

A Chinese Kaleidoscope; An American Mosaic

(P279)

A Chinese Kaleidoscope

(P280)

One: China's farmers and laborers are not subject to taxes; Attracting foreign investment through tax policy

Although China's economic reforms were enacted just over ten years ago, the country already has seems to be prospering. This reflects that state-run enterprises are not able to profit. Right now it is the joint-stock companies and privately-run, privately-owned companies that are prospering. But wages of average working class people are not high, and they are only able to meet their basic needs. For this reason, they are not happy about paying taxes, and moreover are not attentive to reporting taxes.

The average citizen has no use at all for accounting. Accountants, lawyers, and insurance salesmen are all unnecessary. They are hardworking, however nowadays due to the fact that lawyers have become involved in so many parts of life, it is not only during lawsuits that a lawyer is needed. For example when buying a house, it is necessary to buy insurance. In the past one assumed that the only type of insurance was life insurance. Now, in addition to life insurance, it is also necessary to buy health insurance, and homeowner's insurance in case an accident occurs and one is sued. Right now in this period of economic structural transformation, it is essential to have all types of professionals to provide assistance in handling affairs. People are facing more and more complicated problems in their daily life.

Small merchant enterprises in China lack robust systems for taking care of financial affairs, and moreover most of the business is done with cash, so there are no accounts kept. Therefore this type of small business usually does not meet its tax obligation.

From the perspective of the government, if you do business you must pay tax. However the average person does not wish to pay taxes. Why? Because paying taxes allows the government to take benefit from the money that you have earned. But if you suffer a loss, the government does not subsidize you. Most business people try to pay the least taxes possible.

Currently the Chinese government's method of administration is more severe. For example if a certain place is a market for merchandise, the tax department will send an inspector to supervise tax payment. For small businesses, a contract system will be adopted. For example a small produce market will be under contract to pay a predetermined amount in tax each month. Large businesses and enterprises that have accounting systems register with the government to handle taxes.

In the past few years, due to the increasing incomes of high level professionals, the government has mandated that only those with incomes over 120,000 RMB must pay income tax. If you are a high-level manager receiving a paycheck from a large company, there is no way to avoid taxation. However today in China, the wealthy tend to be self-employed, and report their incomes themselves. According to the available information, China has several tens of millions of high income individuals, yet there are just several tens of thousands that file taxes, and just

A Chinese Kaleidoscope; An American Mosaic

under five percent of those declare taxes themselves. Undoubtedly in the near future, a relevant government department will think of some way to deal with the problem of tax evasion.

In advanced nations, Certified Professional Accountants (CPA) hold a rather high place in society. That is because no matter how high or low your income is, everyone must file taxes in accordance the law. In China the common people do not have the concept or habit of filing taxes. So far, accountants have not been a part of daily life.

As the enforcement of tax law becomes more robust in China, the need for accountants will steadily increase.

(P281)

In the United States every company, enterprise, and individual must file taxes every year regardless of income level. All sources of income no matter how small must be added up and reported, including salary, interest, dividends, and property sales. As for the poor, who have no income, they must report what they receive in government assistance. If their income is too low, the government will give them more assistance the following year. If someone reports taxes and does not pay the full amount required, they will be made to pay a second payment to supplement the first. If someone pays too much in taxes, the government returns the amount that was overpaid.

In the past, when China was a planned economy, the government attempted to integrate the systems for reporting and paying taxes, however the plan was not very feasible. Many state run industries were running at a loss and so did not have to pay any taxes, which caused problem for the government. Now that economic reforms have been enacted, investment from the Chinese diasporas in Hong Kong, Macau, and Taiwan has come into the country to open businesses, and the government has given such businesses favorable treatment with respect to taxes.

This favorable treatment included paying no taxes for the first two years after opening, and only half the usual taxes in the following three years. Also, some businesses were not required to pay any taxes if they ran at a loss for their first few years after opening. After the business began making a profit, the business' first two years of no taxes would come, followed by three years of half taxes. The taxation of domestic companies was similarly chaotic. After economic progress, the relatively more developed areas began to tone down their preferential treatment of foreign companies, for instance charging more money for land usage. If a company invested in the northwest, preferential treatment would be even greater, but foreign companies did not set up operations in that area. The first reason was that transportation systems within that area were not very developed. The second reason was that a foreign executive or investor would only have to spend one day to travel to Beijing, Shanghai, or Guangzhou, which are relatively closer. To travel somewhere in the northwest, one could spend two days and even then may not arrive yet. The incentives to invest in the northwest were well developed, yet the area still struggled to attract investment.

In Western countries, while low-income residents do not have to pay taxes, middle and high-income residents do. The situation in each country in the West is different, but all countries have one point in common: if an individual's income is high, his or her rate of taxation must also

A Chinese Kaleidoscope; An American Mosaic

be high. Those with an annual income of 30,000 would pay tax of ten percent, while those with an annual income of 300,000 would pay forty percent. The tax rate increases as the income increases.

In the United States, it is a crime for long-term residents and even illegal immigrants to not file taxes. In China there are many export businesses with high revenues, and so common people with low-income need not pay taxes. In China the government requires those with high-incomes to report taxes, but the number of people who self-report taxes is very low.

In western countries, the age of retirement, 65 years of age, is the same for both men and women. However in China, the retirement age for men is 60, and for women it is 55. The age of retirement is too low. You will receive only eighty percent of your pension if you retire at age 62 in the United States. You will only receive the full amount if you retire at age 65. Life for these elderly people is difficult with respect to maintaining their health, and so they get physicals each year, paying particular attention to their health. For this reason their life expectancy is longer, and as a result the number of people living on pensions grows, and the money left for social security grows smaller. And so the retirement age is gradually being brought up to 67 years of age.

After the economic reforms in China, the issue of social security came to the attention of the government. In the old system, no matter how much a retired person's income was, his or her medical expenses would always be covered by the work unit or company. This caused many financial problems for companies. For example a company would be required to bear all the costs of retirement even when it was making a loss. For this reason, the government enacted a reform that required each person to put a certain amount of money towards social security each year according to their level of income. With this foundation, the department of public welfare would keep money for the purpose of paying the pensions and medical costs of retirees.

(P282)

At present, the number of people receiving social security in China is still relatively small. However, China will undoubtedly face its own social security crisis some decades in the future.

Registering a Business:

Registering a business is extremely in the United States. If the person opening the business is familiar with the process, he or she can simply file the paperwork and pay a fee of 250 dollars. Or for approximately 500 dollars one can hire a lawyer or accountant to do the work.

On the form, all one needs to do is provide two names for the business, in case the first one has already been registered. Then approval will be received in two or three days. It is not necessary to include information about how much capital will be invested in the business.

In China, one has to include the amount being invested in any application. In China you will hear people say that it costs tens of thousands of dollars. This is likely a lie spread by overseas Chinese. Currently it is a very complicated process to register a business in China. The application must be approved by multiple government departments. The larger the amount of capital being invested, the more quickly the application is processed. The amount of time for a more common application is very long, and the investor must expend a lot of energy. Eventually

A Chinese Kaleidoscope; An American Mosaic

in an effort to increase the speed of processing an application, the government provided an optional expedited service, the fastest processing time of which is one month. Generally speaking nonetheless the process is still very complicated.

Cigarettes and alcohol not only harm the body, but drunk driving is the cause of many traffic accidents. There is a very large market for these products in China. Cigarette and alcohol advertisements were formerly the greatest sources of advertising income for newspapers in the west. Due to the health effects of these products however, the number of these ads is diminishing. Taxes on these products are very high all over the world. Due to the fact that the tax rate differs in some areas, some people will avoid taxes by buying them in areas with a lower tax rate.

In the United States, smoking first was banned several decades ago on airplanes, and now it is banned in all public areas and offices. Hong Kong has followed suit and banned smoking in public areas, however there are no such regulation yet in mainland China, although the government has gradually begun to advocate implementation.

China currently has many tax laws that favor investment. For example it is not necessary to pay taxes on sales of stock or real estate. However, interest payments are taxed at a rate of twenty percent regardless of amount. The government has implemented macroeconomic regulation of the real estate market. In recent years, housing prices have increased greatly due to speculation in the market. If a property is sold within five years after purchase, the tax on the profit is lowered accordingly. In the past anybody could buy property, and there were no limits to the amount one could buy. However there are now regulations that only allow foreigners to purchase property in China if they own a business operating in China, or if they are long-term residents. This law exists in writing, but in reality there are many ways to work around it.

Western countries all have an inheritance tax. Those who work ,leave behind inheritance when they pass away. There is always an amount that is tax exempt. For the inheritance of one couple in the United States, the first two million dollars is tax exempt. For example if there is an inheritance of five million, the first two million of that will not be subject to tax. The remaining three million will be taxed at a rate of forty percent, which comes out to a total of 1,200,000 dollars in taxes.

(P283)

Hong Kong has imitated the British model in that it also requires its citizens to pay an inheritance tax. However, Hong Kong's wealthy are very clever and they move their property to small countries without inheritance tax in order to avoid taxes. Due to the fact that people were moving their property out of Hong Kong, the government removed the inheritance tax in order to incentivize people to invest money back into Hong Kong. The result was that the money came back to Hong Kong, and also it was indicative of new freedoms in Mainland China.

After the defeat of the Nationalists in 1949, the wealthy of China suddenly lost their property. After the economic reforms of the 80's, there evolved a small group of super-wealthy, and also accordingly a group of people with no property at all. China currently has no inheritance tax, but nonetheless the tax system is complicated. Take for example two parents who pass away and leave to their four children a house and 100,000 RMB, but did not draft a will. However, all

A Chinese Kaleidoscope; An American Mosaic

four will need to sign an agreement before any of it can be divided. If only three of the people are living, then the assets will remain frozen.

Historically China has been an agricultural society. Currently eighty percent of the population lives in the countryside. The amount of land each farmer cultivates is extremely small, and not much money can be made selling agricultural produce, so life is very difficult.

Because life in the countryside is difficult, the next generation in the countryside has nearly all left for the cities where they work, or set up small businesses. Forty percent of people from the countryside no longer work in farming. In the south of China near the coast, none of the workers who farm the land there are from local villages.

Historically speaking, most farmers in China were share-croppers who had to both pay rent to a landlord, and pay taxes to the government in the form of grain. After liberation there were no more landlords, but farmers were still obligated to pay a tax in grain. Recently the government ended the tax on farmers, and moreover began to provide struggling farmers with low interest loans from the Chinese Agricultural Bank. Now that China has industrialized, the agricultural sector relies on imports. China's manufactured exports are sold all over the world. In name, China is an agricultural society, but in reality it is an industrial society.

Two: Care for the elderly is degenerating; The one-child policy and a diminishing population

There is no objective age at which someone becomes an adult. In some countries it is as early as eighteen years of age, and in others it is twenty-one. Many countries have raised their drinking age to twenty one years of age, because at twenty-one a person is typically graduating from college and working, and starting a life for themselves. When somebody reaches the age of adulthood, they can leave the nest and fly themselves.

China's population is too large. In the past, education was not emphasized. Many people only attended elementary school, and those who had graduated from high school were considered intellectuals. Actually, one cannot be considered an intellectual for graduating from high school. In the 60's, life was very difficult and few people were educated. Often after finishing elementary school one would begin doing business or studying a trade. Then after three more years of study, one would throw oneself into society and begin work. If you were lucky you might become a boss or manager. Thirty years ago the government enacted the one-child policy. This policy has created a definite crisis. Now that the economy has changed for the better, people have begun to place a high value on education. Generally college graduates are able to find good work.

(P284)

Currently in China, very few young people take care of their parents. After they have retired, they simply rely on their pensions. There are some people in their twenties and thirties who do not work, and rely on their parents' pensions to support themselves.

In the past in China, people would marry very early, at eighteen or nineteen. In the countryside it would be even more pitiful, with twelve or thirteen year old girls getting married,

A Chinese Kaleidoscope; An American Mosaic

but in reality going to the husband's home to help with the work. Now society has progressed, life has taken a turn for the better, and such things are in the past.

Nowadays Chinese society is in line with the West. It is very common for people to get married in their late twenties. After the reforms of the 80's, Chinese saw how prosperous foreign economies and everyone wanted to leave the country to find work. The best shortcut for young people was to find a foreign spouse. Generally speaking it was easier for a woman to find a foreign husband, because there were few foreign women coming to China to look for a husband. However, since these marriages were made for the purpose of leaving the country, they were usually unstable. The ways of life and ways of thinking are different in China and foreign countries. Foreign men coming to China like to act like they are rich, but in reality they are common workers. If such a couple has children, then sometimes the marriages will continue for the sake of the children's future because the marriage is not based on the foundation of love. If there are no children, the marriages will often end in divorce.

The population in western counties is small, and the average level of education is high. Life there is more relaxed and stable. People will generally choose relaxed work because of this, and leave jobs involving physical labor to immigrants, which gives new immigrants employment opportunities.

Immigrants that do not speak English and do not have a specialized skill can usually find work in a job that requires physical labor if they are able to work hard and are not picky because there is usually high demand for such work. Such jobs pay well in comparison to similar jobs in the Chinese countryside, which would yield wages of no more than one thousand Renminbi each month. They are able to save money even after paying their living expenses, and send it back home to their parents for buying a house. Immigrants from China are usually young people. A couple will come and each work one job. The pay from one job goes toward living expenses and the pay from the other is saved in the bank. When the time is right, they can use their savings to buy a home or start a business. New immigrants to the west have big dreams, and they plan meticulously to realize them.

In ancient China, people raised children as a form of insurance so that they would be taken care of when they grew old. Planting crops in the summer and harvesting in autumn was taxing labor, and only after those jobs were done would one have enough to eat during the winter.

From the perspective of young people nowadays, taking care of your parents is a heavy responsibility. Not only do you need to care for both your parents, but you also need to raise children of your own. And if you are the eldest of your siblings you must also take care of your younger brothers and sisters. Large families have great-grandparents, uncles and aunts that all must be cared for. This type of responsibility has probably largely faded away. Nowadays, adults will have at least some children to care for, and parents and other relatives may simply rely on social security. The new generation of Chinese tends to have a better educational background and most people have graduated from college and have a definite cultural and specialized knowledge. They are able to find desirable work. Those who become parents will have pensions and retirement plans, and moreover can depend on the government for health insurance.

The retirement age in China is too young. According to the regulations, women can retire at age 55 and men can retire at age sixty.

A Chinese Kaleidoscope; An American Mosaic

(P285)

In the day before the economic reforms, people could retire ahead of schedule if one of their children replaced them at work. This practice is undoubtedly unique to China, but it has already faded away. Common people usually retire at anywhere from fifty five to sixty years of age, whereas company executives, general managers, and government leaders usually retire at 65. This practice has led China to waste a great deal of human resources. However, since the population is large, there is a large supply of human resources. If people do not retire as they age, there will be fewer good opportunities for young people. If people do not retire as they age, young people will have a feeling of loss. Nowadays there are even some people who retire from one job, begin collecting the pension, and then continue to work in another job, adding a second source of income.

When it was a planned economy, none of the national industries had a true boss, as each company would change leaders every few years. Since there was no dedicated, long-term leader, the companies often operated at a loss. In those times, the economy was in bad shape, living standards were low, and there was a lack of daily necessities as well as manufactured products. This is when people were issued stamps to use to purchase food and oil.

After the advent of economic reforms, many privately-owned companies emerged and increased manufacturing capabilities. Small government-owned companies became joint-stock companies, and improved manufacturing greatly. With a sufficient supply of products, things such as food and oil stamps were done away with. In the past, funds that were brought into China by overseas Chinese would be exchanged for tokens, which in turn could be exchanged for Renminbi or food and oil stamps. In addition to this there emerged black market exchanges for American and Hong Kong currency, but those no longer exist. Since 2005, the rates of exchange for foreign currency have fallen because there has not been much demand to exchange American or Hong Kong dollars for Renminbi. The problem now is that after government-owned companies become private companies or joint-stock companies, many employees are laid-off. The lives of those who are laid off become full of hardship. At the very least they must seek out difficult work and accept a huge pay cut, and some cannot find work at all. This has become a pressing social issue.

In both the United States and in China, people enjoy the entertainment of watching films, but the fictions of film and the realities of life are very different. Take for example the genre of cowboy westerns, in which young people ride horses, drink and fight without any type of regular life or employment. This is completely at odds with how the people of Texas currently live. Nowadays young Texans love to read books, and daily life in Texas is regulated by the law. It is nothing like the life depicted in cowboy westerns. The luxurious parties and mansions of the lead roles are only there in films to entertain the audience, nothing more. But the violent fighting in these movies is an unhealthy influence on small children. If children emulate the type of violent behavior they see on television, they may become criminals or killers.

The population in China has grown incessantly and explosively for the past few decades, and will undoubtedly result in all types of social problems.

A Chinese Kaleidoscope; An American Mosaic

During the Second World War and the War of Resistance against Japan, the population of China was 475,000,000. However in the 70's the government enacted the one child policy to slow the population growth. Add on top of this the development of the economy, the new importance placed on education, culture, and health, longer life expectancies, and the result is that the society must assume responsibility for vastly greater social security expenses.

(P286)

Of course now the population has already increased to 1.3 billion people. If the one-child policy had not been enacted in the 70's, the population would be over 2 billion, and problems with finding sufficient food and housing would be even greater. Of course with the steadily increasing population, there have been many talented people that have emigrated, but there are many talented people to replace them.

China's economy has developed at a rapid pace these past few years. The average income increases each year. The common people have money to buy homes, and sometimes one must even wait in line to buy a home. It has also become common for ordinary citizens to buy cars for themselves, which will of course lead to a more satisfying life. Another result of this has been government officials hiring drivers, who not only drive the car for them, but also repair it when needed. The auto industry is currently very developed, especially with respect to the computerization of things. For that reason this type of driver has become a sort of hero with nowhere to display his skill. In order to repair a modern car, one must have special instruments and very specific spare parts. When China recently entered the World Trade Organization, it was mandated that China must reduce its tax on imported cars each year. Everybody wishes to buy a foreign-made car, and so foreign car companies very wisely joint ventured with local Chinese companies so the cars could be produced domestically. As a result the number of cars in China increases dramatically each year. Now China's cities are just like foreign ones in that traffic jams have become a major transportation problem.

Nowadays the average income in China is still quite low when compared to other countries. After the economic reforms, only a small number of people are better off. In the past no one had any property, but now some people have become wealthy. This has resulted in high economic inequality. Nevertheless, there is call for some optimism about this situation. When life today is compared with life in China thirty years ago, one can see a huge improvement, because there is no one in China whose life is worse now than it was thirty years ago.

China has become the world's factory, producing and exporting numerous goods. Furthermore it has gradually become a world financial center, and the number of business opportunities has increased. Twenty years ago in China, nobody bought stocks. The collective value of Chinese stocks in 2007 was one-hundred and fifty times what it was in 1987. This type of increase can create great wealth very quickly. Currently eighty percent of city residents in China invest in the stock market.

China's current military system is not overly strict; military service is voluntary. Society considers military service honorable, not only for the individual but also for his or her family.

During the revolution, soldiers came from the villages of the countryside. Life there was difficult, and even finding food to eat was a problem. By becoming a soldier, one could receive

A Chinese Kaleidoscope; An American Mosaic

basic necessities. In the past in the southeast, it wasn't necessary to become a soldier if you came from a wealthy family because you could pay for someone else to go for you, however, this is no longer the case. One could also avoid military service by attending college. Military service usually lasted three years, and after serving one could attend college for free. Afterwards many would return to the countryside to become leaders. There were good opportunities to work one's way up the ladder, so many young people would join the military with these opportunities in mind. Currently the military is undergoing modernization, and embracing technological advancement, and for this reason now recruits from universities as well.

Three: Conserving energy resources, not using the heat until winter, and not using the air conditioning until summer

The most basic necessity for the common people of Europe and the United States is heating and air conditioning, as well as hot water. These three things have become popular in China's cities as well, but nevertheless are not common in small cities and the countryside. In the countryside it is good enough to have just electric lighting and running water because Chinese people's ability to adapt to adverse conditions is very strong. The common people are able to withstand the summer's rain and scorching heat, as well as the fierce cold of the winter.

(P287)

In the past it was enough during the wintertime to have hot water to heat the body because back then the winter was not as cold as it is now because there was no pollution from factories. Originally the weather was not influenced by the industrial environment. Nowadays however with the development of science, the air has become polluted. The summers are very hot, and the winters are very cold. Now it is a necessity for common people to have air conditioning and heating. With the improvement of the economy, heating and air conditioning as well as hot water have gradually become more popular.

Shanghai is China's cultural and economic center on the eastern coast. There the four seasons are distinct. In the past the spring and fall were very mild, neither cold nor hot. The summer was also not especially hot, and the winter not especially cold. No one could know that in a few short decades the winter would become unbearably cold, the summer unbearably hot, and that the heat of the summer would last longer. Industry in Shanghai has already become very developed. Even the suburbs have many developed industrial parks. As a result, the air and water have become more polluted than ever.

As the big cities began modernizing, households began enjoying both heating and air conditioning. That way when the climate changed all they had to do was adjust the temperature. Enjoying air conditioning and heating gradually make the body weaker. Take Hong Kong for example. In the past, the women there would take care of all the household chores, but now they hire help to take care of such things. When the maids leave and they have to take care of those chores themselves they complain bitterly.

Some cities in the north of China are so cold that they really only have the three seasons of winter, fall, and spring. Because the summers are so short, only large hotels have air conditioning, not the common people. However, when the winter comes everyone uses heating. There are two types of heating: modern and traditional. The traditional type is called the *kang* by

A Chinese Kaleidoscope; An American Mosaic

northerners and uses coal. This type of heating will only heat the room that the *kang* is in. Modern central heating systems use electricity or natural gas. But it is usually just large hotels or companies that have such heating systems because the monthly costs are great, and the average family cannot afford them.

The laws regarding supplying heating are different in China and the United States. In the United States the proprietor of any property must supply heating by law. This is not the case in China. Of course, if money is not an issue, one would install central heating, as statistics show it is more comfortable and safe, the *kang* sometimes being a source of fires.

Life for the common people in China has been difficult all along, and so people are used to physical labor and hardship. Every housewife in China is an expert economist and financial manager out of necessity. They always live within their means. For example, even after the home has been equipped with heating, she will not turn on the heating unless it is very cold. Similarly in the summer, she will not use the air conditioning unless it is very hot. They do not want to use up resources, and save where they can. In the winters people will seal up the windows and doors, using the heating sparingly. In the summer they will open all the windows because if you can rely on the wind to cool the house, then turning on the air conditioning will be unnecessary. As a result the average monthly energy usage is less than in the United States, especially with respect to the elderly, who usually save as much as they can. However young people are not as thrifty with resources because they have lived comfortable lives since being born, and they have been influenced by western culture. In this respect they are different from the older generations.

The south of China is comparatively warmer because it is closer to the equator. There is really no winter to speak of, only spring, summer, and fall. For this reason produce is more numerous, and takes less time to grow. This includes Guangzhou, Hong Kong, and Taiwan.

(P288)

Many people go to the south to escape the cold winter because the climate in the south is very pleasant. There is no snow or ice, so the temperature is always above freezing. People can work outdoors through the year. Places with warm weather are perfect for building entertainment districts because when people come to escape the cold they will also want to take part in some outdoors activities. It is also a good place to open factories because production will not be influenced by the changing seasons. Shenzhen was originally only a small village, but in the past thirty or so years its development has taken off. The population is now more than ten million, and it has become one of China's most modern cities. Because of its geographic location it has been able to develop rapidly. Although it is very hot during the summer, the wealthy can escape the heat by travelling in the north. In the south only air conditioning is required, not heating.

Twenty years ago there was an insufficient supply of power throughout the cities and districts of China's coast despite that there were only households and a small number of merchants. After the economic reforms, the number of factories grew rapidly, but there was still a shortage of power. The factories could only operate if there was power, and so factories were only open three or four days a week. The reason for the shortage was that households were buying electric appliances they had never had before and it was creating a massive demand for power. The problem of power supply was even greater in the northeast of China. With modernization and the improvement of the economy, the common demand for water, electricity,

A Chinese Kaleidoscope; An American Mosaic

and gas grow due to greater numbers of electric appliances. As the countryside grows wealthier, power supply is becoming an issue there as well.

There are many types of air conditioners and there are great differences in price. The cheapest kind is the type that you put in windows, which is also the most popular in households. This type is not only cheap, but also easy to install. Its drawbacks are that sometimes it does not supply enough cold air, and it is noisy. However it does not consume much electricity. In the United States, it is necessary to call a repairman if this type of air conditioner breaks. However since the repair fee is half the cost of a new unit, people usually buy a new one.

As for central air conditioning, it is expensive and since the unit is large, it is expensive and complicated to install. The positive aspects are that it produces a great deal of cool air, and it is quiet. Central cooling is used by many businesses. After it has been installed, the electrical bills are also expensive. If something breaks, a special engineer must be called. There are many air conditioners imported from abroad, especially from Japan. However, China also produces air conditioners domestically. Wealthy people usually buy imported ones, while common people use domestic ones.

There are also many types of refrigerators. Since living standards have risen, every household now owns an electric refrigerator to keep food fresh. Refrigerators have one part for freezing food, and another for keeping it cool. Some refrigerators can also make ice cubes, and even more expensive ones can produce ice water.

(P289)

Thirty years ago, most households did not have refrigerators, and an even smaller number had imported refrigerators. Since industry in China took off, there are many types to choose from. Most households have small or medium-sized refrigerators, whereas restaurants and caterers use large ones. Some large ones have as much as 30 square feet of space. There are some famous brands of refrigerators that are produced in China and exported.

In the north of the United States, there are no requirements about providing air conditioning for tenants. However, the law requires that landlords provide heating during the winter, especially in New York. The law stipulates that heating must be provided for the sake of the tenant's health. The heaters supplied do not have to be luxurious though.

Why is it that the law requires heating to be provided, but not air conditioning? Because when the weather is hot, it will not kill people, but when the weather is cold it can kill people. Modern people have become so accustomed to heating and air conditioning that there is no telling what would happen if they were not available.

Most people enjoy natural, fresh air. When the climate is agreeable, nobody uses air conditioning or heating, but will instead open the windows to let the fresh air in. Taking strolls in the park during spring and autumn and taking in the fresh air is healthy and is good for one's temperament.

The construction of modern buildings does not lend itself to letting in fresh air at all, especially glass skyscrapers, which let in the light and views, but keep out the fresh air because there are no open windows. In this type of building, it is necessary to use ventilation like air

A Chinese Kaleidoscope; An American Mosaic

conditioning systems all year round. The air inside the building is contained, and fresh air cannot get in, so polluted air is recycled repeatedly.

The modern skyscrapers of today are not as good as the more conservative buildings of the past, which let in fresh air which not only gave people a feeling of comfort, but also saved money.

Four: If applying for a subsidy, there must be a committee of residents

Before the economic reforms started, the common people's income was very low, although living expenses were also very low, especially in the cities. Most people lived with their work unit. Monthly rent was very low. This type of housing was government owned, and often the rent received was not even enough to cover expenses for the building. Of course, there were many government-owned companies that were doing well and could subsidize such properties. As the civil service grew larger, so too did the housing for government workers. Such housing was reserved especially for government workers.

After the economic reforms, foreign business people and local business people came to examine government owned properties with the intention of using the properties to sell their products to the residents. Since the economy was improving, more and more people had money to spend, and more and more people wanted to buy homes. This increased the price of real estate. Houses were being built better, and were more luxurious. However, there were still very many poor people without homes because real estate developers would force people to move and then demolish the old homes. Compensation given to such people was often problematic, and disputes often arose.

At that time in Hong Kong there was an organization called "The Hong Kong Chongyi Guild". It was a club composed of people from Jiangsu and Zhejiang.