决定786件;各地共立案侦查涉嫌滥用职权、玩忽职守、索贿受贿、徇私舞弊等犯罪的司法人员3010人,有力地维护了公民权利,维护了公平正义。为加强审查逮捕工作,维护犯罪嫌疑人的合法权益,最高人民检察院制定了《关于在办理审查逮捕案件中加强讯问犯罪嫌疑人工作的意见》。目前,中国全部省级检察院、349个分州市检察院和2407个县级检察院开展了人民监督员制度试点,占全国检察院总数的86%,共监督结案3341件,有效地防范了违法办案,保证了办案质量。

最高人民检察院从2004年5月起在全国范围内开展严肃查处国家机关工作人员利用职权侵犯人权犯罪案件专项活动,重点查办非

cases involving government functionaries' infringement upon human rights by misusing their powers, focusing on cases of illegal detention and search, extorting confessions by torture, gathering evidence with violence, abusing people in custody, disrupting elections as well as serious cases of dereliction of duty that cause heavy losses of life and property of the people. In total, 1,595 government functionaries suspected of criminal activities were investigated and prosecuted, thus effectively bringing under control offences of infringement on rights.

The judicial organs have strengthened supervision over trials and the handling of petitions and visits involving legal procedures and lawsuits. Adhering to the principle of "handling each and every appeal," they have addressed the "obstacles to appeal" in a practical way. In 2004, the procuratorates throughout the country handled and concluded 20,306 cases of appeal according to law, the people's courts at all levels handled 4.22 million petitions and visits of complaint, and corrected the judgments in 16,967 cases that were proved to be wrongly judged according to law, which accounted for 0.34 percent of the annual total of court decisions in effect.

The trial system with Chinese characteristics has been further improved. Courts at all levels have further carried out the principle of open trial, striving to realize openness in filing for investigation, court hearing, conclusion of trial, judgment documents and process of enforcement in the hope to promote justice with openness. Observance of trials by the general public has been facilitated with bulletins before trials and simplified procedures for attending trials. Over 50 million citizens observed trials in 2004.

The lawyer system has been continuously improved. In 2004, the Supreme People's Procuratorate formulated the Regulations of People's Procuratorates to Ensure the Lawful Practice of Lawyers in Criminal Procedures, and the Ministry of Justice promulgated the Provisional Regulations on Lawyers' Visits to Criminals in Custody. Relevant authorities in various places also promulgated many regulatory documents to guarantee lawyers' rights in practice, all of which further ensured that lawyers practice in accordance with the law. Statistics show that up to June 2004 there had been 114,500 lawyers in practice and 11,691 law firms in China.

The legal aid system has been further improved. The Supreme People's Court adopted the Decision on Providing Judicial Aid to Litigants With Real Financial Difficulties, improving the system of judicial aid. Lawsuit fees have been reduced, exempted or allowed to be delayed in payment, so that the litigants with real financial difficulties in civil and administrative cases, especially senior citizens, women, minors, disabled people, laid-off workers, migrant workers from rural areas, as well as victims of traffic, medical and industrial accidents, can afford to seek justice from the courts. In 2004, the courts throughout the country provided judicial aid in 263,860 cases, an increase of 15.6 percent over the previous year. The judicial aid totaled 1.09 billion yuan, 3.1 percent more than in the previous year. Lawsuit fees have been reduced or exempted for cases involving child-support payment, spouse-support payment and parent-support payment, and lawsuits brought by households in rural areas enjoying the "five guarantees" (food, clothing, medical care, housing and burial expenses - ed.) and by people in urban areas being provided with the minimum living

法拘禁、非法搜查、刑讯逼供、暴力取证、虐待被监管人、破坏选举,以及严重渎职造成人民生命财产重大损失的案件,共查办涉嫌犯罪的国家机关工作人员1595人,使侵权行为得到有效遏制。

司法机关加强审判监督,加强涉法、涉诉信访工作。本着“有诉必理”的精神,切实解决“申诉难”问题。全国检察机关全年依法办结涉法上诉案件20306件,全国各级人民法院共办理群众来信来访422万件(人次),全国法院全年依法改判裁判确有错误的案件16967件,占全年生效判决总数的0.34%。

中国特色审判制度进一步完善。各级法院进一步落实公开审判原则,努力实现立案公开、庭审公开、审判结果公开、裁判文书公开和执行过程公开,以公开促公正。采取案件开庭前公告和简化旁听手续等措施方便群众旁听,全年接待旁听群众5000余万人次。

律师制度不断完善。2004年,最高人民检察院制定了《关于人民检察院保障律师在刑事诉讼中依法执业的规定》,司法部出台了《律师会见监狱在押罪犯暂行规定》,全国各地有关部门也出台了許多保障律师执业权利的规范性文件,进一步健全了对律师依法执业的保障。据统计,截至2004年6月,全国执业律师已达11.45万人,律师事务所已达11691家。

法律援助制度进一步健全。最高人民法院通过了《关于对经济确有困难的当事人予以司法救助的规定》,完善了司法救助制度,对民事、行政案件中经济确有困难的当事人,尤其是老年人、妇女、未成年人、残疾人、下岗职工、农民工等,以及交通、医疗、工伤等事故的受害人,依法实行缓交、减交或者免交诉讼费用,使有理无钱的当事人打得起官司。2004年,全国法院实行司法救助案件达263860件,司法救助总金额10.9亿元,分别比上年上升15.6%和3.1%。对追索抚养费、扶养费、赡养费案件以及农村“五保户”和城市低保人员提起诉讼的案件一律减免诉讼费。特别是发出《关于集中清理拖欠工程

guarantee. The issuance of the Urgent Notice on Clearing Up Cases Concerning Delayed Payment for Construction Projects and Wages of Migrant Workers, in particular, provided judicial aid to migrant workers from rural areas in cases of labor disputes. As a result, 163,151 cases concerning demands for payment were concluded with high proficiency in filing for investigation, trial and enforcement. In 2004, governments at all levels throughout the country appropriated 217 million yuan in total for legal aid, 43 percent more than in the previous year. Throughout China, 3,023 legal aid organizations were set up, 249 more than in the previous year; and during the year, 190,187 legal aid cases were handled, 23,754 more than in the previous year, extending aid to 294,138 litigants. People from all walks of life also actively participated in legal aid work. The All-China Women's Federation and local women's federations have officially opened 2,700 legal aid centers for women and agencies for protection of women's rights. The All-China Federation of Trade Unions and local trade unions have established 2,990 legal aid organizations for workers. The China Disabled Persons' Federation and local disabled persons' federations have signed cooperation agreements with over 3,000 law firms for legal aid in cases concerning the protection of disabled people's rights. Over 30 institutions of higher learning, including Peking University, Tsinghua University and Wuhan University, have provided legal aid services to people with difficulties by combining legal aid and clinical legal education.

The legal rights and interests of people in custody are protected by law. In 2004, the Ministry of Public Security and the Supreme People's Procuratorate jointly planned, organized and launched a drive to build "model units for strengthening the enforcement of surveillance and legal supervision, and for guaranteeing smooth criminal proceedings and the legal rights and interests of detainees" in all the detention houses throughout China. Consequently, a large number of model detention houses have emerged with advanced facilities, standard law enforcement and humane management. The system of meeting public procurators has been generally established in detention houses, supervision over food, health care and epidemic prevention for detainees has been strengthened, the detainees' physical health and protection of their property has been accorded with greater attention, and the system of informing detainees of their rights, the system of open procuratorial work and visit system have been improved, thus effectively protecting detainees' legal rights and interests. By the end of 2004, the Chinese procuratorial organs had set up 77 sub-procuratorates in large prisons or areas where prisons and reeducation-through-labor camps are concentrated, and over 3,700 procuratorial offices in medium-sized and small prisons, reeducation-through-labor camps and detention houses. Procurators have been dispatched to over 90 percent of China's prisons, detention houses and reeducation-through-labor camps. The supervision system is being improved step by step.

IV. Economic, Social and Cultural Rights

In 2004, China began to implement the scientific development concept of putting people first, focusing on promoting the all-round, coordinated development of the urban and rural areas, different regions, as well as economy and society, promoting all people's equal participation in development and share of development results, and continuously enhancing the level of people's

款和农民工工资案件的紧急通知》，对进城务工人员劳务纠纷案件提供司法救助，立案快、审理快、执行快，办结、追索报酬等案件163151件。2004年，各级政府对法律援助财政拨款为2.17亿元，增幅达43%。全国建立法律援助机构3023个，比上年增加249个；全年共办理法律援助案件190187件，比上年增加23754件，受援人总数为294138人。社会各界也积极参与法律援助工作。全国妇联系统已建立妇女法律援助中心和维权机构（正式挂牌）2700个，全国工会系统共建立职工法律援助组织2990个，全国残联系统与3000多个律师事务所签订法律援助合作协议办理残疾人维权案件。北京大学、清华大学、武汉大学等30多所高等院校将法律援助和法律援助诊所教育相结合，为困难群众提供法律援助。

在押人员的合法权益依法受到保护。2004年，公安部、最高人民检察院在全国看守所联合部署组织开展了“加强监管执法、加强法律监督、保障刑事诉讼顺利进行、保障在押人员合法权益示范单位”创建活动，全国已涌现出一大批设施先进、执法规范、管理文明的先进看守所。监管场所普遍推行了检察官接待制度，加强了在押人员的伙食和卫生防疫监督，重视在押人员的身体健康和财产保护，完善在押人员权利告知制度、检务公开制度和会见等制度，有效地维护了在押人员的合法权益。截至2004年底，全国检察机关在大型监狱或监狱、劳教所集中地区已设立77个派出检察院，在中小型监狱、劳教所和看守所设立3700多个派驻检察室，对全国90%以上的监狱、看守所、劳教所实行了派驻检察，监督体制日趋完善。

四、经济、社会和文化权利

2004年，中国贯彻以人为本的科学发展观，努力促进城乡、区域和经济社会的全面发展，促进全体人民平等参与发展、共享发展成果，不断提高人民享受经济、社会和文化权利的水平。

中国政府高度重视保护劳动者的权利。国家采取再就业援助、强化失业调控、规范

enjoyment of their economic, social and cultural rights.

The Chinese Government attaches great importance to the protection of laborers' rights. The state has adopted many measures to promote employment and reemployment, including reemployment aid, strengthened control of unemployment and regulation over staff cuts by enterprises. In 2004, there were 9.8 million new employees and 5.1 million reemployed laid-off workers in urban areas in China; the registered unemployment rate was 4.2 percent in urban areas, 0.1 percentage point lower than in the previous year. By the end of 2004, the number of workers laid off from state-owned enterprises shrank to 1.53 million, of whom 920,000 joined reemployment service centers, where they received subsistence allowances, and which paid their social insurance premiums.

The labor security and social insurance systems have been further strengthened. In 2004, the State Council promulgated and implemented the Rules of Supervision Over Labor Security, thus providing a legal basis in this aspect. The Provisions on Collective Contracts and the Provisions on Minimum Wages were amended and promulgated. A minimum-wage guarantee system has been established in all areas, and most areas have readjusted the minimum-wage standards in a timely and appropriate way. The Corporate Annuity Trial Measures and the Management of Corporate Annuity Funds Trial Measures were enacted and promulgated to promote the establishment of a multi-level system of old-age insurance. The management of hospitals and pharmacies designated for medical insurance has been further improved. Guidance has been given to employees of organizations of mixed ownership and non-state-owned enterprises to participate in medical insurance, and the catalogues of medicines covered by basic medical insurance and industrial injury insurance have been amended to better cater to the demands of the insured for reasonable use of medicine. Considering the constant flow of migrant workers from rural areas, a special policy has been made and implemented for their participation in industrial injury insurance and the payment of compensation for industrial injuries. A comprehensive study has been launched of the situation of employment and social security of migrant workers from rural areas and farmers whose farmlands have been requisitioned. Energetic efforts have been made to promote the participation of employees of high-risk enterprises in industrial insurance in light of the high risks they are exposed to.

The coverage of social insurance has been continuously expanded, and various insurance funds and social security funds have continued to increase considerably. In 2004, the central treasury put 146.5 billion yuan into social security, 18.1 percent more than in the previous year. The standards of basic pensions for retirees from enterprises and the minimum living guarantee for urban residents in some areas have been raised. In 2004, basic pensions were duly and fully issued to all retirees from enterprises throughout China, totaling 303.1 billion yuan, with 52.2 billion yuan of subsidies from the central treasury. By the end of 2004, the numbers of people participating in basic pension insurance, unemployment insurance, medical insurance and industrial injury insurance schemes in urban areas had reached 164 million, 106 million, 124 million and 68.45 million, respectively, 8.47 million, 2.11 million, 15.02 million and 22.7 million more than at the end of the previous year, respectively. In

企业裁员行为等多种措施促进就业和再就业。2004年,全国城镇新增就业人员980万人,全年有510万城镇下岗人员实现了再就业;城镇登记失业率为4.2%,比上年下降0.1个百分点。截至2004年底,国有企业下岗职工减少到153万人,其中进入再就业服务中心的下岗职工92万人,在中心的下岗职工全部足额领到了基本生活费并由中心代缴了社会保险费。

劳动保障和社会保险制度建设进一步加强。2004年,国务院颁布实施了《劳动保障监察条例》,为劳动保障监察提供了法律依据。修订颁布了《集体合同规定》、《最低工资规定》,各地都建立了最低工资保障制度,多数地区适时适度地调整了最低工资标准。制定发布了《企业年金试行办法》、《企业年金基金管理试行办法》,努力促进建立多层次的养老保险制度。进一步加强了医疗保险定点医院和定点药店管理,制定了推进混合所有制和非公有制经济组织从业人员参加医疗保险的指导意见,修订了基本医疗保险和工伤保险药品目录,更好地满足了参保人员合理用药的需求。针对农民工就业流动性强的特点,制定实施了农民工参加工伤保险和工伤待遇支付的专项政策。开展了农民工和被征地农民就业和社会保障情况的综合调研。针对高风险企业职业风险高的特点,积极推进高风险企业职工参加工伤保险。

社会保险覆盖范围继续扩大,各项保险基金、社会保障基金持续大幅增加。2004年,中央财政用于社会保障的资金达1465亿元,比上年增长18.1%。企业退休人员基本养老金标准和部分地区城镇居民最低生活保障标准得到提高。2004年,全国发放企业离退休人员基本养老金3031亿元,中央财政补贴522亿元,基本养老金全部按时足额发放,做到了当期无拖欠。2004年底,城镇基本养老、失业、医疗和工伤保险的参保人数分别达到1.64亿人、1.06亿人、1.24亿人和6845万人,分别比上年底增加847万人、211万人、1502万人和2270万人;农村社会养老保险参保人数达到5500万人。2004年,全国共有

the rural areas, 55 million people had participated in social old-age pension system. In 2004, a total of 4.19 million people received unemployment insurance benefits, 520,000 people received compensation under the industrial injury insurance scheme, about 2.2 million farmers received old-age pensions, and 22.01 million urban residents were issued minimum living allowances by the government.

The state has vigorously developed education, science, culture, health care and sports, striving to guarantee citizens' rights to education and cultural life in an all-round way. In 2004, the central treasury earmarked 98.7 billion yuan and invested 14.7 billion yuan worth of treasury bonds for these purposes. In the same year, the central treasury appropriated various special-purpose funds, totaling over 10 billion yuan, for compulsory education in rural areas, an increase of more than 70 percent from the 5.8 billion yuan in 2003. The central treasury appropriated 6.8 billion yuan for education, including basic universal nine-year compulsory education and basic elimination of illiteracy among young and middle-aged people ("two basics" for short), as well as construction of public health care facilities in the western region, 2.7 billion yuan more than in the previous year. As a result, 2.0558 million illiterate people received rudimentary education, 2,364 boarding schools in western rural areas are being built, ramshackle buildings of 8,130 primary and secondary schools in central and west China were renovated, and 24 million students from impoverished families within the compulsory education period in central and western rural areas received free textbooks. At present, there are more than 70,000 private schools (educational establishments) at all levels and of various kinds, with over 17 million students, and more than 10,000 training institutions. In 2003, the national treasury appropriated 109.4 billion yuan for compulsory education in rural areas, more than twice the 53.3 billion yuan in 1999 and accounting for 80 percent of the total funds for the purpose in the same year.

In 2004, the enrolment of technical college students and undergraduate students throughout the country was 4.473 million, 650,000 more than in 2003, and the enrolment of graduate students was 326,000, an increase of 57,000 over 2003. At present, there are over 20 million students in institutions of higher learning in China, and the gross enrolment ratio for higher education has reached 19 percent. Enrolment in secondary vocational education has reached 5.48 million, and there are now 13.68 million students in such schools. There are 5.957 million undergraduate students and technical college students in institutions of higher vocational education, 1 million more than in the previous year.

Cultural undertakings continued to develop and the people's cultural life continued to improve. By November 2004, the national cultural information sharing project had 32 provincial-level sub-centers, nearly 3,000 grass-roots centers and over 50,000 terminal users. By the end of 2004, the country had had 2,599 art troupes, 2,858 cultural centers, 2,710 public libraries, 1,509 museums, 282 radio stations, and 314 TV stations with 60 education channels. There were about 115 million cable TV users, and 30 cities with cable digital TV services for 1.22 million users. The overall population coverage rates of radio and TV broadcasting were 94.1 percent and 95.3 percent, respectively. In 2004, 212 feature films and 44 films on science education, documentaries and animated cartoons were produced. In the same year, 25.77 billion copies of

419万人领取失业保险金, 52万人享受了工伤保险待遇, 约220万农民领取养老金, 2201万城镇居民得到政府最低生活保障。

国家大力发展教育、科学、文化、卫生、体育事业, 全面促进公民的教育和文化生活权利保障。2004年, 中央财政用于这些方面的支出987亿元, 投入国债资金147亿元。2004年, 由中央财政安排用于农村义务教育的各类专项资金100多亿元, 比2003年的58亿元增长70%以上。中央财政安排西部地区教育及基本普及九年义务教育和基本扫除青壮年文盲("两基"攻坚)、公共卫生的建设资金达68亿元, 比上年增加27亿元, 扫除文盲205.58万人, 西部地区2364所农村寄宿制学校开工建设; 中西部8130所农村中小学危房得到改造, 中西部农村地区义务教育阶段2400万贫困家庭学生获得免费教科书。目前, 全国共有各级各类民办学校(教育机构)7万余所, 在校生1700多万人, 培训机构1万多个。2003年, 全国财政预算内对农村义务教育的拨款达到1094亿元, 比1999年的533亿元增加了1倍多, 占当年农村义务教育经费总投入的80%。

2004年, 全国普通本专科招生447.3万人, 比2003年增加65万多人; 研究生招生32.6万人, 比2003年增加5.7万人。目前, 全国各类高等教育在校人数超过2000万人, 高等教育毛入学率达19%。中等职业教育招生人数达到了548万人, 在校1368万人; 高等职业教育普通本专科在校人数达595.7万人, 比上年增加100万人。

文化事业继续发展, 人民的文化生活水平不断提高。截至2004年11月, 全国文化信息资源共享工程省级分中心达到32个, 基层中心近3000个, 终端用户超过5万个。2004年底, 全国共有艺术表演团体2599个, 文化馆2858个, 公共图书馆2710个, 博物馆1509个; 广播电台282座, 电视台314座, 教育台60个; 全国有线电视用户约1.15亿户, 30个城市开展有线数字电视业务, 用户122万户; 广播综合人口覆盖率为94.1%, 电视综合人口覆盖率为95.3%; 全年生产故事影片

national and provincial newspapers, 2.69 billion copies of periodicals of various kinds and 6.44 billion copies of books were published. A relatively complete public cultural service system had taken initial shape, and the people's basic cultural rights were protected.

The government has adopted measures to improve the farmers' cultural, scientific and technological qualities, enhance their ability to increase their incomes, and improve their production and living conditions. In 2004, the government arranged 1,692 projects under the Spark Program, in which agricultural produce processing projects accounted for 33.1 percent, projects for the development of advantageous resources and characteristic industries in rural areas accounted for 13.89 percent, and high-efficiency cultivation and breeding projects accounted for 24.7 percent. Over 3.1 million were trained in different skills for rural enterprises, 236 rural enterprises received support to set up state-level centers for technological innovations, and over 1,500 state-level intermediary agencies of all kinds were established to provide science and technology services in rural areas. So far, 143,400 Spark Program demonstration projects have been implemented, involving nearly 90 percent of the counties and cities throughout the country. In recent years, the state has invested 10.3 billion yuan to solve the drinking water problem for over 60 million rural people. In 2004, 1.8 billion yuan was arranged in the form of treasury bonds for investment in projects to make drinking water available to people and domestic animals in rural areas, which helped solve the problem of safe drinking water for 9.58 million people in the countryside. The 2005-06 Emergency Plan for Drinking Water Projects in Rural Areas was worked out, which was expected to solve the drinking water problem for 21.2 million rural residents. Meanwhile, 2 billion yuan worth of treasury bonds was issued for investment in the construction of marsh gas facilities, which would provide marsh gas for 2.07 million rural households. A project for the construction of pastoral steppes and settlement of nomads in Tibet was carried out continuously, which received accumulatively 180 million yuan by 2004 and, when completed in 2006, it would settle 8,000 nomad families totaling 40,000 people. Some 6.4 billion yuan of work-for-food funds was appropriated to construct 1.85 million mu (15 mu equals to 1 hectare) of basic farmland, add and improve 9.7 million mu of irrigated areas, build, renovate and extend 40,000 km of highways, and prevent and control soil erosion in an area of 155,000 square km.

The government attaches great importance to the protection of the farmers' legitimate rights and interests. In 2004, the government examined compensation for and settlement of farmers whose collectively owned lands had been requisitioned, and paid defaulted compensation for land requisition totaling 14.77 billion yuan. The government sorted out and annulled discriminative regulations and unreasonable restrictions on farmers seeking employment in urban areas, and continued to improve protection of the legitimate rights and interests of migrant workers from rural areas, requiring that their children should enjoy equal rights to compulsory education with local children, forbidding arbitrary collection of fees from them, improving job services for them, providing them with good consultation services, strengthening their training for employment, further solving

212部, 科教、纪录、美术片44部; 出版全国性和省级报纸257.7亿份, 各类期刊26.9亿册, 图书64.4亿册(张), 初步形成了比较完善的公共文化服务体系, 维护了广大人民群众基本文化权利。

国家采取措施, 提高农民科技文化素质和增收致富能力, 改善农民的生产生活条件。2004年, 国家安排星火计划项目1692项, 其中农产品加工项目占33.1%, 农村优势资源开发和特色产业项目占13.89%, 高效种植和养殖业项目占24.7%; 培训乡镇企业各类人才310余万人, 支持236个乡镇企业建立了国家级技术创新中心; 培育了1500余个国家级各类农村科技中介服务机构。迄今, 共实施星火计划示范项目14.34万项, 覆盖了全国近90%的县市。近年来, 国家投资103亿元专项解决6000多万农村人口的饮水困难, 其中, 2004年国家安排国债投资18亿元用于农村人畜饮水工程, 可以解决农村958万人饮水困难和饮水不安全问题; 出台《2005-2006年农村饮水安全工程应急规划》, 2120万农村群众饮水不安全问题有望得到解决。安排国债投资20亿元用于农村户用沼气建设, 可使207万户农民用上农村沼气; 继续实施西藏牧区草原建设和游牧民定居工程, 截至2004年, 已累计安排1.8亿元, 至2006年建成后可使8000户、4万牧民定居; 安排以工代赈资金64亿元, 用于建设基本农田185万亩(15亩等于1公顷), 新增和改善灌溉面积970万亩, 新建和改扩建公路4万公里, 防治水土流失面积15.5万平方公里。

国家重视维护农民的合法权益。2004年, 国家对征用农村集体土地的补偿安置情况进行清理检查, 清查和偿付拖欠征地补偿款147.7亿元。国家清理和取消针对农民进城就业等方面的歧视性规定和不合理限制, 继续加大对农民工合法权益保护力度, 要求对进城就业农民子女接受义务教育要与当地学生同等对待, 不得乱收费, 完善对农民进城就业的职业介绍咨询服务, 做好对农民工的咨询服务工作, 加强对农民进城就业的培训, 进一步解决拖欠农民工工资问题, 加强劳动

their problem of defaulted wages, reinforcing the management of labor contracts as well as procuratorial work and law enforcement concerning labor security, handling promptly labor dispute cases, encouraging trade unions to protect their rights and interests according to law, and providing them with industrial injury insurance. In 2004, the Provisional Measures for the Management of Payment of Wages to Migrant Construction Workers From Rural Areas were formulated, which provided for an overall clear-up of defaults on payment of project fees as well as wages of migrant workers from rural areas. By the end of 2004, migrant construction workers from rural areas received wages totaling 33.2 billion yuan defaulted accumulatively over the previous years.

The government protects women's legitimate rights and interests according to law. By the end of 2004, 2,603 coordination teams or joint conferences for the protection of women and children's rights and interests above the county level had been established, 22 provinces had formulated regulations, opinions or measures against domestic violence, and 3,183 courts or jury panels had been set up for the protection of women's rights. Meanwhile, the All-China Women's Federation had conducted a sample survey in six provinces (autonomous regions and municipalities directly under the Central Government) and 24 counties (cities and districts) under their jurisdiction, to learn about the state of women's legal knowledge and needs. It also held its fifth Rights Protection Week, with the theme "Legal System Promotion and Education by Doing Practical Work," combining legal system promotion and education with safeguarding women's rights and interests, which benefited directly over 200,000 counts of people.

Women's equal rights and interests in political, economic and social spheres are being gradually realized along with social development. From the Fourth NPC held in 1975 to the 10th NPC held in 2003, women deputies accounted for over 20 percent of the total number of deputies. The scale of employment, payment and education level of women are roughly on the same level as those for men. The government actively provides women with reproduction health services and has introduced informed choice in contraception and birth control to protect women's rights to reproduction health, information and choice. In 2004, the government launched "World AIDS Day" activities which featured the theme "Women, Girls, HIV and AIDS" to provide face-to-face dissemination and education for 34.83 percent of China's female population. Meanwhile, the government severely punishes such unlawful acts as unnecessary medical tests on the sex of fetuses, artificial abortion because of the sex of a fetus, and drowning or abandoning of girl babies. The experimental campaign of "Caring for Girls" was launched in 11 counties in 11 provinces with excessively high male sex ratios in the newly born population, and it was expanded to 24 counties in 24 provinces the same year. Moreover, the governments of the provinces, autonomous regions and municipalities directly under the Central Government launched the experimental campaign on their own initiative in 638 places at or above the county level. As a result, all the areas with excessively high male sex ratios among the newly born population are now covered by the campaign, and the rights and interests of women and girls are truly protected.

(To be continued)

合同管理和劳动保障检察执法, 及时处理农民工劳动争议案件, 支持工会组织依法维护农民工的权益, 做好农民工工伤保险工作等。2004年, 制定了《建设领域农民工工资支付管理暂行办法》, 全面清理建筑领域拖欠工程款和进城务工农民工的工资, 截至2004年底, 全国已偿还建筑领域历年拖欠的农民工工资332亿元。

国家依法保障妇女的合法权益。到2004年底, 全国共建立2603个县级以上维护妇女儿童权益协调组或联席会议; 22个省出台了反家庭暴力条例、意见或办法; 有妇女维权法庭或维权合议庭3183个。与此同时, 全国妇联在北京、辽宁等6个省(自治区、直辖市)及其所辖的24个县(市、区)开展抽样调查, 了解妇女的法律素质和法律需求, 开展了第五个以“法制宣传教育办实事”为主题的维权周活动, 将法制宣传教育与维护妇女权益结合起来, 直接受益的群众达20余万人次。

妇女在政治、经济、社会方面的平等权益正在随着社会的发展逐步得到实现。自1975年的第四届至2003年的第十届全国人民代表大会的代表中, 女代表比例均占到20%以上。妇女的就业规模、劳动报酬和受教育水平与男性基本相当。国家积极向妇女提供生殖健康服务, 推行避孕节育知情选择, 维护妇女的生殖健康权、知情权、选择权。2004年, 国家举办了以“关注妇女, 抗击艾滋”为主题的世界艾滋病日活动, 对妇女开展面对面的宣传教育活动, 接受宣传教育的女性占女性总数的34.83%。与此同时, 国家严厉打击非医学需要的胎儿性别鉴定和选择性别的人工终止妊娠、溺弃女婴等违法行为, 并在全国出生人口性别比偏高的11个省的11个县开展“关爱女孩行动”试点活动。2004年, “关爱女孩行动”国家试点扩大到24个省的24个县, 各省(自治区、直辖市)自行启动县级以上试点638个, 基本覆盖了出生人口性别比偏高的地区, 切实保障了妇女和女孩的权益。

(未完待续)

emancipators even say that those who excel in the Olympiad may just be good test takers. What is worse, IMO training has become a moneymaking business in most places.

Good Weeding Tool

Li Qiu (freelancer): Before judging IMO classes, we should understand the reason for their popularity.

China's progress in education is due to its educators' efforts to explore excellence in teaching. And they have found that the Olympiad is a good way to pick out students with a gift for math. Tsinghua and Peking universities, China's two most prestigious ones, enroll many contest gold medalists without requiring them to pass the entrance examination. Good middle schools also take look at the Olympiad marks as a factor in admissions.

As a result, many students, particularly those from poor families that cannot afford a "donation" to these middle schools, are left with just the Olympiad option to change their fate. In some cases, if students' exam results fall slightly short of school requirements, they can still make it by offering a "donation" to the school. Without the Math Olympiad grades, students will have to make much more of an effort to enter good middle schools and universities under the current fierce competition.

Middle schools are required to alleviate the burden on students by following a curriculum that they can cope with easily. But many parents, on the fear that their children may lose out, employ tutors or force their children to join after-school coaching classes.

We should give the Olympiad an objective evaluation. In spite of some shortages, it has played an important role in selecting talented children and contributed to China's educational development.

Some people are fond of pointing out that children in the United States spend a considerable part of their childhood playing games but still go on to win the Nobel Prize when they grow up. But this view ignores the fact that different countries have different conditions. U.S. educators devise curricula that incorporate a lot of fun and games in the learning. But this costs money.

Japan too has a number of Nobel laureates,

even though the education system there does not copy that of the United States. One thing it does is hold the Math Olympiad.

A survey in Taiwan showed that of the top scorers in university entrance examinations, 75 percent are now involved in education. But people pinned their hopes on them for some stunning achievements. Similarly, the annual university entrance exams in the Chinese mainland have not thrown up Nobel winners. Does that mean these exams are useless and can be done away with?

Someone once said China always produces champions in the IMO. But none of them has become world-known mathematicians as Hua Luogeng, Chen Jingrun and Shiing-shen Chen. I think this statement is ridiculous. China's Math Olympiad has a fairly recent history. The first batch of gold medalists is around 30 years old. They are still young and some of them are studying for doctorates. Achievements in science took decades of work in the United States. We cannot expect our Olympiad champions to come up with stunning achievements overnight.

China ranked second in the number of gold medals in the last year's Olympic games. Some people criticized China's General Administration of Sport, saying it focused its training on a few selected people instead of leaving the field open to all as in the United States. They said this could have led to a better medal tally standing.

I don't understand why these people are so picky. Winning some gold medals, after all, is better than having no medals. China's Math Olympiad cause is in a similar situation. Chinese students have won many gold medals in the IMO but some people are worried they have not bagged something big like the Nobel Prize. I want to tell these people it is not the

fault of the students. Besides, Some of them may become Nobel laureates someday.

Tsinghua and Peking Universities and other good middle schools have benefited from enrolling IMO winners and have found great potential in them. The problem is some schools have overstressed students' Olympiad marks in enrollment, forcing everyone to cram for it.

Dear Readers,

"Forum" is a column that provides a space for varying perspectives on contemporary Chinese society. In each issue, "Forum" will announce the topic for an upcoming issue in advance. We invite you to submit personal viewpoints (in either English or Chinese).

Upcoming topic: Should We Be Following the Lifestyle Trends of Japan and the Republic of Korea?

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Please provide your name, telephone number, zip code and address along with your comments.

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Sunshine Hotel
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The Landmark Hotel Shenzhen
Mission Hills Golf Club

Old, Bad Habits Die Hard



NEWSPHOTO

DOG DILEMMA: If you “raise” a dog, you must clean up after it just as you would for your baby. Why assume Beijing’s sidewalks will do the trick?

By DWIGHT DANIELS

You can’t legislate morality. Or, can you? In much of the United States, you can’t smoke in public places. Even at outdoor venues in California, such as sports stadiums, you can’t light up the cigarette you might be craving. It could offend the people seated near you.

Ridiculous you say? Not really. It’s all in how you perceive it. You wouldn’t have to inhale smoke that you might find offensive. If the nicotine fiend seated next to you needed a fix, he’d have to walk to a designated area to smoke with the other addicts.

Of course no one is calling for an end to smoking in Beijing’s public places. Not yet. There’d be open rebellion.

But zealots will be doing so in a year or two, just as soon as China catches up with the rest of the world. Sooner or later, officials will decide that smoking (even second-

hand smoke) is killing people. Lighting up will be banned at restaurants, bars, Internet cafes, and darn near everywhere the public gathers.

But the “disgusting” personal habits that can’t readily be controlled in this city—the garden variety, stomach-wrenching kinds one sees and hears every day—are a harder nut to crack. And for now, that’s where the focus should be.

We all know what they are, even though a recent survey of 770 respondents by the Beijing Social Psychology Institute helped put the spotlight on them again.

Topping the list are those throat-clearing spitters. Young and old, they hack and spit, and nearly 63 percent of those surveyed in March reported this as their top annoyance. The other 37 percent of us must be the spitters.

Next on the disgust meter are the growing groups of irresponsible dog owners who allow their pets to excrete waste upon our sidewalks, walking away as if their pets’ “poop” would magically be “scooped.”

And then there is the age-old problem of people who believe sidewalks are their personal rubbish bins.

Kang Yue, the survey designer, said its findings are fairly consistent with previous years, though 27 percent of those questioned said spitting seems to have declined marginally.

That’s encouraging. Strategically placed posters have been publicizing the problem, especially after the SARS (severe acute respiratory syndrome) outbreak of two years ago. The government saw the wisdom of that.

“[Those] surveyed said that publicity and punishment should be strengthened to make those with the bad habit change,” Kang told *China Daily*. “But it still needs more efforts from the whole society and every resident to achieve the goal.” That’s an understatement if ever there was one.

Sadly I also passed a few black plastic trash bags on the sidewalk as I ventured to the park this morning. Now as I sit on a bench to write this article and munch on my morning fruit, a woman has arrived with her cute little cocker spaniel.

The dog has decided to answer nature’s call and deposits its load. Having concluded its performance, owner and dog depart, leaving behind what nobody wants to see. I use the plastic bag that contained my morning fruit, to retrieve the smelly lump and dump it in a rubbish bin nearby, since it was just next to the children’s play equipment.

Call it my good deed for the day.

But there are more than 1 million pet dogs in Beijing. And I cannot clean up after all of them. Beijingers like to say they “raise” dogs. If you “raise” a baby, you must change diapers. If you raise a dog, you clean up after it: it cannot do this job itself.

Retirees seated near me no doubt wonder about me. If I could speak Chinese, we might talk about it, or I could ask them if they wouldn’t mind helping the government hand out pamphlets to spitters or dog owners about the problems they cause. I bet they’d be glad to do such a meaningful job, as their “good” deeds.

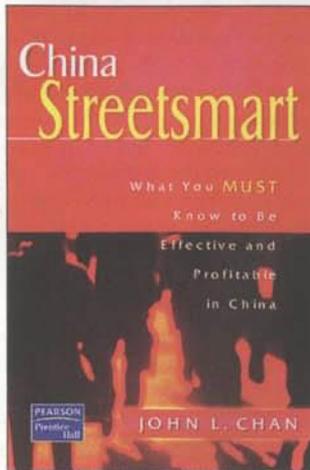
Or, they could write citations to offenders. But as an American, that seems a little extreme to me.

If the behavior survey was correct, some 44 percent of city residents believe Beijingers maintain “high moral standards.”

If that’s true, by convincing one other person among us to change, we can easily conquer these modest problems. ■

Foreigners living in China are welcome to share their experiences. E-mail us at contact@bjreview.com.cn Submissions may be edited.

The author is an American living in Beijing



China StreetSmart

JOHN L. CHAN
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 Paper
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 Publisher: Prentice Hall

RMB238

Summary:

Learn how to set up and run profitable businesses in the most alluring market, China.

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The Truth About Managing People...And Nothing But the Truth, The, 1/E

Stephen P. Robbins
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RMB88

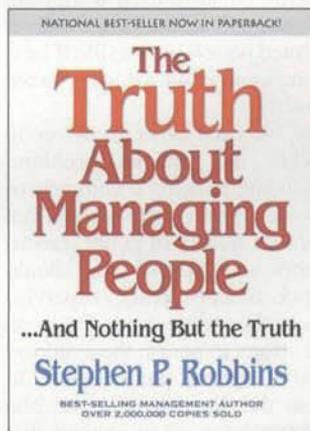
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Innocent Until Proven Guilty

By LII HAIBO



One of the current national discourses focuses on a couple of criminal cases that involve the principle of innocence until proven guilty. As a man who has languished in prison

for 11 years for his wife's murder, only for her to reappear alive, was formally exonerated recently, the whole nation has been given a vivid lesson on the rule of law. And more people realize that miscarriages of justice must be tackled seriously in order to protect the rights of individuals.

This time, She Xianglin, a 39-year-old farmer in central China's Hubei Province, was pulled into the public arena when he was proven not guilty in a homicide case. In January 1994, She Xianglin's wife, Zhang Zaiyu, disappeared from their home in Jingshan County. Three months later, a female body was found in a reservoir in their hometown. Local police and Zhang's relatives all believed that it was Zhang's body and insisted that her husband was the murderer. As a result, She Xianglin was arrested and sentenced to death in the first trial by the local court.

The young defendant then appealed to the Hubei Provincial High People's Court, and his family kept offering accounts to legal authorities that indicated that the charge was completely false. He seemed fortunate when the high court overturned the original verdict in 1995 after finding that there was not sufficient evidence. She Xianglin escaped capital punishment. However, the Jingshan County Court still sentenced him to 15 years in prison in 1998, despite the inadequate evidence. And his further appeal was turned down.

On March 28, this year, Zhang reappeared in her hometown and was identified by DNA testing. The woman had remarried and was living in east China's Shandong Province, which is hundreds of miles away. So, She Xianglin was finally free and said, "There is justice in the world." He even showed no hostility toward his former wife, saying, "If she had not reappeared, maybe I would have been wronged for life."

Unlike She, Nie Shubin, a 21-year-old electric welder in north China's Hebei Province, was executed in April 1995. Nie was indicted as a rapist and murderer in a case that took place in August 1994. It is reported that Nie was compelled to confess his guilt under police torture. No one, except Nie's parents, challenged his case through the whole legal procedure, including the provincial high court that finalized the execution.

In January 2005, however, a criminal suspect named Wang Shujin was arrested and pleaded guilty. Wang, who was accused of a few murders, described in full detail how in the summer of 1994 he raped and killed a woman in the same venue where Nie was said to have committed the murder. According to common sense, Wang was the real culprit and Nie was not. But, from a legal point of view, one cannot jump to the conclusion that Nie was totally innocent. People have to wait until strong evidence is found to prove that. What is certain, though, is that it is another wrong verdict.

Needless to say, in both cases, those

Law must be mainly used as machinery to protect ordinary citizens from miscarriages of justice. It is a key step for building a sound and effective judicial system in China

who are responsible for the wrongdoings should be punished. It's a sad fact, after all, that the low caliber work done by some law enforcement officials accounts for the blunders. That someone is to blame is just part of the story. What is more significant is to further reform and improve the country's legal system to deal with the incomplete justice that has been revealed in these cases.

Above all, the principle that a suspect is innocent until proven guilty must be held and put into practice. Widely accepted and conducted around the world, the principle, however, has not yet fully been carried out in China, although it was embodied in the country's Criminal Procedure Law enacted nine years ago. A fundamental reform is needed not only in the legal field, but also in social and cultural spheres, which serve as the soil of a given legal system and practice.

Chinese, ordinary people and legal functionaries as well, like to say that "we would never let a single suspected criminal go unpunished." However, that doctrine may invite the practice of "guilty until proven innocent," thus opening the doors to some deplorable cases, in which the police rush to make an arrest that turns out to be baseless, and in which individuals are unjustly, falsely or wrongly charged or sentenced. Based on the cases mentioned above, people have cause to register strong concern.

So, what I think is imperative is that the government should do whatever it can to avoid making a single unjust verdict against an innocent citizen like She Xianglin. Yes, law should be interpreted as a weapon to punish criminals and offenders. But this is just one side of the so-called rule of law. On the other hand, and more importantly, law must be used as machinery to protect ordinary citizens from mistaken prosecution by strengthening the legal system. The protection function is more important simply because justice has a long arm—criminals are always being pursued, even if they are let go unpunished at first. But you can never bring an executed person back to life if he is later proven innocent, as we are likely to see in the Nie case.

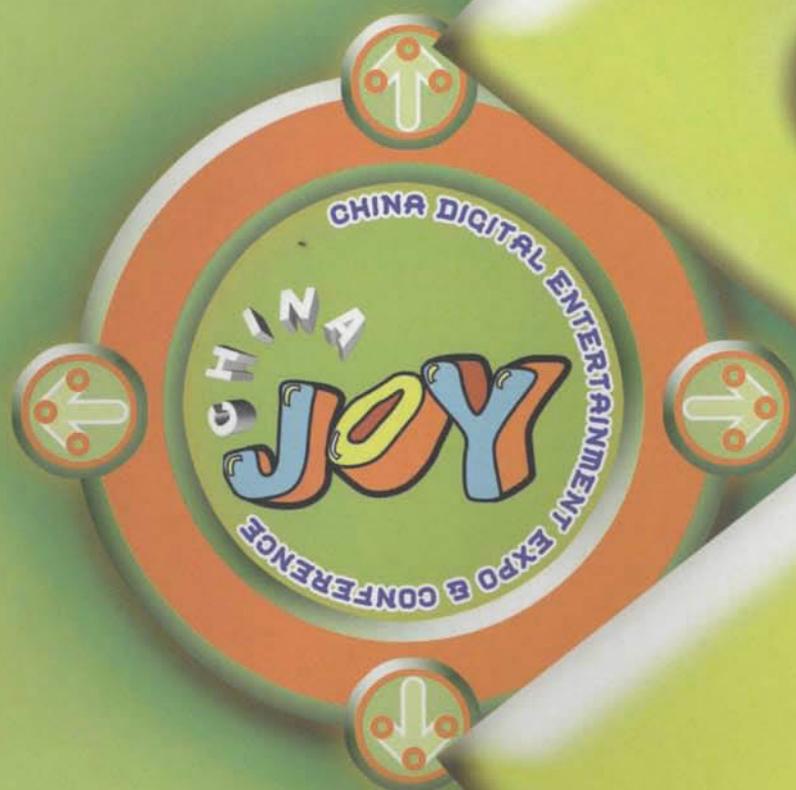
Obviously we need other measures to tackle the judicial problem, including building a comprehensive legal enforcement legion that consists mainly of police, procurators and judges, who should work independently, supervise each other, while making concerted efforts to punish the evildoers and safeguard the innocent. In both the She Xianglin and Nie Shubin cases, all institutions that were involved in the lawsuit made mistakes or even neglected their duties. If only one department had acted as a useful check, She Xianglin would not have been wronged for 11 years and Nie Shubin's life would have been saved.

Probably because life is precious, capital punishment has been banned in many countries and regions. Given its national condition, however, China is unlikely to abolish the death penalty at present. What the government is doing is to institute an effective system to ensure prudence and justice when the penalty is given. As a key step for that purpose, the government has decided to take back the right to review the death penalty to the Supreme People's Court. After we learn of the two legal tragedies, we have reason to believe that is a wise move. ■

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