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Over a hundred years ago, Hong Kong and Shanghai opened stock exchanges based on those of New York and London. After the Communist victory in the mainland, officials considered stock markets to be speculative in nature, and so the Shanghai stock exchange ceased its operations.

However, people from Hong Kong, the Chinese Diaspora, and Britain continued to invest in the Hong Kong Stock Exchange, which did not fluctuate much. Nowadays Chinese government-owned industry, for example government insurance companies and government banks have all issued stock sold on the Hong Kong Stock Exchange. The H shares being offered in Hong Kong by Chinese government industries have been in great demand. Many large enterprises from the Mainland have issued stock in Hong Kong, and about ninety-five percent of those have seen their stock value rise. The main reason for this is that the economy is doing well and everybody wants to buy stock, so the stocks are going up in value. Not only have the companies raised a lot of capital, but the investors have also profited, although of course there are times when a stock falls back down in value.

### **Twelve: Confidence in science, emphasizing education, Feng Shui and fortune telling still popular among the common people.**

In order for China to become a powerful country the government must put emphasis on development of the education system. In 2001, a government group from the Zhenhai district of Ningbo visited New York to observe and study. The Zhenhai district was preparing to establish a foreign language middle school, and planned to do fundraising in New York. There they were able to raise one million Renminbi from the overseas Chinese community, and construction of the school began. The new school's students were very successful. In interscholastic and regional competitions, they won numerous awards. In the past in China, very few children were given the chance to study. Generally only the sons and daughters of officials and wealthy businessmen had the opportunity. For this reason the average person is not very cultured. Although there were some schools in the early years of the Republic, many common people were still unable to attend. After the revolution, the government made primary education at the age of seven or eight obligatory.

After the revolution, the economy was not very prosperous, and the people were not very well off. Since there was no access to foreign culture, life was often very dull. For this reason, local theater such as Beijing, Shanghai, and Guangdong Opera was very popular. This time

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period was a golden age for Chinese traditional culture. However when the Cultural Revolution arrived, this type of theater was forbidden because it was seen as entertainment for the bourgeois and a part of the country's feudal past. After the reforms and the development of the economy, and the advancement of technology, few people were interested in this type of entertainment. Most people preferred to watch television, sing karaoke, or dance, and so culture and life in China underwent a huge change

The advent of telecommunications has made the cultural life of the common people flourish. Fifty years ago all that was available to most people was radio. You could turn it on and listen to news, the weather, Chinese Opera, or other music programs. A decade or two following this, black and white television brought even more options. At that time, most cities would have just one or two stations, which would have just a few hours of programming per day. At that time, only very well off families would have a television. For the most part it was hotels and teahouses that had televisions. Nowadays every household has a color television, and there is a plethora of channels and various forms of digital entertainment available to the average household.

Although China is an ancient nation with five thousand years of history, while American nations have just several hundred years of history, Chinese people often do not often pay attention to their history since life is so hard. Although the large capital cities like Beijing and Shanghai have museums, there are not many historical pieces in the museums. This is because Chinese people are rather conservative, and pass family heirlooms of historical value onto their children rather than to national museums.

Although Chinese people have always had a lot of wisdom, they have always been self-sufficient, growing their own food and making their own clothes and shoes, even until the establishment of the republic. It was only until the influence of the European industrial revolution that things changed.

Chinese people pay attention to things like astronomy and meteorology as well as things such as Feng Shui and fortune telling. This had always been true, until the Cultural Revolution, when feudal superstitions were suppressed, and the situation for fortune telling and Feng Shui changed completely.

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In the seventies after the reforms, these types of practices returned. However, the talent available for things such as fortune telling and Feng Shui was nothing like what it had been before the revolution because those with true knowledge of them had all died. Nevertheless every year there was more business for such things. Now that life has taken a good turn for the common people, they consult fortune tellers and practitioners of Feng Shui on all sorts of occasions, from marriages to purchases of homes.

Although science is very developed now, fortune telling and Feng Shui are still very popular. There are also many fortune telling books. Hong Kong is one of the world's largest metropolises, and yet Feng Shui is very popular there. Chinese people have always respected traditional culture. Even overseas Chinese respect national traditional holidays such as Chinese New Year and the Autumn Festival.

After the reforms, China got closer to the rest of the world, and started celebrating Western holidays too such as Mother's Day, the solar New Year, and Christmas. Western food such as ice cream, fried chicken, and hamburgers also gained acceptance, especially among young people. Traditionally Chinese communities have been very conservative and closed off, each area with its own local dialect. However, now Mandarin Chinese is promoted everywhere in the country. It is even common for young people to understand some foreign languages.

Several decades ago, Chinatowns in the United States had two big events every year: Chinese New Year and Independence Day. Fireworks were common on these occasions, but were eventually banned because sometimes people would be injured. In those times, Chinatowns were vibrant communities. There were fireworks, dragon dances, decorations, and seas of people. Nowadays although there are still dragon dances, there are no fireworks, and the atmosphere is less exciting.

Nowadays in China studying abroad is very popular, and most students go to countries with high standards of education. The most popular location is the United States, followed by Britain, France, Australia, Japan, and Canada. Students who go to Southeast Asia to study are fewer in number. Some students study abroad at public expense, with all costs paid by government scholarships. This is difficult to do because one must submit an application and the process is very competitive.

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Most students who study abroad end up living abroad after graduation because the salaries are high and the lifestyle is free. Those who return to China tend to be the children of people with established businesses in China, or the children of government officials who can set them up with jobs as government cadres.

**Thirteen: Artistic performances, in Hong Kong it is difficult to get a ticket, in the US it is difficult to sell one.**

In the past in China people's incomes tended to be low. A household would be considered well off if they had even just a home to live in. Now the economy has improved a great deal, and families' living situations have changed for the better. Now families' homes are furnished luxuriously and have an air of refinement. Thirty years ago a work of art, such as calligraphy or painting, from the Qing Dynasty or earlier would fetch a price of just one or two thousand Renminbi if sold. However, the same piece would currently cost several hundred thousand Renminbi. Nowadays all an artist needs to do is pick up a brush and wave it around and he or she will make a good deal of money. In the past, theater tickets were just a few cents, but now they are several hundred Renminbi. With the improvement in the standards of living for the average person, life has changed for artists as well.

The average household values the education of its children. From the age that children start school, parents will worry about their situation in school. Wealthy parents in particular will send their children to strict private international schools. And when the children finish classes their parents send them to supplementary classes, piano, violin, and ballet lessons, and physical education. In brief, parents will work hard to make sure their children have good prospects for the future.

Since China is not a country that relied on democracy for development, democracy and human rights are not emphasized, and it is still among the countries of the world that have not opened up fully. Because of this, China cannot fully develop. For example, in New York the law prohibits landlords from evicting tenants to tear down an old building and construct a new one. Another example can be found in the training of acrobats. Schools that train acrobats must be certified by the government and are not allowed to use overly-strict methods of training.

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In the thirty years since the reforms started, trade and finance have developed rapidly in China, and new businesses and employment opportunities have arisen, and many people have become wealthy. New multi-millionaires in China tend not to have received the usual education, and do not speak any foreign languages. However, they can use their knowledge to start new enterprises and open new factories, as well as promote their products in foreign markets. Even though these businessmen do not have a proper education and do not speak English, they hire many college graduates to work for them. They rely on such cultured and capable employees to help them manage their businesses, research new products, and attend international trade conventions to represent their products in foreign markets.

More and more Chinese people are living abroad, and Chinese traditional artistic performances are increasingly taking place outside the country, for example Beijing Opera and other regional theaters. In Hong Kong these performances have been very well received by audiences, especially Guangdong Opera and Beijing Opera. Even though the tickets are expensive, they sell out immediately and even avid theatergoers have difficulty getting a ticket. However when these types of performances take place in the United States there is much less fanfare. One reason is that young people are busy with work and studying, and they do not know enough about traditional Chinese theater to appreciate the performances. Also, the older generations that enjoy these types of performances have various reasons why they cannot go to see them. For example, older people may live in the suburbs, and not be able to drive into the city to view such performances. It is only in large cities in the West that theaters have to give away tickets for such performances in order to fill all the seats.

### **Fourteen: Chinese tunic suits, People's suits, Mao suits: three names for one style of clothing; Ningbo's clothing industry.**

No matter whether it is on the street or on the subway, Chinese people are dressed more tidily and fashionably than Americans. This is because China has more talented designers, who not only have their own product lines, but are also very skilled at imitation. All they have to do is go to Europe or the United States, buy some clothes, and then they can create them at a cheaper price back in China.

Since the people in Europe and the United States are relatively well off, they pay a lot of attention to dressing well, and fashions develop quickly there. These countries have fashion

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schools that teach design theory. New York City for example has a very famous fashion school on Seventh Avenue. The school produces many designers who go to all parts of the world to work in fashion, and many of the students are from China. Chinese girls in particular are very talented in fashion design, and there are many famous designers that are Chinese women.

A hundred years ago the first Chinese tunic suit was designed in Ningbo. The tailors of Shanghai have always been known for their ability, and after the reforms counties such as Fenghua developed clothing design and production capabilities especially. For the past few decades, every year Ningbo has put on an international exhibition for the clothing industry. Producers of clothing from all over the country come to participate, and clothing is displayed at vendor's booths. The venue for the event is decorated in a top-notch way. On opening day, over two thousand top fashion models put on a fashion show. Every year China's clothing industry improves upon its success.

India's style of clothing, for example the sarong, is to wrap the whole body in a single piece of cloth. China's style of clothing on the other hand can be seen for example in the well-known *qipao* for women and the Tang suit for men. The *qipao* was originally worn by Manchus, but has been changed and beautified since. The Tang suit was worn by world leaders attending the APEC meeting in China during Jiang Zemin's presidency in 2004, and was seen by the whole world.

In Western countries, men tend to wear suits and women wear skirts or pantsuits. Fashion is constantly changing for women's clothing especially, and every year several new fashions come out. The style of men's suits tends to be more conservative, and not much changes from year to year.

Since the economic reforms, so much money has been made that it is hard to imagine where it all comes from. Every year is better than the last for the common people. In the past brand-name clothing was only affordable for the rich, but now even everyday people can afford it. For this reason, the amount of brand-name clothing sold in China increases every year, and accordingly the number of imitation goods has risen as well. Some producers of imitation goods are comparatively honest and indicate to their customers that the products are imitations, but less scrupulous producers try to pass their goods off as the genuine article.

The French handbag producer, Louis Vuitton, is currently very popular throughout the

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world, and especially with Chinese and Japanese girls. Since this type of handbag is a best-seller, there are many imitations of it being sold. The fake goods look just like the real product, but the quality is not quite as good. Nevertheless the price is much cheaper; a real Louis Vuitton handbag costs over five hundred dollars, while a fake one can be had for as little as twenty dollars. These imitation goods have hurt Louis Vuitton's sales. In this kind of situation, it is necessary for the distributors and the business itself to contact the authorities to investigate. Watches from famous companies like Rolex and Cartier that cost four to five thousand dollars are also imitated and sold cheaply. In addition to fake goods that imitate clothes, handbags, and watches, there are also imitation sporting goods, such as baseball bats and athletic shoes.

In a number of large cities in China, there are markets where sellers of imitation goods congregate. Many foreign tourists visit these markets and spend the entire day buying cheap imitation goods. In the past the government did not interfere with these businesses, but now due to complaints about infringement of intellectual property rights from European and American officials, the authorities investigate and shut down factories that produce imitation goods.

With the advent of joint-stock companies and private industry, China has become a large-scale producer of all kinds of goods, which has had a very positive effect on the economy. In this type of environment, millionaires and multimillionaires are being created everyday in all places. Although millionaires do not form a large percentage of the population, since China has such a large population it is great if even one in every thousand people becomes rich. From a population of 1.3 billion people, China has produced 1,300,000 multimillionaires. Even if only one in every hundred people in China was relatively well off, there would still be thirteen million people consumers with discretionary income to spend. Five years ago Hong Kong was having economic trouble. The Chinese government gave greater freedoms to people on the Mainland to travel to Hong Kong, and a great number of people visited Hong Kong on shopping trips. The influx of money from the tourists brought Hong Kong's economy back to health. Because China is such a large market, businesses from all over the world hope to open operations there.

China currently produces all types of goods, from clothing, to watches, to products for everyday use, and they are all produced cheaply. The average consumer all over the world likes to buy things cheaply. Chinese retailers are not like European or American ones. Customers in China cannot return purchases. If it is not second-hand, however, you can exchange it for another.

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Although credit cards are available in China, they are not very popular. Traditionally, Chinese people do not spend money they do not have.

### **Fifteen: Supply exceeds demand after the discontinuation of government coupons for food, oil, and other products.**

Before the economic reforms in the seventies, nobody in China had any private property or money, so things were more relaxed and less stressful. At that time, it would be incredible to have just ten thousand Renminbi, and even a simple piece of gold jewelry was considered precious. Of course, there were no publicly-traded stocks or funds to speak of. The average person did not open businesses, and instead worked in government-owned industry and received everything from the government. However, after the economic reforms the situation changed completely. The government pursued “socialism with Chinese characteristics”, which was in reality the encouragement of private industry and foreign investment, and even small government industries initiated public offerings. Government leaders became private businessmen. The changes in circumstances brought great wealth to a small portion of society.

In capitalist societies in Europe and America, there is traditionally large income inequality, with just twenty percent of the population owning eighty percent of the property. Due to lack of a robust legal system, some people in China have been able to amass a fortune very quickly. In fact, wealth is even more concentrated in China than in European and American societies.

In the seventies, not only was China’s industry undeveloped, but there was very little commerce and trade altogether. This led China’s currency, the Renminbi, to suffer from extremely limited circulation. Few foreign countries would do business in Renminbi, and even in Hong Kong it was not accepted. However, nowadays countries all over the world pay particular attention to the Renminbi, especially Hong Kong. The Renminbi is now as common as the Hong Kong dollar, and businesses welcome both. This was not the case at all just thirty or forty years ago. In those times, the only way to get foreign currency was through the black market, or from relatives abroad. However nowadays, people can simply go to the bank to exchange the Renminbi and foreign currencies, although each person is limited to exchanging fewer than five thousand American dollars per day. The ability to exchange currencies has had a positive influence on China, and the economy grows stronger with each passing day.

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During the Cultural Revolution, the government closed almost all industrial enterprises and stopped production as part of its proclaimed struggle. Most important were the students who united in opposition to the schools and neglected their studies, so that even if they turned in a blank test sheet no one would care. The educational environment suffered, and the scale of production lowered.

In the Chinese Mainland, there emerged a policy by which everyone in society received thirty six Renminbi per month regardless of whether they worked or not, which further compounded problems of low production. In those times no matter what you wanted to buy, the amount was always controlled by government quotas, and you needed government-issued coupons to make the purchase. This was the case even for everyday products like rice, oil, sugar, and cloth, which made life for the average person very difficult. There were also a black market trading in the exchange of coupons for money. Coupons were also issued for foreign currency that was sent home by relatives abroad. At that time, the amount of foreign currency entering the country was very small because there were few products being exported. China's economy at that time was in a very poor state.

After the economic reforms, China's industry, finance, trade developed rapidly in all aspects. The government encouraged the production and export of handicrafts, products for daily use, electronics, and machinery. Such products were able to be produced and sold abroad at prices lower than that of the importing countries' domestic products. The large influx of Chinese products created problems for Europe and America. Competition from Chinese products caused local businesses to close down and cut jobs.

In the past China relied solely on exporting cheap products, but now foreign companies are coming to China to develop because their prospects for growth are greater in China than they are back home in Europe and the United States. Many Chinese companies have gone public to raise capital for development. In the past it was difficult to obtain government ratification for plans to go public, and even then it required a lot of advertisement to sell enough stock. Nowadays it is different. Chinese people can buy A shares using Renminbi, and both Chinese and foreigners can buy B shares using foreign currency. In addition there are H shares, which are sold on the Hong Kong stock exchange. Furthermore almost every stock rises in value as soon as it is issued. This is partially due to speculation, but also due to the advancement of the economy.

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Due to the size of the Yangtze River, hydroelectric power is one of China's most important sources of energy. The use of solar power is also becoming quite common in China, although not in great enough quantities to supply household demands. Coal and oil are also important sources of energy, with Shanxi being the primary source of coal. Due to the increasing number of cars in China, domestic supplies of oil are insufficient and so oil must be imported. China is quickly becoming the world's largest consumer of energy, and so the government has paid special attention to fostering relations with countries with large sources of energy.

China was a unified country long ago, but is currently separated from Taiwan. Thirty years ago the Republic of China was a member of the United Nations, although that is no longer the case. Currently Taiwan only has established diplomatic relations with several small countries because all the large countries have relations with Mainland China.

Before the revolution in China, there were many privately-owned banks in addition to the Chinese Central Bank. However, after the revolution the private banks all closed down. The Central Bank currently controls all of the country's financial matters. After the economic reforms, financial matters also became more open. The Central Bank does not provide typical banking services, but instead is responsible for regulating the operations of other banks, and for printing money. In addition to the Central Bank, there is also the Chinese Construction Bank, Chinese Agricultural Bank, and the Chinese Commercial Bank. After the reforms there also emerged many private banks, for example the Pudong Development Bank, the Guangdong Development bank, and Minsheng Bank. Currently there are also foreign banks operating in China, which are also permitted to deal in Renminbi in addition to foreign currency.

In the past, China had few reserves of foreign currency. The largest reserves of currency were held by the United States, Germany, and Japan. However, after the reforms China's currency reserves grew rapidly and quickly surpassed those of Korea, Taiwan, Singapore, and the Hong Kong, the four Asian Tigers.

With the advancement of China's economy, there has been an increasing demand for skilled workers and professionals, for example business managers, financial managers, and scientific researchers. In Europe and the United States, it is difficult to obtain certification for professions in fields such as medicine, law, and engineering. One must earn good grades as well as pass a formal test.