

EDITOR'S STATEMENT

As we go to press, the fact that both the U.S. and China have selected leaders far outweighs the content of our journal in importance. Nevertheless I will run through the contents of this edition. We start off with a review of one of China's most critical but rarely discussed issues: its population. The one child policy in China gets plenty of attention but the unintended side effect is where the problem lies. The key question is who will support the current generation of old folks when they retire. The next article looks at renewable energy in China. The authors examine the market barriers and policy options of this issue.

Next we examine capital budgeting at the U.S. Federal level. This article is part of our attempt to demonstrate for our Chinese readers how capital budgeting is theoretically designed in the U.S. While the concept has limited actual applicability in the U.S. it is an idea that has floated around in the budgeting literature for a long time. Someday its time may come. We follow this with an article on Chinese investments in Europe. We hear a great deal about foreign investment in China but this is not a one way flow.

We conclude with a practical paper presented by the International City Managers Association. It deals with how to monitor contractor performance. As more and more of government activities and programs are contracted out to private sector organizations, how the government monitors what is done and how to determine what this should cost becomes important. Contracting out services is not new to the U.S. government. When the U.S. Army found itself unprepared to bury the dead at Gettysburg, the job was contracted out on a per capita basis to local undertakers who certainly knew how to do it. Our last piece is a brief nostalgic look at the "good old days". What it was like for the U.S. Army in China in the 1920s. How things have changed.

We will keep our eyes on the newly elected heads of state in the U.S. and China. It is likely that how the newly selected leaders govern will have a great deal to say about where the future lies in both countries, of course assuming that both leaders have the wellbeing of their respective countries at heart. This certainly is not a given --- is a mole a possibility? Ask Vladimir.

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