

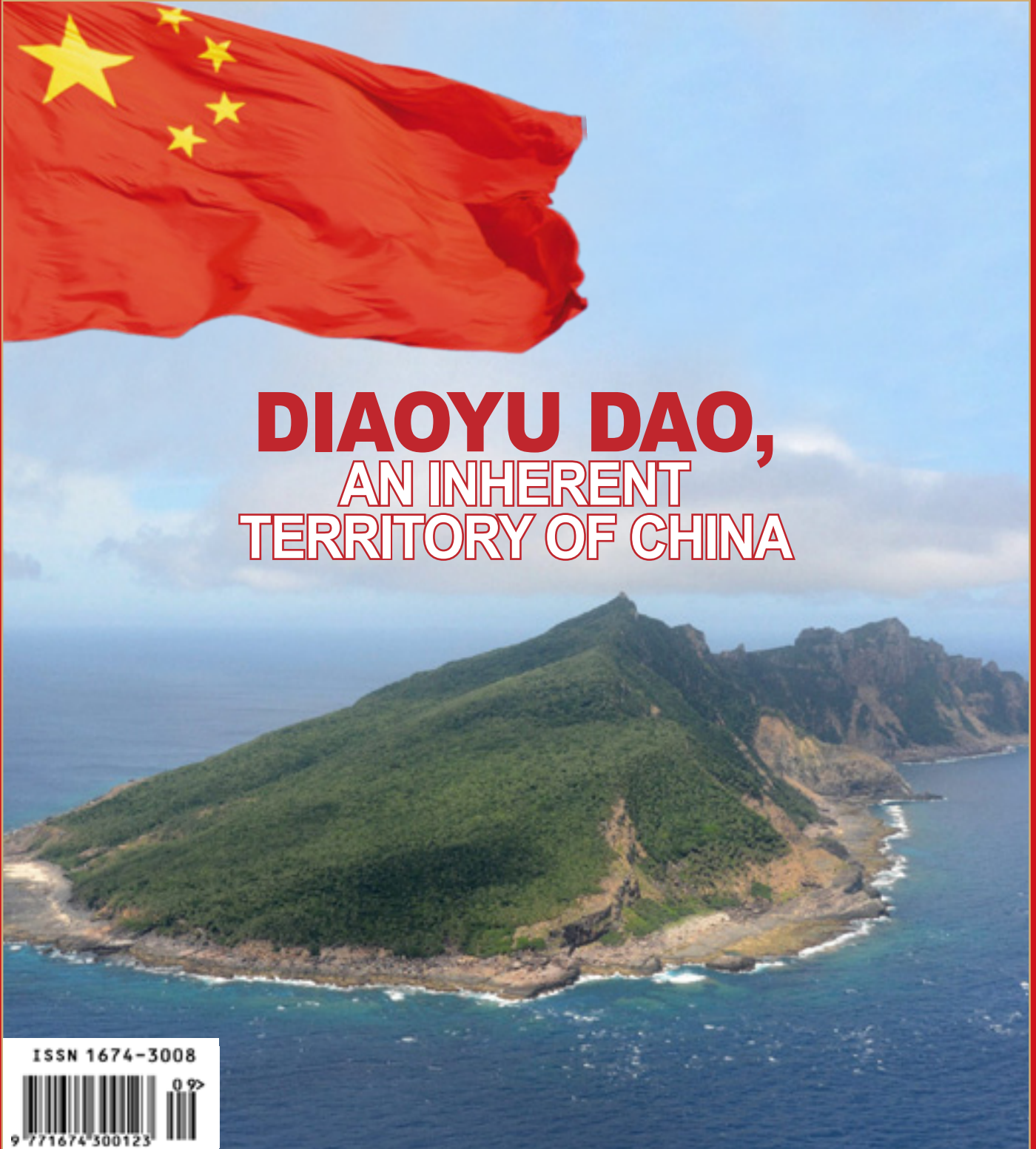
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## **DIAOYU DAO, AN INHERENT TERRITORY OF CHINA**

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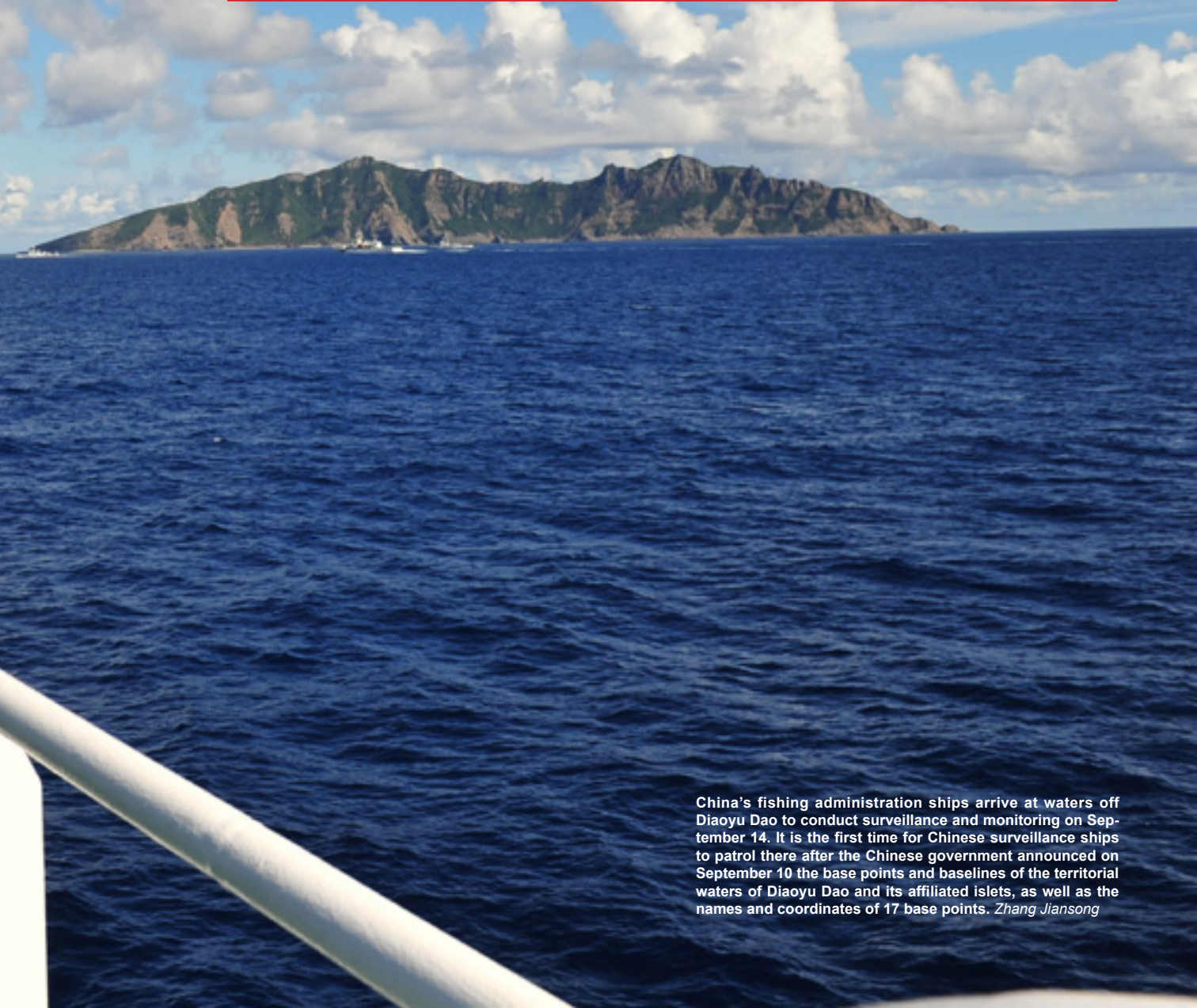


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CFP



China's fishing administration ships arrive at waters off Diaoyu Dao to conduct surveillance and monitoring on September 14. It is the first time for Chinese surveillance ships to patrol there after the Chinese government announced on September 10 the base points and baselines of the territorial waters of Diaoyu Dao and its affiliated islets, as well as the names and coordinates of 17 base points. *Zhang Jiansong*



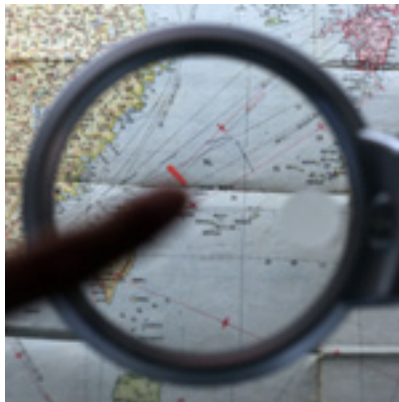
**6** Diaoyu Dao, an inherent territory of China

# Contents

**Diaoyu Dao**

**6**

Diaoyu Dao, an inherent territory of China



**Special Report**



**16**

Chinese top legislator's four-nation trip lifts ties

**Legislation**

**20**

NPC amends law to enhance citizens' civil litigation rights

**26**

Social organizations entitled to bring public litigations: the revised law





# 28

**Chinese economy in the latter half of 2012: What to rely on to achieve steady growth?**



# 20

**NPC amends law to enhance citizens' civil litigation rights**



# 38

**Singing national anthem at the Great Hall of the People**

ISSUE 3 · 2012

### Focus

## 28

**Chinese economy in the latter half of 2012: What to rely on to achieve steady growth?**

## 36

**China's economy slows, confidence holds up**

### People

## 38

**Singing national anthem at the Great Hall of the People**

### Nationality

## 40

**Panchen Lama calls for stability**



### Picture

## 42-47

**COVER: Diaoyu Dao has been an inherent territory of China since ancient times, and China has indisputable sovereignty over Diaoyu Dao. CFP**



# NPC

General Editorial

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The State Council Information Office of the People's Republic of China on September 29 published a white paper on Diaoyu Dao, an inherent territory of China.

# Diaoyu Dao, an inherent territory of China

(excerpts)





China's fishing administration ships arrive at waters around the Diaoyu Dao to conduct surveillance and monitoring on September 14.  
*Zhang Jiansong*

## Foreword

Diaoyu Dao and its affiliated islands are an inseparable part of the Chinese territory. Diaoyu Dao is China's inherent territory in all historical, geographical and legal terms, and China enjoys indisputable sovereignty over Diaoyu Dao.

Japan's occupation of Diaoyu Dao during the Sino-Japanese War in 1895 is illegal and invalid. After World War II, Diaoyu Dao was returned to China in accordance with such international legal documents as the Cairo Declaration and the Potsdam Proclamation. No matter what unilateral step Japan takes over Diaoyu Dao, it will not change the fact that Diaoyu Dao belongs to China. For quite some time, Japan has repeatedly stirred up troubles on the issue of Diaoyu Dao. On September 10, 2012, the Japanese government announced the "purchase" of Diaoyu Dao and its affiliated Nanxiao Dao and Beixiao Dao and the implementation of the so-called "nationalization". This is a move that grossly violates China's territorial sovereignty and seriously tramples on historical facts and international jurisprudence.

China is firmly opposed to Japan's violation of China's sovereignty over Diaoyu Dao in whatever form and has taken resolute measures to curb any such act. China's position on the issue of Diaoyu Dao is clear-cut and consistent. China's will to defend national sovereignty and territorial integrity is firm and its resolve to uphold the outcomes of the World Anti-Fascist War will not be shaken by any force.

## Diaoyu Dao is China's inherent territory

Diaoyu Dao and its affiliated islands, which consist of Diaoyu Dao, Huangwei Yu, Chiwei Yu, Nanxiao Dao, Beixiao Dao, Nan Yu, Bei Yu, Fei Yu and other islands and reefs, are located to the northeast of China's Taiwan Island, in the waters between 123°20'-124°40'E (East Longitude) and 25°40'-26°00'N (North Latitude), and are affiliated to the Taiwan Island. The total landmass of these islands is approximately 5.69 square kilometers. Diaoyu Dao, situated in the western tip of the area, covers a landmass of about 3.91 square kilometers and is the largest island in the area. The highest peak



China dispatches several fishing administration vessels to conduct surveillance and monitoring around Diaoyu Dao and its affiliated islets on September 14. CFP



on the island stands 362 meters above the sea level. Huangwei Yu, which is located about 27 kilometers to the northeast of Diaoyu Dao, is the second largest island in the area, with a total landmass of about 0.91 square kilometers and a highest elevation of 117 meters. Chiwei Yu, situated about 110 kilometers to the northeast of Diaoyu Dao, is the easternmost island in the area. It covers a landmass of approximately 0.065 square kilometers and stands 75 meters above the sea level at its peak.

### 1. Diaoyu Dao was first discovered, named and exploited by China

Ancient ancestors in China first discovered and named Diaoyu Dao through their production and fishery activities on the sea. In China's historical literatures, Diaoyu Dao is also called Diaoyu Yu or Diaoyu Tai. The earliest historical record of the names of Diaoyu Dao, Chiwei Yu and other places can be found in the book *Voyage with a Tail Wind* (Shun Feng Xiang Song) published in 1403 (the first year of the reign of Emperor Yongle of the Ming Dynasty). It shows that China had already discovered and named Diaoyu Dao by the 14th and 15th centuries.

In 1372 (the fifth year of the reign of Emperor Hongwu of the Ming Dynasty), the King of Ryukyu started paying tribute to the imperial court of the Ming Dynasty. In return, Emperor Hongwu (the first emperor of the Ming Dynasty) sent imperial envoys to Ryukyu. In the following five centuries until 1866 (the fifth year of the reign of Emperor Tongzhi of the Qing Dynasty), the imperial courts of the Ming and Qing Dynasties sent imperial envoys to Ryukyu 24 times to confer titles on the Ryukyu King, and Diaoyu Dao was exactly located on their route to Ryukyu. Ample volume of records about Diaoyu Dao could be found in the reports written by Chinese imperial envoys at the time. For example, the *Records of the Imperial Title-conferring Envoys to Ryukyu* (Shi Liu Qiu Lu) written in 1534 by Chen Kan, an imperial title-conferring envoy from the Ming court, clearly stated that "the ship has passed Diaoyu Dao, Huangmao Yu, Chi Yu... Then Gumi Mountain comes into sight, that is where the land of Ryukyu begins." The Shi Liu Qiu Lu of another imperial envoy of the Ming Dynasty, Guo Rulin, in 1562 also stated that "Chi Yu is the mountain that marks the boundary of Ryukyu". In 1719, Xu Baoguang, a deputy title-conferring envoy to Ryukyu in the Qing Dynasty, clearly recorded in his book *Records of Messages from Chong-shan* (Zhong Shan Chuan Xin Lu) that the voyage from Fujian to Ryukyu passed Huaping Yu, Pengjia Yu, Diaoyu Dao, Huangwei Yu, Chiwei Yu and reached Naba (Naha) port of Ryukyu via Gumi Mountain (the mountain guarding the southwest border of Ryukyu) and Machi Island.

In 1650, the *Annals of Chong-shan* (Zhong Shan Shi Jian), the first official historical record of the Ryukyu Kingdom drafted under the supervision of Ryukyu's prime minister



The white paper on Diaoyu Dao hits the market on September 28, attracting a lot of readers at the Beijing Books Building on the same day. The white paper, published in Chinese, English and Japanese, asserts China's indisputable sovereignty over Diaoyu Dao and its affiliated islets. Liu Changlong

Xiang Xiangxian (Kozoken), confirmed that Gumi Mountain (also called Gumi Mountain, known as Kume Island today) is part of Ryukyu's territory, while Chi Yu (known as Chiwei Yu today) and the areas to its west are not Ryukyu's territory. In 1708, Cheng Shunze (Tei Junsoku), a noted scholar and the Grand Master with the Purple-Golden Ribbon (Zi Jin Da Fu) of Ryukyu, recorded in his book *A General Guide* (Zhi Nan Guang Yi) that "Gumi Mountain is the mountain guarding the southwest border of Ryukyu".

These historical accounts clearly demonstrate that Diaoyu Dao and Chiwei Yu belong to China and Kume Island belongs to Ryukyu, and that the separating line lies in Hei Shui Gou (today's Okinawa Trough) between Chiwei Yu and Kume Island. In 1579, Xie Jie, a deputy imperial title-conferring envoy of the Ming Dynasty, recorded in his book, *Addendum to Summarized Record of Ryukyu* (Liu Qiu Lu Cuo Yao Bu Yi) that he entered Ryukyu from Cang Shui to Hei Shui, and returned to China from Hei Shui to Cang Shui. Xia Ziyang, another imperial envoy of the Ming court, wrote in 1606 that "when the water flows from Hei Shui back to Cang Shui, it enters the Chinese territory." *Miscellaneous Records of a Mission to Ryukyu* (Shi Liu Qiu Za Lu), a book written in 1683 by Wang Ji, an imperial envoy of the Qing Dynasty, stated that "Hei Shui Gou", situated outside Chi Yu, is the "boundary between China and foreign land". In 1756, Zhou Huang, a deputy imperial envoy of the Qing Dynasty, recorded in his book, the *Annals of Ryukyu* (Liu Qiu Guo Zhi Lue), that Ryukyu "is separated from the waters of Fujian by Hei Shui Gou to the west".

The waters surrounding Diaoyu Dao are traditionally Chinese fishing ground. Chinese fishermen have, for generations, engaged in fishery activities in these waters. In the past, Diaoyu Dao was used as a navigation marker by the Chinese people living on the southeast coast.



A map published in 1945 shows clearly Diaoyu Dao and its affiliated islands are Chinese territory. The National Library of China selected dozens of books and newspapers on Diaoyu Dao on September 17. *Yang Le*

## 2. Diaoyu Dao has long been under China's jurisdiction

In the early years of the Ming Dynasty, China placed Diaoyu Dao under its coastal defense to guard against the invasion of Japanese pirates along its southeast coast. In 1561 (the 40th year of the reign of Emperor Jiajing of the Ming Dynasty), *An Illustrated Compendium on Maritime Security* (Chou Hai Tu Bian) compiled by Zheng Ruozeng under the auspices of Hu Zongxian, the supreme commander of the southeast coastal defense of the Ming court, included the Diaoyu Dao Islands on the "Map of Coastal Mountains and Sands" (Yan Hai Shan Sha Tu) and incorporated them into the jurisdiction of the coastal defense of the Ming court. The Complete Map of Unified Maritime Territory for Coastal Defense (Qian Kun Yi Tong Hai Fang Quan Tu), drawn up by Xu Bida and others in 1605 (the 33rd year of the reign of Emperor Wanli of the Ming Dynasty) and the *Treatise on Military Preparations.Coastal Defense II.Map of Fujian's Coastal Mountains and Sands* (Wu Bei Zhi.Hai Fang Er.Fu Jian Yan Hai Shan Sha Tu), drawn up by Mao Yuanyi in 1621 (the first year of the reign of Emperor Tianqi of the Ming Dynasty), also included the Diaoyu Dao Islands as part of China's maritime territory.

The Qing court not only incorporated the Diaoyu Dao Islands into the scope of China's coastal defense as the Ming court did, but also clearly placed the islands under the jurisdiction of the local government of Taiwan. Official documents of the Qing court, such as *A Tour of Duty in the Taiwan Strait* (Tai Hai Shi Cha Lu) and *Annals of Taiwan Prefecture* (Tai Wan Fu Zhi) all gave detailed accounts concerning China's administration over Diaoyu Dao. Volume 86 of *Recompiled General Annals of Fujian* (Chong Zuan Fu Jian Tong Zhi), a book compiled by Chen Shouqi and others in 1871 (the tenth year of the reign of Emperor Tongzhi of the Qing Dynasty), included Diaoyu Dao as a strategic location for coastal de-

fense and placed the island under the jurisdiction of Taiwan's Gamalan (known as Yilan County today).

## 3. Chinese and foreign maps show that Diaoyu Dao belongs to China

The Roadmap to Ryukyu (Liu Qiu Guo Hai Tu) in the Shi Liu Qiu Lu written by imperial title-conferring envoy Xiao Chongye in 1579 (the seventh year of the reign of Emperor Wanli of the Ming Dynasty), the *Record of the Interpreters of August Ming* (Huang Ming Xiang Xu Lu) written by Mao Ruizheng in 1629 (the second year of the reign of Emperor Chongzhen of the Ming Dynasty), the Great Universal Geographic Map (Kun Yu Quan Tu) created in 1767 (the 32nd year of the reign of Emperor Qianlong of the Qing Dynasty), and the *Atlas of the Great Qing Dynasty* (Huang Chao Zhong Wai Yi Tong Yu Tu) published in 1863 (the second year of the reign of Emperor Tongzhi of the Qing Dynasty) all marked Diaoyu Dao as China's territory.

The book *Illustrated Outline of the Three Countries* written by Hayashi Shihei in 1785 was the earliest Japanese literature to mention Diaoyu Dao. The *Map of the Three Provinces and 36 Islands of Ryukyu* in the book put Diaoyu Dao as being apart from the 36 islands of Ryukyu and colored it the same as the mainland of China, indicating that Diaoyu Dao was part of China's territory.

The *Map of East China Sea Littoral States* created by the French cartographer Pierre Lapie and others in 1809 colored Diaoyu Dao, Huangwei Yu, Chiwei Yu and the Taiwan Island as the same. Maps such as *A New Map of China from the Latest Authorities* published in Britain in 1811, *Colton's China* published in the United States in 1859, and *A Map of China's East Coast: Hongkong to Gulf of Liao-Tung* compiled by the British Navy in 1877 all marked Diaoyu Dao as part of China's territory.

## Japan grabbed Diaoyu Dao from China

Japan accelerated its invasion and external expansion after the Meiji Restoration. Japan seized Ryukyu in 1879 and changed its name to Okinawa Prefecture. Soon after that, Japan began to act covertly to invade and occupy Diaoyu Dao and secretly "included" Diaoyu Dao in its territory at the end of the Sino-Japanese War of 1894-1895. Japan then forced China to sign the unequal Treaty of Shimonoseki and cede to Japan the island of Formosa (Taiwan), together with Diaoyu Dao and all other islands appertaining or belonging to the said island of Formosa.

## 1. Japan's covert moves to seize Diaoyu Dao

In 1884, a Japanese man claimed that he first landed on Diaoyu Dao and found the island to be uninhabited. The Japanese government then dispatched secret facts-finding missions to Diaoyu Dao and attempted to invade and occupy the island. The above-mentioned plots by Japan triggered China's alert. On September 6, 1885 (the 28th day of the 7th month in the 11th year of the reign of Emperor Guangxu of the Qing Dynasty), the Chinese newspaper *Shen-pao* (Shang-

hai News) reported: “Recently, Japanese flags have been seen on the islands northeast to Taiwan, revealing Japan’s intention to occupy these islands.” But the Japanese government did not dare to take any further action for fear of reaction from China.

After the secret facts-finding missions to Diaoyu Dao, the governor of Okinawa Prefecture sent a report in secrecy to the Minister of Internal Affairs Yamagata Aritomo on September 22, 1885, saying that these uninhabited islands were, in fact, the same Diaoyu Tai, Huangwei Yu and Chiwe Yu that were recorded in the Records of Messages from Chong-shan (Zhong Shan Chuan Xin Lu) and known well to imperial title-conferring envoys of the Qing court on their voyages to Ryukyu, and that he had doubts as to whether or not sovereignty markers should be set up and therefore asked for instruction. The Minister of Internal Affairs Yamagata Aritomo solicited opinion from the Foreign Minister Inoue Kaoru on October 9. Inoue Kaoru replied in a letter to Yamagata Aritomo on October 21, “At present, any open moves such as placing sovereignty markers are bound to alert the Qing imperial court. Therefore, it is advisable not to go beyond field surveys and detailed reports on the shapes of the bays, land and other resources for future development. In the meantime, we will wait for a better time to engage in such activities as putting up sovereignty markers and embarking on development on the islands.” Inoue Kaoru also made a special emphasis that “it is inappropriate to publicize the missions on official gazette or newspapers.” As a result, the Japanese government did not approve of the request of Okinawa Prefecture to set up sovereignty markers.

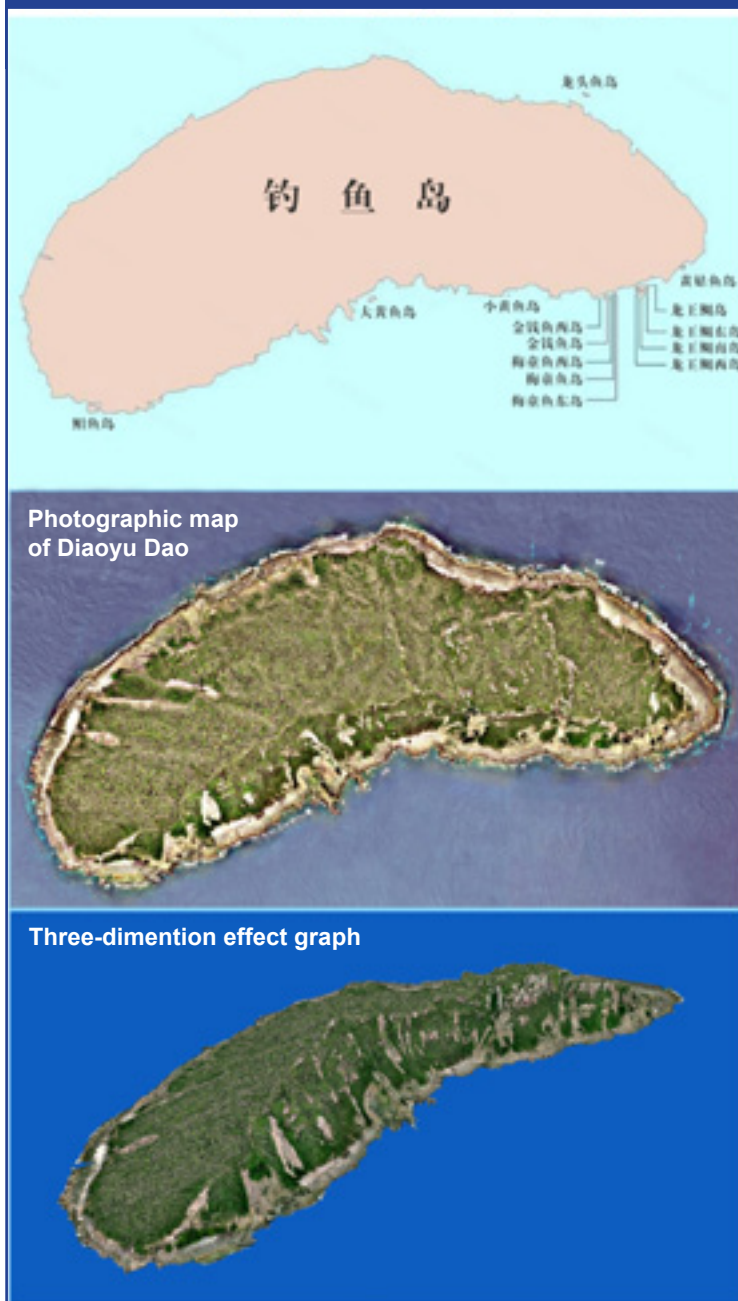
The governor of Okinawa Prefecture submitted the matter for approval to the Minister of Internal Affairs once again on January 13, 1890, saying that Diaoyu Dao and other “above-mentioned uninhabited islands have remained under no specific jurisdiction”, and that he “intends to place them under the jurisdiction of the Office of Yaeyama Islands.” On November 2, 1893, the governor of Okinawa Prefecture applied once again for setting up sovereignty markers to incorporate the islands into Japan’s territory. The Japanese government did not respond. On May 12, 1894, two months before the Sino-Japanese War, the secret facts-finding missions to Diaoyu Dao by Okinawa Prefecture came to a final conclusion, “Ever since the prefecture police surveyed the island in 1885 (the 18th year of the Meiji period), there have been no subsequent investigations. As a result, it is difficult to provide any specific reports on it... In addition, there exist no old records related to the said island or folklore and legends demonstrating that the island belongs to our country.”

Japan’s attempts to occupy Diaoyu Dao were

clearly recorded in Japan Diplomatic Documents compiled by the Japanese Foreign Ministry. Relevant documents evidently show that the Japanese government intended to occupy Diaoyu Dao, but refrained from acting impetuously as it was fully aware of China’s sovereignty over these islands.

Japan waged the Sino-Japanese War in July 1894. Towards the end of November 1894, Japanese forces seized the

### Graphics: Diaoyu Dao and affiliated islets



China’s State Oceanic Administration released a list of the standard names of geographic entities on Diaoyu Dao and its affiliated islets on March 2, 2012. *Xinhua*

Chinese port of Lushun (then known as Port Arthur), virtually securing defeat of the Qing court. Against such backdrop, the Japanese Minister of Internal Affairs Yasushi Nomura wrote to Foreign Minister Mutsu Munemitsu on December 27 that the “circumstances have now changed”, and called for a decision by the cabinet on the issue of setting up sovereignty markers in Diaoyu Dao and incorporating the island into Japan’s territory. Mutsu Munemitsu expressed his support for the proposal in his reply to Yasushi Nomura on January 11, 1895. The Japanese cabinet secretly passed a resolution on January 14 to “place” Diaoyu Dao under the jurisdiction of Okinawa Prefecture.

Japan’s official documents show that from the time of the facts-finding missions to Diaoyu Dao in 1885 to the occupation of the islands in 1895, Japan had consistently acted in secrecy without making its moves public. This further proves that Japan’s claim of sovereignty over Diaoyu Dao does not have legal effect under international law.

## 2. Diaoyu Dao was ceded to Japan together with the Taiwan Island

On April 17, 1895, the Qing court was defeated in the Sino-Japanese War and forced to sign the unequal Treaty of Shimonoseki and cede to Japan “the island of Formosa (Taiwan), together with all islands appertaining or belonging to the said island of Formosa”. The Diaoyu Dao Islands were ceded to Japan as “islands appertaining or belonging to the said island of Formosa”. In 1900, Japan changed the name of Diaoyu Dao to “Senkaku Islands”.

### Backroom deals between the United States and Japan concerning Diaoyu Dao are illegal and invalid

Diaoyu Dao was returned to China after the Second World War. However, the United States arbitrarily included Diaoyu Dao under its trusteeship in the 1950s and “returned” the



To mark the 12th National Defense Day on September 15, a frontier officer in Taizhou, Zhejiang Province, introduces geological knowhow on Taiwan Island and Diaoyu Dao to students and teachers from Taozhu Fangshan Primary School on September 14. *Zhou Wei*

“power of administration” over Diaoyu Dao to Japan in the 1970s. The backroom deals between the United States and Japan concerning Diaoyu Dao are acts of grave violation of China’s territorial sovereignty. They are illegal and invalid. They have not and cannot change the fact that Diaoyu Dao belongs to China.

### **1. Diaoyu Dao was returned to China after the Second World War**

In December 1941, the Chinese government officially declared war against Japan together with the abrogation of all treaties between China and Japan. In December 1943, the Cairo Declaration stated in explicit terms that “all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa [Taiwan] and the Pescadores, shall be restored to the Republic of China. Japan will also be expelled from all other territories which she has taken by violence and greed.” In July 1945, the Potsdam Proclamation stated in Article 8: “The terms of the Cairo Declaration shall be carried out and Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor islands as we determine.” On September 2, 1945, the Japanese government accepted the Potsdam Proclamation in explicit terms with the Japanese Instrument of Surrender and pledged to faithfully fulfill the obligations enshrined in the provisions of the Potsdam Proclamation. On January 29, 1946, the Supreme Commander for the Allied Powers Instruction (SCAPIN) No.677 clearly defined Japan’s power of administration to “include the four main islands of Japan (Hokkaido, Honshu, Kyushu and Shikoku) and the approximately 1,000 smaller adjacent islands, including the Tsushima Islands and the Ryukyu Islands north of the 30th parallel of North Latitude”. On October 25, 1945, the ceremony for accepting Japan’s surrender in Taiwan Province of the China War Theater was held in Taipei, and the Chinese government officially recovered Taiwan. On September 29, 1972, the Japanese government committed with all seriousness in the China-Japan Joint Statement that “the Government of Japan fully understands and respects this stand of the Government of the People’s Republic of China [Taiwan is an inalienable part of the territory of the People’s Republic of China], and it firmly maintains its stand under Article 8 of the Potsdam Proclamation.”

These facts show that in accordance with the Cairo Declaration, the Potsdam Proclamation and the Japanese Instrument of Surrender, Diaoyu Dao, as affiliated islands of Taiwan, should be returned, together with Taiwan, to China.

### **2. The United States illegally included Diaoyu Dao under its trusteeship**

On September 8, 1951, Japan, the United States and a number of other countries signed the Treaty of Peace with Japan (commonly known as the Treaty of San Francisco) with China being excluded from it. The treaty placed the Nansei Islands south of the 29th parallel of North Latitude under United Nations’ trusteeship, with the United States as the sole administering authority. It should be pointed out that the Nansei Islands placed under the administration of

the United States in the Treaty of Peace with Japan did not include Diaoyu Dao.

The United States Civil Administration of the Ryukyu Islands (USCAR) issued Civil Administration Ordinance No. 68 (Provisions of the Government of the Ryukyu Islands) on February 29, 1952 and Civil Administration Proclamation No. 27 (defining the “geographical boundary lines of the Ryukyu Islands”) on December 25, 1953, arbitrarily expanding its jurisdiction to include China’s Diaoyu Dao. However, there were no legal grounds whatsoever for the US act, to which China has firmly opposed.

### **3. The United States and Japan conducted backroom deals concerning the “power of administration” over Diaoyu Dao**

On June 17, 1971, Japan and the United States signed the Agreement Concerning the Ryukyu Islands and the Daito Islands (Okinawa Reversion Agreement), which provided that any and all powers of administration over the Ryukyu Islands and Diaoyu Dao would be “returned” to Japan. The Chinese people, including overseas Chinese, all condemned such a backroom deal. On December 30, 1971, the Chinese Ministry of Foreign Affairs issued a solemn statement, pointing out that “it is completely illegal for the government of the United States and Japan to include China’s Diaoyu Dao Islands into the territories to be returned to Japan in the Okinawa Reversion Agreement and that it can by no means change the People’s Republic of China’s territorial sovereignty over the Diaoyu Dao Islands”. The Taiwan authorities also expressed firm opposition to the backroom deal between the United States and Japan.

In response to the strong opposition of the Chinese government and people, the United States had to publicly clarify its position on the sovereignty over Diaoyu Dao. In October 1971, the US administration stated that “the United States believes that a return of administrative rights over those islands to Japan, from which the rights were received, can in no way prejudice any underlying claims. The United States cannot add to the legal rights Japan possessed before it transferred administration of the islands to us, nor can the United States, by giving back what it received, diminish the rights of other claimants... The United States has made no claim to Diaoyu Dao and considers that any conflicting claims to the islands are a matter for resolution by the parties concerned.” In November 1971, when presenting the Okinawa Reversion Agreement to the US Senate for ratification, the US Department of State stressed that the United States took a neutral position with regard to the competing Japanese and Chinese claims to the islands, despite the return of administrative rights over the islands to Japan.

### **Japan’s claim of sovereignty over Diaoyu Dao is totally unfounded**

On March 8, 1972, Japan’s Ministry of Foreign Affairs issued the Basic View on the Sovereignty over the Senkaku Islands in an attempt to explain the Japanese government’s

claims of sovereignty over Diaoyu Dao. First, Japan claims that Diaoyu Dao was “terra nullius” and not part of Pescadores, Formosa [Taiwan] or their affiliated islands which were ceded to Japan by the Qing government in accordance with the Treaty of Shimonoseki. Second, Japan claims that Diaoyu Dao was not included in the territory which Japan renounced under Article 2 of the Treaty of San Francisco, but was placed under the administration of the United States as part of the Nansei Islands in accordance with Article 3 of the said treaty, and was included in the area for which the administrative rights were reverted to Japan in accordance with the Okinawa Reversion Agreement. Third, Japan claims that China didn’t regard Diaoyu Dao as part of Taiwan and had never challenged the inclusion of the islands in the area over which the United States exercised administrative rights in accordance with Article 3 of the Treaty of San Francisco.

Such claims by Japan fly in the face of facts and are totally unfounded.

Diaoyu Dao belongs to China. It is by no means “terra nullius”. China is the indisputable owner of Diaoyu Dao as it had exercised valid jurisdiction over the island for several hundred years long before the Japanese people “discovered” it. As stated above, voluminous Japanese official documents prove that Japan was fully aware that according to international law, Diaoyu Dao has long been part of China and was not “terra nullius”. Japan’s act to include Diaoyu Dao as “terra nullius” into its territory based on the “occupation” principle is in fact an illegal act of occupying Chinese territory and has no legal effect according to international law.

Diaoyu Dao has always been affiliated to China’s Taiwan Island both in geographical terms and in accordance with China’s historical jurisdiction practice. Through the unequal Treaty of Shimonoseki, Japan forced the Qing court to cede to it “the island of Taiwan, together with all islands appertaining or belonging to it”, including Diaoyu Dao. International legal documents such as the Cairo Declaration and the Potsdam Proclamation provide that Japan must unconditionally return the territories it has stolen from China. These documents also clearly define Japan’s territory, which by no means includes Diaoyu Dao. Japan’s attempted occupation of Diaoyu Dao, in essence, constitutes a challenge to the post-war international order established by such legal documents as the Cairo Declaration and the Potsdam Proclamation and seriously violates the obligations Japan should undertake according to international law.

Diaoyu Dao was not placed under the trusteeship established by the Treaty of San Francisco, which was signed between the United States and other countries with Japan and is partial in nature. The United States arbitrarily expanded the scope of trusteeship to include Diaoyu Dao, which is China’s territory, and later “returned” the “power of administration” over Diaoyu Dao to Japan. This has no legal basis and is totally invalid according to international law. The government and people of China have always explicitly opposed such illegal acts of the United States and Japan.

## China has taken resolute measures to safeguard its sovereignty over Diaoyu Dao

China has, over the past years, taken resolute measures to safeguard its sovereignty over Diaoyu Dao.

China has, through the diplomatic channel, strongly protested against and condemned the backroom deals between the United States and Japan over Diaoyu Dao. On August 15, 1951, before the San Francisco Conference, the Chinese government made a statement: “If the People’s Republic of China is excluded from the preparation, formulation and signing of the peace treaty with Japan, it will, no matter what its content and outcome are, be regarded as illegal and therefore invalid by the central people’s government.” On September 18, 1951, the Chinese government issued another statement stressing that the Treaty of San Francisco is illegal and invalid and can under no circumstances be recognized. In 1971, responding to the ratifications of the Okinawa Reversion Agreement by the US Congress and Japanese Diet, the Chinese Foreign Ministry issued a stern statement which pointed out that the Diaoyu Dao Islands have been an indivisible part of the Chinese territory since ancient times.

In response to Japan’s illegal violation of China’s sovereignty over Diaoyu Dao, the Chinese government has taken active and forceful measures such as issuing diplomatic statements, making serious representations with Japan and submitting notes of protest to the United Nations, solemnly stating China’s consistent proposition, principle and position, firmly upholding China’s territorial sovereignty and maritime rights and interests, and earnestly protecting the safety of life and property of Chinese citizens.

China has enacted domestic laws, which clearly provide that Diaoyu Dao belongs to China. In 1958, the Chinese government released a statement on the territorial sea, announcing that Taiwan and its adjacent islands belong to China. In light of Japan’s repeated violations of China’s sovereignty over Diaoyu Dao since the 1970s, China adopted the Law of the People’s Republic of China on the Territorial Sea and the Contiguous Zone in 1992, which unequivocally prescribes that “Taiwan and the various affiliated islands including Diaoyu Dao” belong to China. The 2009 Law of the People’s Republic of China on the Protection of Offshore Islands establishes the protection, development and management system of offshore islands and prescribes the determination and announcement of the names of offshore islands, on the basis of which China announced the standard names of Diaoyu Dao and some of its affiliated islands in March 2012. On September 10, 2012, the Chinese government issued a statement announcing the baselines of the territorial sea of Diaoyu Dao and its affiliated islands. On September 13, the Chinese government deposited the coordinates table and chart of the base points and baselines of the territorial sea of Diaoyu Dao and its affiliated islands with the Secretary-General of the United Nations.

China has maintained routine presence and exercised jurisdiction in the waters of Diaoyu Dao. China’s marine surveillance vessels have been carrying out law enforcement



Residents in Beijing participate in a demonstration before the Japanese Embassy on September 14 to protest Japanese government's decision to "purchase" Diaoyu Dao. *Hu Qingming*

patrol missions in the waters of Diaoyu Dao, and fishery administration law enforcement vessels have been conducting regular law enforcement patrols and fishery protection missions to uphold normal fishing order in the waters of Diaoyu Dao. China has also exercised administration over Diaoyu Dao and the adjacent waters by releasing weather forecasts and through oceanographic monitoring and forecasting.

Over the years, the issue of Diaoyu Dao has attracted attention from Hong Kong and Macao compatriots, Taiwan compatriots and overseas Chinese. Diaoyu Dao has been an inherent territory of China since ancient times. This is the common position of the entire Chinese nation. The Chinese nation has the strong resolve to uphold State sovereignty and territorial integrity. The compatriots across the Taiwan Straits stand firmly together on matters of principle to the nation and in the efforts to uphold national interests and dignity. The compatriots from Hong Kong, Macao and Taiwan and the overseas Chinese have all carried out various forms of activities to safeguard China's territorial sovereignty over Diaoyu Dao, strongly expressing the just position of the Chinese nation, and displaying to the rest of the world that the peace-loving Chinese nation has the determination and the will to uphold China's State sovereignty and territorial integrity.

## Conclusion

Diaoyu Dao has been an inherent territory of China since ancient times, and China has indisputable sovereignty over Diaoyu Dao. As China and Japan were normalizing relations and concluding the Sino-Japanese Treaty of Peace and Friendship in the 1970s, the then leaders of the two countries, acting in the larger interest of China-Japan relations, reached important understanding and consensus on "leaving the issue of Diaoyu Dao to be resolved later." But in recent years, Japan has repeatedly taken unilateral measures concerning Diaoyu Dao and conducted in particular the so-called "nationalization" of Diaoyu Dao. This severely infringed upon China's sovereignty and ran counter to the understanding and consensus reached between the older generation of leaders of the two countries. It has not only seriously damaged China-Japan relations, but also rejected and challenged the outcomes of the victory of the World Anti-Fascist War.

China strongly urges Japan to respect history and international law and immediately stop all actions that undermine China's territorial sovereignty. The Chinese government has the unshakable resolve and will to uphold the nation's territorial sovereignty. It has the confidence and ability to safeguard China's State sovereignty and territorial integrity. (Xinhua) ■



Ali Arijani, Speaker of Iranian Parliament, meets with his visiting Chinese counterpart Wu Bangguo (left) on September 10 in Iran. *Liu Weibing*



Chinese top legislator Wu Bangguo (left), who is paying an official friendship visit to Iran, meets with Iranian President Mahmoud Ahmadinejad on September 11. *Liu Weibing*

## Chinese top legislator's four-nation trip lifts ties

**C**hina's top legislator Wu Bangguo is on a two-week tour in September that includes official goodwill visits to Iran, Myanmar, Sri Lanka and Fiji. Wu reaffirmed China's stance on key bilateral and international issues during his meetings with the leaders of the four countries, and the trip has helped cement China's ties with these countries amid complex and changing international situations.

### China "fair and objective" on Iran's nuclear issue

Wu, Chairman of the Standing Committee of the National People's Congress (NPC), said in Tehran on September 10 that China has always held a fair and objective stance on the Iranian nuclear issue and is opposed to the research, development and possession of nuclear weapons by any Mideast country.

Meanwhile, China believes that a country's right for the peaceful use of nuclear power should be guaranteed, Wu told Iranian President Mahmoud Ahmadinejad.

China opposes indulging in slapping sanctions, mounting pressure and even intimidating with force in dealing with the Iranian nuclear issue, and has always believed that dialogue and cooperation are the right way to properly settle the issue, Wu said.

China is willing to continue playing a constructive role in the peaceful settlement of the nuclear issue, Wu said.

Wu asked Iran to stick to peaceful negotiations and continue to be flexible and pragmatic, so as to push for substantial progress in its talks with the six major powers of Britain, China, France, Germany, Russia and the United States.

Ahmadinejad briefed Wu on Tehran's view on the nuclear





Chinese top legislator Wu Bangguo (left), who is paying an official friendship visit to Myanmar, meets with Representative to the House of Nationalities of the Parliament of Myanmar U Khin Aung Myint in Nay Pyi Taw on September 13. *Liu Weibing*



Wu Bangguo (left), Chairman of the NPC Standing Committee, meets with Thura U Shwe Mann, Speaker of the House of Representatives of Myanmar in Nay Pyi Taw on September 13. *Li Tao*

issue. He said that Iran hopes to settle the issue through dialogue and cooperation and will stay in touch with all concerned parties.

He also said that Iran is ready to deepen ties with China and continue to expand practical cooperation with China in economy, trade, energy, agriculture and infrastructure.

### Promoting China-Myanmar comprehensive strategic partnership

In a first-ever visit to Myanmar by a chairman of the NPC Standing Committee, Wu proposed measures to promote China's comprehensive strategic partnership with Myanmar.

In a meeting with Myanmar President U Thein Sein on September 14, Wu said both China and Myanmar should continue to enhance bilateral strategic mutual trust by firmly supporting each other on issues concerning each other's major interests and jointly safeguarding the overall situation of friendship and cooperation between the two countries.

The top legislator urged both sides to strengthen bilateral economic and trade cooperation, push forward the agreed major cooperation projects, such as the China-Myanmar oil and gas pipeline, and those that are helpful for Myanmar to upgrade its national industry and improve its people's living standards.

In addition, Wu also said bilateral cultural and people-to-people exchanges should be further deepened.

Calling China Myanmar's real friend, U Thein Sein said his country will strengthen practical cooperation with China in fields such as infrastructure, agriculture and energy.

In talks with Thura U Shwe Mann, speaker of the House of Representatives of Myanmar, Wu said China is willing to

**China opposes indulging in slapping sanctions, mounting pressure and even intimidating with force in dealing with the Iranian nuclear issue, and has always believed that dialogue and cooperation are the right way to properly settle the issue.**

continue to enhance cooperation with Myanmar on border management and jointly safeguard stability in the border region, adding that China respects Myanmar's sovereignty and territorial integrity and hopes the relevant parties of Myanmar could solve problems through peaceful negotiation.

Recent years saw a steady growth of China-Myanmar economic and trade cooperation in both scale and level. In 2011, China-Myanmar trade totaled 6.5 billion U.S. dollars, up 46.3 percent from a year earlier. China has invested 14.14 billion dollars in Myanmar as of August this year, becoming the largest foreign investor in Myanmar.

### Lifting China-Sri Lanka ties to higher level

In a meeting with Sri Lankan President Mahinda Rajapakse, Wu said China-Sri Lanka relations are now "at the best



Chinese top legislator Wu Bangguo (right), who is paying an official friendship visit to Sri Lanka, meets with Sri Lankan President Mahinda Rajapakse in Colombo, Sri Lanka, on September 17. *Liu Weibing*



Chinese top legislator Wu Bangguo (left) shakes hands with Chamal Rajapaksa, Speaker of the Parliament of Sri Lanka, in Colombo, Sri Lanka on September 17. *Li Tao*

## Wu highly valued China's economic cooperation with the four countries he visited and put forward lots of pragmatic ideas and suggestions for future cooperation.

period of development in history,” and pledged further aid within its capacity for Sri Lanka's development.

China and Sri Lanka have seen sustained growth in bilateral trade, and have made smooth progress on such infrastructure projects as the second phase of the Hambantota port, a container terminal and a coal-fired power plant, said Wu, the first chairman of the NPC Standing Committee to visit the country.

He suggested both sides adjust trade structure and expand trade scale, saying China will take measures to import more from Sri Lanka and step up cooperation with Sri Lanka on investment and tourism.

Wu also said the two countries should enhance cooperation on areas such as maritime research, climate change, disaster relief as well as animal husbandry, farm product processing and biomass energy.

Rajapakse, for his part, said Sri Lanka now has great demand for infrastructure construction and personnel training as the country is striving for rapid growth, and it welcomes more Chinese firms to invest and participate in the construction of railway, port and power plants.

China and Sri Lanka forged diplomatic ties in 1957 and upgraded their relations to comprehensive cooperative part-

nership of sincerity and mutual support in 2005.

During his visit, Wu signed 16 agreements, ranging from visa exemption and marine development to economic and technical cooperation.

## Pledging further cooperation with Fiji

Speaking highly of China-Fiji relations, Wu said during talks with Fiji Prime Minister Josaia Voreqe Bainimarama that China has always regarded Fiji as a good friend and partner in the Pacific island region, and is willing to work with Fiji to lift bilateral ties to a higher level.

Wu suggested the two countries further increase political trust and deepen pragmatic cooperation in such fields as infrastructure, trade and investment. China will continue to provide aid within its capacity to Fiji, he said.

During Wu's visit, the two countries signed three agreements on economic cooperation, including one on economic and technological cooperation, a framework agreement on government-level concessional loan, and an agreement on concessional loan for a road upgrading project.

China encourages its enterprises to conduct mutually-beneficial cooperation with Fiji and contribute to the economic and social development in the country, Wu said.

China will support the Pacific island nations including Fiji for their reasonable appeals on such issues as sustainable development, energy security and ocean resources, said Wu.

On climate change, Wu said the Chinese government fully understands the concerns of the island nations like Fiji and hopes that developing nations could be united, uphold the principle of “common but differentiated responsibilities” and urge the developed countries to fulfill their due obligations. (Xinhua) ■



After meeting with Fiji's Prime Minister Josaia Voreqe Bainimarama, visiting Chinese top legislator Wu Bangguo (left, front) appears a ceremony of donation of office supplies in Nadi, Fiji on September 21. *Ren Chenming*



Chinese top legislator Wu Bangguo (left), who is paying an official friendship visit to Fiji, meets with Fijian President Epeli Nailatikau in Nadi, Fiji on September 21. *Liu Weibing*



Visiting Chinese top legislator Wu Bangguo (second from left) and Myanmar President U Thein Sein (second from right) attend a signing ceremony of bilateral cooperation agreements in Nay Pyi Taw, Myanmar, on September 14. Wu also listens to the report on the construction of the China-Myanmar oil and gas pipeline. *Ren Chenming*

# NPC amends law to enhance citizens' civil litigation rights



**A**fter three rounds of deliberations, the Standing Committee of the 11th National People's Congress adopted, with 140 legislators voting for, two against and one abstained, the amendments to the Civil Procedure Law, which was first promulgated in 1982.

Ranging from public litigations, small claims to supervision of civil procedure and conciliation, the 80-or-so amendments cover nearly all the aspects of civil procedure and execution.

The amendments are focused on the protection of citizen's civil litigation rights, improvement of efficiency and pay more attention to people's interest, legal experts noted. China has entered a transition period and will inevitably see mountains of social conflicts. Through legislation, the legislature department will play a key role in maintaining economic and social order with the aim to guarantee citizen's litigation rights and ensure people's court's trials timely.



## Safeguarding litigation rights

Since the first amendment 21 years ago, the law has been revised several times with the aim to lay restraints in court and safeguard the litigation rights among citizens.

The latest revision was no exception, said Tang Weijian, a law professor from Renmin University of China, who had attended the discussion on the amendments. He noted the amendments stress the establishment of public interest litigation system, guarantee the litigations rights of citizens and enlarge the scope of agreed jurisdiction.

In China, the frequent occurrence of severe accidents in the field of environmental protection and food safety ushered the establishment of public interest litigation system as early as possible.

For any act that has polluted environment, or infringed upon the civil rights and interests of consumers, a State organ or relevant organization may bring an action in a people's court, stipulates the newly revised law.

"The public interest litigation system is a smart decision in line with the social concern and people's will," said NPC Standing Committee member Chen Xiurong. Based on this article, infringers will be pursued their responsibility. It is a progress that the law has strengthened the litigation rights of the plaintiffs, Chen noted.

To safeguard the litigation rights is the first step to ensure the parties access the court and seek judicial assistance; meanwhile, it has been a chronicle complaint among the people to bring a lawsuit.

For example, some courts choose neither to file a case nor to make a verdict after receiving a lawsuit, said Tang, adding that such practice is a covert act of exploiting the parties' litigation and appealing rights and dampens the belief of the judicial system among the ordinary people.

To seek a way out, the amended law stipulates that the people's courts shall guarantee the parties to enjoy the legal rights of litigation.

Moreover, the law rules that people's procuratorates at all levels have the right to supervise the unlawful acts of the judges committed during the trials, either in or out of court. Such a provision ensures the procuratorate could play the role in maintaining the parties' litigation rights, note Tang.

Another breakthrough during the revision is to enlarge the scale of agreed jurisdiction. The original law stipulates that "A lawsuit brought on a contract dispute shall be under the jurisdiction of the people's court of the place where the defendant has his domicile or where the contract is performed." The amended law enlarges the scale of courts that all the parties involved to a contract can choose any court that excises a de facto jurisdiction to the case.

Such a revision illustrates the respects toward the parties to a contract, Tang said.

During the cross-examinations, the revised law stipulates that "witnesses, in principle, should appear in court; the department authorized by the law for evaluation and the experts designated by the department should, if needed, appear in court. Otherwise the testimony, evaluation conclusion cannot be regarded as the evidence to the verdict." Tang hailed the revision as a measure to better protect the parties' rights to provide evidence and cross-examine.

With the aim to curb judicial corruption, the revised law

rules that the judgments and written orders should make clear the results and their reasons. It also adds that ordinary people have the right to look up the judgments and written orders that have taken effect.

NPC deputy Chen Xiurong said the new law has provided an open, transparent and smooth channel for the parties, as well as promoted the fair trial by the people's court.

### Enhancing legal supervision

Before revision, the Civil Procedure Law gives the procuratorates limited supervision, some kind of subsequent supervision only after the judgment has taken effect. Such kind of legal supervision has proved futile when dealing with the eye-catching difficulties during the execution.

Moreover, a supervision vacuum has existed for quite a long time on the conciliation activities by the people's court because there lacks relevant laws in this regard.

"Where there is judgment, there is supervision. Otherwise, an absolute judgment right could inevitably lead to corruption," said Tang, adding that a highlight of the amendments is to enhance supervision by the procuratorates.

"Different from the past, the supervision of the procuratorates has extended from trials to the execution of judgment," he added.

"The amendments stipulate the scope, methods and means of supervision by the procuratorates, marking a big stride," said Wang Shengming, a senior legislator from the NPC Standing Committee.

At the same time, the amendments make clear the conditions that the parties apply a supervision suggestion or lodge a protest against court judgments towards the people's procuratorates.

The original law makes no clear stipulation that either the court or procuratorate the parties should appeal for when lodging a protest toward a judgment or written order that has taken effect. Wang noted the loopholes in the law might harm the rights of the parties or lead to waste of judicial resources.

The revised law protrudes the supervision of the procuratorates, which conforms to the duty of the procuratorates in correcting the unlawful judgments or written orders issued by the courts, Wang noted.

### Improving litigation efficiency

During the social transition, there is a boom of lawsuits. NPC Standing Committee member Gong Xueping said the grass-roots courts cannot handle the rapid growth of civil cases, due to the economic development and the increase of legal awareness among the people. Such a situation has deterred the efficiency and caused great influences towards the legal rights of the ordinary people.

Another improvement of the amended law lies in the simplification of the litigation procedures in order to improve the legal efficiency, which is important to the realization of fairness.

It adds new provisions on the handling of small claims or other simple and evident civil cases in a simplified way – the result of the first instance trial as the final judgment.

## Another improvement of the amended law lies in the simplification of the litigation procedures in order to improve the legal efficiency, which is important to the realization of fairness.

The introduction of procedure for small claims will speed up the dealing with trivial cases in a more convenient and effective way, said Gong. It will help save judicial resources as well as human power of the courts.

Tang echoed Gong's opinions, saying the exorbitant expense on litigation may flinch some of the parties to give up their lawsuits. The establishment of small claims procedure helps protect the civil litigation rights of the people.

### Handling the cases where they belong to

With the increase of civil disputes nowadays, conciliation has become an important method in defusing conflicts from deterioration. Meanwhile, the courts are not enough in dealing with all the disputes.

According to the law, in the trial of civil cases, the people's court shall distinguish between right and wrong on the basis of the facts being clear and conduct conciliation between the parties on a voluntary basis. In the year 2004, the Supreme People's Court publicized a regulation on conciliation of civil cases and achieved satisfactory results.

According to the revised law, a people's court is suggested to conduct conciliation in handling civil cases if they fit for conciliation; meanwhile, no conciliation will be organized if the parties refused.

The revised provision sets up a conciliation-first mechanism when dealing with a civil case before setting up a file by the court, said Tang, adding the law has strengthened the function of conciliation.

Jurisdiction is always regarded as the final resort when dealing with a conflict. Conciliation as well as other measures could be chosen, which would help avoid the waste of judicial resources, said NPC Standing Committee member Gu Shengzu.

In Tang Weijian's opinion, the conciliation-first mechanism illustrates the adjustment between judgment and conciliation, which is a natural fruit of judicial practice. Being a conflict-resolving mechanism, conciliation is of Chinese characteristics and was introduced first into the Civil Procedure Law in 1982 but got weakened during the revision in 1991.

The revised law stresses and legalizes the balance of conciliations in and out of court. "Such a revision indicates the changes of the time in handling civil conflicts," said Tang Weijian. Such mechanism will give a big say to social institutes and non-governmental organizations.

The procedural linkage between the Civil Procedure Law and People's Conciliation Law helps resolve the increasing conflicts in a rational, fair and candid way, noted Tang. (NPC) ■



The 28th session of the 11th NPC Standing Committee approves the draft amendment to the Civil Procedure Law on August 31. Ren Chenming

# Localization of China's Civil Procedure Law



The Great Hall of the People in Beijing CFP

Thirty years have passed since China first promulgated the Civil Procedure Law in 1982, which witnessed three amendments in 1991, 2007 and 2012 respectively.

China adopted reform and opening-up policies in early 1980s, during which a series of basic laws, including the Civil Procedure Law, were hammered out and laid a solid foundation for the historical transition from a planned economy to a market one.

“In the year 1979, the Legal Affairs Committee under the NPC Standing Committee set up a special panel to draft the law on civil procedure,” recalled Jiang Wei, a senior professor with Renmin University of China, who had participated in all the three amendments. The panel consisted of NPC legislators, judges and academicians from colleges. Starting bare-handed, the drafting panel never hanged back despite of facing lots of problems in legislation.

From the very beginning, lawmakers have decided to draft the law in line with China's special situations and serve the requirements of China's judicial practice. They heard the legal reports delivered by the courts at all levels that take the charge of handling of civil cases in the past.

“Adequate preparations not only enable us thoroughly understand judicial practice, but also help the lawmaking efforts more suitable for China's situation,” said Jiang.

After three years of drafting and deliberations, the Civil Procedure Law got approved on March 8, 1982, at the 22nd Meeting of the 5th NPC Standing Committee. For the sake of safety, the law was put into practice on a trial basis.

The first civil procedure law summed up the trial experiences gained be-



fore 1949 and also drew lessons from Chinese history, commented Professor Jiang, adding that the law established solid foundations for the enactment of a formal law in 1991.

With the development of the market economy, people's concepts have changed after the drafting of more and more civil or economic laws, and the amendment of the law was put on the agenda in early 1990s. The 4th Session of 7th NPC approved the amendment to the Civil Procedure Law on April 9, 1991, which took effective on the same day.

The 1991 amendment made clear the protection of litigation rights among the parties of an action. "The original law only vaguely says that the courts should conduct trials in a correct, lawful and prompt way, but lacks the concrete provisions on the protection of citizens' litigation rights," said Jiang.

The amendment made some progress, stipulating that "the Civil Procedure Law aims to protect the exercise of the litigation rights of the parties and ensure the ascertaining of facts by the people's courts, distinguish right from wrong, apply the law correctly, try civil cases promptly, affirm civil rights and obligations, impose sanctions for civil wrongs, protect the lawful rights and interests of the parties, educate citizens to voluntarily abide by the law, maintain the social and economic order, and guarantee the smooth progress of the socialist construction."

"The first revision established an effective mechanism to balance the parties' litigation rights against courts' jurisdiction practice," said Tang Weijian, another law professor from Renmin University of China. Since then, the judicial department began to change its work-style from intervention to service.

In 2007, the 11th NPC Standing Committee revised the law for a second time to perfect the procedure of retrial and

specify punishments toward activities that have severely violated the litigation procedure. Such an amendment helped appease the popular resentments toward litigation difficulties, which have resulted in a large number of unresolved disputes.

"This revision highlighted the unique value of procedure justice," Tang said. Violations in trial procedure can be independent reasons for the parties to apply a retrial.

Besides, the amendment improved the execution efficiency of the courts, added regulations on execution remedy system and set up the authority of national execution.

In 2011, legislators decided to make a third revision to the law to suit for the society in rapid transition. Vice Chairman of the Legal Affairs Commission under the NPC Standing Committee Wang Shengming said some provisions of the law cannot catch up the requirements of the judicial practice and need further amendments in order to deal with the surging number of civil cases.

"The achievements of judicial reform also push forward the revision of civil procedure law within the framework of legislation," echoed Tang.

The new amendment made its prescription to the unresolved social problems and disputes. On the one hand, it enhanced the parties' litigation rights by perfecting the litigation responsibility mechanism and setting up the principle of credibility and honest. On the other hand, it specified the procedure of civil cases, modified summary procedure and added provisions on handling of small claims. Some innovations were also made in response to the calling from the judicial departments and absorbing of the achievements of new studies in this field.

In Tang's views, the biggest progress in the 2012 amendment to the Civil Procedure Law lies in the rearrangement of



A court hearing of the No. 5 Intermediate People's Court, Chongqing Municipality.  
Yu Chang'an

right of action, judicial power and legal supervision in order to form a more mature civil litigation system with Chinese characteristics.

Thirty years' legislation endeavor on the Civil Procedure Law has made massive breakthroughs in the rule of law in China, sowing seeds of procedure justice among the ordinary people. The litigation rights of the parties have been enhanced and guaranteed effectively and continuously.

Meanwhile, lawmakers drafting the amendments to the law during the past decades always stick to one basic principle that is "to esteem the national situations and to resolve practical problems," said Jiang.

"By adhering to the above-mentioned principle, we have made practical achievements in the legislation of civil laws," he added. (NPC)



Pancun Court in Mingguang city, Anhui Province opens a case of contract dispute at a boat on April 19. Under the court's reconciliation, the plaintiff and the defendant reached an agreement. *CFP*

## Social organizations entitled to bring public litigations: the revised law

By Li Tianji

**O**n August 31, the Standing Committee of the 11th National People's Congress, China's top legislature, approved the amended Civil Procedure Law, which is set to take effect on January 1, 2013.

On the sideline of the promulgation of the law, Wang Shengming, Vice Chairman of the Legal Affairs Commission of the NPC Standing Committee, appeared at a press conference on the amendment.

After revision, the law is believed to further streamline the way civil disputes are dealt with and promote credibility and honesty as well. The people's procuratorates are entitled to oversee the trial of civil cases. It also stipulates that judges should neither accept gifts or treatment from any interested parties or their attorneys, nor arrange unlawful meetings with the parties or their attorneys.

### Social organizations can bring public interest litigations

According to the amendment, "agencies or social organizations determined by law" can bring litigation against those whose acts undermine public welfare by polluting or infringing on consumers' interests.

Even in the third drafted amendment to the law, the subjects of public interest litigations were "agencies and public organizations determined by law."

As to the wording changes, Wang said the definition of "public organizations" is some kind of "obscure," and the number of registered public organizations only accounts for a small proportion of the social organizations registered by civil affairs departments.

Statistics from the Ministry of Civil Affairs indicated that among all the 462,000 registered social organizations in 2011, 250,000 were social organizations, 200,000 private non-enterprise units and the rest foundations.

Wang disclosed that his committee decided to change “public organizations” to “relevant organizations” after conducting thorough researches. This is an addition that many experts believe signals a major step forward in creating a public interest litigation system in China. For example, legislators in charge of civil law under the NPC Standing Committee are busy with the amendments to the law on the protection of consumers’ rights.

“Meanwhile, not all the above-mentioned social organizations have the right to bring a public interest litigation,” Wang said, adding that relevant departments need time to sum up experiences and figure out which organizations are qualified.

### Handling of small claims for debts

The amendment also highlights a new arrangement to allow small claims for debts or damage to be handled more efficiently.

Courts at grass-roots levels will be given permission to make a final judgment for first instance trials concerning civil claims for an amount of money equivalent to 30 percent of the average annual salary in the province where the case takes place.

The first and second drafted amendments set the amount of small claims money to 5,000 yuan and 10,000 yuan respectively, while the third uses “amount equivalent.” When analyzing the differences to the final wording, Wang said the handling of small claims depends on concrete cases as well as on the basis of theory and practice.

China is striving to achieve a balance between justice and efficiency, as civil claims have been in a court system unequipped to deal with the surging number of cases, resulting in a large number of unresolved disputes.

Reports said the courts around the country accept and hear more than 6 million civil cases annually. For complicated cases, ordinary procedure is needed to make a final judgment for second instance trials; meanwhile for simple ones, summary procedure is enough.

According to the National Bureau of Statistics, the average yearly wage of urban Chinese people in 2011 was 41,799 yuan. And 30 percent of that figure is around 12,000 yuan (\$1,887), which is roughly equivalent to the amount adopted in the third draft, Wang noted.

Meanwhile, which department has the authority to announce the monetary cap? Wang disclosed, after holding discussions with the Supreme People’s Court, there would be two options on the monetary cap, either issued by the highest court based on the concrete trials in each province, or by the provincial courts annually.

### Entitling the retrial right to the parties

According to the revision, if a party to an action considers that there is error in a legally effective judgment or written

order, he may apply to a people’s court at the next higher level for a retrial; if the case involves numbers of people or both parties are citizens, they may choose to apply to the people’s court which originally tried the case; however, execution of the judgment or order shall not be suspended.

In the second draft amendment tabled for discussion, there is no stipulation on the application “to the people’s court which originally tried the case.”

In a 2007 amendment to the law, it clarified that if citizens consider a judgment or order wrong, they could only apply to a court at the next level for a retrial. Such a provision aims to deal with the difficulties in appeal and seek assistance from higher court.

After holding full discussions, legislators decided to stick to the principle during this amendment. Wang pointed out that the latest amendment provides a flexible way for the appeal of retrial: The law entitles the parties to choose a court (as mentioned above) when appealing for a retrial.

### Improvement on proof collection

According to the amendment, it is the duty of the party to an action to present evidence in support his allegations in time. The people’s court should determine the evidence presented by the party and the time limit as well. If a party concerned has difficulties to present evidence within the respective period, he can apply for an extension. If a party presents evidence but fails to meet the deadline, the court should ask him to state the reason; otherwise, the evidence would not be accepted or the court will impose a fine or a warning to the party after receiving the evidence.

As to this revision, Wang said that evidence usually plays an important role in lawsuits and a clear time limit is necessary to ensure the trials going smoothly. After repeated studies, the legislators decided to make clear the punishment if a party to an action fails to meet the deadline.

### Can individuals bring public interest litigations?

During the deliberations of the amendments, some legal experts have suggested that an individual citizen can bring a litigation concerning public interest. Meanwhile, the final amendments make no reference to this.

Wang explained that the public interest litigation always concerns the interest of many people or individuals, for example, environmental pollution influences local residents or fishermen. Other issues, such as food safety or overcharge relate with consumers. Any citizen whose rights have been violated can lodge a civil lawsuit according to the provisions of the original law. That means there needs no amendment in this regard at all, he added.

Other issues, such as a plaintiff has genuine difficulty in presenting the litigation and needs assistance from others, the incumbent law has corresponding provisions, so legislators have decided to make no further changes, Wang said. (Beijing Youth Daily) ■

# Chinese economy in the latter half of 2012: **What to rely on to achieve steady growth?**



In the first half of 2012, Chinese economy has been running amid complex and challenging economic environment at home and abroad. On the morning of August 29, Zhang Ping, Minister of the National Development and Reform Commission (NDRC), reported on behalf of the State Council to the twenty-eighth meeting of the Eleventh National People's Congress (NPC) Standing Committee on the implementation of National Economic and Social Development Plan this year. Recognizing the achievements made in the first half of the year, Zhang stressed that we adhere to the overall principle of making progress while maintaining stability and give more importance to achieving steady growth.



A bird's-eye view of the Tianjin Port. The port has handled 3,937 million tons of freight as well 77.82 million standard containers by the end of 2011. *Wang Guangrong*

It has become a regular practice in the supervision work to hear and examine the report of the State Council on the implementation of National Economic and Social Development Plan in late August each year. It summarizes the general situation of economic and social development in the first half of the year, at the same time, it serves as an effective guidance to the economic work in the second half of the year.

On the afternoon of August 29, when discussing the current economic situation and how to achieve “steady growth”, members of the NPC Standing Committee believed that the overall situation of China’s economic and social development is good, that the development of the national economy is in line with the general requirements of making progress while maintaining stability, and that Chinese economy is still in moderate growth.

Members stressed in the deliberation that the government should fully understand the arduous work to achieve the goal of economic and social development for the year when recognizing achievements. We must unite our thoughts and actions to the Central Government’s analysis and judgment on the current economic situation and the action plans. We will pursue scientific development, insist on making progress while maintaining stability, turn pressure into motive force, put more efforts in transforming the pattern of economic

development and adjusting the economic structure, strive to promote upgrading of the industrial structure, make every effort to strengthen innovation, strive to ensure and improve people’s wellbeing, give more importance to the quality and efficiency of economic growth, pay more attention to the co-ordination and sustainability of economic growth, and make real efforts to transform the pattern of economic development so as to ensure the full completion of the tasks of economic and social development this year.

### Slow but steady economic growth in the first half of the year

The 2012 National Economic and Social Development Plan, proposed by the State Council during this year’s “Two Sessions”, was deliberated and approved by the Fifth Session of the Eleventh NPC. The plan has illustrated the general requirement and major goals for economic and social development in 2012, mentioning for the first time that China’s GDP will grow by 7.5 percent in 2012.

In the first half of this year, China’s GDP increased by 7.8 percent. When seeing this figure, those who have been used to China’s rapid economic growth began to worry about the country’s economic situation and became pessimistic.



A spinster works at a workshop in Linchi Township, Zouping county, Shandong Province on September 18. Transformed from a tile plant, the textile company purchased advanced machines and became a modern textile mill. *Dong Naide*

Zhang also mentioned this figure in his report, “in consideration of the new situation and problems in this year’s economic development, the Central Government has attached greater importance to achieving steady growth, decisively strengthened anticipatory adjustments and fine-tuning efforts and timely introduced a series of policies and measures to promote stable and rapid economic growth”, Zhang stressed.

Over the past seven months, the government has strived to expand domestic demand. The total retail sales of social consumer goods have grown by 11.3 percent in real terms, 0.4 percentage higher than that of the first quarter. Investments in fixed assets have increased by 20.4 percent, 0.3 percentage higher than that in the previous five months, with private investments accounting for 62.1 percent.

Considering enterprises’ difficulties in production and management, the government has increased its financial support. It has extended the policy of reducing income taxes for small enterprises with low profits by 50 percent to the end of 2015, implemented the government procurement policy conducive to the development of small and medium sized enterprises (SMEs) and increased the size of special funds for SMEs. The central bank lowered the deposit reserve ratio by 0.5 percentage point twice and cut the deposit and loan bench interest rate twice this year, strengthening its financial support for enterprises.

“Currently, various policies and measures that have been introduced are taking effect, with slow but stable economic growth”, said Zhang, illustrating the four highlights of China’s economic achievements in the first seven months: economic growth and price inflation remain within the expected target range, the situation of structural adjustment and energy saving is getting better, reforms in important fields and crucial links are deepened, and people’s wellbeing is further improved.

### Correct understanding of China’s economic slowdown

A correct understanding of the overall economic situation serves as the premise and foundation for accurately grasping the trend of economic development. On the afternoon of August 29, the NPC Standing Committee reached the following consensus when deliberating the report: since the reform and opening-up policy was introduced, especially with the rapid economic growth in the past ten years, Chinese economy is not comparable to the past. In 2002, China’s Gross Domestic Product (GDP) was more than 12 trillion, while in 2011, that figure rose to more than 47 trillion, where one percentage of increase in Chinese economy makes enormous difference.

Meanwhile, with the increasing costs of labor and other factors and constraints of resources and environment, the advantages supporting rapid economic growth have been weakened and Chinese economy has basically bid farewell to the double-digit growth rate, indicating the start of declining of economy’s potential growth rate. In this case, the Communist Party of China (CPC) Central Committee and the State Coun-



Two workers with the Fujian branch, State Grid Corporation examine power transmission equipment at the Lili Converting Station on September 28. It is the first 500-kilovolt intelligence converting station installed in Fuzhou, capital of Fujian Province. *Zhang Guojun*

cil adhere to the proactive fiscal policy and prudent monetary policy and decisively strengthened anticipatory adjustments and fine-tuning in accordance with the overall principle of making progress while maintaining stability. With macro-control measures, Chinese economy has avoided a rapid decline and achieved a growth rate of 7.8 percent, which is truly hard to come by.

Many members of the NPC Standing Committee told the reporter that in terms of the duration and magnitude of the declining growth rate of GDP, although China’s economic growth rate has been declining for six consecutive quarters, it drops from 9.8 percent in the fourth quarter of 2010 to 7.6 percent in the second quarter of 2012, 2.2 percentage points of falling being relatively mild.

At the same time, employment is often the key indicator to assess one country’s economic situation. China’s current economic slowdown has yet to produce significant negative



Citizens Liu Qian (right) and her mother, who dwell in Yichang, take a high-speed train to Wuhan, Hubei Province on July 1. They planned to travel from Wuhan to Nanning, Guangxi Zhuang Autonomous Region by plane. The completion of Wuhan-Yichang Railway marked the operation of an important traffic artery that connects Sichuan and Hubei provinces.

*Hao Tongqian*

**We must have a clear understanding of current economic difficulties and problems and attach great importance to them.**



A high-speed train bounding for Wuhan, capital of Hubei Province departs from Yichang East Station on July 1, which is the first day that the newly-built Yichang-Wuhan Railway open to traffic. *Hao Tongqian*

impact on employment. In the first seven months of this year, there are 8.12 million new jobs in urban areas, up by more than 0.39 million people compared with the same period of last year. Rural migrant labor force has increased by 2.6 percent over the same period of last year.

In addition, in terms of increasing residents' income, in the first half of the year, although GDP growth was consistently sluggish, the per capita disposable income of urban residents and per capita cash income of rural residents increased by 9.7 percent and 12.4 percent respectively over the same period of last year, outpacing the GDP growth rate and achieving the requirement proposed at the beginning of the year to maintain coordination between the actual growth of the income of urban and rural residents and the economic growth. Besides, the income growth rate of rural residents

has been faster than that of urban residents for 10 consecutive quarters. All the above-mentioned has indicated that the current economic slowdown has not significantly affected residents' income, and demonstrated that the current economic slowdown is still in an affordable range.

According to members of the NPC Standing Committee, on the one hand, China's economic fundamentals are good, with huge potential of domestic demand and relatively large space to implement macro-control policy. Many favorable conditions and factors have ensured stable and rapid economic and social development, and therefore we have confidence in China's future development. On the other hand, we must have a clear understanding of current economic difficulties and problems and attach great importance to them.



## The most important issue of Chinese economy is not the growth rate

“In addition to the coordinated development of the ‘three wagons’, Chinese economy still relies on institutional innovation and scientific and technological innovation, which call for reform,” said Wu Xiaoling, member of the NPC Standing Committee.

Many members stressed that when analyzing the world economic situation and China’s countermeasures, many discussions focus on some pressing problems, which is certainly very important. However, future development goals and path have to be guided by a thinking of reform. The most important issue of Chinese economy is not the growth rate, but the structure, and now China faces a historic opportunity to solve the economic structural problem that has been existed for a long period of time. We have to transform the downward pressure on economic growth into the driving force for China’s economic restructuring, eliminating the excessive dependence of Chinese economy on exports and real estate. In the long term, speed will not be a big problem as long as the structural adjustment goes well.

Many believed that Chinese economy will be able to grow about 8 percent this year. However, it is a big concern if there is no substantive progress in structural adjustment and deepening of reform with a declined economic growth rate. Members proposed to take the opportunity to increase support for industrial upgrading, pay close attention to the development of strategic emerging industries and close down more outdated production facilities, so as to form new core competitive strengths of Chinese economy as soon as possible.

## The economic arrangements in the latter half of the year: attaching more importance to steady growth

In the report, some spotlights in China’s economic work in the latter half of the year, including “paying close attention to the overall plan of the reform on income distribution system”, “taking measures to prevent housing prices from rebounding” and “carrying out major diseases insurance for urban and rural residents”, attracted the attention from members of the NPC Standing Committee during the deliberation.

Zhang pointed out that the government will adhere to the overall principle of making progress while maintaining stability in economic work in the latter half of the year and attach more importance to steady growth. “During the macro-control, we will continue to implement the proactive fiscal policy and prudent monetary policy, carry out various measures that have been introduced, keep a close eye on domestic and international situation, improve pre-arranged planning in a timely manner and increase the anticipatory adjustments and fine-tuning efforts to make macroeconomic policies more forward-looking and effective on relevant issues and be well-prepared to deal with more complex and difficult situation.” Zhang added.

Zhang indicated that the government needs to focus on the



Car buyers inquire auto loans jointly launched by banks and auto financial companies at Daminglu Auto Market in Nanjing, Jiangsu Province on July 16, 2011.

following issues: first, striving to expand domestic demand; second, making unremitting efforts to ensure agricultural production; third, exerting greater efforts to promote structural adjustment; fourth, maintaining a fundamental stability for the overall price level; fifth, unswervingly pushing forward reform and opening up; sixth, vigorously protecting and improving people’s wellbeing.

With regard to the real estate problem of social concern, according to Zhang, major progress has been made in the current stage of our efforts to regulate the real estate market, and speculative or investment-driven housing demand has been discouraged effectively, with the declining of the price of newly-built commodity housing in 58 out of 70 large and medium sized cities in July compared with the same period of last year. Zhang also said that pressure has been increased in the rebounding of housing prices in the real estate market.

“In the latter half of the year, we will continue to implement the regulation policy to stabilize the real estate market, resolutely discourage speculative and investment-driven demand, take effective measures to increase supply of regular commodity housing especially the small and medium sized housing, so as to prevent housing prices from rebounding,” said Zhang, vowing to push forward the construction of affordable housing projects, actively expand financing channels, streamline the approval procedures and increase supply of land use, so as to ensure the high-quality completion of the annual building task. We will accelerate the establishment and improvement of a permanent mechanism and policy system for regulating the real estate market.

Zhang stressed that the government will earnestly implement the Guidelines on Strengthening Key Tasks of Deepening Economic System Reform in 2012. Specifically, we will extend the pilot areas of replacing business tax with value-added tax (VAT) from Shanghai to Beijing and other seven provinces and municipalities, make great efforts to cultivate small financial institutions oriented towards SMEs and agriculture, rural areas and farmers, actively yet prudently push forward the reform of prices for resource products, carry out the reform of the pharmaceutical and healthcare systems,

promptly formulate a master plan for reforming the income distribution system, continue to promote the reform in the field of education, culture, science and technology, and public institutions, making new and consistent progress in improving the system and mechanisms.

“In the latter half of the year, we will move faster to improve the medical insurance system covering the whole population, implement insurance of major diseases for urban and rural residents, improve the community medical and health care service system and public health service system, promote the implementation of basic and major public health services,” said Zhang Ping.

### **Achieving steady growth: overcoming local investment impulse and spending wisely**

Recently, local governments have introduced investment plans. Following Shaanxi provincial government’s ten guidelines on May 30, governments of Guangdong, Guizhou, Zhejiang, Heilongjiang and Shanxi provinces issued relevant investment plans. Besides, governments of Ningbo, Nanjing, Guangzhou, Changchun, Chongqing and Tianjin also issued investment guidelines in accordance with their own conditions.

On July 2, Guangdong provincial government adopted the Guidelines to Promote Achieving Steady Growth, Adjusting the Economic Structure and Improving People’s Wellbeing, proposing 19 specific measures including the first batch of 44 key projects of tendering for private investment with the total amount of 235.3 billion yuan. On August 20, the CPC Guangdong Committee and Guangdong provincial government issued the Decision to Build Guangdong a Strong Province of Marine Economy by Giving Full Play to Advantage in Marine Resources as well as five implementation plans (opinion soliciting draft), which have identified 177 key construction projects in total with an investment amount of nearly one trillion yuan.

On July 25, Changsha government of Hunan Province announced 195 major promotion projects in 2012, with a total investment amount of 829.2 billion yuan. On August 14, CPC Changchun Committee and Changchun government of Jilin Province released 25 implementation guidelines to promote the steady economic growth, setting up a special fund of 2 billion yuan to invigorate the real economy.

Many members said that the steady investment constitutes the key to expanding domestic demand and achieving steady growth. It is a key step to stabilize the size of investment and optimize investment structure. In the context of obvious downward pressure on economic growth, appropriately increasing investment is helpful to solving complex issues in economic development and making progress while maintaining stability. We will focus on expanding effective investment, implement the policies and measures to promote private investment, and increase the support to construction on major national projects. Meanwhile, we have to pay attention and prevent the tendency to race to expand investment, especially to strictly control the blind expansion of industries that are energy intensive, have high emissions or possess excess production capacity and prevent low-level redundant construction.

## **The major problem for China’s economic development is the lack of effective demand, which is reflected by lack of motivation of investment, consumption and exports that drive economic development.**

The four trillion yuan of investment in 2008 has played a positive role in driving economic growth and promoting Chinese economy out of difficulties and contributed to the stabilization and recovery of the Chinese economy. However, the problem of excess production capacity has also been very evident. Since there is no sound exit mechanism in China, some industries such as iron and steel, cement, electrolytic aluminum and polycrystalline silicon, have been in excess production capacity.

Therefore, a number of members expressed deep concern about the large-scale local investment plans, worrying that the local governments will encourage enterprises to accelerate expansion and proposing to avoid the problems of redundant construction, excess production capacity and ecological destruction from occurring again.

“The four trillion yuan of investment, led by the Central Government, is a top-down investment planning in unified arrangement, while the recent introduction of investment plans by local governments is a new and bottom-up experiment.” Many members told the reporter that local investment plans will stimulate economic development and realize steady growth if implemented correctly. But if implemented incorrectly, they will produce a series of consequences of fiscal and financial risks and inflation. In this sense, the Central Government has to control the direction for local investment and strengthen supervision so as to make the investment sustainable.

### **To achieve steady growth, more efforts have to be made on the expansion of domestic demand and the development of the real economy**

Since the beginning of this year, China faces a complex and challenging environment for economic development and there is serious downward pressure on economic growth. Many members pointed out that we should be fully aware of the seriousness and complexity of the current economic situation and take more effective measures to solve difficult problems, making progress while maintaining stability. Currently, the major problem for China’s economic development is the lack of effective demand, which is reflected by lack of motivation of investment, consumption and exports that drive economic development. In the latter half of the year, in order to achieve steady economic growth, we have to proceed from expanding domestic demand and make the development of the real economy a solid foundation.



A supermarket organizes a sales promotion in Qiqihar, Heilongjiang Province on March 17. Zhang Ping, head of the National Development and Reform Commission, said China will continue to streamline domestic demand, stabilize prices and balance the relations between stable growth, inflation and structural adjustment in the year of 2012. Wang Yunlong

“Expanding domestic demand, particularly consumer demand, which is essential to China’s economic development, is the focus of the work to achieve steady growth.” Many members stressed that the central government adopted the policy in the first half of the year to subsidize the home appliances that meet energy efficiency standards, playing the role of achieving great by doing little in promoting consumption. There is more to do in promoting the consumption of green products and services. Meanwhile, we have to adopt a full range of measures to expand consumption, for example, increasing the income of urban and rural residents and effectively safeguarding consumers’ legitimate rights and interests, so as to strengthen people’s spending power and improve the consumption environment.

“The real economy is an inevitable force to expand domestic demand.” Focusing on relaxing restrictions on market access and creating conditions for fair competition, relevant departments adopted 42 specific operating rules for implementation to promote private investment this year. These rules concern all walks of life that are closely related to economic and social development and people’s lives, making substantial progress in eliminating the obstacles constraining the development of private investment. We should ensure that all policies to be fully carried out and create a fair, transparent and predictable environment for various market participants including private economy.

“Structural tax reduction is in the same line as developing the real economy and expanding consumption. Only with a relieved tax burden can enterprises have more money to invest and people have more money to consume,” said He Keng and other members.

## Combining steady growth with improving people’s wellbeing

Achieving steady growth is the most pressing matter at the moment as well as a long-term task. We will achieve sustainability of economic development only by accelerating the reform and innovation as a strong driving force and protecting and improving people’s wellbeing as the fundamental purpose and coordinating current and long-term economic development.

Many members indicated that improving people’s wellbeing should be given more importance during the course of steady economic growth. We will further improve the mechanism for stable investment and scientific management in the field of education, health care, retirement security and affordable housing and give preference to rural areas, central and western regions and poor areas when allocating public resources. We will increase help and support the employment for the disadvantaged groups and improve the income level of urban and rural residents, especially the low-income group.

Member Qi Xuchun said that China still feels a strong employment pressure at the moment, and production cutting or suspension in some factories will inevitably lead to a number of unemployment, hoping the State Council will attach great importance to the employment problem.

For the affordable housing projects of social concern, Member Wu Xiaoling believed the government has to regulate the real estate market to ensure that all the people enjoy their right to housing and that it is the government’s responsibility to provide housing for those who cannot get a place to live through market and strive to implement the affordable housing construction policy. (NPC) ■



Wen Jiabao, Premier of the State Council, attends the opening ceremony of the World Economic Forum Annual Meeting of New Champions 2012 (the Sixth Summer Davos Forum) in Tianjin on September 11. *Huang Jingwen*

## China's economy slows, confidence holds up

**C**hina's economy is stabilizing and will hopefully sail through the crisis toward stronger growth driven by huge domestic demand, global policy makers and economists said at the 2012 Summer Davos Forum on September 11.

China's economy is in good shape, and has not come to an end of growth after 30 years of reforms and opening up, Chinese Premier Wen Jiabao said at the opening ceremony of the forum.

"The giant ship of Chinese economy will surely sail ahead quickly yet steadily and reach the shore of a brighter future," he predicted.

The country is facing economic pressure but the govern-

ment is confident and able to meet this year's annual economic target, he said, citing ample fiscal policy space, huge potential in domestic demand, hopeful economic restructuring and a stable political and social environment.

"We're fully confident that we have the conditions and ability to overcome the difficulties on our way ahead, maintain steady and robust economic growth and achieve development at a higher level and with better quality for a long time to come," the premier said.

He also called for confidence in the recovery of the world economy from the current downturn, as he did in the opening speeches to all five previous such forums held in China since 2007.

Lackluster global demand and slowing property investment cooled China's economic growth to 7.6 percent in the second quarter of 2012, the slowest rate since the first quarter of 2009.

Wen said Chinese leaders are "sober-minded" and recognize that there remains a long way to go in industrialization, urbanization and agricultural modernization.

That room of improvement provides China with great development potential in the mid- and long-term, said leading economists and foreign firm officials at the forum.

Justin Yifu Lin, former World Bank chief economist, forecast China can maintain an 8-percent annual growth for another 20 years.

China is now near the development level of Japan and Singapore, with similar models and strategies, while the latter two countries kept growing at an average annual rate of 9.2 percent and 8.6 percent, respectively, for 20 years, Lin said during a forum session.

He rebuffed views on inadequate consumption in China, saying consumption's share in economic output declined only because its growth was outpaced by investment, which is still much needed in the country and can help improve productivity.

To bolster the softening economy, the Chinese government has reduced interest rates twice this year, cut taxes for small businesses, encouraged private businesses to invest in sectors previously closed to them and fast-tracked construction projects.

In early September, China's top economic planner approved 55 investment projects worth 1 trillion yuan (157.7 billion U.S. dollars) to build highways, ports and railways across the country.

International Monetary Fund (IMF) Deputy Managing Director Zhu Min praised the government's pro-growth efforts, saying China's stable growth will greatly help the world economy.

"We think China's economy is in the stage of soft landing and the overall development is stable," Zhu told reporters.

To stabilize growth is China's "top priority" and the IMF supports further policy easing to boost the economy in the country, he said.

Li Daokui, former advisor to China's central bank, forecast China's economy will bottom out in the third quarter and will pick up in the first or second quarter of next year because of recently announced government investment plans.

"It's inevitable for China's economy to see slower growth in the next three to four years, but I don't expect the slowdown to continue for a decade," Li said. "With powerful enough reforms, China's growth will be higher in the latter part of the next decade."

Reforms he viewed as necessary include improving the legal foundation for the market economy and establishing an effective welfare system.

The outlook for China's economy is positive in the mid- and long-term and the growth will probably regain momentum next year through more stimulus policies after the coming government reshuffle, according to Lu Haiqing, corporate affairs senior vice president of Tesco China.

The British retail giant plans to open 16 new stores and develop several commercial property projects in China this fiscal year (March 2012-end of February 2013), Lu told Xinhua in an interview during the forum.

China's lower growth target has slowed foreign firms' expansion in China but the country remains a top choice for investment as other markets of the world are even much weaker than China, he said.

"If you ask a CEO of any multinational company which is the most important country besides their home country, it must be China," Lu said. "Because the market is there." (Xinhua) ■



Chinese Premier Wen Jiabao exchanges views with business representatives attending the 2012 Summer Davos Forum in Tianjin on September 11. The theme of this year's forum is "Creating the future economy". *Du Yang*

# Singing national anthem at the Great Hall of the People

By Li Ming

**M**arch 5, 2009 was a most memorable day for Luo Meiyuan. Under her suggestions, the Party and government leaders, for the first time, rose and sang the national anthem at the Great Hall of the People together with all the deputies attending the annual “Two Sessions.”

Only one year ago, Luo, a new deputy to the National People’s Congress, put forward the suggestion that the national anthem should be sung instead of just being played by the military band during the annual sessions. To her surprise and pride, her suggestion was adopted by the top legislature one year later.

When singing the national anthem with national leaders and NPC deputies of 56 ethnic groups, Luo said she was moved into tears. “I can feel the power of national rejuvenation through the Chinese nation in a united way,” she said, recalling the scene at the opening ceremony.



NPC deputies rise and chant the national anthem at the opening ceremony of the 5th Session of the 11th National People’s Congress at the Great Hall of the People on March 5. *Wang Jianhua*

## Singing national anthem, a life-long dream

When asked why she raised this suggestion, Luo noted that the national anthem has witnessed the arduous pursuit of national independence and prosperity during the past decades. It also reflects Chinese people's diligence and courage and stimulates all the descendents of the Yellow Emperor to fight for the great cause.

Meanwhile, the finding of a random investigation dropped Luo's heart. Nearly all the kids can sing some kind of popular songs but not the national anthem. What's worse, about 30 percent of middle school students fail to sing the complete national anthem. Even at some solemn occasions, the audiences would whisper back and forth when the anthem is played. Many athletes cannot remember the words...

"Being a Chinese citizen, I was upset by the finding and became annoyed especially after I was selected as an NPC deputy," Luo said.

Meanwhile, youngsters cannot be blamed for failing to remember the complete lyrics of the song, said Luo, and that there lacks measures to encourage them to learn the song.

March 12, 2008 was the 100th birthday of Tian Han, who wrote the words of the national anthem. Born in the same place as Tian, Luo felt obliged to propose the NPC sessions singing instead of playing the anthem at the Great Hall of the People.

To express her passion toward the anthem, she then organized a singing contest, demanding all the employees of her company to sing the national anthem. "It proves that the song could play a stimulus role and boost the morale and unity among the people whenever singing it."

## A devoted deputy

Luo Meiyuan remembered clearly the day of January 28, 2008 when she was elected as an NPC deputy. The next day, she paid a visit to Zhou Zhaoda, who had served three sessions as an NPC deputy, for advice.

Zhou was touched by Luo's sincerity and passion and exchanged ideas with her enthusiastically. "It would be a great success that one of your suggestions could be adopted by the session," said Zhou jokingly at the end of their meeting.



On the sideline of the 22nd meeting of the 11th NPC Standing Committee, Chairman Wu Bangguo takes a group photo with deputies attending the meeting, including Luo Meiyuan (first from left). The meeting was convened from August 24 to 26, 2011. Courtesy of Li Ming

## Luo noted that the national anthem has witnessed the arduous pursuit of national independence and prosperity during the past decades.

To Zhou's surprise, Luo put forward three suggestions in 2008 and a total of 109 suggestions during her tenure from 2008-12. Moreover, 73 suggestions and proposals raised by Luo were picked as major ones by the NPC sessions.

With the aim to serve the people, her suggestions cover nearly all the aspects of society, such as industrial development, health care, renovations of unsafe houses, school buses and demolition conflicts. As a result, most of her suggestions and proposals were transferred to relevant departments and received positive responses.

To raise the quality of her suggestions, Luo frequently paid visits to community residents and contacted staff members who work for the NPC Standing Committee. One could see piles of NPC magazines and investigation proposals on her desk.

Every time she attends the "Two Sessions," Luo sleeps less than five hours a day and spends most of her time to exchange ideas with other deputies or receive interviews. Luo said the divine duty of being an NPC deputy makes her energetic all the time. ■



Qiangba Puncog (first from left), Chairman of Tibetan People's Congress, welcomes the arrival of the 11th Panchen Lama Erdeni Qoigyi Gyaibo (front), in Lhasa on July 23. The Panchen Lama, who is also a CPPCC member and vice-chairman of the Chinese Buddhism Association, was slated to conduct a series of Buddhist services. *Li Lin*

## Panchen Lama calls for stability



The 11th Panchen Lama Erdeni Qoigyi Gyaibo worships Buddha at the Jokhang Temple in Lhasa on the morning of July 24. This is the Panchen's first Buddhist service in the capital of Tibet in 2012. *Li Lin*

**A** spiritual leader of Tibetan Buddhism on July 24 called on monks to promote social stability in Tibet.

"If a person does not protect social stability, he is not fit to be called a man of religion," said the 11th Panchen Lama, who met with leaders of Tibet autonomous region in his Lhasa residence on the second day of his visit to the city.

The Panchen Lama said it is both the "basics" and responsibility for a religious person to help people do good deeds, and promote harmony and social development by religious preaching.

"And religious people should abide by the laws and religious code of conduct themselves," he added.

The Panchen Lama's words came after several of China's Tibetan areas reported self-immolation cases in recent months, most of which involved people from the monasteries.

Nevertheless, the senior lama said Tibet and Tibetan Bud-





The 11th Panchen Lama Erdeni Qoigyi Gyaibo leads the reading of sutras at the Lhasa College of Buddhism on the morning of July 26. *Li Lin*

dharma are in their prime time of development and he in particular applauded the government's efforts to expand health insurance and social security coverage to all monks and nuns in Tibet's monasteries.

He urged monks to appreciate what they have now and do more to safeguard social stability.

The Panchen Lama began this year's Lhasa visit on July 23. He visited Jokhang Temple, the most revered monastery in "holy city" Lhasa, on July 24, paying homage to statues of Buddhas and leading a prayer service.

In 1995, at the age of six, he was chosen as the reincarnation of the 10th Panchen Erdeni in Jokhang through the traditional method of drawing lots from a golden urn.

Praised by government leaders for his fine talk and behavior after 17 years of grooming, the 22-year-old senior lama said he felt "pressured" due to the high expectations he shoulders.

"I feel I am given an important task and bear great responsibilities, but I will take this pressure as motivation," the Panchen Lama said.

"I am confident to let Tibetan Buddhism play a more active role in promoting social harmony and China's development," he added. "For that, the leadership and all people in Tibet can be at ease." (Xinhua) ■



The 11th Panchen Lama Erdeni Qoigyi Gyaibo gives students blessing on July 25. The 11th Panchen Lama went to welfare agencies to visit elderly persons with no family, orphans and children of disabilities. *Li Lin*

Headed by Vice Chairman of the NPC Foreign Affairs Committee Zha Peixin (middle), an NPC delegation visited European Parliament (EP) and Bulgaria from July 10 to 18. Zha, who is also the chairman of the NPC-EP Relations Group, participated in the 33rd meeting of the NPC-EP regular exchange mechanism. *Liu Yongping*

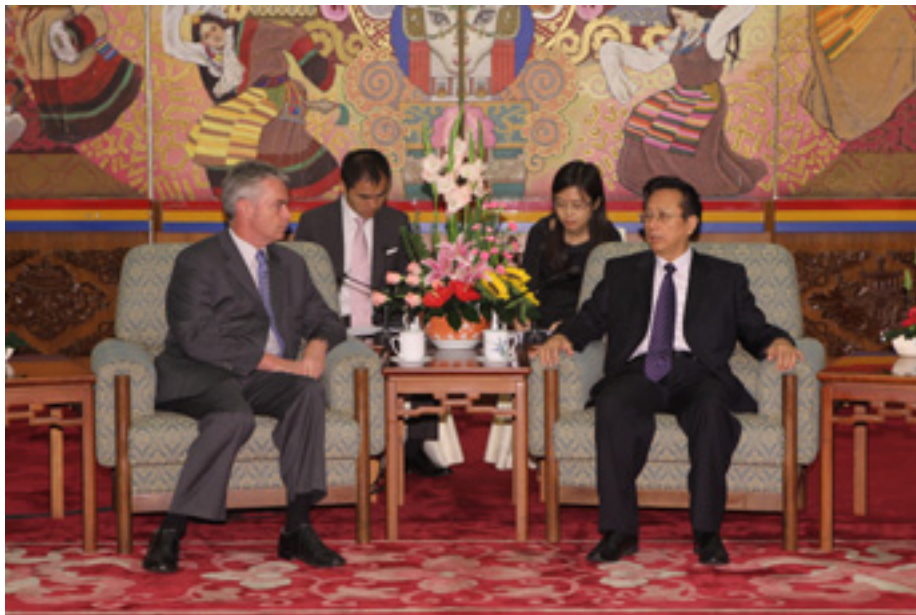


▼ The 33rd meeting of the NPC-EP regular exchange mechanism. *Liu Yongping*





▲ The NPC delegation meets with President of Bulgaria's National Assembly, Tsetska Tsacheva (fourth from right). Liu Yongping



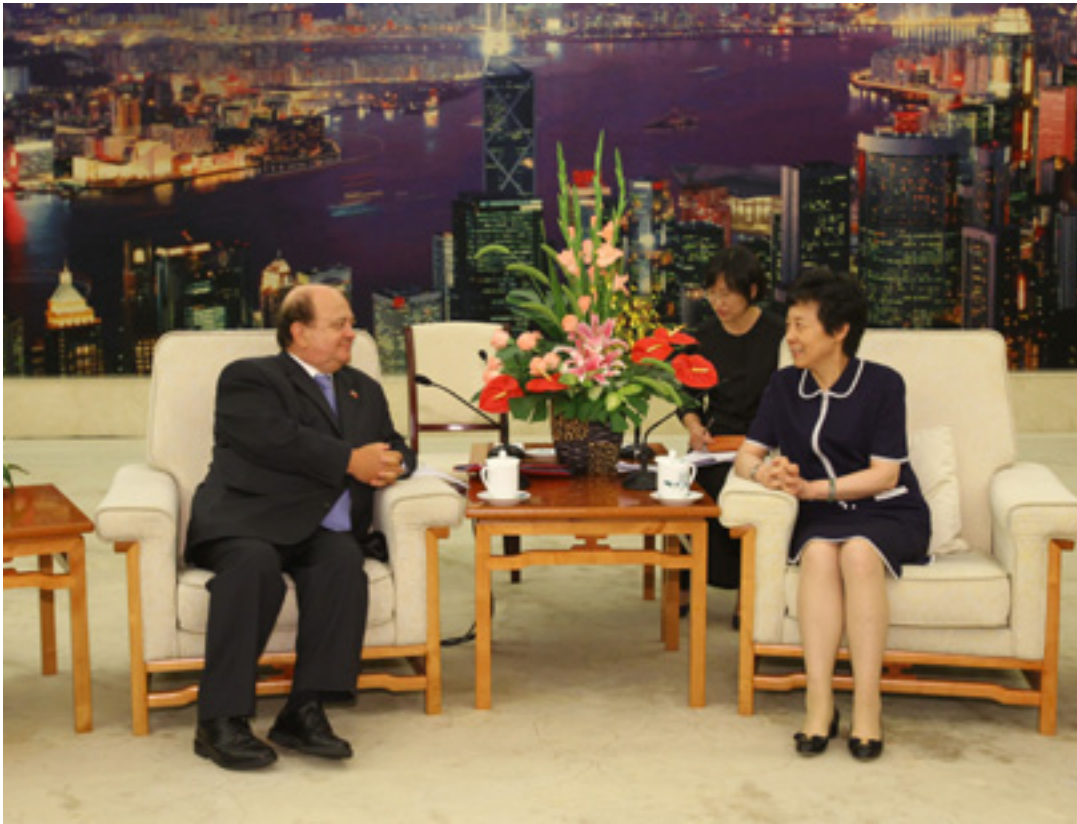
Chen Changzhi (right), Vice Chairman of the NPC Standing Committee, meets with Alan Griffin, who headed a seven-member Australian parliament delegation on August 28. At the invitation of NPC-Australian Friendship Group, the Australian delegation paid a visit to China from August 26 to September 1. *Bi Nan*



Vice Chairman of the NPC Foreign Affairs Committee Zha Peixin (first from left) presides over the 4th meeting of Sino-Australian parliamentary regular exchange mechanism at the Great Hall of the People on August 27. *Bi Nan*



The 4th meeting of Sino-Australian parliamentary regular exchange mechanism convenes at the Great Hall of the People on August 27. *Bi Nan*



← Vice Chairwoman of the NPC Standing Committee Yan Junqi (right) meets with Senator Jean Besson, who headed a French parliamentary delegation, at the Great Hall of the People on August 31. At the invitation of NPC-France Friendship Group, the delegation paid a visit to China from August 26 to September 2. *Fan Rujun*

Nan Zhenzhong (third from right), Vice Chairman of the NPC Foreign Affairs Committee, presides over the 2nd meeting of the Sino-French parliamentary regular exchange mechanism on August 31. *Fan Rujun*





The 7th meeting of the Sino-ROK parliamentary regular exchange mechanism convenes in Seoul, capital of South Korea on September 4. Chen Zhili, Vice Chairwoman of the NPC Standing Committee as well as Chairwoman of the Sino-ROK parliamentary regular exchange mechanism, delivers a keynote speech at the meeting. *Wei Lijun*

The 7th meeting of Sino-ROK parliamentary regular exchange mechanism convenes in Seoul on September 4. *Wei Lijun*





Chairman of the NPC Standing Committee Wu Bangguo (right) meets with visiting Speaker of the Russian Federation Council Valentina Matvienko at the Great Hall of the People on September 6. After their meeting, they also attended the first phase of the 6th meeting of the NPC-Russian Federation Council Cooperation Committee. *Liu Weibing*

Li Zhaoxing (fourth from left), Chairman of the 11th NPC Foreign Affairs Committee, and Gorbunov, co-chair the second phase of the 6th meeting of the NPC-Russian Federation Council Cooperation Committee at the Great Hall of the People on September 6. *Fan Rujun*





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