

WORLD: DE-ESCALATING MARITIME ROW **P.20** | BUSINESS: TRUST-BUSTING AUTO MARKET **P.34**

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A WAR TO REMEMBER

The outcome of the
First Sino-Japanese War
reverberates 120 years later

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North America Bureau

Chief: Huang Wei
Deputy Chief: Xu Tao
Tel/Fax: 1-201-792-0334
E-mail: hw@bjreview.com

Africa Bureau

Chief: Li Jianguo
Africa Managing Editor: Francisco Little
Tel: 27-71-6132053
E-mail: casa201208@hotmail.com

General Editorial Office

Tel: 86-10-68996252
Fax: 86-10-68326628
English Edition
Tel: 86-10-68996259
Advertising Department
Tel: 86-10-68998164
E-mail: ad@bjreview.com.cn
Distribution Department
Tel: 86-10-68310644
E-mail: circulation@bjreview.com.cn

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EDITOR'S DESK

The Legacy of a War

Exactly 120 years after its outbreak, the First Sino-Japanese War of 1894-95 continues to evoke complex feelings among the Chinese people. The conflict, better known in China as the Jiawu War, started with the Battle of Asan on July 25, 1894, and ended with the signing of the Treaty of Shimonoseki on April 17, 1895. The Qing Dynasty (1644-1911), which ruled China at the time, was defeated during the war.

The defeat brought unprecedented chaos to the nation and accelerated its degradation into a semi-colonial and semi-feudal society. Even today, the trauma of this war lingers in China.

Fifty-four years prior to the conflict, in 1840, the First Opium War broke out between China and Britain, after which China's closed-door policy came to an end and several treaty ports were opened to foreign trade. Following that war, China embarked on a road toward industrialization.

However, following the defeat of the Qing Dynasty in the Jiawu War, the nation's efforts to strengthen itself were put on hold. The signing of the inequitable Shimonoseki Treaty exposed the dynasty's weakness to

imperialist Western powers, and the following invasion by the Eight-Nation Alliance in 1900 further reduced China to an unstable, turmoil-ridden society subject to foreign aggression. The Jiawu War is thus regarded as a major turning point in China's modern history. Japan, however, went on to invade dozens of countries and regions in Asia for over half a century following this war.

The lessons of defeat drawn from the Jiawu War are still relevant today. At present, right-wing activists in Japan regard China's growth as a threat, attempting to dismantle Japan's post-World War II pacifist Constitution and use the United States' "pivot-to-Asia" strategy to contain China. Territorial disputes between China and Japan over the Diaoyu Islands in the East China Sea remain unsettled.

Under such circumstances, China should remind itself of the scars left from the Jiawu War and improve its national strength in order to maintain peace. Reflecting on the war is vital—not as a means to seek revenge, but to stop the revival of militarism as promoted by right-wing Japanese politicians. The Chinese nation must prevent history from repeating itself. ■

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ALIVE AND KICKING

Giant panda Juxiao cuddles one of her newborn triplets at the Chimelong Safari Park in Guangzhou, capital of south China's Guangdong Province, on August 10.

Born to their 12-year-old mother on July 29, the cubs are the world's only known panda triplets to survive birth to date.



Focus on Tibet

The closing session of the Forum on the Development of Tibet is held in Lhasa, Tibet Autonomous Region, on August 13.

The two-day event is the first international conference themed on the development of Tibet. Around 100 delegates from 33 countries and regions including China, Britain, India and the United States attended.

The Lhasa Consensus released after the closing ceremony highlights key discussion points for a range of issues including religious freedom, sustainable development and environmental conservation in Tibet.

The forum was co-sponsored by the Information Office of China's State Council and the regional government of Tibet.

Space Launch

China is preparing for the launch of an experimental recoverable moon orbiter, said the State Administration of Science, Technology and Industry for National Defense on August 10.

The orbiter will be launched before the end of this year from the Xichang Satellite Launch Center in southwest China's Sichuan Province, according to a statement from the administration.

The plan is for the orbiter to be launched into lunar orbit and return to Earth at an escape velocity of 11.2 km per second.

The orbiter is one of the test models for China's new lunar probe *Chang'e-5*, which will be tasked with landing on the moon, collecting samples and returning to Earth.

The launch aims to test the tech-

nologies that are vital for the success of *Chang'e-5*, the statement said.

China already launched three unrecoverable lunar probes in 2007, 2010 and 2013 respectively.

Patent Filings

China received 11,243 international patent applications through the Patent Cooperation Treaty in the first half of the year, the State Intellectual Property Office revealed on August 13.

The number represented an increase of 20.5 percent from a year earlier, according to the office.

Chinese companies and individuals made 10,283 filings, accounting for around 91.5 percent of the total applications.

Information technology giants, such as telecommunication device

CELEBRATION OF LITERATURE

Local residents flock to the 2014 Shanghai Book Fair on August 13, where 150,000 titles of books were displayed and sold in the following week



and solution providers Huawei and ZTE, and semiconductor supplier BOE Technology Group Co. Ltd., were most active in filing patent applications, the office reported.

More than half of international patent applications came from south China's Guangdong Province in the January-June period.

The Patent Cooperation Treaty provides a unified procedure for filing patent applications to protect inventions in each of its contracting member states.

Anti-Graft Campaign

More than 95 percent of respondents to a survey by *China Youth Daily* hope Chinese authorities can continue their campaign against corruption, according to results published in the newspaper on August 12.

About 93 percent of the sample of 49,969 people said that they are "paying attention" to the campaign, with 85 percent saying they are "paying close attention." Only 2.7 percent said they "did not care."

About 60.5 percent said that the leadership's anti-graft fight has boosted their confidence in China's development, with 29.1 percent saying it had not had any boosting effect and 10.1 percent expressing uncertainty.

China has waged an unrelenting battle against corruption after the 18th National Congress of the ruling Communist Party of China (CPC) held in November 2012.

The most recent officials taken down include Zhou Yongkang, a former Standing Committee member of the Political Bureau of the CPC Central Committee, and Xu Caihou, former Vice Chairman of the Central Military Commission. The two have also been the campaign's biggest catch so far.

Better Guarantees

Health authorities announced on August 7 that China will provide all its rural residents with access to medical insurance covering serious diseases in 2015.

By the end of May, the rural residents' major-disease insurance program had been piloted in over half of China's rural county-level regions, and the government is planning to expand it

nationwide next year, said Song Shuli, a spokeswoman for the National Health and Family Planning Commission.

Some 300 million rural residents had joined the major-disease insurance program by the end of 2013 and 1.23 million have received payments under it to date.

Song also said that more than 802 million people, or 90 percent of China's rural residents, have joined the basic New Rural Cooperative Medical Program.

Government subsidies for the program increased from the previous 240 yuan (\$39) per person each year to 280 yuan (\$46) in 2013, she added.

Museum Subsidies

The Chinese Government has allocated 4.96 billion yuan (\$806 million) to support free admissions to museums, galleries, memorials and libraries this year.

The funds for 2014 will keep 1,815 museums and memorials, as well as 6,537 galleries, libraries and cultural facilities free, according to the Ministry of Finance on August 11.

The figure is almost the same as 2013, when 5.11 billion yuan (\$830 million) was allocated for the same purpose.

Student Nutrition

The Ministry of Finance (MOF) said on August 11 that it has allocated another 16.2 billion yuan (\$2.63 billion) in special funds to support a national plan to improve nutrition for rural students this year.

"China is facing the dual challenges of malnutrition and obesity among its children. This is an arduous task for those of us working to improve students' nutrition."

Hu Xiaoli, a nutritionist with the Chinese Center for Disease Control and Prevention



Medicine for the Needy

Medical workers arrange pharmaceuticals at a makeshift hospital built in quake-affected Ludian County, southwest China's Yunnan Province. The facility in Longtoushan Town, which was put into service on August 13, can accommodate 50 hospitalized patients and 150 clinic patients.

A 6.5-magnitude earthquake hit Ludian on August 3. The disaster killed more than 600 people and destroyed 80,000 homes in the county and surrounding areas.

As of August 12, Yunnan had received more than 538 million yuan (\$87 million) in cash donations and materials worth 162 million yuan (\$26 million) for quake relief, the province's Civil Affairs Department said.

This year's state subsidies to primary and middle school students, 3.2 percent more than a year ago, will go to schools in 699 impoverished counties in 22 provincial-level areas, mainly in central and west China, according to the MOF.

About 32.29 million rural students have benefited from the 46.23-billion-yuan (\$7.51 billion) subsidies allocated by the Central Government since 2011, when the nutrition improvement program was launched.

Under the program, which addresses the wealth gap between China's rural areas and its cities, each student will receive 3 yuan (\$0.49) per day for meals.

However, China's cities are also in need of nutritional support. About 12 percent of children aged 7-18 years old in China are overweight or obese, according to a survey by the Chinese Medical Doctor Association in 2012. The obesity problem among adults and children is more pronounced in big cities such as Beijing and Shanghai, where people enjoy higher incomes, eat richer foods and lead more sedentary lifestyles.

Hospitable Host

A volunteer offers information services to young Lithuanian athletes arriving at the Lukou International Airport in Nanjing, Jiangsu Province, on August 13.

The 2014 Youth Olympic Games will be held in Nanjing on August 16-28.



Tempered Inflation

China's consumer price index (CPI), a main gauge of inflation, grew 2.3 percent year on year in July, the same pace as a month earlier, data from the National Bureau of Statistics (NBS) showed on August 9.

The growth rate was also the same as that of the first half of this year, showing stable prices in the country.

China's producer price index (PPI), which measures inflation at the wholesale level, dropped 0.9 percent year on year in July, according to the NBS.

The PPI has dropped for 29 months in a row, but the pace of decline has narrowed for four consecutive months, down from 2.3 percent in March, 2 percent in April, 1.4 percent in May and 1.1 percent in June.

This narrowing shows that market

conditions for industrial products have slightly improved in recent months, said NBS senior statistician Yu Qiumei.

Property Investment

The growth of China's real estate investment continued to slow in July, NBS data showed on August 13.

Property investment rose 13.7 percent year on year in the first seven months, 0.4 percentage points down from the first half of the year and 1 percentage point down from the January-May period.

The investment for residential property, which accounted for 68.2 percent of the total, rose 13.3 percent year on year, compared with a 13.7-percent growth rate for the first six months of 2014.

The slower growth accompanied a



GRAPE EXPECTATIONS

A worker from Xinjiang Production and Construction Corps picks clusters of grapes in Bortala Mongol Autonomous Prefecture of Xinjiang Uygur Autonomous Region

faster decline in the area and volume of property sales.

The total area of property sales dropped 7.6 percent year on year in the first seven months, 1.6 percentage points steeper than the decline seen in the first half of the year.

Property sales volume was down by 8.2 percent year on year during this period, compared with a drop of 6.7 percent in the January-June period.

More Companies

China has seen a surge in the registration of new companies in the wake of the country taking steps to streamline the process for starting a business in March, statistics from the State Administration for Industry and Commerce showed.

About 1.6 million new companies have been registered since the registration reform was put into place, rising 64.48 percent from the same period last year.

Registered capital of these new companies totaled 8.22 trillion yuan (\$1.33 trillion), up 69.09 percent year on year.

China also lifted restrictions on minimum registered capital, payment deadlines, the down payment ratio and the cash ratio of registered capital on March 1, a move aimed at encouraging startups and energizing the economy.

By the end of July, the number of all types of registered market entities in China came in at 64.99 million, with registered capital totaling 116.94 trillion yuan (\$19 trillion).

Insurance Valued

On August 13, the Chinese Government launched measures to boost the insurance industry, pledging to raise premium incomes to 5 percent of the GDP by 2020.

The package, announced on the State Council's website, will allow the insurance industry to play a bigger role in the fledgling social security network.

The second of its kind since 2006, the package could see citizens paying an average of 3,500 yuan (\$565) per capita in premiums by 2020.

Commercial insurance companies will become the primary underwriters of individual and household programs



Phase Two

Workers assemble a windmill on the construction site for the second phase of the National Wind and Photovoltaic Energy Storage and Transmission Demonstration Project on August 7.

The second phase of the project will be put into operation at the end of 2014 and can provide 1.25 million kwh of high-quality, stable and green electricity to the power grid.



A Flying Start

Visitors fix their eyes on the R22 single-engined helicopter produced by Robinson Helicopter Co. in an exhibition hall in Hangzhou, east China's Zhejiang Province, which is the country's first helicopter center opened by Zhong-ou Airplane Co. Ltd. on August 11.

and an important supplier of corporate pensions and health insurance.

Insurance will be given a more prominent role in the prevention and relief of disasters and accidents through the introduction of catastrophe insurance products.

Insurance funds will be encouraged to invest in bonds and equities to support major infrastructure projects, urban renewal and urbanization.

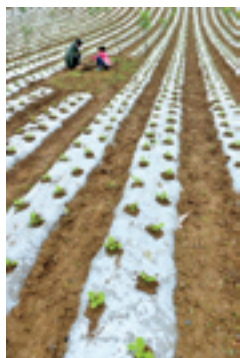
The government will encourage the house-for-pension insurance experiment and launch a pilot program to introduce compulsory insurance for environmental pollution, food safety, medical accidents and campus safety.

Export Rebounds

China's exports in July surged 14.5 percent from a year earlier to \$212.9 billion, while imports dropped 1.6 percent

BUSY AUTUMN

Farmers work in a field growing Chinese cabbages for the upcoming winter in Enshi, central China's Hubei Province



to \$165.6 billion, China Customs data showed on August 8.

Total trade volume in July went up 6.9 percent year on year.

HSBC's chief China economist Qu Hongbin attributed the strong export figures mainly to further recovery in external demand.

Trade surplus expanded to \$47.3 billion from \$31.6 billion in June.

In the first seven months, total trade volume edged up by 2 percent to \$2.4 trillion, with exports up 3 percent to \$1.28 trillion and imports up 1 percent to \$1.12 trillion.

Total trade surplus in the first seven months surged 20.9 percent to \$150.6 billion.

Oil Dependency

China's reliance on foreign crude will continue to increase this year

despite the ongoing strife in major oil-producing nations like Iraq, an industry report said on August 12.

According to a report published by China National Petroleum Corp. (CNPC), the country's largest oil and gas producer, China is expected to import 298 million tons of crude this year, accounting for about 58.66 percent of the total crude consumption in the country.

Foreign dependency for the first five months reached 59.87 percent, according to CNPC.

However, some analysts feel that the reliance on overseas crude supplies may be much higher than the levels estimated by CNPC.

Gao Jian, a crude analyst at domestic commodities consultancy Sublime China Information Co. Ltd., said foreign crude may account for about 60 percent of China's total crude supplies this year because of the higher imports in the second half.

IPO Preparation

Alibaba Group Holding Ltd. said on August 13 it is selling its small business lending arm to the Small and Micro Financial Services Co., the parent of payment platform Alipay, for \$518 million in cash and annual fees for seven years.

This marks the spin-off of Alibaba's last remaining financial business ahead of its highly anticipated initial public offering (IPO) in New York later this year.

In an updated prospectus to the U.S. Securities and Exchange Commission, the e-commerce giant said that the move is to avoid same-business competition with the Small and Micro Financial Services Co.

Alibaba said it will focus on Internet business while the Small and Micro Financial Services Co., which also has stakes in a fund management firm and an insurance company, will focus on financial services.

In 2011, Alibaba shed its PayPal-like affiliate Alipay to make it a domestic company in order to meet regulatory requirements for third-party payment licenses. Alibaba then agreed to use Alipay on preferential terms.



TURKEY

Turkish people wave the national flag and mobile phones to celebrate the victory of Recep Tayyip Erdogan in Ankara on August 10. Erdogan is set to become Turkey's first popularly elected president



KENYA

An orphaned baby elephant feeds itself on August 12, World Elephant Day, at Nairobi National Park's David Sheldrick Elephant Orphanage



SPACE

A NASA image from a video taken on August 12 shows the International Space Station (ISS) above the eastern coast of South America as it orbits Earth. Europe's final robot cargo ship to the ISS docked with its target as scheduled that day



THE UNITED STATES

Michigan State police officers check a flooded highway underpass for vehicles and victims on August 12 in Hazel Park, where the worst flash flooding in decades struck the Detroit metropolitan area the day before



IRAN

The wreckage of a plane is collected by rescuers on August 10 after it crashed that morning and killed all 48 people on board



SIERRA LEONE

An airport worker measures a passenger's body temperature at the Lungi International Airport in Freetown on August 14, as part of Ebola control efforts. World Health Organization statistics show that the death toll worldwide from the 2014 Ebola epidemic reached 1,069 on August 13

↓ UN COMMANDER COMPLETES MISSION

Liu Chao, a Chinese Major General and Commander of the UN Peacekeeping Force in Cyprus (UNFICYP), was relieved of duty on August 11.

Liu had been in the most senior peacekeeping position yet held by China since being appointed leader of UNFICYP on January 13, 2011. Since then, he headed 860 UNFICYP troops from 12 countries.

Born in northeast China's Liaoning Province in 1959, Liu has over 30 years of military experience at national and international levels. He previously served as the military attaché at the Embassy of China in India and was a military observer in the UN Mission for the Referendum in Western Sahara. UN Secretary General Ban Ki-moon recognized Liu's service with UNFICYP, where his dedication, professionalism and leadership greatly contributed to UN efforts.



Skyscraper Oversupply

China Newsweek
August 11

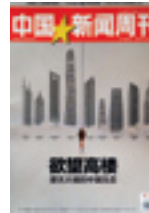
When the last steel beam was installed on the 632-meter-tall Shanghai Tower on August 3, a tower that has taken six years to build, it became the tallest skyscraper in China and the second highest in the world.

At present, China's passion for building skyscrapers is comparable to that of the United States 100 years ago. Among the top 20 highest buildings in the world, half are in China and among the top 100, 43 are in China.

Unlike other office buildings, skyscrapers are choosy about their tenants, mainly targeting businesses in high-end sectors such as banking, financial and professional services and technology. However, according to the global real estate service provider CBRE, only a few skyscrapers in Asia can meet the tenant requirements of those in Manhattan, New York City. In second-tier Chinese cities like Shenyang, Chongqing and Tianjin, skyscrapers are facing the risk of oversupply because such cities are only national rather than global financial centers and are therefore unable to attract adequate financial institutions to move in.

The CBRE report also points out that China's skyscraper construction may foster corruption. As the government owns urban land, real estate developers might bribe local officials in order to obtain the approval for purchasing plots.

Another problem with skyscrapers is that they have produced cities with similar looks. Many high-rise buildings lack connections with their surroundings and look isolated and out of place. If developers stay on this track, the original styles of cities are in danger of disappearance.



Under-the-Counter Cash Influx Into Macao

Caixin Century Weekly
July 28

In recent years, mainland gamblers have poured into Macao, the only city in China where gambling is legal. As the Chinese Government restricts the amount of cash outbound travelers take out of the mainland and the country's UnionPay card is not allowed to withdraw cash in casinos, gamblers normally purchase items from jewelry and watch stores using UnionPay and sell them to pawnshops to get cash back.

In 2013, Macao's gambling industry raked in \$45 billion and in the first half of 2014, 83 percent of the region's fiscal revenue came from gambling taxes. Nevertheless, behind the fast-paced development of the region's gambling industry is a massive money influx from the mainland.

This cash flow, made possible by illegal bogus transactions, has caught the regional government's attention. In response, the Macao Government recently rolled out a series of measures to regulate the gambling industry. For instance, it shortened the maximum period of stop-over for mainland travelers from seven to five days, beginning July 1. It also banned jewelry stores on the casino floors from

"China's property market has outgrown its surefire get-rich-quick expansion period. Now, it is heading into a new era where Chinese buyers demand more from property developers under stepped-up competition from both within and outside the housing sector."

Zhu Zhongyi, Honorary Vice Chairman of the Chinese Real Estate Association, at the Boao Real Estate Forum in Hainan Province on August 8

"Residents will feel the pain if inflation goes too high, but the economy and companies will suffer if it is too low. Having the consumer price index (CPI) at about 2 percent is an ideal level."

Yang Hongxu, deputy head of the Shanghai-based E-House China R&D Institute, commenting on China's CPI growth of 2.3 percent year on year in July, on August 9



adding new point-of-sale (POS) machines. Since May, UnionPay has started to crack down on cross-border POS machines used on Macao casino floors, which have been helping gamblers access cash from UnionPay credit cards.

In February, revenue for the Macao gambling industry increased 40.3 percent over the same period last year. However, the growth rate slowed month by month later and fell to single digit in May and even negative in June. Alarm bells are ringing for the local gambling industry.

Though Macao has sought to diversify its economy for many years, no substantial progress has yet been made. Breaking Macao's over-reliance on gambling revenue is now an urgent need amid the Central Government's crackdown on corruption and money laundering.

Targeting Medical Service Agents

Legal Daily
August 12

Intermediary agents who trick patients in line for registration at big state-owned hospitals in Beijing into going to smaller healthcare facilities, subsequently charging them higher fees, have long been condemned by the public. The city's police recently arrested 113 people suspected of such offences and detained 109 of them. The Beijing police have urged patients to raise alerts regarding such actions and to call the police if they have been scammed.

These intermediary agents are often employed by small and medium-sized private

hospitals and receive high payment for attracting patients there. They pretend to show sympathy for the patients seeking treatment at public hospitals, lying that they or their relatives have contracted similar diseases and have been cured at the hospital they want to recommend. Some patients eager to seek treatment, which is not always readily available at big hospitals due to strained medical resources, easily fall into their traps.

It is time that health, public security and industry and commerce authorities made a concerted effort to crack down on the problem in accordance with laws and regulations. Furthermore, the hospitals funding agents should be held responsible, receiving punishment for fostering such illegal activities.



DIRECTOR HONORS DENG XIAOPING

Wu Ziniu, a famous Chinese movie and television director, has made a popular tribute to celebrate the 110th anniversary of late Chinese leader Deng Xiaoping's birth with a TV series titled *Deng Xiaoping at a Historical Turning Point*. The show has gained wide attention since premiering on China Central Television Channel 1 on August 8.

This 48-episode drama traces China's historic transformation under Deng's leadership from 1978 to 1984 when the country's reform and opening-up drive was in full swing through a creative lens. It not only puts Deng's working life into the spotlight, but also tells stories of several ordinary families in Beijing during that period.

Wu, who was born in the early 1950s in southwest China's Sichuan Province, has won several top movie and TV play awards in China. He is famed as one of the representatives of China's fifth-generation directors. Wu has expressed his hope that the audience will feel Deng's love for his family as well as his country from this TV series.



"As the economy slows down and demand for business-class service wanes, Air China has to tighten its belt."

Lin Zhijie, a civil aviation expert, explaining the motives behind Air China's new seat selection fee, on August 12

"Military-to-military engagements, like RIMPAC [Rim of the Pacific drill] and this port visit, are very important to the relationship between our navies. They help us build trust and enhance transparency."

Rear Admiral **Patrick Lorge**, Commander of the U.S. Navy Region Southwest, speaking at a welcoming ceremony for a visiting Chinese flotilla in San Diego on August 10

中国黄茶



Chinese Yellow Tea
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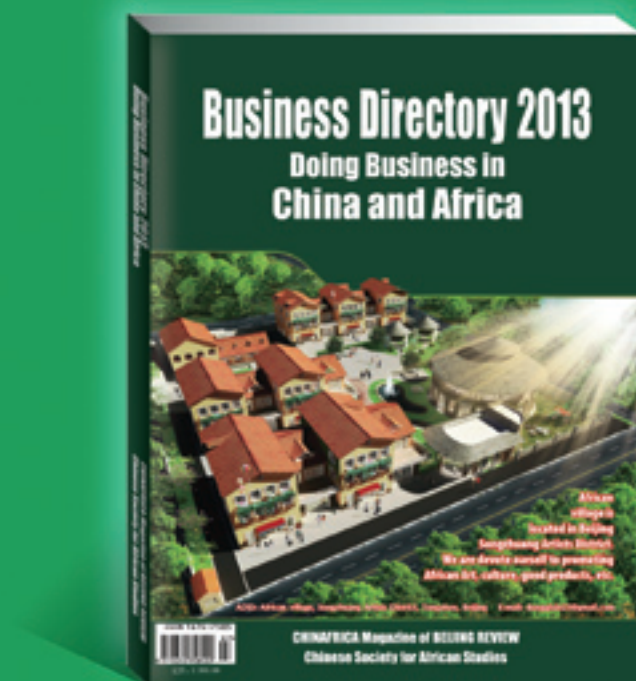


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COVER STORY

THE DEFEAT THAT CHANGED CHINA'S HISTORY

The First Sino-Japanese War of 1894-95 altered China's
past and has left the nation in reflection ever since

By Yin Pumin



THE TIPPING POINT: An artist's interpretation of the Battle of the Yalu River. The defeat of the Qing Dynasty's largest naval fleet at the hands of the Japanese had a knock-on effect from which China's then Qing Dynasty rulers never recovered

This year marks the 120th anniversary of the outbreak of the First Sino-Japanese War of 1894-95, commonly known in China as the Jiawu War. Time has passed, but the trauma of the conflict is still felt by the Chinese people even today.

The war, during which China's then-ruling Qing Dynasty (1644-1911) was defeated, changed the fate of the country. It exposed the dynasty's weaknesses and led to a scramble for concessions by foreign powers in China. In the aftermath, the country spiraled into enduring political instability and turmoil that culminated with the overthrow of the Qing Dynasty.

A halfway reform

Facing crises within and without, China and Japan both chose reform as the road to reviving their respective societies since the 1860s. While Japan's Meiji Restoration's focus was a long-term plan to build Japan into a powerful, modern country, China's equivalent Self-Strengthening Movement existed only to keep the Qing Dynasty alive.

The Self-Strengthening Movement's efforts were centered on military and economic reform, such as introducing Western firearms, industrialization, and creating a modern navy.

"There is only one thing we have to learn from the 'barbarians'—solid ships and effective guns," scholar Feng Guifen (1809-74) wrote in the early 1860s. ►►

ILLUSTRATION BY CHU WAOONG

The campaign began in 1861, when Prince Gong (1833-98) and Grand Councilor Wen Xiang (1818-76) proposed establishing a new office to direct foreign affairs.

During his dealings with British and French invaders in the Second Opium War (1856-60), Prince Gong came to believe Western weaponry to be superior, and discovered that his Western opponents did not try to hide their military secrets—rather, they openly offered to help China train and equip its army after the Western fashion. Prince Gong concluded that China could accommodate the West and build up its military strength with their help.

Another central figure of the Self-Strengthening Movement was Li Hongzhang (1823-1901), Viceroy of Zhili and Minister of Beiyang. His experience with foreign armies and officers during the suppression of the Taiping Rebellion (1851-64) also opened his eyes to advanced technology of the Western armies in Asia.

In 1863, Li warned that if China did not modernize its military, they would have to face a Japan that had looked and would again look to pray on China with its new technology. He asserted that China had to strengthen itself by adopting modern Western firearms and ships to face the coming challenges.

Li also instigated earlier attempts at educational reform. He originally supported the proposal for an educational mission in

the United States. In 1872, the first group of Chinese boys aged 12-14 were sent to Hartford, Connecticut. In the following years up until 1881, a total of 120 Chinese students were sent in four installments.

Despite all these achievements, historians suggest the Self-Strengthening officials' preoccupation with firearms, ships and machines and their negligence of Western political systems and culture limited the scope of the Self-Strengthening Movement and ultimately contributed to its failure.

"Their attitude partially stemmed from the belief that China was superior to the West in everything except weaponry," said Lei Yi, a researcher with the Institute of Modern History under the Chinese Academy of Social Sciences (CASS). "With such an attitude, there could be no real modernization."

"Most of the time, local Self-Strengthening promoters fought with one another rather than cooperating. They usually thought of their achievements as the foundation of personal power," said Li Renkai (1940-2006), late professor with the Department of History of Baoding-based Hebei University.

Furthermore, a lack of popular participation also restricted the scope of modernization. Leadership operated in a top-down fashion, with little low-level support as there was during Japan's Meiji Restoration.

"The primary aim of those Self-Strengthening officials was to save the

ramshackle Qing Dynasty. They strove to strengthen the existing order instead of replacing it. They never considered remaking China into a modern state," Lei said.

A modernizing Japan

Almost from the day they seized power, the Meiji statesmen in Japan had been determined to make their country a modern, powerful, and worthy of respect internationally.

"The men who seized power in 1868 were nationalists who railed against Japan's semi-colonial status. They were Japanese who were sympathetic to the problems confronting their countrymen," suggested Matsudaira Shungaku (1828-90), a politician during the Meiji Period (1867-1912).

During the two Opium Wars of 1840-42 and 1856-60, Japan watched in horror as European armies forced their way into China. Their first taste of imperialism came in 1854, when the Americans forced Japan to sign the Convention of Kanagawa, which opened two Japanese ports to the United States along with other favorable arrangements.

In 1858, Japan succumbed to continuing Western pressure and signed a set of treaties with the United States, Holland, Britain, France and Russia. The American treaty opened more Japanese ports, allowed commercial activities and set tariff rates.

Against this background, reformers in Japan had pinpointed the need to create more flexible governing institutions that could enlist the abilities of men of talent, promote national unity under the aegis of the Emperor of Japan and build Japan into a great power equal to the most advanced nations on the face of the globe.

Itō Hirobumi (1841-1909) voiced this sentiment when he visited Sacramento, California, in 1872, "We came to study your strength, so that by adopting widely your better ways, we may hereafter be stronger ourselves. We shall labor to place Japan on an equal basis, in the future, with those countries whose modern civilization is now our guide."

The culmination of the Meiji reforms came in 1889, when the Constitution of the Empire of Japan was promulgated. The constitution established mechanisms for sharing power with elected representatives of the nation's citizenry and further promoted Japan into a modern state.

"For the first time, the Japanese people

Major Events of the Jiawu War of 1894-95:

July 25, 1894: Japanese warships attack two Chinese vessels near the Korean port of Asan

July 29, 1894: The field armies of the Qing Dynasty and Japan engage on land at Songhwan. The battle ends with a Japanese victory the next day

August 1, 1894: China and Japan officially declare war

September 16, 1894: The Qing army is defeated in Pyongyang and retreats to the Chinese side of the Yalu River

September 17, 1894: The Beiyang Fleet is defeated by the Japanese Grand Fleet in the Battle of the Yalu River

November 21, 1894: The Second Army of Japan conquers Lushun, sometimes known as Port Arthur, in northeast China and commits the Port Arthur Massacre

February 2, 1895: The Japanese army captures the port of Weihai in east China's Shandong Province

February 12, 1895: The Beiyang Fleet surrenders to the Japanese in Weihai

March 30, 1895: Armistice is reached between the Qing Dynasty and Japan

April 17, 1895: The Treaty of Shimonoseki is signed between the two countries. The war ends.

(Compiled by Beijing Review)

BEIYANG FLEET: Deng Shichang (1849-94) (third left, second row), captain of *Zhiyuan*, and William Lang (1843-1906) (fourth left, second row) pose for a photo with some Chinese personnel before the Jiawu War. *Zhiyuan* was sunk by the Japanese during the Battle of the Yalu River. Deng reportedly drowned himself after the loss



started enjoying the rights as 'nationals,' which gave them more confidence in serving their country. This was an important aspect that guaranteed the success of the Meiji Restoration and the later successes in the First Sino-Japanese War and the Russo-Japanese War (1904-05)," said Zong Zeya, author of *The First Sino-Japanese War: 1894-95*, published in Beijing in 2012.

With an institutional foundation, reforms in other areas also speeded up during the Meiji Period. Led by the government's support, communications, transportations, national enterprises and banks developed rapidly.

By the end of the 1870s, more than 150 national banks had opened their doors for business. By the time the first Diet convened in 1890, nearly 10,000 miles of telegraph wire and more than 200 telegraph offices had been built to provide instantaneous communication among the country's major cities.

Along with state-owned projects, many private enterprises and workshops were also established. Japan's four great plutocrats—Mitsui, Mitsubishi, Sumitomo and Yasuda—were among the prime examples. Meanwhile, many small workshops in filature and textile also sprung up around the country.

"The development of the private enterprises coped with the trend of history, enlarging the

social base for the Meiji Restoration," said Feng Wei, a professor with the Department of History of Shanghai-based Fudan University.

According to Feng, the introduction of private entities distinguished the Meiji Restoration from China's Self-Strengthening Movement. During the Self-Strengthening Movement, almost all the enterprises established by officials were government-supervised.

"The government-supervised enterprises were hybrid operations, and were plagued by the usual bureaucratic inefficiency, corruption and nepotism," Feng said. "From such enterprises, the guns and ships produced were nowhere comparable in quality to their Japanese counterparts."

Expanding influence

In the spring of 1894, the Donghak Rebellion broke out in Korea and threatened to overthrow the country's imperial regime. Answering the requests of the Korean court, China sent in troops to help suppress the rebellion.

Japanese forces claimed that this action by

China broke the Convention of Tientsin (now Tianjin), which the two countries had signed 10 years earlier. The convention stated that China and Japan had to seek approval from one another if either were to send troops into Korea. Japan claimed that China has not sought approval or even notified them, while China asserted that they had contacted Japan and received approval.

In fact, Japan had long intended to weaken Qing influence over Korea and ended up using the incident as an excuse to begin their campaign. After refusing to withdraw its troops in spite of the diplomatic interventions from Russia and Britain, Japan went on to capture Seoul and install a new pro-Japanese government that Japan then used to grant the Japanese Imperial Army the right to expel the Chinese Beiyang Army from Korea. Eventually, on August 1, 1894, war was officially declared between Japan and China.

After a series of battles on land and at sea, including the defeat of China's Beiyang Fleet, which was largely sponsored by Li, and the Battle of the Yalu River on September 17, 1894, Japanese troops ultimately crossed the Korean



HUMILIATION: An artist's representation of representatives from the Qing Dynasty and Japan negotiating the Treaty of Shimonoseki in Japan on April 17, 1895

border and entered Qing territory in October the same year.

The losses came as a surprise to the Qing government and foreign observers alike—the German General Staff had predicted Japan's defeat and William Lang (1843-1906), a British advisor to the Qing naval forces, had gone as far as to say, "In the end, there is no doubt that Japan must be utterly crushed."

At the time of the Battle of the Yalu River, the Chinese navy had 65 ships, compared to Japan's 32. However, not all of China's fleets were mobilized for the battle. Only the Beiyang Fleet, though the largest in China and Asia as a whole at the time which had 25 ships, fought the Japanese.

The fleet also suffered from a crippling shortage of ammunition. Their supply was so low that they had been unable to carry out live-fire training and were inadequately trained and prepared for the battle. Of the munitions that they did have, some were of the wrong caliber and unusable, while others were filled with porcelain or cement instead of gunpowder. Many of those that did have gunpowder were—as Philo McGiffin, naval advisor to *Zhenyuan*, a ship in the Beiyang fleet, put it—"Thirteen years old and condemned."

"From this, we can see how doomed the Qing Dynasty was," said Xiao Yusheng, a researcher with the Academy of Military Sciences of the People's Liberation Army (PLA).

Within the Beiyang command itself, corruption and irregularities were also rampant. Li chose his subordinates according to personal loyalty and willingness to work rather than for their ability and experience.

"A navy is a modern and complicated system. It requires not only modernized ships and weapons but also modernized personnel and management systems. The Beiyang Fleet realized modernization in its weapons, which could not bring about victory at war by themselves," said Jiang Ming, historian and author of *The Fleet That Flew the Dragon Flag*, a book on the naval history of the late Qing Dynasty that was first published in Beijing in 2002.

In fact, there needed a thorough modernization of China as a whole. "After nearly 30 years of reform, Japan had become a modern country in which a nationalistic consciousness bonded the government and people into a unified body," said Pi Mingyong, another researcher with the Academy of Military Sciences of the PLA. "However, the Chinese general public lacked similar sentiments. In a sense, it was Li but not China that was fighting Japan."

A lack of introspection

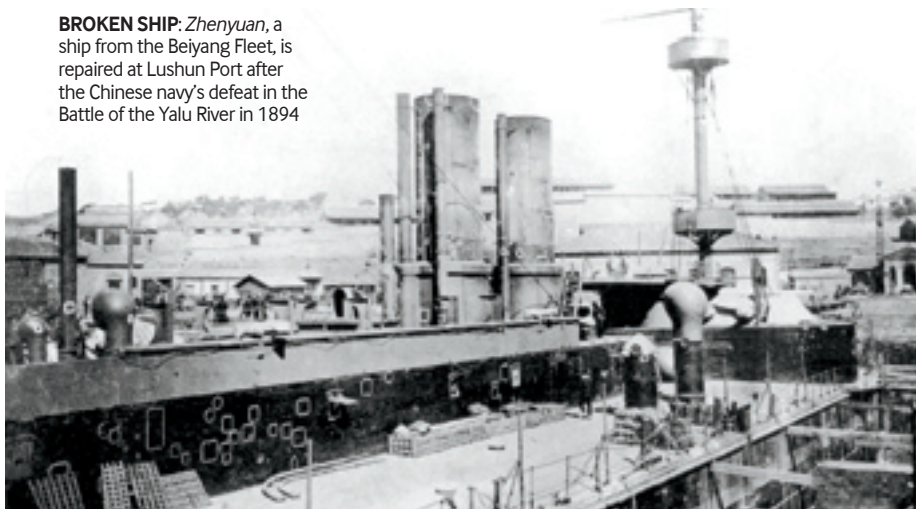
In the two decades before the Jiawu War, Meiji reformers consistently focused on internal reforms at the expense of overseas ventures. They believed that Japan had to modernize at home before it could be adventurous abroad.

In contrast, there was no consensus in the upper echelons of the Qing government concerning an imperative to minimize conflicts abroad. Rather, its policies followed the demands of the faction of the hour. "As a result, Chinese foreign policy remained ineffectual and tragically reckless," said S. C. M. Paine, an associate professor of strategy and policy at the U.S. Naval War College in Rhode Island.

"Li did not understand the essentials of modern international politics, which weakened Chinese foreign policy," said Weng Fei, an Anhui-based scholar on late-Qing history. "He was obsessed with the antiquated tactic of pitting the 'barbarians' against one another."

Li's diplomatic efforts to seek interventions from Russia and Britain before the

BROKEN SHIP: *Zhenyuan*, a ship from the Beiyang Fleet, is repaired at Lushun Port after the Chinese navy's defeat in the Battle of the Yalu River in 1894





NEVER FORGOTTEN: Descendants of Chinese soldiers killed in the Jiawu War spread flowers onto the Dadonggou area of the Yellow Sea, the main battlefield during the war, on July 29 near Dandong, northeast China's Liaoning Province

war were a typical example. When he finally recognized the inefficiency of his approach, much time had already been lost in making military arrangements.

"The war was a significant contest between China and Japan after a generation of modernization," said Zhang Haipeng, Director of the Association of Chinese Historians with the CASS. "The defeat broke the Qing Dynasty's Self-Strengthening Movement and was a testament to its failure."

"The limited diplomatic, military and technological modernization, without corresponding change in institutions and spirit, was incapable of revitalizing the country and transforming it into a modern state. China's loss seemed all but inevitable," Zhang added.

The war also played a decisive role in the collapse of the Qing Dynasty and the rise of Japan as an Asian power, according to Dai Yi, a professor with Beijing-based Renmin University of China.

"The war reduced China to a prey of Western powers and placed Japan on a fast track to becoming a modern power, especially with the huge war indemnities from China," Dai said.

On April 17, 1895, China and Japan signed the Treaty of Shimonoseki. In the treaty, China recognized the full and complete independence and autonomy of Korea—a stipulation

that actually made Korea more susceptible to Japanese influence. The Qing government also promised to pay Japan 200 million taels (approximately worth \$5.3 billion today) in war indemnities and ceded the Liaodong Peninsula, Taiwan and the Penghu Islands.

It also complied with the opening of four more treaty ports, including Suzhou in Jiangsu Province, Hangzhou in Zhejiang Province, Shashi in Hubei Province and Chongqing in the upper reaches of the Yangtze River. China also had to give Japanese nationals the right to open factories and engage in industry and manufacturing in China.

"Winning the war made the Japanese more confident in the country's military superiority. It misled Japan in believing that war and aggression can yield wealth and resources, which put it on a self-destructive path of militarism," Dai said.

The aftermath

The defeat of China in the Jiawu War altered the fate of China under the Qing Dynasty. "The defeat changed how China was viewed in both the East and the West. The perception of Chinese weakness led to far more aggressive intrusions by foreign powers," said Paine. Starting from 1897, the imperial powers, including Germany, Russia, Britain, Japan and France, cut China up between them.

However, Zong suggested that there was

a silver lining to the defeat. "It was from the war that a true revival movement began, which led to the Hundred Day's Reform in 1898, the National Revolution in 1911 that overthrew the Qing government, the May Fourth Movement in 1919, and ultimately the establishment of the People's Republic of China in 1949," Zong said.

"We should realize it was the First Sino-Japanese War that opened the door for the Chinese people to rise to seek the real modernization step by step," said Ma Yong, another researcher with the CASS' Institute of Modern History.

He said the history also has modern-day applications, as China's leadership is now emphasizing both reform and a new focus on the country's development.

"All the implications of history can be boiled down to one sentence: We must build China into a real modern and civilized society, being respected by other countries," Ma said. ■

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