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John S. Mo*

# Taxation Power and Invalidity of Certain Local Tax Concessions in China**

China is a unitary state in which the central government has higher authority than local governments. This higher authority is by no means exclusive, however; local governments may exercise legislative power in many fields not reserved to the central government by the Chinese Constitution.[1] The limitation on local legislative power, that no local legislation can be inconsistent with the laws of the central government,[2] is general, wide, and unspecific. Local governments thus may pragmatically enact local regulations in relation to various matters not reserved to the central government. However, the exercise of regulatory power by the local governments must be subject to the express and implied restrictions in the Constitution and law (including the regulations of the State Council) of the central government. Also, a local government cannot make regulations directly or indirectly contrary to the acts and regulations of the central government. The same rules apply to the regulation of taxation matters by the local governments.

Local governments in the Special Economic Zones (SEZs) and fourteen coastal cities have granted many tax concessions to foreign investors not based on any direct authorization from the central government. Since the Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises (Unified Foreign Tax Law)[3] allows local governments to make only local tax concessions,[4] local concessions on any other taxes are questionable unless the

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1. Although the XIANFA (Chinese Constitution) does not expressly reserve any power to the central government, some powers can be deemed to be reserved to the central government. To cite an obvious example, local governments do not have the power under the Constitution to make international treaties.

2. The laws of the central government include the Constitution, the laws of the National People's Congress (NPC), and the regulations made by the State Council. These delimitations can be found in XIANFA arts. 100, 107, and 116.

3. China L. Foreign Bus. (CCH) ¶ 32-505.

4. *Id.* art. 9.

central government grants express or implied authorizations. Since some local concessions appear to lack the necessary authorization of the central government, whereas others simply repeat the concessions given by the central government, the validity of these questionable concessions can only be determined in the context of particular concessions and the relevant laws and regulations of the central government.

The disputable concessions by the local governments may be divided into several categories: Consolidated Industrial and Commercial Tax (CICT) concessions; Individual Income Tax (IIT) concessions; enterprise tax concessions; and incentives relating to depreciation of assets. The CICT concessions are given by many local governments, for example, Beihai,[5] Dalian,[6] Guangzhou,[7] Shanghai,[8] Tianjin,[9] and Shenzhen.[10] These local governments exempt foreign-related enterprises from paying CICT either at their initial stage of production or when they purchase exportable goods in China for resolving their foreign exchange shortage problems. The IIT concessions are granted by the Beihai,[11] Lianyungang,[12] and Jiangsu[13] governments, which unconditionally exempt foreign income of foreigners working in China. The enterprise tax concessions refer to exemptions and reductions of the Unified Foreign Tax granted by several local governments (such as Shenzhen[14] and Zhuhai[15]) according to criteria not authorized by the central government. The incentives relating to depreciation of assets can be found in Shenyang,[16] the only municipal government as of April 1992 in China to give such incentives. These concessions are analyzed below.

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5. Provisional Regulations on the Implementation of Preferential Treatment for Economic and Technological Development and Construction in Beihai Municipality art. 8, China L. Foreign Bus. (CCH) ¶ 82-010 [hereinafter Beihai Regulations].

6. Regulations of the Dalian Economic and Technological Development Zone art. 25, China L. Foreign Bus. (CCH) ¶ 83-015 [hereinafter Dalian Regulations].

7. Trial Implementing Measures of the Guangzhou Economic and Technological Development Zone on the Collection of Industrial and Commercial Tax art. 5, China L. Foreign Bus. (CCH) ¶ 85-017 [hereinafter Guangzhou Measures].

8. Regulations of Shanghai Municipality on Economic and Technological Development Zones art. 23, China L. Foreign Bus. (CCH) ¶ 91-070 [hereinafter Shanghai Regulations].

9. Regulations of the Administration of the Tianjin Economic and Technological Development Zone arts. 27-28, China L. Foreign Bus. (CCH) ¶ 92-003 [hereinafter Tianjin Regulations].

10. Measures of the Shenzhen Municipality People's Government to Implement the Preferential Tax Treatment Policies of the State Council Regulations Concerning Encouragement of Foreign Investment art. 5, China L. Foreign Bus. (CCH) ¶ 73-529 [hereinafter Shenzhen Measures].

11. Beihai Regulations, *supra* note 5, art. 4.

12. Preferential Measures for the Encouragement of Foreign Investment in the Lianyungang Economic and Technological Development Zone art. 8, China L. Foreign Bus. (CCH) ¶ 86-0101 [hereinafter Lianyungang Measures].

13. Several Regulations of the Jiangsu Provincial People's Government for the Encouragement of Foreign Investment art. 8, China L. Foreign Bus. (CCH) ¶ 13-518.

14. Shenzhen Measures, *supra* note 10, arts. 2-3.

15. Regulations of Zhuhai Municipality for the Provision of Further Preferential Terms for Foreign Investors art. 5, China L. Foreign Bus. (CCH) ¶ 74-500 [hereinafter Zhuhai Regulations].

16. Regulations of Shenyang Municipal Government for the Encouragement of Foreign Investment art. 5, China L. Foreign Bus. (CCH) ¶ 13-514 [hereinafter Shenyang Regulations].

## I. Illegality of the CICT Concessions

The CICT is a national revenue that can only be exempted or reduced by the central government. The central government grants CICT exemptions and reductions to foreign enterprises operating in designated areas under specified circumstances.[17] But none of these concessions are identical with the exemption given to foreign-related enterprises both at their initial stage of production and for purchased export goods. Apparently, the local governments that granted these CICT concessions cannot support their concessions by resorting to any of the existing tax incentives given by the central government.

Although, under the Chinese Constitution, local governments may make regulations in accordance with the basic principles (or spirit of the law) adopted in the law of the National People's Congress (NPC), the above-mentioned CICT concessions cannot be justified on this ground either. First, the Regulations of Consolidated Industrial and Commercial Tax of the PRC (Draft)[18] (CICT Regulations) do not vest local governments with the power to vary the implementing rules for the CICT Regulations, although the Regulations allow provincial governments to implement detailed rules in relation to CICT on farmers and small traders.[19] The CICT Regulations were made in 1958 when there was no foreign investment in China. The authorization given to local governments over the formation of detailed rules cannot be construed as authorization to make local CICT concessions to foreign-related enterprises because foreign investment was certainly not in the mind of the legislators in 1958. Second, some provisions imply that the power to exempt or reduce the CICT is reserved to the central government unless otherwise specified by law.[20] Thus, local governments cannot exempt or reduce CICT without direct authorization from the central government. Third, the contents of the local governments' concessions are inconsistent with the principles of the laws and regulations on CICT made by the central government.[21] Therefore, the concessions

17. Within the SEZs and fourteen coastal cities, for example, imported goods, products and materials, except those specified by law, are exempted from CICT, as are the exported products manufactured by foreign-related enterprises. The appropriateness of exempting these goods and products is examined later in this article.

18. China L. Foreign Bus. (CCH) ¶ 31-500 [hereinafter CICT Regulations].

19. Article 17 of the CICT Regulations states that a provincial government may lay down detailed rules for collecting CICT from people's communes and their members, individual farmers, or remaining capitalist businesses (including private businesses other than the small traders that ceased to exist soon after 1958, individual handicrafters, and remaining small traders and peddlers), and should report the rules so made to the State Council.

20. Article 2 of the CICT Regulations states that all enterprises and individuals engaging in the specified trades in the country are subject to the Regulations, and art. 3 of the Regulations states that the change of any taxable items or tax rates must be decided by the State Council.

21. Most CICT concessions given by the central government are found in the Provisional Regulations on Reduction and Exemption of Enterprise Income Tax and Consolidated Industrial and Commercial Tax for the Fourteen Coastal Cities and SEZs, China L. Foreign Bus. (CCH) ¶ 70-845 [hereinafter State Council Regulations 1984], which exempt either imported materials used by

given by Shenzhen,[22] Guangzhou,[23] and other local governments exempting foreign-related enterprises from CICT at their initial stage of production do not bear any similarity to the relevant laws and regulations of the central government.

In addition, the proposition that the CICT Regulations impose CICT on imported goods and exported products is dubious because CICT is imposed on enterprises or persons engaging in the production of industrial products, the purchase of agricultural products, the importation of foreign goods, commercial retailing, communications and transportation, and all other service trades.[24] The application of CICT Regulations to imported materials for production and exported products can be challenged in two aspects. First, the meaning of "units and individuals engaged in the . . . importation of foreign goods"[25] is not clear. The question is whether it refers to import business only, or includes import business and general goods imported for the purposes of production and consumption by persons or enterprises that do not especially engage in import business. The language of article 2 in Chinese can be interpreted in either way, but it appears to be logical for the provision to be construed as applicable to import business only. This proposition is supported by the general function of CICT, which seems to be imposed on specified professions that regularly engage or perform the specified transactions, rather than on specified transactions carried out by persons who do not regularly engage in the specified business activities. If CICT were imposed on specified transactions regardless of the person involved, it would be payable by any person who incidentally purchases a chicken from a farmer or any person who brings a TV set into China as a gift to a friend (although such goods may attract customs duties). As a result, implementing the CICT in the case of a person buying food from a farmer for personal consumption is impossible, and the CICT and customs duties imposed on TV sets brought into China by an individual are the same. Secondly, it is unclear in Chinese practice whether CICT on exported products is imposed on the manufacture or the exportation of the products concerned. The tax on manufacture of products is imposed in the CICT Regulations, but the tax on exported products is not mentioned in the Regulations. In the context of the State Council Regulations 1984[26] the exempted CICT seems to be imposed on exported products rather than on the manufacture of the exported products. Thus, exempting exported products made by foreign-related enterprises from CICT on exports frees foreign-related enterprises from a tax that the foreign-related enterprises are not liable to pay at the first instance. However, given the vagueness of the State Council Regulations

foreign-related enterprises for production purposes or exported products manufactured by foreign-related enterprises within the designated areas.

22. *See* Shenzhen Measures, *supra* note 10.

23. *See* Guangzhou Measures, *supra* note 7.

24. *See* CICT Regulations, *supra* note 18, art. 2.

25. *Id.*

26. *See supra* note 21.

1984, the rationality of the exemptions concerned depends heavily on the interpretation of the State Council Regulations 1984 by the Ministry of Finance or General Tax Bureau (GTB), which has the power to make such an interpretation under Chinese law. As of April 1992 the GTB had not formulated detailed rules to clarify the above-mentioned issues.

## II. Illegality of IIT Concessions

The Individual Income Tax Law of the PRC (IIT Law) has not authorized any local government to exempt or reduce the IIT of foreigners working in China. The only IIT concession granted by the central government is a 50 percent tax reduction to foreign persons working in China.[27]

The IIT concessions given by the Beihai, Lianyungang, and Jiangsu governments are vaguely phrased. For example, article 4 of the Beihai Regulations states that all foreigners working in Beihai Municipality, who carry out an assignment or engage in business, will be exempt from paying individual income tax on income derived from sources outside China. Article 8 of the Lianyungang Regulations and article 8 of the Jiangsu Regulations state, respectively, that foreign income of foreigners working in foreign-related enterprises are exempted from IIT regardless of whether it is remitted to China. These provisions are only partially consistent with the IIT Law.[28]

The IIT Law treats foreign income of foreign individuals working in China in three different ways. First, foreign persons residing in China for less than one year are exempted from IIT on their foreign income. Second, foreign persons residing in China for more than one, but fewer than five, years pay IIT on that part of foreign income remitted to China. Third, foreign persons residing in China for more than five years should pay IIT on all their foreign income. But none of the local regulations that exempt IIT have noted the residential requirements set forth in the IIT Law.

In the context of the IIT Law the concession granted by Beihai does not contravene the provisions of the IIT Law if the foreign individuals concerned have not resided in China for more than one year, or if they do not remit their foreign income to China even if they have resided in China for more than one, but fewer than five, years. Also, the provisions of Lianyungang and Jiangsu are consistent with the IIT Law in regard to taxpayers who reside in China for less than one year. However, inconsistency arises when foreigners who have resided in China for more than one year remit their foreign income to China, or when taxpayers have resided in China for more than five years. The exemption from IIT foreign income of persons who have resided in China for more than five

27. *See* Provisional Regulations of the State Council Concerning the Reduction of IIT on Wages and Salaries of Foreign Nationals Working in China, China L. Foreign Bus. (CCH) ¶ 30-528.

28. China L. Foreign Bus. (CCH) ¶ 30-500.

years, or fewer than five but more than one year, is not authorized and has no basis. These local concessions are either partially useless[29] or illegal.[30]

## III. Illegality of Concessions on Enterprise Taxes

### A. Exemption of Withholding Tax in Shenzhen

Concessions on enterprise taxes are granted by some local governments in the following forms: exemption from withholding tax interest paid by a foreign bank branch to its head office,[31] and exemption and reduction of income taxes granted to enterprises that have a U.S. $2 million investment.[32] The bases of these concessions are analyzed in turn.

The exemption from withholding tax interest not higher than the international interbank rate paid by a foreign bank branch to its head office is not consistent with any exemption ever given by the central government. As of April 1992, the central government has granted an exemption from withholding tax to the following: interest on loans to designated Chinese banks and financial institutions,[33] or to the China National Off-Shore Oil Corporation by foreign banks at an interest rate no higher than the rate of international interbank loans;[34] interest on deferred payment provided by foreign sellers at an interest rate no higher than that on the Chinese party's buyer credit;[35] interest on deposits of foreign banks or individuals in designated Chinese banks when the interest rate on such deposits is lower than the interest rate on deposits in the country of the depositors;[36] and interest derived from countertrade.[37] In addition, the central government also vests the local governments in the SEZs and fourteen coastal cities with the power to exempt and reduce withholding tax on interest, royalties, dividends, and rentals derived from the provision of investment and equipment on terms favorable to China or of advanced technology, provided the recipient does not have an estab-

29. In the case of a foreigner residing in China for less than one year, or fewer than five years, but remitting no foreign income to China, the IIT is not payable on foreign income. Thus, the local provisions add nothing.

30. When persons who have worked in China for more than five years, or who have been in China for more than one but fewer than five years, remit their foreign income to China, the tax can only be exempted by the central government.

31. Supplementary Regulations on Tax Reduction and Exemption for Enterprises in Shenzhen SEZs art. 7, China L. Foreign Bus. (CCH) ¶ 73-527.

32. Zhuhai Regulations, *supra* note 15, art. 5(1).

33. Provisional Regulations of the Ministry of Finance of the P.R.C. Regarding the Reduction and Exemption of Income Tax Relating to Interest Earned by Foreign Businesses from China art. 2(1), China L. Foreign Bus. (CCH) ¶ 32-600 [hereinafter Interest Exemption Regulations] and the Unified Foreign Tax Law, *supra* note 3, art. 19(2) & (3).

34. *See* Interest Exemption Regulations, *supra* note 33, art. 2(2).

35. *Id.* art. 2(3).

36. *Id.* art. 2(4).

37. *Id.* art. 2(5).

lishment in China.[38] These exemptions are available to enterprises engaging in specified transactions and cannot be extended to enterprises that do not involve the transactions specified by the provisions.

The concession on withholding tax made by the Shenzhen government is not analogous to the exemptions granted by the Ministry of Finance because the foreign bank branch is not one of the banks and financial institutions specified in the Interest Exemption Regulations.[39] Although the interest rate in the Shenzhen provisions satisfies the same requirement (no higher than that on international interbank loans) as described in the Interest Exemption Regulations, this similarity alone cannot justify the concession given by the Shenzhen government on withholding tax. Obviously, to be eligible for the exemption granted by the Ministry of Finance, a foreign bank must provide loans to a specified bank, financial institution, or enterprise in China at an interest rate not to exceed the rate on international interbank loans.

The Shenzhen government cannot support its concession on withholding tax on the ground of the State Council Regulations 1984, either. The State Council Regulations 1984 imply that when a foreign bank, which does not have establishments in China, provides loans on favorable terms to enterprises in China, the local governments in the SEZs or fourteen coastal cities have discretion in exempting or reducing withholding tax on interest derived from such loans. Having no establishment in China is a necessary condition for the exercise of the local governments' discretion. A foreign bank branch can be regarded as an establishment of a bank's head office in China. Therefore, a foreign bank that receives interest from its branches in China is not analogous to the enterprises identified in the Regulations that do not have establishments in China. The Shenzhen government thus cannot rely on the provisions that grant discretion to the local governments to exempt and reduce withholding tax on interest, royalties, dividends, or rentals received by foreign enterprises that do not have establishments in China.

Lastly, the newly passed Unified Foreign Tax Law does not provide any ground for this concession either. Article 19(1) of the law states that "the profit derived by a foreign investor from an enterprise with foreign investment shall be exempted from income tax." But profit in this context refers to dividends only. This is clarified in the Detailed Rules for the Implementation of the Income Tax Law of the PRC for Foreign Investment Enterprises and Foreign Enterprises (Unified Foreign Tax Rules).[40] Article 2 of the Unified Foreign Tax Rules defines "profit" by placing a bracket "(dividends)" next to "profit." The same paragraph lists "interest," "rental," and the like as specified items of income. This means that

38. State Council Regulations 1984, *supra* note 21, div. 1, art. 4; div. 2, art. 4; and div. 3, art. 3.

39. *See supra* notes 33 and 34.

40. China L. Foreign Bus. (CCH) ¶ 32-507.

"interest" is not treated as "profit" in article 19 of the Unified Foreign Tax Law. Further, article 60 of the Unified Foreign Tax Rules states that " 'profit' as stated in article 19 of the Tax Law shall refer to income obtained pursuant to the investment contribution ratio, share holdings, and other nonclaim profit sharing rights." Obviously, a foreign bank branch is not eligible for the benefits of article 19 of the Unified Foreign Tax Law when it pays interest to its head office. Thus, article 19 of the Unified Foreign Tax Law does not render any support to the Shenzhen government's concession, which is intended to exempt interest rather than dividends from income tax.

### B. Questionable Criteria for Tax Concessions in Zhuhai

The Zhuhai government grants both a two-year tax holiday and a three-year 50 percent tax reduction to foreign-related enterprises that either have more than a U.S. $2 million investment or have advanced technology, a relevant long capital recovery period, and a contract life of more than ten years.[41] The Zhuhai government adopted two criteria to grant the concessions. These are the "U.S. $2 million" test and the "advanced technology, long capital recovery period, and ten-year contract life" test. In the Chinese text of the provisions the three components of the second test appear to be inseparable. Similar to the IIT concessions in Beihai and Lianyungang, inconsistencies between the law of the central government and the Zhuhai Regulations may arise in some cases.

The U.S. $2 million threshold has no foundation in the law of the central government,[42] in particular in the relevant regulations of the State Council.[43] Where the U.S. $2 million threshold comes from is unclear. Apparently, income tax exemptions and reductions granted by the Zhuhai government under the U.S. $2 million threshold contravene the Unified Foreign Tax Law and the regulations of the State Council. Neither authorizes the Zhuhai government to grant such concessions or has granted similar concessions to foreign investors that could be copied by the Zhuhai government.

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41. Zhuhai Regulations, *supra* note 15.

42. Article 8 of the Unified Foreign Tax Law gives tax concessions to foreign investment of a production nature that is scheduled to operate for more than ten years. No monetary threshold is set out.

43. State Council Regulations 1984 adopt two thresholds: (1) U.S. $54 million for enterprises operating in the service industries within the SEZs, and (2) U.S. $30 million for foreign-related enterprises operating in the "old suburbs" of the fourteen coastal cities. Article 2 of division 1 of the State Council Regulations 1984 states that enterprises engaging in those service industries that have overseas investment exceeding U.S. $5 million and a contract life of ten years or longer should be exempted from income tax in the first profit-making year and given a 50 percent reduction in the next two years, upon the approval by the tax authorities in the special zones. Article 1 of division 2 of the State Council Regulations 1984 states that foreign-related enterprises operating in the old suburbs of the fourteen coastal cities and of Shantou, Zhuhai, and Xiamen, which have overseas investment exceeding U.S. $30 million and require a long lead time, are taxed at a reduced rate of 15 percent.

The second test adopted by Zhuhai is not as obviously questionable as the first. This test concerns several provisions passed by the NPC and State Council. The central government gives tax concessions to enterprises with either a long contract life (ten years) or a long lead time that are of a production nature and that operate in specified sectors such as agriculture, forestry, animal husbandry, communications, and transportation.[44] But each provision of the concessions has its own limitation on application. For example, article 8 of the Unified Foreign Tax Law allows foreign investment of "a production nature scheduled to operate for a period of not less than ten years" to have a tax holiday during the first and second profit-making years and to enjoy a 50 percent tax reduction after the two-year holiday. Although any foreign investment of a production nature and of a ten-year planned operation is eligible, a foreign investment of a nonproduction nature, such as services industries or financial institutions, is not eligible for the concessions even if the investment is scheduled to operate for a period of not less than ten years. Similarly, the State Council Regulations 1984 grants a two-year tax holiday and a 50 percent reduction of three years to enterprises (either wholly foreign-owned or joint ventures) operating in the SEZs that not only engage in specified sectors such as industry, communications and transport, agriculture, forestry, animal husbandry, or other productive-type operations, but also have an operational period of ten years or longer. Enterprises that have a contract life of ten years or longer, but do not engage in the specified productive type of operations, are thus not eligible for these concessions. In light of the provisions of the central government, it appears that the provision of Zhuhai is vaguely phrased. The provision of Zhuhai blurs the scope of eligibility set forth in the provisions of the central government. No question arises when Zhuhai's provision applies to enterprises that are eligible for the concessions granted by the central government. Inconsistencies arise when the Zhuhai provision applies to foreign-invested enterprises that do not engage in the specified productive type of operations. Therefore, in the latter circumstances the Zhuhai provision appears to be illegal.

## IV. Illegality of the Concession on Accelerated Depreciation in Shenyang

The Shenyang municipal government allows foreign-related enterprises to carry out accelerated depreciation of fixed assets. It sets out maximum depreciation rates,[45] which do not have any basis in the law of the central government. The Shenyang government has exercised a power it does not legally have. The Unified Foreign Tax Rules provide that: the minimum depreciation period for various types of fixed assets shall be as follows: (1) buildings and structures: twenty years; (2) trains, ships, machinery, mechanisms, and other production

44. Unified Foreign Tax Law, *supra* note 3, art. 8.

45. The rates are 15 percent on buildings, 20 percent on machinery and equipment, and 30 percent on means of transport and electronic instruments. Shenyang Regulations, *supra* note 16, art. 5.

equipment: ten years; (3) electronic equipment, means of transport other than trains and ships, as well as appliances, tools, furniture, and the like, related to production or business operations: five years. Local governments are not authorized to change the depreciation periods fixed by the law of the central government, although foreign-invested enterprises may seek approval from local tax authorities, rather than local governments, to modify the method of depreciation.[46] Therefore, the concession on accelerated depreciation of fixed assets allowed by the Shenyang government, which is the only local government in China granting such a concession, is illegal.

## V. Conclusion

The taxation power in China, in particular the power to impose and exempt national revenue, should be exclusively exercised by the central government. Although the Chinese Constitution contains no special provision relating to taxation power, the exclusiveness of the Chinese Government's taxation power can be supported by article 62(3) of the Chinese Constitution, which gives the NPC extensive legislative power to pass and amend criminal law, civil law, administrative law, and other basic laws. Tax law is one of these basic laws. The taxation power in relation to foreign investment is further reinforced by article 18 of the Constitution, which recognizes the existence of foreign investment in China, and article 32 of the Constitution, which states that Chinese law applies to all foreigners in China. On the basis of these provisions the NPC and the State Council may pass any law and regulation on the taxation of foreign investment. By the same token, the state legislation prevails over local legislation whenever they are inconsistent. Therefore, local tax concessions that exceed the authorities of local governments are invalid and illegal.

The illegality of many local tax concessions creates confusion among foreign investors. The coexistence of these local tax concessions and the central government's express rejection of these concessions[47] seems to imply that the Chinese Government is not liable to protect foreign investors' interests granted by these illegal concessions. Foreign investors may be further confused by the continued toleration by the central government of the existence of these illegal concessions. This situation undermines the confidence of investors and defies the purposes of tax concessions. Therefore, the inconsistencies must be removed and the use of tax concessions in China must be carefully reexamined by the Chinese Government if it intends to improve the efficiency of tax incentives.

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46. Article 34 of the Unified Foreign Tax Rules provides:

> The straight-line method shall be used to calculate depreciation on fixed assets. If circumstances necessitate the use of another method of depreciation, the enterprise shall apply to local tax authorities and, subject to examination and verification, the application shall be submitted through successive levels to the State Bureau of Taxation for approval.

47. The State Council made a Decision on Rectification of Tax Order and Strengthening of Tax Management (Dec. 27, 1988), stating that "no area, department and person has authority to change the state tax law and can give reduction and exemption." *See* ECONOMIC DAILY, Jan. 6, 1989.