CHRONICLE

**CHRONICLE OF EVENTS AND INCIDENTS RELATING TO
ASIA WITH RELEVANCE TO INTERNATIONAL LAW**
September 1991 - July 1992

Ko Swan Sik

with contributions from KOTERA AKIRA (Tokyo)

TABLE OF HEADINGS

Afghanistan	Foreign investment
Aliens: activities	Foreign property rights
Aliens: treatment	General Agreement on Tariffs and Trade
Arms supplies	Hong Kong
Asian Development Bank	Hot pursuit
Association of South East Asian Nations (ASEAN)	Human rights
Border incidents	Insurgents
Borders	Intellectual property
Broadcasting	Inter-state relations: general aspects
Cambodia	(Non-)Interference in internal affairs
Civil War	Internal jurisdiction
Cultural objects	International trade
Debts	(Non-)Intervention
Development aid	Iran-Iraq War
Diplomatic inviolability	Japan's military role
Diplomatic protection	Joint development
Diplomatic and consular relations	Korean War
Disarmament	Liability
Dissidents	Migrant workers
Divided states: China	Military bases
Divided states: Korea	Military cooperation
East Asian Economic Group(ing)/Caucus	Minorities
Economic cooperation and assistance	Missile technology
Economic Cooperation Organization	Monetary matters
Embargo	Narcotics problem
Environmental protection	Nationality
European Economic Community	Neutrality
Expulsion	Non-aligned movement
Extradition	Nuclear capability
Extraterritoriality	Oil
Financial claims	Persian Gulf
Fisheries	Piracy
	Post-Cold War Order

Railways	Specific territories within a state: East Timor
Red Cross	State succession
Refugees	Straits
Regional security	Taxation
Rivers	Territorial claims
Sabotage on aircraft	Territorial waters
Sanctions	United Nations
South Asian Association for Regional Cooperation (SAARC)	Unrecognized entities
Space activities	Visas
Specific territories within a state: Kashmir	World Bank
Specific territories within a state: Tibet	World War II

AFGHANISTAN

Agreement on cessation of arms deliveries

The U.S. and the Soviet Union as the two Guarantors of the Geneva Agreements [on the Settlement of the Situation Relating to Afghanistan of 14 April 1988, UNdoc.S/19835 annex I] on 13 September 1991 concluded an agreement to "discontinue weapons deliveries to all Afghan sides" as of 1 January 1992. The agreement was negotiated for more than two years, and would to a large extent disengage the two states from the Afghan conflict. In connection with the conclusion of the agreement the U.N. Secretary General tried to persuade the Saudi and Pakistani sides and the Afghan guerilla chiefs to implement the U.N. five-point peace plan. (IHT 14/15-09-91)

On 25 January 1992 Pakistan decided to abandon its two-track policy of military backing of the rebels and simultaneous support for peace negotiations. Instead it said it would fully support the UN talks and committed itself to a cutoff of arms. (IHT 17-02-92)

New UN peace plan

In an effort to speed up the peace process the UN secretary general announced a new peace plan on 10 April 1992. (For the May 1991 peace formula, see 1 AsYIL 266 and UNdoc.A/46/577-S/23146 annex) Under the plan a 15-member "pre-transition council" of neutral, respected Afghans would take power from president NAJIBULLAH to pave the way for an interim reconciliation government to be selected later by representatives of the various Afghan factions. This interim government would hold national elections. The pre-transition council would hold power for 45 days before yielding to the interim government. (IHT 11/12-04-92; FEER 23-04-92 p.12)

The fall of the NAJIBULLAH government

Before the UN plan could be implemented, president NAJIBULLAH resigned on 16 April 1992 and the government surrendered power to a coalition of 4 long-time career generals who had emerged from the civil war untainted, and a leading commander of the *Jamiat-e-Islami* guerrilla group. While most of the rebel groups were expected to support the coalition, the most radical resistance

faction, *Hezb-e-Islami*, vowed it would not do so. (IHT 17-04-92)

The former president sought refuge at the UN compound in Kabul. The special UN envoy was not able to negotiate his safe passage out of Afghanistan. (IHT 22-04-92; FEER 30-04-92 p.10)

On 24 April 1992 political leaders of most of the guerrilla groups agreed in Peshawar, Pakistan, on the composition of a 51-member interim council (*Jehadi Council*) that would take power in Kabul. The council would include 5 members from each of the 10 major guerrilla parties based in Pakistan and Iran. On 28 April 1992 the interim council was installed and the head of the council announced the creation of an Islamic State of Afghanistan. In accordance with the agreement the first President, SEBGHATULLAH MOJADDEDI, leader of the *Jabha-e-Najat-e-Melli Afghanistan* [Afghan National Liberation Front] served two months after which BURHANUDDIN RABBANI, a leader of the *Jami'at-e-Islami Afghanistan* [Islamic League of Afghanistan] became head of government on 28 June 1992 until a more permanent Islamic Council could be formed. (IHT 25/26-04-92, 29-06-92, UNdoc.A/47/705-S/24831)

New civil strife

The new government was not recognized by the *Hezb-e-Islami* Party (led by GULBUDDIN HEKMATYAR). One of its demands was the withdrawal from the capital of the *Jauzjani* militia force, made up mainly of ethnic Uzbeks and commanded by general ABDUL RASHID DOSTAM. The latter had defected from the former government and had joined forces with the mujahidin leader AHMED SHAH MASOUD. The *Jauzjani* force was disliked by many Mujahidin rebels. (IHT 04-05-92)

On 25 May 1992 the two rival leaders AHMAD SHAH MASOUD and GULBUDDIN HEKMATYAR signed an agreement to end hostilities, pull out forces from Kabul and hold elections in six months. (IHT 26-05-92)

Release of Russian POW

(see 1 ASYIL 267)

The new Afghan government released a Russian prisoner of war on 19 May 1992 as a first step toward ending a decade of hostility. When the Soviet Union withdrew its troops from the country it left behind 300 soldiers listed as missing in action. (IHT 20-05-92)

ALIENS: ACTIVITIES

Expulsion of British journalist from China

A Beijing correspondent of the (British) *The Independent* newspaper was expelled from China on 15 September 1991 on grounds that he had obtained secret documents about arrests in Inner Mongolia. The Foreign Ministry said he had harmed China's interests and was conducting activities not in keeping with his status as a journalist. (IHT 17-09-91)

Expulsion of the International Committee of the Red Cross from Iran

Iran ordered the expulsion of all foreign Red Cross staff and froze the organization's operations in Iran, in March 1992. According to the official Iranian press agency the measure was taken because of "violations" that were "in contradiction with the normal expectations and the declared goals" of the Red Cross. (IHT 23-03-92) The Red Cross team was accused of "transgressing the limits of its competence as stated by the Geneva Conventions" and of violating the spirit of an agreement with Iran allowing it to operate in the country. In response the ICRC accused Iran on 27 March 1992 that the expulsion and the consequent cutting off access to thousands of Iraqi prisoners of war (from the Iran-Iraq war) was a violation of the Geneva Conventions. (IHT 28/29-03-92)

Political demonstrations by tourists

A four-member official Canadian parliamentary delegation investigating human rights conditions in China was expelled on 7 January 1992 for "engaging in activities incompatible with their status [as tourists]". The team had planned to go uninvited to the prison where dissidents were being held and to lay a wreath in Tiananmen Square in memory of those killed in June 1989. (FEER 16-01-92 p.14)

Seven European trade unionists were expelled from China on 1 May 1992 after the group staged a protest in Beijing. The Chinese foreign ministry said the persons, visiting China on tourist visas, violated laws by acts incompatible with their status. The group said they had for two years applied in vain for proper visas to visit Beijing to assess human and union rights, and denied that they had behaved provocatively when they shouted slogans, unfurled banners and handed out leaflets in Tiananmen Square, one of the politically most sensitive places in China since the incident of June 1989. (IHT 2/3-05-92)

Islamic radicals in Pakistan

Pakistan decided to deport thousands of Islamic fundamentalists from more than 30 countries, who had trained and fought along with the Afghan mujahideen and were settled in Pakistan, after international criticism that Pakistan was becoming an Islamic base for destabilizing other Muslim countries. According to some there were about 20,000 foreign radicals in Pakistan, most of them coming from Middle Eastern and North African countries, Indonesia, Malaysia, Myanmar and Bangladesh. Complaints seemed to have been lodged by, *inter alia*, Algeria and China. (FEER 02-04-92 p.18).

Insulting HO CHI MINH in Vietnam

Two Americans, one of whom was a Vietnamese-American, were expelled by Vietnam for allegedly insulting the memory of the late President HO CHI MINH by taking pictures of one of them defiantly raising a clenched fist in front of an image of HO CHI MINH. (FEER 30-07-92 p.12)

ALIENS: TREATMENT**Illegal foreign workers in Malaysia**

The Malaysian government planned to legitimize the status of tens of thousands of illegal aliens, most of them construction workers or maids, but wanted to send them home first, then issue work permits and levy charges ranging from about \$130 to \$870. The Home Ministry had given illegal workers, estimated at over 100,000 in West Malaysia alone, until 31 December 1991 to register. (IHT 9/10-11-91)

Abolition of fingerprinting by aliens

(see 1 AsYIL 269)

There were reports in January 1992 about disagreements in Japan between the Ministry of Justice and the National Police Agency about the government's policy of replacing the system of identification of foreigners by fingerprinting. The Justice Ministry said the new policy applied to all foreigners, while according to the police it should be applied to resident Koreans only. In view of the rising rate of crimes by foreigners the police argued that its work would become more difficult without records of fingerprinting. (FEER 09-01-92 p.7)

The Japanese Parliament approved legislation on 20 May 1992 ending mandatory fingerprinting of about 640,000 ethnic Koreans and Taiwanese who are permanent residents of Japan. Fingerprinting was to be replaced by a system of photographs, signatures and a family register. (IHT 18/19-04-92, 21-05-92)

Foreign observers barred from attending court session

It was reported that despite calls from foreign countries for open proceedings, foreign observers would be barred from the trial of a prominent Chinese dissident in July 1992. A spokesman from the Chinese foreign ministry said that foreigners may only attend trials concerning foreign nationals, provided the court gives permission. (IHT 10-07-92)

ARMS SUPPLIES

See also: Cambodia, Divided States: China, Embargo, Financial claims, Missile technology, Space activities

Sale of French military equipment to Taiwan

On 27 September 1991 France confirmed the sale of 16 Lafayette class frigates to Taiwan despite objections from China. A French foreign ministry statement said that the frigate sale was "purely a commercial deal which implies no official relationship with the authorities of Taiwan." (FEER 10-10-91 p.14, 19-03-92 p.12)

In connection with reports that Taiwan was seeking to buy Mirage fighters from France China had warned France that relations could be seriously harmed

if such sales would take place. It was said that the US wanted to preempt the sale of Mirages for fear it would fan a destabilizing arms race between Taiwan and the mainland. (IHT 24-03-92, 18-05-92)

South Africa-Thailand

In June 1991 a Thai military delegation visited South Africa with a view eventually to buying arms and to look at commando training. It was expected, however, that there would be no formal deal until the US and other Western countries would have lifted economic sanctions on South Africa. (FEER 29-08-91 p.20)

US-Pakistan

Under a US law "no military equipment or technology shall be sold or transferred to Pakistan" unless the president certifies to Congress that "Pakistan does not possess a nuclear explosive device." Although the US government was informed in a memo of 23 June 1983 about "unambiguous evidence that Pakistan is actively pursuing a nuclear weapons development program" its publicly stated policy was to provide increased military aid and to permit Pakistan to buy sufficient levels of conventional weapons to assure its security without resort to nuclear weapons. In addition Pakistan was used as a conduit for military assistance to anti-Communist rebels in Afghanistan.

In October 1990, however, the supply of US arms was officially cut off (see 1 AsYIL 271), although even after that the US kept quietly permitting the Pakistani armed forces to buy American-made arms from commercial companies. Meanwhile, Pakistan started to try finding new suppliers. It turned to China and the Middle East for new weapons systems and to secondary markets for spareparts to maintain its US-made jets, tanks and helicopters. (IHT 07/08 and 19-03-92)

CIS and Britain - Malaysia

In April 1992 Malaysia was reported to be considering the purchase of MiG-29 warplanes from the former Soviet Union, a move that US and European arms manufacturers feared could harm their sales prospects in developing countries. According to Malaysian military sources the CIS had offered to provide two squadrons of MiG-29s at a much cheaper fly-away price than comparable Western fighter-planes. The CIS would accept a substantial part of the payment in commodities rather than cash and undertook to start deliveries much earlier than competing Western industries. However, there remained doubts about the operating costs of the plane over its full life and about the length of its operating life. (IHT 18/19-04-92)

Malaysia decided to buy two frigates at a price of \$550 million instead of two corvettes initially agreed upon under a memorandum of understanding with Britain. The purchase agreement was signed at Kuala Lumpur on 31 March 1992. (FEER 09-04-92 p.14)

Arms sales to the Third World

According to a report from the US Congressional Research Service arms sales to the Third World fell sharply in 1991, to \$24.7 billion from \$41.1 billion in 1990. The US accounted for 57 percent of all sales in 1991.(IHT 22-07-92)

Military defence spending

Asian states that release figures currently spend an average of 3.1% of GDP on arms, with an estimated increase of at least 4% a year. According to figures from the London-based International Institute for Strategic Studies North Korea, Pakistan, Myanmar, Sri Lanka, Taiwan and Singapore exceeded the IMF-guideline of 4.5% of GDP, and it was suspected that Brunei, Afghanistan, Cambodia, Laos, Mongolia and Vietnam also had gone over the 4.5%.(FEER 07-11-91 p.52)

Sale of captured US weapons

According to the Thai army commander-in-chief Vietnam had agreed to sell Thailand stocks of US weapons captured during the Vietnam War.(IHT 11/12-01-92)

China-Myanmar

Delivery by China of a substantial number of arms and equipment to Myanmar in 1990 and 1991 took place under a \$1.4 billion arms supply agreement of October 1989.(FEER 30-01-92 p.6)

Chinese arms sales to the Middle East

During talks between the Israeli foreign minister and the Chinese prime minister on the occasion of the establishment of diplomatic relations between the two countries, China insisted that it should not have to halt arms sales to Arab states unless the US and other powers did so as well.(FEER 06-02-92 p.14)

ASIAN DEVELOPMENT BANK

See also: Sanctions

Iranian participation

Iran was reported to consider becoming a member of the ADB. According to an Iranian official Iran would neither loan nor borrow money at first upon joining, but would mainly use the bank's technical expertise and take advantage of the bank's ability to act as a catalyst to attract investment to the region. In the long run Iran would contribute funds to the Bank.(IHT 06-05-92)

Security problems in Manila

According to reports in early April 1992 there had been an incident not long before in which a senior US staff member of ADB was killed on the premises by a security guard, provoking a written protest to the Philippine government by the Bank president. According to the same reports the current Bank president was besieged in his hotel upon arrival in Manila to take up his tenure until his release was negotiated. (FEER 09-04-92 p.8)

ASSOCIATION OF SOUTH EAST ASIAN NATIONS (ASEAN)

See also: East Asian Economic Grouping/Caucus, Environmental protection, European Economic Community, Inter-state relations, International trade, Regional security

Asian representation in the UN-sponsored Cambodia peace plan

In a letter to the UN Secretary General ASEAN requested that the new UN special representative to Cambodia would have an Asian background or experience. It also wanted more than token representation in the UN Advance Mission in consideration of its active involvement in the search for a peaceful solution. (FEER 24-10-91 p.8)

ASEAN Free Trade Area (AFTA)

(*see* 1 AsYIL 273)

Economic ministers from the six ASEAN countries agreed on 8 October 1991 to work toward creating a free-trade area within 15 years beginning 1 January 1993. The proposed trade area would cover only manufactured products, not trade in services or agricultural items, while participating countries could choose to continue protecting vulnerable industries. In order to gain support from Indonesia and the Philippines it was agreed that tariff levels of up to 5 percent could remain on manufactured goods beyond the 15 year period. On the other hand, the agreement includes the possibility of accelerating the implementation of the free trade area under the common effective preferential tariff (CEPT) scheme which would eliminate tariffs not on an item-by-item basis, but by groupings or sectors.

A Philippine suggestion that the agreement be cast in a formal economic treaty was considered too legalistic. The accord was finally incorporated into a Framework Agreement on Enhancing Asean Economic Cooperation, which was approved by ASEAN heads of government at Singapore on 28 January 1992. (*see* Documents) (IHT 09-10-91, 29-01-92; FEER 24-10-91 p.64, 23-01-92 p.15, 06-02-92 p.10)

Singapore Declaration of 1992

The Declaration was adopted by the Conference of Heads of Government on 28 January 1992.

On political and security cooperation it welcomed access by all countries in Southeast Asia, including the Indochinese states, to the Treaty of Amity and Cooperation of 1978 that has been the basis for ASEAN cooperation. It affirmed ASEAN commitment to the centrality of the UN role in the field of international peace and security as well as socio-economic development.

In the economic field the Conference endorsed the Framework Agreement on Enhancing ASEAN Economic Cooperation (*see Documents*) and affirmed the intention to establish the ASEAN Free Trade Area within 15 years beginning 1 January 1993. The Declaration states that "ASEAN attaches importance to APEC's fundamental objective of sustaining the growth and dynamism of the Asia-Pacific region" and with respect to the idea of an East Asia Economic Caucus "ASEAN recognises that consultations on issues of common concern among East Asian economies, as and when the need arises, could contribute to expanding cooperation among the region's economies, and the promotion of an open and free global trading system."

In the field of external relations the Declaration affirmed the desirability of intensifying "cooperative relationships" with the Dialogue Partners (which were expressly listed as: Australia, Canada, the European Community, Japan, the Republic of Korea, New Zealand and the U.S.) and of engaging in "consultative relationships" with "interested non-Dialogue countries and international organizations".

On the organizational plane the Declaration referred to agreement reached on having a formal summit meeting every three years and on the redesignation of the current "Secretary General of the ASEAN Secretariat" into "Secretary General of ASEAN" with an enlarged mandate to initiate, advise, coordinate and implement ASEAN activities. The Secretary General shall be appointed on merit and accorded ministerial status. (Summarized from original text, IHT 29-01-92, FEER 06-02-92 p.10).

New dialogue partners

In the context of the ASEAN system of having regular dialogues with specifically determined non-ASEAN states China and India were approved by the summit meeting of January 1992 as new dialogue partners. (FEER 06-02-92 p.11)

BORDER INCIDENTS

See also: Military cooperation (Indonesia-PNG)

Bangladesh-Myanmar

In the first incident between the two countries involving military personnel Myanmar border guards shot and killed a Bangladeshi soldier and wounded three others on 22 December 1991. The incident began on 21 December after Myanmar guards attacked men of the Bangladesh Rifles paramilitary border force at Rezipara in the Chittagong Hill Tracts. The two countries share 273 kilometers of land and river border. Early 1991 thousands of Myanmar

Moslems began fleeing into Bangladesh to escape the Myanmar army.(see Minorities)(IHT 23-12-91)

Myanmar-Thailand

(see also: Refugees)

In their campaign against Karen rebels Myanmar troops had been crossing into Thailand on several occasions to attack rebel bases from the rear. Such incidents were reported to have taken place in December 1991 and February 1992.(FEER 27-02-92 p.16)

Myanmar forces crossed into Thailand again on 15 March 1992 and warned Thai troops to retreat from the border or face air and artillery attacks on Kaw Moo Ra, the Karen base 6 km. from the Thai town of Mae Sot. According to Thai reports the Myanmar forces had established a mortar base 40 kilometers west of Mae Hong Son in order to attack Karen rebels from the rear. Myanmar accused Thailand of allowing the Karens to use Thai territory to fire into Myanmar. Thai military commanders on their side warned they would retaliate against any encroachment into Thai territory. Thai planes bombed Myanmar positions on the Thai side of the border and killed at least five Myanmar soldiers.(IHT 16,17 and 19-03-92)

BORDERS

See also: Hongkong

Sino-Vietnamese land border

There is no agreement about the exact location of the land border between the two countries.

According to the Chinese it should be 300m deeper into what was accepted as Vietnamese territory prior to the 1979 war.(FEER 16-04-92 p.14)

It was reported in July 1992 that according to the Vietnamese China was occupying 36 small areas totalling some 8,000ha along the border that Vietnam considered to be Vietnamese territory, and that near the Friendship Pass crossing point Chinese forces had moved a border marker 400 m into Vietnam.(FEER 16-07-92 p.21)

Malaysia-Singapore boundary in the Straits of Johor

A fourth meeting between the two countries on the demarcation of the boundary was held from 6 to 8 May 1992.(Singapore Government Press Release)

India-Bangladesh lease of territory

India transferred to Bangladesh a 1.5 hectare piece of land, the Tin Bigha corridor, in perpetual lease under an agreement signed in 1974. The narrow strip of land separated an enclave of Bangladeshi in the Ganges delta

(Dahagram and Angrapota) from the rest of their country. The transfer turned a pocket of Indian territory with about 50,000 mostly Hindu people into an enclave, though residents would have the right to cross Tin Bigha. (FEER 09-07-92 p.12, BLD 1992 No.11)

BROADCASTING

See also: Space activities

Satellite television

The Japanese Ministry of Post and Telecommunications raised objections against the start in November 1991 of the new world service television by the BBC, broadcast by Star Television which is operated by an affiliate of a Hong Kong conglomerate. The Hong Kong company buys programming from the BBC and inserts its own advertising before broadcasting from the Asiasat I satellite, the latter being owned by Hong Kong, British and Chinese interests. The Japanese ministry which is in charge of issuing television and radio broadcasting licenses held the position that "[i]f a country wants to broadcast directly to other nations, it should negotiate first." The Japanese noted that since Asiasat was registered by Britain as a communications satellite, it should not be used for general television broadcast. The British reply was that the situation was not unique and that there were cases in Europe of communications satellites used for broadcasting purposes as well as regular communications such as telephone calls. Besides, British officials were quoted as saying that the matter comes under the jurisdiction of Hong Kong. (IHT 6-12-91; FEER 28-11-91 p.32)

Global News Network

The semi-public Japanese Broadcasting Company Nihon Hoso Kyoku (NHK) abandoned as not economically feasible the idea of creating a worldwide news network that would have challenged the growing hegemony of Western broadcasters such as CNN and BBC. GNN was aimed at offering an Asian perspective on the news to balance the biased and increasingly dominant reporting of Western news organizations. The quest for a broader Japanese role in the global information order, however, met several obstacles, such as fears of a potential backlash in Asia itself because of lingering bitterness over Japanese wartime occupation. Finally NHK found itself unable to finance the annual costs estimated at more than 100 billion yen. Instead NHK decided to pursue a scaled-down version of GNN, a type of Asian newspool that would aim at improving the quality and exposure of Asian news broadcasts. (IHT 7/8-12-91; FEER 28-11-91 p.34)

US plans for broadcast to China

A presidential task force in the US proposed that a radio station modeled on Radio Free Europe and Radio Liberty be set up to broadcast to China and other

Communist countries in Asia. China warned on 19 December 1991 that the proposed broadcast to China would harm Chinese-US relations, and asked the US government to make a "wise decision".(IHT 20-12-91)

CAMBODIA

See also: Association of Southeast Asian Nations

Conclusion of peace accord

(*see also* 1 AsYIL 275)

The two sides in the conflict reached an accord on 20 September 1991 when the Phnom Penh government accepted a U.N. proposed compromise on political representation in a new Cambodia.(IHT 23-09-91)

The peace treaty was finally signed by the leaders of the Cambodian factions and the foreign ministers of 18 interested states on 23 October 1991 (1 AsYIL: Documents) at a session of the Paris Conference on Cambodia.(IHT 24-10-91)

UN peacekeeping force

The UN Security Council on 28 February 1992 authorized sending a 22,000-member force, the biggest in UN history, to oversee and implement the peace agreement of 23 October 1991. The proposed contingent would consist of 15,900 military personnel, 3,600 civilian police officers and 2,400 civilians who would virtually run the country.(IHT 29-02/01-03-92)

Disarmament and demobilization and Khmer Rouge reluctance

Soldiers of the Cambodian (Phnom Penh) army began handing over weaponry to the UN for the first time in early June 1992. (IHT 10-06-92) However, the Khmer Rouge guerrilla group refused to participate in this second phase of the peace process by announcing that it would neither allow UN authorities into areas it controlled nor send its forces into the cantonments to be disarmed. The Khmer Rouge leadership demanded that UN authorities first verified the complete withdrawal of all Vietnamese forces and insisted that the Supreme National Council be given governmental powers, in line with its role of embodying Cambodian national sovereignty, during the peace process.

Although UNTAC officials were reported to contend that the Khmer Rouge's primary motive for introducing new demands was to delay the peace plan, there were also reports of evidence that some Vietnamese special forces and military advisers were still based in Cambodia. The UN had established checkpoints along Cambodia's borders with Vietnam, Laos and Thailand to help verify that all foreign troops had withdrawn from the country and that no weapons were being funnelled to any of the factions.(*See, as to the Vietnamese version of the facts, two notes dated 30 May 1992 from the Ministry of Foreign Affairs of Viet Nam addressed to UNTAC, UNdoc.S/24082*)

The problems were heightened on 4 May when Khmer Rouge guerrillas mounted attacks against Phnom Penh army positions. Upon pressure by the

UN the Khmer Rouge finally pledged to uphold the cease-fire, grant UN troops freedom to go anywhere within their zones and mark their minefields prior to disarmament.

On 14 July 1992 the Khmer Rouge issued a statement promising to send all its guerrillas to barracks within a month if the Vietnamese-installed government was dissolved during that period. The government refused to be dissolved, and the peace agreement also said that it is to remain in place until elections in 1993.

The weakness of the UN peace plan is that it relies heavily on Khmer Rouge acquiescence to measures that would tend to marginalize the group. (IHT 13/14-06 and 09 and 15-07-92; FEER 23-04-92 p.13, 11-06-92 p.24)

Tokyo Declarations on Cambodia

A Ministerial Conference on the Rehabilitation and Reconstruction of Cambodia (MCRRC) was held in Tokyo in June 1992, hosted by Japan and co-chaired by the host and the UNDP. The conference was attended by 33 states, the EC and various UN bodies. On 22 June 1992 it adopted the Tokyo Declaration on the Cambodia Peace Process, which in essence endorsed the implementation of the Paris Agreements on Cambodia, and the Tokyo Declaration on the Rehabilitation and Construction of Cambodia.

By the latter Declaration the Conference, *inter alia*, agreed to establish a consultative body to be called the "International Committee on the Reconstruction of Cambodia" (ICORC), which will be a international mechanism for coordinating, in consultation with the future Cambodian government, the assistance for the country. A "framework" of the Committee was appended to the Declaration. (UN doc.A/47/285)

Vietnamese presence in Cambodia

Newspaper reports speak of a growing presence of Vietnamese workers in Cambodia as a result of the economic boom touched off by the UN peace-keeping force. They were said to be flocking in from southern Vietnam where the urban unemployment rate should exceed 20 percent. The Phnom Penh government admitted to 90,000 Vietnamese civilians in the country, but other estimates seemed to put the number at a half-million. (IHT 23-06-92)

Khmer-Vietnamese animosity is rooted in centuries of memories of loss of land, political subjugation and cultural domination by the Vietnamese. The decline of the Angkor empire of Cambodia after the 14th century was accompanied by a steady loss of territory to Siam (Thailand) and Annam (Vietnam). French intervention in the 19th century helped Cambodia recover the western provinces from Thailand, but no territories were recovered from Vietnam. The Vam Co River basin (including what was later to become Saigon) and the Mekong delta remained in Vietnamese hands.

Even before the French came to Indochina, Vietnamese had begun moving into Cambodia in search for trade. Early this century the French began importing Vietnamese officials to run the administration as well as indentured labour to work on the rubber plantations. At the time of the 1970 coup d'état against Prince Sihanouk, the number of Vietnamese had soared to about

500,000. Following the coup there was an anti-Vietnamese program in April 1970 resulting in the killing of thousands of Vietnamese and an exodus of a large number of them. When the Khmer Rouge came to power in 1975 the majority of the remaining Vietnamese fled to Vietnam. Khmer speaking and other Vietnamese filtered back following the Vietnamese intervention.

There was concern that by claiming to be born in Cambodia - the main criterion of voter eligibility under the peace agreement - the Vietnamese would obtain voting rights. This would be facilitated by the fact that many of the Vietnamese speak Khmer.(FEER 30-07-92 p.14)

Japanese contribution

The head of UNTAC told Japanese leaders in March 1992 that Japan was expected to pay for at least a third of the cost of stationing troops in Cambodia, and to contribute civilians even if it could not send soldiers.(IHT 12-03-92) In his response the Japanese foreign minister indicated on 12 March 1992 that Japan was ready to contribute more funds to the United Nations efforts in Cambodia. According to him it was not sufficient for Japan to pay only 12.5 percent of the cost, which under UN procedures was the Japanese share of the estimated \$2.8 billion mission (compared to 30 percent for the US).(IHT 13-03-92)

Diplomatic relations

Japan's new ambassador to Cambodia arrived in Phnom Penh on 10 November 1991 as the first of a series of envoys from several states returning to their post. The US envoy would reopen the US embassy on 11 November.(IHT 11-11-91)

Accord with Thailand on repatriation of refugees

Prince NORODOM SIHANOUK signed a memorandum of understanding with Thailand and the United Nations on 21 November 1991 on the repatriation of 350,000 refugees from camps on the Thai-Cambodian border. The accord included clauses to ensure that refugees are not coerced into returning to zones controlled by rival factions.(IHT 22-11-91)

UN protection sought for Cambodian leaders

It was reported that the Khmer Rouge had asked that UN peacekeeping forces protect its representatives in Phnom Penh. This request came after two Khmer Rouge leaders were attacked and beaten by an angry mob.(IHT 2-12-91)

CIVIL WAR

See: Cambodia

CULTURAL OBJECTS**Underwater treasures**

A huge amount of pieces of Chinese porcelain was recovered in 1989 from a shipwreck in Vietnamese territorial waters off the port of Vung Tau. They would be auctioned on behalf of the Vietnamese ministry of transport in Amsterdam in April 1992. The most celebrated similar auction took place in 1986 of the so-called "Nanking cargo" of the wreck of an 18th century Dutch ship, the "Geldermalsen". The finders at that time insisted that the wreck was located in international waters.(FEER 26-03-92 p.48)

DEBTS

See also: Economic cooperation

The Philippines

The Philippine Congress on 12 December 1991 passed a budget for 1992 that would limit foreign debt payments to 10% of exports, in contrast of the current 30%, but the President later vetoed the decision. The President had previously also vetoed a provision in the 1991 budget limiting foreign debt payments to 20% of export income.(IHT 13-12-91,16-01-92))

On 20 February 1992 the Philippine government reached agreement with creditor banks on a \$5 billion-debt rescheduling. It involved either the discounted sale of debt for cash or the conversion into 17-25 year bonds. The agreement was signed on 24 July 1992. The agreement included the conversion into bonds of allegedly fraudulent loans for the notorious so-called Bataan nuclear-power plant project that was suspended because of alleged technical flaws.(see 1 AsYIL 279)(FEER 05-03-92 p.64,IHT 25/26-07-92)

Bangladesh

Bangladesh and the US signed a debt-relief agreement in Dhaka on 21 September 1991 which canceled repayments due from Dhaka up to July 1991 on all outstanding official development aid. Bangladesh was the first Asian country to receive such debt relief from the US.(FEER 03-10-91 p.59)

DEVELOPMENT AID

See: Economic cooperation

DIPLOMATIC INVIOABILITY

See also: Asian Development Bank

Abduction of diplomat in India

The Romanian Chargé d'affaires in New Delhi was kidnapped by a Sikh guerilla group on 9 October 1991. According to the police the kidnapping was apparently in retaliation for the killing of a Sikh extremist and the arrest of two others who shot and wounded the Indian ambassador to Romania in Bucharest on 20 August 1991.(IHT 11-10-1991)

Bakhtiar case

Swiss police arrested a member of the Iranian embassy staff in Bern, Mr ZEYAL SARHADI, in connection with the assassination in Paris in August 1991 of SHAHPUR BHAKTIAR, a former Iranian prime minister. The Iranian government, which had repeatedly denied that it was involved, demanded the man's release and warned the Swiss government not to hand him over to France.(IHT 26-12-91) The Swiss denied that the man was ever registered as a diplomat. On 29 December 1991 Switzerland closed its embassy in Tehran - which also represents US interests - "untill further notice" to protest harassment of its diplomatic staff following the above arrest: the Iranian authorities briefly confiscated the passport of a Swiss diplomat at Tehran airport. The embassy reopened on 5 January.(IHT 30-12-91,06-01-92) On 24 February 1992 the Swiss authorities approved the extradition to France of Mr.SARHADI who was wanted in France on charges that he aided the assassins.(IHT 25-02-92) On 12 March 1992 the Tehran Times reported that Iran might retaliate against Swiss companies if Switzerland proceeded with the extradition (13-03-92) but nevertheless Mr. SARHADI was turned over to France on 26 May 1992. The Iranian foreign ministry summoned the French and Swiss ambassadors to protest, calling the extradition "unjust and illegal."(IHT 27-05-92)

Harassment of Indonesian diplomats in Canberra

Indonesian diplomats in Canberra were harassed and bricks were thrown at two embassy cars on 2 January 1992 when a crowd protested against killings in East Timor. According to the Indonesian foreign minister police failed to do more than shout at the mob to stop. Indonesia lodged a strong protest to Australia.(IHT 4/5-01-92;FEER 16-01-92 p.14)

Expulsion of Indian diplomat from Pakistan

Pakistan ordered a senior Indian diplomat to leave the country on 24 May 1992 after the diplomat accused Pakistani intelligence officials of abducting and torturing him. The Pakistani foreign ministry said that the diplomat had been caught receiving "highly classified documents" from a Pakistani contact.(IHT 25-05-92)

Anglo-Iranian expulsion of diplomats

Iran ordered a Third Secretary at the British Embassy to leave the country

within a month because of actions “violating diplomatic norms”.(IHT 22-07-92) A couple of days later Britain ordered three Iranians to leave Britain “for reasons of national security”. Two of the persons were Iranian embassy employees and the third was in Britain on a student visa. The Foreign Office said that one of the persons was expelled because of his involvement in “unacceptable intelligence activities” and the two others because of “their association with foreign intelligence service.” Press reports said that the three men were suspected of being Iranian agents, sent to Britain to carry out the death sentence passed on the author SALMAN RUSHDIE by the late Iranian religious leader AYATOLLAH KHOMEINI.(IHT 25/26-07-92)

DIPLOMATIC PROTECTION

See also: International trade: American Honda Motor Co.

Korean victims of Los Angeles riots

A South Korean delegation went to the US to seek reparations for the Koreans who suffered damage in the Los Angeles riots in April 1992. The Korean-American community in the Los Angeles area, consisting of 300,000 to 400,000 persons, was the worst victim with an estimated 850 Korean-owned businesses that suffered damage or were destroyed. Tensions had been high between South Koreans and black American soldiers since a Korean grocer in Los Angeles shot and killed a black teenager last year for allegedly stealing a bottle of orange juice. The tension increased when the grocer was convicted of second-degree murder but did not receive a jail sentence.(IHT 05-05-92)

DIPLOMATIC AND CONSULAR RELATIONS

See also: Cambodia, Divided states:China, Inter-state relations (Thailand-Vietnam)

Belgium-Sri Lanka

It was reported that irked by the impounding of a Belgian ship by Sri Lankan authorities for carrying an arms shipment allegedly destined for the separatist Tamil Tigers, Belgium held up its agreement for the appointment of the new Sri Lankan ambassador to Belgium and the EC.(FEER 10-10-91 p.8)

Indonesia-Libya

Indonesia and Libya established diplomatic relations at the ambassadorial level on 17 October 1991. This marked a reconciliation between the two countries: Indonesia had for years suspected Libya of helping train [North Sumatran] Acehese separatists. It was reported in July 1992 that Libya had opened its embassy in Jakarta.(FEER 31-10-91 p.14,23-07-92 p.12)

China and Israel

Although they had long had trade and other contacts, including arms sales, the two countries never had diplomatic relations. Israel was the first Middle East state to recognize the People's Republic government of China in 1949, but plans by the Israeli government to establish relations were sidetracked a year later by the outbreak of the Korean War. The two countries had official relations only in the scientific field, Israel being represented in Beijing by a liaison office of its Academy of Science. In June, 1991 the two countries signed a bilateral agreement on scientific cooperation.

Israeli foreign ministry officials who had come to China as guests of the semi-official Israeli representative office in Beijing in early October 1991 had meetings with Chinese foreign ministry officials "on the Middle East question and on other international issues". (IHT 11-10-91) In November 1991 the Israeli defence minister carried out a secret official visit to China, and on 18 November 1991 a delegation of the Israeli Chamber of Commerce held the first official talks on establishing formal trade ties between the two countries. (IHT 21-11-91) In December 1991 the Chinese deputy foreign minister visited Israel and invited the Israeli foreign minister to visit China. (IHT 26-12-91) This visit took place in January 1992 and led to the establishment of official diplomatic relations on 24 January 1992. (IHT 11-10-91, 21-11-91, 23-01-92, 25/26-01-92)

India and Israel

India announced on 29 January 1992 that it was establishing full diplomatic relations with Israel. India had recognized Israel in 1950 but had kept Israeli representation to a consulate-general in Bombay. (FEER 13-02-92 p.14)

Laos and U.S.

In a sign of improving relations between the two countries, the US decided to send an ambassador to Laos for the first time since a Communist government took power in 1975. According to the American President the decision was made because Laos had taken steps toward political and economic change, had aided US efforts to find US servicemen still missing from the Vietnam War and had worked with the US on narcotics control. (IHT 14-11-91)

South Korea and Vietnam

It was expected that diplomatic relations between the two countries, broken off in 1975 after the fall of South Vietnam, would be resumed by March 1992. Talks on normalization were held in Bangkok. The re-opening of ties was expected to lead to similar South Korean overtures to Laos and Cambodia. (FEER 06-02-92 p.8)

Opening of consulate without permission

It was reported that some time in June or July 1992 Iran opened a consulate

in the northern Afghan city of Mazar-i-Sharif without asking permission from the Afghan government. It was closed again upon demand of the Afghan government.(IHT 28-07-92)

South Korea and Albania

On 26 August 1991 South Korea and Albania established diplomatic relations. Albania was the last country in Eastern Europe that had still not recognized South Korea. The relations between Albania and North Korea would be continued.(FEER 05-09-91 p.14)

DISARMAMENT

UN Regional Centre for Peace and Disarmament in Asia and the Pacific

A regional meeting, the third in the series, entitled "Non-proliferation and other disarmament issues in the Asia-Pacific region: trends and challenges" was held at Kathmandu on 27-29 January 1992. It was organized by the Centre which was established in 1989 and which functions under the auspices of the Office for Disarmament Affairs of the UN.(UNdoc.A/47/359)

China's basic position on nuclear disarmament

In a working paper submitted by China to the UN Disarmament Commission it is said, *inter alia*,

" Pending the realization of complete prohibition and thorough destruction of nuclear weapons, as an effective measure for the prevention of nuclear war, all nuclear-weapon states should undertake the following commitments:

(a) Not to be the first to use nuclear weapons at any time and under any circumstances, and conclude an international agreement on not being the first to use nuclear weapons;

(b) Not to use or threaten to use nuclear weapons against non-nuclear-weapon states and nuclear-weapon-free zones, and conclude an international legal instrument in this regard;

(c) To support the proposals for the establishment of nuclear-weapon-free zones, respect their status and undertake the corresponding obligations." (UNdoc.A/CN.10/166 of 24 Apr.1992)

DISSIDENTS

See also:(Non-)Interference,Nationality

Nobel prize for AUNG SAN SUU KYI

AUNG SAN SUU KYI was awarded the Nobel Peace Prize. Students rallied in Yangon in her support on 10 December 1991, the day that she was to have collected the prize in Oslo, Norway.(IHT 11-12-91)

DIVIDED STATES: CHINA

See also: Arm supplies, Foreign property rights, GATT

Curbs on investments from Taiwan in mainland China

The government at Taiwan in 1991 withheld approval of a large rubber industry investment plan and did not rule out the possibility of imposing a ceiling on the value of future investment projects on the Chinese mainland. Government officials had repeatedly warned local enterprises of depending too heavily on the mainland. (IHT 13-09-91; 14/15-09-91)

In February 1992 the Taiwanese authorities decided to ban investment in mainland China for 18 industries that the government considered vital for long-term economic development. So far Taiwanese companies had been allowed to manufacture nearly 3,700 products on the mainland. It was estimated that at least \$3 billion of Taiwan investment had poured into the mainland since political tension between the governments began easing in the late 1980s. (IHT 28-02-92)

Sanfu Motors Industrial Co. of Taiwan was reported to plan to set up an automobile assembly plant in mainland China with the French car company Renault. It would avoid violating the Taiwanese ban on investments in certain strategic industries by making its investment in the name of the son of the Sanfu chairman, who is a Canadian citizen. (IHT 20-03-92)

Piracy in the Taiwan Strait

Taiwan's quasi-official Straits Exchange Foundation held a second round of talks in Beijing on 4 November 1991 on cooperation to prevent piracy and other criminal activities in the Taiwan Strait. It was expected that the Chinese government would set up a corresponding liaison agency in order to enable negotiations to be held. (FEER 14-11-91 p.14)

Means of mainland-Taiwan communication

In response to initiatives from Taipei, the Chinese government established a non-governmental Straits Relations Association to promote collaboration between the Chinese mainland and Taiwan and further reunification. (FEER 26-12-91 p.12)

Easing of restrictions on visits from the mainland

The cabinet-level Mainland Affairs Council at Taiwan eased restrictions on visits from the mainland by permitting brothers, sisters and parents-in-law to visit sick relatives and attend funerals in Taiwan. Previously, only spouses and parents were allowed. (FEER 05-12-91 p.14)

In January 1992 the requirement for mainland Chinese arriving in Taiwan to sign a statement renouncing their communist party membership was abolished. Following this decision a Taiwanese court in early April 1992 acquitted a Hongkong businessman from a charge of conspiracy to commit sedition

purely on the basis of his membership in the Chinese Communist Party, because it determined he had committed no violent act and had no intention to commit sedition.

On 16 May 1992 the sedition law was revised whereby penalties for non-violent acts outlined in the anti-sedition provisions of Article 100 of the Criminal Code were removed. Under the revised definition sedition requires the intention "to overthrow the government by actual violence and coercive action." (FEER 23-04-92 p.32, 30-07-92 p.12)

Taiwan lifted its ban on student exchanges with the mainland on 25 May 1992 by allowing Taiwanese students to stay a maximum of two months on the mainland. However, a ban on Taiwan students' enrollment in Chinese universities would remain in effect. (IHT 26-05-92)

The (Taiwanese) Straits Relations Act

The Taiwan legislature passed an omnibus bilateral-relations law, the Straits Relations Act, on 16 July 1992, giving the government blanket authority to allow almost anybody from the mainland to visit Taiwan and to take many more initiatives in promoting relations with the mainland, such as exchange representative offices. (FEER 30-07-92 p.12)

Chinese common market

The economics minister in Taiwan proposed linking Taiwan, mainland China and Hong Kong in a single economic bloc establishing a "Greater Chinese Common Market", but said that political tensions would prevent the goal being achieved in the short term. However, sharpening economic competition around the world made the proposal necessary, while democratic reforms in China were inevitable and would eventually reduce political tensions with Taiwan. (IHT 4-11-91)

It was reported in late December 1991 that officials and economists from mainland China and Taiwan started feasibility studies on establishing an economic zone or a common market including southeastern China, Taiwan, Hongkong and Macao. Chinese officials later proposed expanding the zone to cover the area south of the Yangtze River and eventually to include even northwest China. (IHT 31-12-91/01-01-92)

Taiwanese ban on Chinese ships

The Mainland Affairs Council, a cabinet-level body at Taiwan that formulates policies towards mainland China ordered revised guidelines to be drawn up to avoid the creation of direct shipping links across the Taiwan Strait, which are banned by the Taipei government. While visits by China-registered vessels were already banned, the new regulations banned port calls for third-country-registered ships that are more than 40 percent-owned by Chinese companies or people. The ban also applies to vessels owned by companies that have Chinese nationals in senior positions. It was emphasized that direct shipping links would not be allowed until the second stage of the so-called

National Unification Guidelines. These guidelines were issued by the Taipei government in February 1991 to underline the stages of development of relations across the Taiwan Strait.(see 1AsYIL 284)(IHT 9/10-11-91)

External relations of the government in Taipei

By the end of 1990 the Taipei government maintained diplomatic relations with 29 states, among which the following seven granted recognition since the Tiananmen incident in Beijing: Belize, Grenada, Guinea-Bissau, Lesotho, Liberia, Nicaragua and the Central African Republic. On 19 June 1992 Niger re-established diplomatic relations after having switched recognition to the central government in Beijing in 1974, bringing the number of countries with envoys accredited to Taipei to 30.

"Substantive" or "functional" relations with Western Europe were upgraded. Early 1991 the French minister of industry was the first European cabinet-level official to visit Taipei in 25 years. Following the French lead, Italy, Ireland and Sweden subsequently sent ministerial-level officials, and in July 1991 Britain dispatched an under-secretary of the Department of Trade and Industry to conduct trade talks in Taipei. Except for the US which institutionalized its ties in the Taiwan Relations Act of 1979 no other country has a formal legal basis for conducting official business in the absence of formal relations.

In 1991 Taiwan signed air rights agreements with Canada, Austria, New Zealand, Australia and Vietnam, and fishing pacts with the Philippines and the Soviet Union. It is a member of the Asian Development Bank under the name Taipei-China, and was admitted as a member of the APEC forum under the name of "Chinese Taipei", under which it also participated in the Olympic Games. It applied for membership of GATT as "The Customs Territory of Taiwan, Penghu, Jinmen and Matsu". By November 1991 it was a member of 11 international organizations under its official name of "Republic of China".(FEER 14-11-91 p.31-33,02-07-92 p.12)

Despite the absence of diplomatic relations Latvia agreed to allow Taiwan to set up a consulate-level office under its official name of "Republic of China".(FEER 20-02-92 p.14)

For the first time in over four decades there were contacts between Taiwan and Russia when two senior Russian naval officers arrived in Taiwan on 22 June 1992.(IHT 23-06-92)

East European representative offices in Taiwan

Czechoslovakia, Poland and Hungary intended to open representative offices in Hong Kong and Taipei by the end of 1991, having cleared the matter with the Chinese government. All three countries would send trade representatives to Taipei in response to China's insistence that the offices remained unofficial.(FEER 05-09-91 p.9)

Franco-Taiwanese relations

It was reported in January 1992 that France had agreed to establish an air link and more formal trade ties with Taiwan. Trade cooperation councils would be established in each other's capitals.(IHT 25/26-01-92) On 24 March 1992 France and Taiwan agreed in principle to share technology and form joint ventures in strategic industries such as aerospace and telecommunications.(IHT 26-03-92)

Return of nationalized property

It was reported that the Chinese government would hand back a Shanghai knitting mill that was nationalized in 1949, to the original owners, now based in Taiwan. The case marks the first time a nationalized factory would be returned to owners living in Taiwan.(FEER 30-07-92 p.65)

DIVIDED STATES: KOREA

See also: Diplomatic and consular relations, Nuclear capability

Withdrawal of US troops

After having cut its troops from 43,000 in 1990 to 39,000 and planning to reduce them further to 36,000 in 1992, the US disclosed its plan to withdraw 6,000 more troops from South Korea by 1993, scaling down its military strength to 30,000. and bringing the number scheduled for withdrawal in the next four years to 13,000, in accordance with the 1990 Nunn-Warner Report of the Congress. At the annual US-Korean Security Consultative Meeting in November 1991, however, the US decided to halt the troop reductions "until the dangers and uncertainties of the North Korean nuclear program have been thoroughly addressed."(IHT 22-10-91,28-10-91,22-11-91;FEER 05-12-91 p.28) This position was maintained despite the reconciliation and non-aggression treaty concluded by North and South Korea in December 1991 (*see infra*)(IHT 16-12-91)

Rejection of peace guarantee plan

South Korean officials opposed suggestions of the US, the Soviet Union, Japan and China guaranteeing the outcome of an agreement between North and South Korea on peace and possibly reunification, saying that such a scheme would invite foreign intervention in what was essentially an inter-Korean issue.(FEER 21-11-91 p.14)

Treaty of Reconciliation and Non-aggression

At the fifth round of talks in Seoul between the prime ministers of North and South Korea the two countries concluded a Treaty of reconciliation and non-aggression on 13(14?) December 1991.(*see Documents*) The treaty prescribes

the re-establishment of a measure of regular communication between ordinary North and South Koreans, and replaces the armistice with a kind of "peace regime". It was expected that the provisions on economic exchanges between the two countries were the most likely to be carried out quickly, contrary to the exchanges of people, newspapers and information.

The treaty included a series of confidence-building measures. A joint military committee would be formed to discuss violations of the armistice agreement, and an emergency hotline would be opened for quick consultation in times of crisis. Direct trade and investment between North and South would be allowed, and the two countries would begin restoring rail and road connections destroyed during the war.

Until the conclusion of the treaty North Korea had always demanded to negotiate directly with the US, which was the signer of the 1953 armistice agreement. (IHT 13 and 14-12-91) The agreement was the first document to confirm the existence of the two Koreas and the first government-level agreement since the country's division in 1945. (IHT 18 and 19-02-92; FEER 26-12-91 p.8)

North-South economic relations

At the fourth meeting of the prime ministers in October 1991 South Korea offered to buy 44 kinds of agricultural products and raw materials from North Korea. On the other hand North Korea declared that it would not bar South Korea from taking part in the development of the Tumen river region into a special economic zone. (see: Joint development) (IHT 25-10-91)

It was reported early December 1991 that Samsung Co, South Korea's largest trading company, was negotiating the establishment of a liaison office in North Korea, and that they had signed a contract with a North Korean trading concern to export coal to the South. South Korean government officials confirmed that the Unification Ministry had approved the request to import the coal. Samsung was also negotiating terms for the export of South Korean textiles and other goods, and was seeking to take part in the above-mentioned planned special economic zone around the Tumen River. (IHT 7/8-12-91)

In January 1992 it was reported that Lucky-Goldstar International Corp. was involved in a barter deal, importing coal against TV sets and polyester film and that the Daewoo Group had reached agreement with North Korea for the setting up of a number of light industries and of an international hotel in Pyongyang. The South Korean government gave its permission on 11 February 1992 but later banned North-South exchanges until North Korea would allow inspection of its nuclear facilities. (IHT 16-01-92, 24-01-92, 27-01-92, 26-02-92) Indirect trade between the two Koreas totaled \$190 million in 1991, up from \$25 million in 1990. (IHT 24-01-92)

Reunification aims

The head of the North Korean mission to the European headquarters of the United Nations at Geneva said in a news conference, *inter alia*: "Since the North and the South have agreed to recognize and respect each other's systems, it is

quite natural to unify the country in the form of a confederation on the principle: one nation and one state, two systems and two governments....But in the end the people themselves will decide whether they all want to live under one system and what it will be....We do not want to say the future of the country will be socialist. But it must be united, neutral and non-aligned and living at peace with its neighbours.”(IHT 16-01-92)

Armed incident

South Korean troops shot and killed three North Korean soldiers on 22 May 1992 in the southern side of the demilitarized zone when a North Korean patrol crossed the armistice line. While South Korea complained to North Korea about the incursion, the latter denied sending troops into the southern section of the zone and accused the South of manufacturing the incident.(IHT 23/24 and 26-05-92).

EAST ASIAN ECONOMIC GROUP(ING)/CAUCUS

Modification of the idea

The meeting of ASEAN economic ministers in October 1991 which agreed on an ASEAN free trade system in 15 years'time (*see* ASEAN) also decided to meet the objections raised by the US against a stronger proposal from Malaysia for an East Asian Economic Grouping which could encourage the growth of antagonistic trade blocs (*see* 1 AsYIL 289). The proposal was modified and as a result the grouping was to be called the East Asia Economic Caucus (*see* ASEAN). Japan, China, South Korea, Taiwan and Hong Kong were to be invited to join.

It was said in a joint statement of the ASEAN ministers and endorsed by the Heads of government that the Caucus would not be an institutionalized entity or a trading bloc and that it would only “meet as and when the need arises.” (IHT 09-10-91;FEER 24-10-91 p.65;21-11-91 p.14) Nevertheless a joint session of ASEAN foreign and economic ministers in January 1992 decided not yet to proceed with its formal establishment, fearing “political implications” of angering the US. Indonesia wanted the caucus to exist within the larger APEC framework in order to make it easier to persuade Japan and South Korea to join while the US would find it hard to oppose. Malaysia rejected the APEC setting, arguing that East Asian countries should be able to set up their own grouping independently of the US.(IHT 25/26-01-92;FEER 06-02-92 p.11).

US efforts to oppose the proposal

It was reported that at a meeting during the Asia Pacific Economic Cooperation forum in Seoul in November 1991 the US Secretary of State, in his efforts to oppose the Malaysia-initiated plan, reminded his South Korean counterpart:“Malaysia didn't spill blood for this country, but we did”, whereupon the Korean minister said that South Korea would accede to US

wishes and oppose the Malaysian plan. A few days before the US sent a memorandum to the Japanese foreign ministry asking that Japan oppose the plan. It was reported that the US had hinted that any Japanese move to join would affect US-Japanese economic relations. The Japanese foreign minister responded by saying it would be "not wise" to proceed with a trade grouping that did not include the US. (IHT 09-10-91, 14-11-91; FEER 24-10-91 p.65, 28-11-91 p.26)

ECONOMIC COOPERATION AND ASSISTANCE

See also: European Economic Community, Human rights

Japanese official development aid

(*see* 1 AsYIL 293)

Japan accepted a UN target that called for Japan ultimately to commit 0.7% of its GNP to official development aid (ODA), implying aid spending of around \$20 billion a year. There were signs that Tokyo was having difficulty fulfilling its pledge to spend \$50 billion in ODA between 1988 and 1992. During the three years to 1990, its ODA disbursements totalled \$27.3 billion - only 54% of the five-year goal. (FEER 10-10-91 p.68)

Aid to the Soviet Union

Reversing a long-standing policy Japan decided to provide a package of up to \$2.5 billion in economic aid, including \$500 million for food and medical supplies, \$200 million in export credits and \$1.8 billion in trade insurance. Japan previously refused Soviet requests for aid, insisting that economic relations should depend on an improvement in political relations. (*see* 1 AsYIL 292) Japanese officials went to great lengths to insist that they were not attempting to buy back the Northern Territories captured by the Soviet Union in the closing days of World War II and claimed by Japan. (*see* Territorial claims) (IHT 09-10-91; FEER 17-10-91 p.16)

South Korea decided to suspend a \$1.2 billion loan promised for 1992 because of the growing political and economic chaos as the Soviet Union disintegrated. The loan was part of the \$3 billion package agreed in January 1991 (*see*: 1 AsYIL 290) (IHT 12-12-91)

Asia-Pacific Economic Cooperation forum

(*see* 1 AsYIL 289)

The third annual ministerial meeting of APEC took place at Seoul in November 1991. It concentrated on regional economic trends and issues and the future of the 15-nation group. China, Taiwan (to be called "Chinese Taipei") and Hong Kong participated as new members, and according to South Korean officials Mexico, Chile, Ecuador and the Soviet Union had applied for membership. Malaysia downgraded its representation to express its displeasure over reports of a US move to enlist Japan against a proposed East Asian

Economic Grouping.(see *supra*)

The APEC countries reached agreement on establishing a permanent secretariat to devise and coordinate cooperation programs.(IHT 11-11-91;FEER 14-11-91 p.27,28-11-91 p.27;BLD 1992 No.13)

Conditions attached to German development aid

The German minister for economic cooperation said on 10 October 1991 that in future his ministry would apply five criteria to recipient countries: respect for human rights, popular involvement in political decision processes, legal security, creation of a "market-friendly" economic system, and orientation of government policies towards development. Referring to the fifth criterion, the minister said development could not be achieved without reducing exaggerated military spending. In assessing military spending Germany would look at the percentage of GNP spent on defence, the ratio of military spending to other sectors of government spending, especially education and health, and the share of weapons in total imports.

Aid levels for 1992 under these criteria would lead to cutbacks in the case of four of the largest recipients: India, Indonesia, Pakistan, and Morocco. Accordingly the German government declared in November 1991 that development aid to India and Pakistan would be cut because of "excessive armament" of the two countries.(FEER 28-11-91 p.21)

Cuts in military spending as condition for developing aid

Following a ministerial meeting on 4 December 1991, Western donors in the OECD served notice on developing countries that future development aid would depend on these countries effecting cuts in military expenditure.(FEER 19-12-91 p.14)

Rejection of Dutch development aid by Indonesia

The Netherlands suspended new development aid projects on 21 November 1991 until the Indonesian investigation into the incidents in East Timor (see *infra*) would yield an acceptable result.(IHT 22-11-91)

On 25 March 1992 Indonesia decided to reject any development aid from the Netherlands and disbanded the 24-year old Inter-Governmental Group on Indonesia (IGGI), a 14-member aid consortium chaired by the Netherlands. The move was the expression of strong Indonesian objections against Dutch attempts to link human right concerns and other conditions to aid. Indonesia asked the World Bank to establish a new aid grouping for Indonesia which would have all the original members except the Netherlands. The new multilateral aid group is called Consultative Group on Indonesia and met for the first time in Paris on 16-17 July 1992. It was reported that Indonesia wished to add South Korea, Saudi Arabia, the Islamic Development Bank and the Nordic Investment Bank to the consortium. The Group finally comprised 18 countries and 13 multilateral agencies. The consortium pledged an amount in aid that was slightly more than the amount allocated by its predecessor. In 1991

the Dutch contribution to the IGGI-sponsored aid made up 1.9% of the total. Japan, the World Bank and the Asian Development Bank contributed more than 80% of total IGGI aid. (FEER 09-04-92 p.10, 11-06-92 p.57, 30-07-92 p.9)

Japanese financial aid for US superconducting supercollider project

The US sought a Japanese contribution of about \$1.25 billion to a giant atom-smasher project that will cost \$8.25 billion at current estimates and that is under construction in Texas. [The supercollider project began during the Reagan administration as a national project, and many of the major decisions, including the choice of its site, were made without any international participation. Subsequently the US government moved to "internationalize" the project when the price began to skyrocket. So far India was the only country to announce its support, pledging \$50 million.] According to Japanese press reports the Japanese finance minister agreed that Japan should contribute more to basic scientific research but would do so by building research facilities within Japan. [One reason the Japanese have been hesitant about the supercollider was their unhappiness about US cooperation on joint research in space. The Japanese have contributed about \$.25 billion to build part of the US space station Freedom, only to see the project repeatedly delayed by the US Congress. After waiting years for NASA to fulfill its promise to carry a Japanese astronaut into orbit, Japan finally got its first spaceman last year - by purchasing a seat for \$12 million on a Soviet rocket.] The supercollider issue was a subject of discussion again during the visit of the US President to Japan in January 1992 but no agreement on Japanese funding was achieved. (IHT 05-12-91, 09-01-92, 11/12-01-92)

Aid to Vietnam

Japan prepared to end a 14-year suspension of development aid and to provide almost 4 billion yen in 1992-1993. The aid was suspended following the Vietnamese invasion of Cambodia in 1978, and would now be resumed after the conclusion of the Cambodian peace treaty in October 1991.

A Japanese delegation visited Vietnam in January 1992 to prepare the groundwork for the resumption of the assistance. It also began talks on the repayment of Vietnam's outstanding debt to Japan, estimated at 30 billion yen. Some of this debt included credit provided to the US-backed Saigon government, and another part came from credit extended to Vietnam before the invasion of Cambodia. Japan could either cancel the debt by awarding a debt-relief grant, or reschedule it. Vietnam had already expressed its willingness to pay off the debt in a 10-year period. (IHT 03-01-92; FEER 30-01-92 p.41)

In order to avoid another clash with the US which had yet to lift its economic sanctions against Vietnam, Japan had delayed resumption of large-scale development aid, and had dissuaded major corporations from making conspicuous investments. (IHT 28-04-92)

Australia, which suspended aid to Vietnam following the latter's intervention in Cambodia in 1978, said on 13 April 1992 that it would resume

assistance to Vietnam at a level of A\$100 million in the next four years.(FEER 23-04-92 p.67)

Informal cooperation among the most developed countries in the Asia-Pacific region

On 4 May 1992 Australia, Hong Kong, Japan and Singapore agreed informally to meet on a regular basis but denied plans to create an alliance modeled after the Group of Seven industrialized countries. At their first meeting, held as a sideline to the ADB annual conference in Hong Kong they discussed cooperation in financial markets, specifically over equities and futures trading.(IHT 06-05-92)

Withholding of World Bank loan for the Pak Moon Dam project

The World Bank decided to delay granting a loan for a proposed hydropower scheme in Thailand. The scheme includes the construction of a dam at the mouth of the Moon River, about 5 km. before it flows into the Mekong. The decision was directly linked to a lobbying campaign initiated by environmental groups in Thailand and abroad. The issue laid bare the split between the developed and developing world, with opposition to the loan coming from the richer countries, including the US. The Thai finance minister bitterly attacked the World Bank decision and, in reference to western environmentalists, said that it set a dangerous precedent whereby "the tyranny of a few in other countries" prevails over the rights of borrowing member countries.(FEER 17-10-91 p.98;24-10-91 p.79)

ECONOMIC COOPERATION ORGANIZATION

Expansion of membership

The Economic Cooperation Organization, with Pakistan, Iran and Turkey as its members, emerged from the trilateral Regional Cooperation for Development in 1985, while the RCD was formed in 1977 under the Treaty of Izmir, itself the successor of the post-World War II anti-communist Baghdad Pact. Following the revision of the Izmir Treaty in Islamabad in 1990 the ECO focused on intra-regional trade and domestic industrialization, with the ECO Council of Foreign Ministers as the highest policy-making body.

At a summit meeting at Tehran on 16 February 1992 the organization accepted Azerbaijan, Turkmenistan and Uzbekistan as new members, and left little doubt that Kazakhstan, Kyrgystan and Tajikistan would soon join. A political settlement in Afghanistan could lead to membership for that country, while Turkish officials said that Romania had also asked to join the organization, until now exclusively Islamic.(IHT 14-01-92,17-02-92, FEER 05-09-91 p.26)

EMBARGO

See also: Inter-state relations(Vietnam-US), Oil, Sanctions

Illegal arms export during Iran-Iraq War

The Japanese government banned Japan Aviation Electronics Industry (JAEI) from exporting for 18 months because it illegally supplied arms to Iran during the Iran-Iraq War. The company was said to have repaired and sold air-to-air missile parts to the US company Aero Systems, knowing that the parts were to be shipped to Iran via the US firm's Hongkong and Singapore subsidiaries.(FEER 07-11-91 p.67)

ENVIRONMENTAL PROTECTION

See also: Economic cooperation

Forest fires in Indonesia

Huge forest fires destroyed more than 100,000 hectares of rain forest in Indonesia in September and October 1991. The Indonesian foreign minister said that his government had asked Western nations for training and equipment to fight the fires but none had responded. He criticized them for "being very quick at campaigning against logging but doing nothing to offer assistance in fighting the forest fires". The criticism was shared by Malaysian officials. However, World Bank officials regretted that no requests for funds or technical help had been received while the Bank could have provided quick-disbursing emergency aid such as those provided by way of earthquake relief to the Philippines or as long-term relief for re-afforestation to China in 1989. Besides it seemed that the US, Canada, Britain, France and Australia also offered to provide Indonesia with, *inter alia*, portable fire-fighting equipment.(IHT 11-10-91;FEER 31-10-91 p.20)

ASEAN common policy

A common policy under the name of "Singapore Resolution on Environment and Development"(UNdoc.A/47/118 Appendix) was agreed by the fifth bi-annual ASEAN Ministerial Meeting on the Environment (AMME) on 18 February 1992. The policy included the principle that countries should honour the sovereign right of states to develop their natural resources and the rejection of any unilateral measures to ban the import of tropical timber. It also called for financial help to conserve the forests and agreed to a US proposal for a "US-Asian Environmental Partnership"(USAEP) that would help with the transfer of environmentally sound technologies to the region.(FEER 27-02-92 p.67,05-03-92 p.10)

Kuala Lumpur Declaration

The 30-point Declaration (UNdoc.A/47/203) was adopted by a conference

of 54 Third World states in April 1992, convened in order to achieve a common Third World stand at the UNCED in June 1992. Among other things the Declaration called for developed states to make assessed contributions toward a fund for environmental projects, in addition to and separate from their existing official development aid (ODA) targets. Developing countries could contribute to the fund on a voluntary basis. (IHT 29-04-92; FEER 14-05-92 p.22)

Hongkong practice

The Montreal Ozone Layer Protocol which was signed by Britain in 1987 committed signatories to halve CFC use by the year 2000, allowing developing countries an extra 10 years.

Hongkong enacted the Ozone Layer Protection Ordinance in 1989 in order to bring local usage of CFC into compliance with the Protocol. The law banned CFC production in the colony and also limited the import of the chemical to an amount equivalent to the 1986 level. Beginning 1995 imports would not be allowed to exceed half that amount. Meanwhile many of the manufacturers using CFC had been moving their activities across the border into southern China in the past couple of years while some of those remaining in Hongkong had switched to substitutes. (FEER 14-05-92 p.54)

EUROPEAN ECONOMIC COMMUNITY

Interpretation of the EEC-Japanese agreement on car imports

Japanese industrial circles repeatedly emphasized that the agreed import limitation (*see*:1 AsYIL 322) does not apply to cars produced in Europe, and that the assumed production of 1.2 million vehicles by the “transplant factories” by 1999 is merely a factual estimate. Details of the agreement seem never to have been made public, but both the Internal Market and the Competition Commissioners of the E.C. confirmed the above interpretation. The Competition Commissioner expressly affirmed that cars made in Europe by Japanese owned companies are in the same position as cars made in Europe by U.S. owned companies. (IHT 12-09-91; 13-09-91; 19-09-91)

Improved Sino-EEC cooperation

Under a 1985 agreement an EC-China Joint Commission would meet annually to discuss their mutual relationship. The Commission met again in Beijing in October 1991 for the first time since the 1989 Tiananmen Square incident. There were disagreements about mutual trade deficits. (IHT 25-10-91)

Strained EC-Indonesian relations

Indonesia's relations with the EC became strained by the Community's lack of response to Indonesian efforts to ameliorate possible human rights abuses in

East Timor after the shooting incident in November 1991. This lack of appreciation contrasted starkly to the EC statement condemning the shooting which came within hours of the incident.

A Portuguese statement on 27 December 1991 called the report of the Indonesian investigation team "a clumsy and desparate attempt" to rebut criticism of the Indonesian East Timor policy and called for a separate international inquiry to be held. Portugal assumed the EC presidency on 1 January 1992 for six months.(FEER 30-01-92 p.11)

EC-ASEAN agreement on economic cooperation

EC insistence on a "human rights clause" (see 1AsYIL 295) and ASEAN rejection constituted a major obstacle in the plans to negotiate a new expanded agreement on EC-ASEAN economic cooperation. No progress was expected during the first half of 1992 when Portugal held the chairmanship of the EC Council of Ministers, but Portugal kept blocking the EC plans in July 1992 because of what it denounced to be Indonesian violation of human rights in East Timor.(see:Specific territories) Its decision to block the start of the negotiations followed its unsuccessful attempt to have Indonesia's human-rights record formally raised by the EC at a meeting of the new international aid consortium for Indonesia.(see:Economic cooperation)

The new agreement would cover a wider range of topics, and the European Commissioner in charge was reported to have said that the EC must draw up such agreement in order to boost the Community's political and economic presence in the region, and that the new agreement would encourage increased European investments in Southeast Asia, allow the EC to push for better protection of intellectual property rights in the region, and increase EC influence over how ASEAN runs its environment policy.(FEER 09-04-92 p.10,30-07-92 p.9)

EXPULSION

See: Aliens: activities, Diplomatic inviolability, Diplomatic and consular relations

EXTRADITION

*See:*Diplomatic inviolability

EXTRA-TERRITORIALITY

Use of US antitrust laws against Japanese industrial cartels

The idea of challenging the close business relations between Japanese companies, known as *keiretsu*, had been discussed for years by US trade officials. In February 1992 the US Attorney General unveiled plans to use US antitrust laws against Japanese corporate groups that restrict American imports

into Japan, although other parts of the US administration were strongly opposed.

Recently the US company Honeywell Inc. won a \$96 million patent piracy case against the Japanese company Minolta Camera Co. in the US District Court in Newark. Minolta could not avoid the civil complaint because it had economic interests in the US while Honeywell could block Minolta cameras from being sold in the US if Minolta refused to cooperate in the lawsuit.

Legal experts said that a similar approach could be used by the Justice Department to force Japanese companies to cooperate in an antitrust complaint, although the fact that the case was being brought by the US government instead of a company would likely mean the Japanese government would somehow get involved. (IHT 24-02-92)

The plans would imply changing some of the existing guidelines, effectively extending the reach of US law outside US territory. Currently, the US antitrust authorities can invoke American law only to protect consumers, not to boost the prospects for exporters. The condition of consumer protection, however, was only added to the existing law as recently as 1988. Under the proposal American authorities could file a complaint in a US court against a *keiretsu* that was discriminating against US-made products in Japan. The proposal was based on the criticism that the *keiretsu* tend to be hard for foreign companies to break into, and that Japanese antitrust laws were too weak in combatting the collusive practices. Expectedly the Japanese reaction was negative. (IHT 25-02-92) Meanwhile, responding to US criticism, a government-sponsored study group in Japan urged a major increase in criminal penalties for companies participating in illegal cartels. (IHT 03-03-92)

The change in US trade policy was announced in early April 1992. Japan reacted by a statement from the spokesman of the Foreign Ministry that the US rules were "not acceptable under international law." It was reported that Japan was considering counter-measures to blunt the effects of the US move. (FEER 23-04-92 p.54)

FINANCIAL CLAIMS

US compensation for Iranian claim

The US and Iran were reported to be nearing final agreement on compensation of about \$275 million to Iran for undelivered American-made military equipment dating from before Iran's 1979 revolution. The agreement involved equipment that Iran paid for, that was in the US for repair, or used to train Iranian military forces in the US. Although the parties had reached agreement on the amount earlier in 1991, it was only later that they agreed on whether the whole amount would be in fact paid to Iran or whether part would go into an escrow account for the reimbursement of eventual American claims. The settlement left unresolved Iranian claims of about \$10 billion arising from arms purchases. (see 1 AsYIL 297) (IHT 22-11-91)

Settlement of Franco-Iranian financial dispute

A 16-point agreement was signed on 29 December 1991 to settle a 12-year dispute concerning a 1974 loan made by the Iranian government under the Shah to the French Atomic Energy Commission. (see 1 AsYIL 297) The loan was to pay for a nuclear plant, but the project was canceled after the Shah was toppled in 1979. France agreed to reimburse (yet?) \$1 billion. It is reported that on its part France had an equal counterclaim against Iran for other canceled projects. (IHT 28/29-12-91, 30-12-91)

French contractual obligations towards Pakistan

France had failed to honour a contract signed in 1978 for the supply of a nuclear reprocessing plant. There were conflicting reports about French agreement on a 600 million francs (\$118 million) compensation to be spent on defence contracts (Mirage warplanes) and about a French proposal for a soft loan of Ffr.700 million against the Pakistani claim for compensation. The loan would be repayable over 40 years at a nominal annual interest of 0.4% and be used for buying French goods. (FEER 02-07-92 p.12)

FISHERIES

Fishermen detained by Vietnam and Thailand

During an official visit of the Thai foreign minister to Vietnam in September 1991 it was agreed that Vietnam would release 344 of the 846 Thai fishermen detained for allegedly fishing in Vietnamese territorial waters while Thailand promised to free 157 Vietnamese fishermen. (see also: Inter-state relations: Vietnam-ASEAN) (FEER 03-10-91 p.15)

Lack of compliance with driftnet fishing regulations

Driftnet fishing has been the subject of several United Nations resolutions. (cf. 1AsYIL 249) The latest was General Assembly resolution 46/215 of 20 December 1991, requiring that driftnet fishing on the high seas be reduced by half by 30 June 1992 and cease entirely by 31 December 1992, but even before that driftnet fishing was subjected to various limitations (cf. UNGA res.44/225 and 45/197, see the Report of the Secretary-General of 8 Nov.1991, UNdoc.A/46/615). The US Commerce Secretary sharply criticized South Korea and Taiwan for continued illegal driftnet fishing in the Pacific in August 1991. Bowing to similar American pressure Japan agreed on 26 November 1991 to comply with the UN moratorium on the use of huge small-mesh fishing nets, extending up to 40 miles, in the Northern Pacific Ocean. Japan said that it would curtail half of its driftnet fishing by the June deadline and the remaining half by the end of 1992.

Japanese fishermen use the nets to catch a species of squid known as flying squid. Many had turned to squid fishing in the last decade because they were no

longer able to fish for salmon, which are protected in international waters and can be fished only in coastal waters of the countries where they spawn. The Japanese say that the ban would put about 10,000 fishermen out of work and cripple the fish processing industry, which employs 50,000 or more people. A compensatory package was prepared by the government. (IHT 27-11-91; FEER 29-08-91 p.51, 23-01-92 p.29)

Taiwan had agreed to adhere to UN resolution 46/215 of December 1991, but the ban was largely ignored by the fishing industry which was said to rely on driftnetting. Some Taiwan boats deploy 50-80 km of nylon driftnets at once, netting as much as 5 tonnes of tuna daily compared with only 2 tonnes using more environmentally friendly methods. According to official statistics in 1991 some 120 Taiwanese driftnet fishing vessels were deployed in the North Pacific and an additional 100 in the Indian Ocean, but other sources said that the number of driftnet-capable boats based in Taiwan was several hundred more. (FEER 23-01-92 p.29)

Taiwan fisheries

In early 1991 half a dozen Taiwanese fishing boats were impounded by the Soviet Union, in April 1991 a number of boats were detained by the Philippines (see 1 AsYIL 298). It was reported in August 1991 that 7 Taiwanese fishing vessels and 26 crew members were being detained in Indonesia, the Philippines and Malaysia. In February 1991 a Taiwanese vessel fishing for squid inside Argentina's 200-mile economic zone was intercepted and a crew member was killed in an incident with the Argentine navy. The crew was held in custody for five months and released only on payment of a deposit of \$600,000.

Even when they were not wilfully breaking the law, Taiwanese fishing boats were sometimes detained and their crews jailed. Boat captains often complained that they were being stopped when passing through the territorial waters of countries with which Taiwan does not have official agreements.

In its efforts to conclude more formal fishing agreements an accord was reached with the Philippines in July 1991 (see 1 AsYIL 299) and a memorandum was signed by the Taiwanese and the Soviet state-run fishing company, *Sovryflot* on 19 August 1991 giving Taiwan boats pay-as-you-go access to fishing grounds in Soviet territorial waters.

Popular destinations for Taiwanese fishermen are Indonesia, Vietnam and Myanmar, with fees depending on the kind of fish and the type of fishing gear used. Indonesia is favoured because its fishing grounds are many and its indigenous [fishing] industry small. (FEER 29-08-91 p.40)

FOREIGN INVESTMENT

See also: Oil

Iranian special investment zones

Iran designated the islands of *Qeshm* and *Kish*, a few kilometres off Iran's southern coast, to become special investment zones. *Qeshm*, located close to the

major Iranian oil port of Bandar Abbas in the Straits of Hormuz, was designated as an industrial zone and would be run by a largely autonomous local government. Foreign investors would be promised unrestricted movement of capital and up to 99 percent equity in local joint ventures. The much smaller island of Kish would be developed as a free-trade transit point for shipments to Dubai and Bahrain, which re-export, among other things, consumer products from East Asia.(FEER 12-09-91 p.46)

Taiwan investments in Vietnam

Fearing that its investments in mainland China would make it too dependent of the government in Beijing the Taiwan authorities started encouraging their businessmen to invest in Vietnam as an alternative. It was said that Vietnam had agreed in principle to exchange trade offices with Taiwan and to sign an agreement for the protection of investments from Taiwan. From among the few foreign investments existing in Vietnam in June 1991, those from Taiwan constituted the largest.(IHT 04-10-91;FEER 31-10-91 p.70)

South China Economic Sphere

It was reported that a shift of Japanese assets was taking place to Asia, with a relative decline in emphasis on the US and Europe. In this context a new term had begun to appear in Japanese media in reference to Hong Kong, Taiwan and the Chinese provinces of Guangdong and Fujian: *Kanan Keizai-Ken* - or South China Economic Sphere.(IHT 27-12-91)

Exclusion of US from Vietnamese oil exploration

According to Vietnamese officials US companies would not be allowed to bid to join the exploitation of Dai Hung, Vietnam's largest oil field off the southern coast, because of the US trade embargo.(IHT 27-12-91)

India

Although India had made an "open door" policy the central plank of its IMF-sponsored program of liberalization and deregulation few foreign companies appeared to have taken up its invitation, and even where they did the scale of their financial participation so far remained low. American companies top the list of foreign investors, with German ones ranking a close second; together the two countries accounted for a third of the \$700 million in foreign investments that came into India between 1985 and 1990.(IHT 18/19-01-92)

Investment in aerospace companies

Japan's three leading aerospace companies (Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Fuji Heavy Industries) turned down offers to take a major stake in McDonnell Douglas Corp., America's second-biggest commercial aircraft producer, because, *inter alia*, of fear of a political backlash

from the US. The Japanese are already the biggest foreign suppliers to both Boeing and McDonnell Douglas but political pressures are reported to have prevented the Japanese from graduating from subcontractor to full partner. By contrast, European aerospace companies have offered such partnership status. In 1990 Airbus Industrie proposed the Japanese to join the development of a super jumbojet. The Japanese would have to proceed carefully so as to avoid antagonizing the US government as well as Boeing.

In 1990 MacDonnell Douglas agreed to a memorandum of understanding under which Taiwan Aerospace Corp.(TAC) was offered an investment of \$2 billion in McDonnell's civil-aircraft business, which would be spun off into a new subsidiary on 1 January 1992. TAC would receive a 40% stake in the new company, and would get McDonnell's help in setting up its own aerospace industry.(FEER 28-11-91 p.67;05-12-91 p.52) However, difficulties arose in its implementation.

It was reported in May 1992 that TAC was proposing a new deal to McDonnell Douglas. Under the new plan a private Taiwanese leasing company would issue letters of credit for \$2-3 billion in orders for the projected MD-12 aircraft, that could be used to raise funds for McDonnell Douglas to pay its debts and begin development of the aircraft. The Taiwanese (private) side would also offer convertible debentures as loans to McDonnell Douglas which could be turned into equity should the MD-12 live up to expectations. The plan would save Taiwan from making a full commitment in the early, high-risk phase of the programme, while giving it an opportunity of equity participation when and if the aircraft succeeds.(FEER 28-05-92 p.66,11-06-92 p.39)

Sino-South Korean investment-guarantee agreement

An investment-guarantee agreement between the two countries was due to go into effect on 26 July 1992. This would start an expected increase in South Korean investments in China by firms which avoid rising wages in South Korea.(FEER 23-07-92 p.53)

FOREIGN PROPERTY RIGHTS

E.C.-South Korean agreement on protection of intellectual property

An agreement was reached on 26 September 1991 to settle a four-year dispute over protection of intellectual property rights for European goods. Under the agreement South Korea was to extend the same copyright and patent protection to EC countries as it had since 1987 to the U.S. In return the EC Commission was to recommend an end to the suspension of EC trade preferences (under the EC Generalized System of Preferences) for South Korea which had been in force since 1988 when Seoul refused to grant such equal protection.(IHT 5/6-10-91;FEER 17-10-91 p.121)

Sino-US dispute over intellectual property rights

The US complained that its exporters suffered more than \$400 million in damage to intellectual property rights each year. It demanded that China change its new copyright law to protect computer software and that it amend its patents law to protect chemicals and pharmaceutical products. Later the US Trade Representative set 16 January 1992 as the date China must make concessions in order to avoid punitive tariffs under the "Special 301" provisions of the 1988 Trade Act. (see International trade) China accused the US of being unreasonable and of holding it to standards beyond those set by international conventions, but finally the two parties signed an agreement on 17 January 1992: China essentially agreed to adopt most international standards for foreign inventions, and would enact laws that extend the duration and scope of patent (20 from 15 years), copyright and trade-secret protections. It would also eliminate most requirements that force multinationals to license production of their inventions to local Chinese companies instead of exporting directly to China.

Another issue settled concerned the protection of pharmaceutical and other chemical products already patented but not yet available for sale. For the pharmaceutical industry 10 years of safety tests are considered necessary after a product is patented. After initially insisting that only future inventions be covered, China agreed to protect products patented since 1 January 1986.

In the deal on copying China agreed to join the Berne Convention on copyrights on 15 October 1992 and the Geneva Phonograms Convention in June 1993. However, it would ask for a longer period than the usual 3 months after accession before its obligations under the Berne Convention would come into effect. [Rules for the implementation of the Treaties were included in Decree of the State Council No.105 of 30 September 1992](IHT 21-10-91,26/27-10-91,23-12-91,26-12-91,18/19-01-92;FEER 17-10-91 p.121,07-11-91 p.67,30-01-92 p.37,14-05-92 p.47)

US-Taiwan copyright agreement

An important copyright protection agreement between private groups in Taiwan and the US representing the governments was signed on 5 June 1992. The agreement could impose heavy costs on Taiwanese makers of computer products and compact disks and eliminate a thriving trade in pirated foreign films and music. Taiwan agreed to bring laws on patents, trademarks, industrial design, semiconductors and trade secrets up to the standards being negotiated in the GATT Uruguay Round.(IHT 08-06-92;FEER 18-06-92 p.83)

Indo-US patent dispute

It was reported in early December 1991 that a compromise appeared likely in the patent dispute. The 1970 Indian Patent Act accords little protection to discoveries in pharmaceuticals, chemicals and food. No patents are given for products in these areas, only for processes, which means that a rival can copy a product as long as his production process is a little different. Besides, patents run for only 7 years, and licensing can be made compulsory if the discovery is

not commercialized by local production within three years. India would be prepared to grant pharmaceutical product patents if the US would agree to manufacture drugs in India at an affordable price.(FEER 05-12-91 p.64)

Thai-US patent dispute

Thailand on 27 February 1992 extended greater patent protection to pharmaceutical products as a result of US pressure, thus avoiding US trade retaliation.(FEER 12-03-92 p.53)

GENERAL AGREEMENT ON TARIFFS AND TRADE

See also: International trade (China's efforts to re-enter GATT)

Chinese and Taiwanese membership

China reversed an earlier concession made during the visit of the US Secretary of State in November 1991 according to which China agreed to simultaneous accession. The Chinese government later took the position that it would not back membership of Taiwan in GATT as a separate customs territory until China became a member, on the grounds that Taiwan had "no right at all to accede to GATT only by itself by representing a separate customs territory." (IHT 26-09-91,13-12-91)

It was meanwhile reported early April 1992 that the GATT had agreed to set up a working group to study Taiwan's application for membership on the hypothesis of simultaneous admittance.(FEER 02-04-92 p.79)

HONG KONG

See also: Broadcasting

The McConnell bill

A bill was introduced in the US Senate by Senator M.McCONNELL calling on the US government to recognize the terms of the 1984 Sino-British Joint Declaration on Hong Kong with emphasis on the high degree of autonomy granted to the territory after its return to China in 1997.(IHT 7-11-91)

The scope of the Hong Kong Special Administrative Region

Three issues had come together to raise the question of what would constitute the future Hongkong SAR. The first was the apparent ambiguity in both the Basic Law and in the 1984 Sino-British Joint Declaration. Second, the prospect of the eventual merger of Hongkong with the Shenzhen special economic zone (SEZ) and third, disputes that had arisen between the Hongkong and Chinese border police over the extent of each other's territorial waters.

While the Joint Declaration stated that the Hongkong area to be restored to China would include Hongkong Island, Kowloon and the New Territories, the

Basic Law states that “the area of the Hongkong SAR covers Hongkong Island, the Kowloon Peninsula, and the islands and adjacent waters under its jurisdiction”, apparently including the New Territories in “Kowloon Peninsula”.

“Kowloon” normally refers to the section of the peninsula below a nine-peaked range of hills, while the New Territories to the north were acquired by Britain under a 99-year lease which expires in 1997. In pre-British times, the present territory of Hongkong was part of Xin An county, which extended north of the present New Territories to include what has now become the Shenzhen and Shekou SEZs.

The maritime boundaries proved problematic during recent anti-smuggling operations, and in May 1990 five Hongkong seamen and two policemen were even detained on the mainland after an encounter in what each side claimed was its territorial waters.

The Chinese and British governments had started discussing the exact boundaries of the territory. The most famous boundary issue recently was over the so-called Walled City, a slum in the middle of Kowloon which somehow had acquired a special status which put it off-limits to Hongkong jurisdiction and required the agreement of the Chinese authorities before the Hongkong government could clear and redevelop it.(FEER 05-12-91 p.10)

Nationality of the chief justice

Hong Kong's chief justice said in October 1991 that he would give up his British passport if asked to continue his service in the Court of Final Appeal after 1997. Under the terms of the Joint Declaration the Chief Justice of the Court must be a permanent resident of Hong Kong with no right of abode in a foreign country.(FEER 24-10-91 p.14)

Composition of the Court of Final Appeal

On 4 December 1991 the Legislative Council rejected the model for the court agreed upon by China and Britain in the Sino-British Joint Liaison Group in September, but China said that Hong Kong had no right to repudiate the accord.

In the Joint Declaration of 1984 under which Britain agreed to return Hong Kong to China provision was made for a Court of Final Appeal (to take the place of the British Privy Council) for which overseas judges from the United States and other countries whose legal systems derive from Britain's could be invited to sit on the court “as required”. Afterwards China wanted to limit the number of overseas judges to one, to which Britain acquiesced.(IHT 4/5-01-92;FEER 31-10-91 p.13,19-12-91 p.10)

Hong Kong advisers for China

China announced on 23 January 1992 that it planned to appoint local “consultants” on Hongkong's development in the period preceding the reversion of sovereignty to China. The appointment of 44 influential Hong Kong residents took place on 11 March 1992. Many were on the committee that

drafted the Basic Law that is to be Hong Kong's constitution after 1997.(IHT 12-03-92)

Directly elected seats in legislature

Britain refused to rule out the possibility of increasing the number of directly elected seats in the Legislative Council in the 1995 elections, against the wishes of China which had repeatedly expressed its opposition against such increase before the reversion of the colony to China in 1997. At present 18 of the 60 members are directly elected. The remaining 42 are special interest representatives or government appointees. Britain had already agreed to increase to no more than 20 the number of directly elected seats in the 1995 elections. A corresponding decision of the National People's Congress of China appended to the Basic Law states that the first post-1997 legislature will include 20 directly elected seats. A separate annex to the Basic Law provides for 24 directly elected seats in the second legislature, and 30, or half of the total, in the third.(IHT 27 and 30/31-05-92;FEER 11-06-92 p.18) Meanwhile, Britain had pledged in 1990 to ask China "at the appropriate time" to increase the number of directly elected seats in the legislature without specifying an exact number. On 24 June 1992 the Legislative Council dropped an earlier proposal of 1989 for half of its 60 members to be directly elected in 1995, and substituted a motion simply calling on Britain to reach an early decision on the 1995 election and to seek Chinese acceptance of it "in order to achieve smooth transition of the political system."(IHT 26-06-92)

The airport issue

Since the Sino-British memorandum of understanding of July 1991 (1 AsYIL 304) relations deteriorated again as China became alarmed at the Hong Kong government's varying estimates of the airport's final cost, which had gone from 98.6 billion 1991 Hong Kong dollars to as high as 163.7 billion 1997 Hong Kong dollars. Besides Hong Kong officials said the colony was planning to put up only 13.6 billion Hong Kong dollars for the project, the remainder coming from the private sector and borrowings. Another source of misunderstanding is an additional 5.9 billion Hong Kong dollars that the government planned to make available to cover any possible cost overruns. China views this as debt while Hong Kong officials say it is merely a contingency fund that probably will not be needed. Both sides started new negotiations in Beijing in early July 1992.(IHT 03-07-92) but these ended without an agreement being reached, except that the discussions were passed on to the airport committee of the Joint Liaison Group.(IHT 07-07-92;FEER 16-07-92 p.14)

US offer for immigration

The director of the CIA offered US passports to Hongkong employees of the Foreign Broadcasting Information Service. Staff members who translate Chinese and other Asian radio, television and newspaper reports into English, were given "immediate assurance that they will be able to immigrate to the US,

should they choose to do so", when Hong Kong reverts to China in 1997. The assurance was included in the Intelligence Authorization Act of August 1991.(FEER 12-09-91 p.9)

HOT PURSUIT

(*see also*: Minorities)

Mujahidin Khalq in Iraq

Iranian warplanes attacked an Iranian rebel base deep inside Iraq on 5 April 1992 in retaliation for a raid by the Mujahidin Kalq on two villages in Western Iran. The exiled opposition group denied making raids and Iraq called the raid an act of "blatant and unjustified aggression." On the other hand the air raid gave rise to attacks by Iranian exiles at Iranian embassies in many western capitals. On the following day Iran demanded the extradition of dozens of these opposition protesters around the world.(IHT 06 and 07-04-92)

HUMAN RIGHTS

See also: Economic cooperation, European Economic Community (:EC-ASEAN), Inter-state relations (China-India), (Non-)Interference in internal affairs, International trade (Sino-US), Nationality (Right to return)

Chinese views

During a visit to China in September 1991 the Italian prime minister emphasized that speaking about human rights is not interference in another country's affairs. The General Secretary of the Chinese Communist Party was reported to have responded that providing food and clothing for China's 1.1 billion people constituted observance for human rights, and that human rights are concrete, not abstract.(IHT 17-09-91)

1991 U.S.Foreign Aid Authorization Bill

A section of the 1991 Foreign Aid Authorization Bill would require U.S.companies with joint ventures or offices in China to follow a code of ethics as part of the efforts of the U.S.Congress to defend human rights in China, but U.S.corporations largely opposed the proposals. They charged the bill with "practically making us appear to be agents of the U.S.government." Among other things, the code would prescribe businessmen to prevent discrimination based on religion or political beliefs, protect their Chinese employees' freedom of expression and assembly, discourage political classes in the workplace and appeal to the Chinese government on behalf of political prisoners.(IHT 09-10-91)

UN on human rights in Myanmar

A United Nations team led by Professor YOKOTA Yozo from Japan came to

Myanmar on 21 October 1991 to investigate the state of human rights in the country, a week after the detained opposition leader, DAW AUNG SAN SUU KYI, was awarded the Nobel Peace Prize. A previous UN team visited Myanmar in November 1990. (IHT 23-10-91)

On 17 December 1991 the UN General Assembly adopted resolution 46/132 by consensus, expressing concern at the situation. (IHT 2-12-91) Operative paragraph 3 of the resolution reads: “*Urges* the Government of Myanmar to allow all citizens, including democratically elected political leaders, to participate freely in the political process in accordance with the principles of the Universal Declaration of Human Rights.”

Following a request by Bangladesh for Security Council action a UN Under-Secretary General in his capacity as humanitarian relief coordinator visited Myanmar in early April 1992 to try to halt the alleged persecution of the Muslim minority. (see: Minorities) (FEER 07-05-92 p.14)

Indian intervention with Myanmar

On 14 November 1991 the Indian ambassador to Myanmar handed a strongly worded Indian statement to the Myanmar foreign ministry. The statement called for the immediate and unconditional release of the leader of the National League for Democracy who had been kept under house arrest for two years. (FEER 28-11-91 p.20)

Vietnam

Vietnam agreed to give the International Committee of the Red Cross access to political prisoners held in re-education camps since the end of the Vietnam War. (IHT 4-12-91)

IMMIGRATION

See: Nationality

INSURGENTS

See also: Border incidents, Dissidents, (Non-)Interference, Military cooperation (Indonesia-PNG), Refugees

United Liberation Front of Asom (Assam, India)

According to Indian officials pro-independence groups from northeastern India had set up bases and offices in neighbouring Bangladesh. According to these reports the ULFA, the main guerilla group in Assam, had established an office in Dhaka, and a transit camp for rebels and three training and arms collection centres near the Indian border. (IHT 03-01-92)

INTELLECTUAL PROPERTY

See: Foreign property rights

INTER-STATE RELATIONS: GENERAL ASPECTS**China-Vietnam**

The two countries have a territorial dispute and have been at odds as a result of their support of rival regimes in Cambodia.(IHT 13-09-91) A brief border war broke out in 1979, when China invaded Vietnam to punish it for ousting the Beijing-backed Khmer Rouge regime in Cambodia. Northern Vietnamese towns were seriously damaged and sporadic cross-border duels continued until 1987. The last 23 Vietnamese prisoners were released in August 1991. A major obstacle to normal relations was removed in October 1991 when a peace treaty was signed to end the war in Cambodia. The two sides never officially severed ties and maintained embassies in each other's capitals, but air, rail and telephone links were cut after 1979.

On 5 November 1991 the Vietnamese Communist Party leader and the prime minister arrived in Beijing for talks that marked the normalization of relations.(IHT 6-11-91) It was reported that the two sides had discussed the possible joint development of the Spratly Islands whose sovereignty is claimed by both and several other states in the region.(IHT 7-11-91) On 7 November 1991 a trade accord aiming at the "promotion of friendly cooperation and long-term, sustained and steady development of trade relations" and a "provisional agreement on handling border affairs" were signed.(IHT 8-11-91) It was reported that shortly before the summit the two parties tried but failed to agree on the repayment of the outstanding Vietnamese debt to China. Chinese officials estimated the debt at Rmb 1 billion (\$185 million), while according to Vietnam it totaled only \$17 million.(FEER 21-11-91 p.11)

On 14 February 1992 the two countries concluded a number of agreements during a visit to Vietnam by the Chinese foreign minister, such as on economic cooperation and on the abolition of visa requirements for diplomats and businessmen. It was also agreed to exchange consulates and to hold an experts' meeting on territorial disputes.(FEER 27-02-92 p.14)

On 8 March 1992 the two countries signed four agreements in Beijing preparing the way for the resumption of direct rail, air, postal and shipping links.(FEER 19-03-92 p.53)

On 1 April 1992 the border crossing at Friendship Gate was reopened officially after having been closed since the border war 13 years ago.(FEER 16-04-92 p.14)

Republic of Korea - Vietnam

During the Vietnam War South Korean troops served alongside US forces. More than 5,000 of them died fighting there. The turnaround in their adversarial ties came in 1988 when Vietnam sent a team to the Olympic Games in Seoul.

Vietnam and South Korea agreed to exchange liaison offices in preparation for establishing diplomatic relations and according to a South Korean foreign ministry announcement on 20 April 1992 the offices would open in July 1992.

Korean firms, which had long ignored Vietnam out of deference to the US trade embargo, had become increasingly active in the past two years. Vietnam may be a potential site to move Korean labour-intensive industries. A consortium of seven *chaebol* (family-owned business groups) won a contract in January 1992 for oil prospecting off the Vungtau coast in southeast Vietnam. (FEER 30-04-92 p.14, 07-05-92 p.24)

Thailand - Vietnam

(see also: Sanctions)

A visit by the Thai foreign minister to Vietnam from 17 to 19 September 1991 marked a milestone towards ending four decades of hostility between the two countries. Thailand had supported the US war in Vietnam.

The two foreign ministers signed an agreement on establishing a joint commission for economic cooperation and initialled an agreement to promote and protect foreign investment.

Yet some problems remained. In the field of consular relations Thailand wanted to open a consulate in Ho Chi Minh City, while Vietnam would like to open one in Udon Thani in northeastern Thailand. The Thai wish was later granted but the Vietnamese wish met with objections from the Thai military: 50,000 Vietnamese refugees have been living in the region since the 1950s, and even though the policy is to integrate the Vietnamese fully into Thai society, the army remained wary of the refugees' loyalties. It was later reported that Vietnam would set up its consulate in Rayong, on Thailand's eastern seaboard. (see also: (Non-)Interference)

On 15-17 January 1992 the Thai prime minister visited Hanoi, the first time ever for a Thai premier. The visit was focused on economic issues. Thailand called on the US to lift its trade embargo against Vietnam. The two sides signed a protocol updating their 1978 agreement on trade, economic and technical cooperation, and a memorandum of understanding on rice trading. Officials denied that the two countries were trying to form a rice cartel, but said they would begin consulting regularly on the international market to determine when to sell rice to obtain the highest prices. The signing of a joint fishing cooperation agreement was put off because of protests from local Vietnamese officials for not being adequately consulted on the drafting of the accord. (FEER 03-10-91 p.15, 30-01-92 p.19)

Thailand-Laos

The two countries whose relations had been strained since the Communist victory in Laos in 1975, signed a treaty of friendship and cooperation in February 1992. (FEER 05-03-92 p.14)

Vietnam-ASEAN

The Vietnamese premier visited three Southeast Asian countries in October 1991. It was the first such visit since the Vietnamese intervention in Cambodia in 1978.

In Singapore agreement was reached on the exchange of diplomatic missions, a prospective air services accord and assistance in Vietnam's poorly developed services sector. The two countries established diplomatic relations in 1973 (1975?) but Singapore had delayed opening an embassy due to the invasion of Cambodia. Vietnam had a trade office but no embassy in Singapore.

In Indonesia agreements were signed on the promotion and protection of foreign investments, on air transport and on shipping. The two countries also agreed to speed up negotiations to resolve overlapping claims to exclusive economic zones. Indonesia always had good relations with Vietnam despite the latter's intervention in Cambodia.

In Thailand an investment protection and promotion agreement was signed and also a memorandum of understanding granting Thailand priority in buying Vietnam's surplus natural gas. The Vietnamese were not prepared to conclude a fishing cooperation agreement pending negotiations on conflicting claims to overlapping economic zones at sea and Thai agreement to process seafood in Vietnam.(FEER 14-11-91 p.19)

Vietnamese and Laotian accession to Treaty of Amity and Cooperation

Vietnam and Laos were invited by the ASEAN summit meeting in January 1992 to accede to the 1967 ASEAN Treaty of Amity and Cooperation (*see supra*:ASEAN) and did so on 22 July 1992.(IHT 23-07-92;FEER 06-02-92 p.11)

China-United States

The visit by the US Secretary of State to China from 15 to 17 November 1991 resulted in progress on several outstanding issues. On human rights China gave an accounting of more than 800 political prisoners on a list submitted by American officials several months earlier. They were categorized as convicted, under investigation, released or unable to be identified. Agreement was reached on the text of a memorandum of understanding to prevent the import of Chinese prison-made goods into the US. China affirmed that it intended to observe the "guidelines and parameters" of the Missile Technology Control Regime. As to the signing of the Nuclear Non-proliferation Treaty China hoped to complete the ratification process by the end of the year, and sign the treaty three months after that.(*see*: Nuclear capacity)(IHT 18-11-91,22-11-91)

China-Myanmar

On 6 August 1988 an agreement was signed to open official cross-border trade, and since then China seemed to have emerged as Myanmar's most important trading partner.

The chairman of the State Law and Order Restoration Council (SLORC) of

Myanmar visited China on 20-25 August 1991. On the occasion China agreed on an interest-free loan of \$9.3 million for unspecified economic projects and on the building of a television station in Myanmar.(FEER 03-10-91 p.24)

Pakistan-Iran cooperation

It was reported that Iran and Pakistan signed 5 agreements in September 1991 providing for cooperation in railways, road building, communications, postal cooperation and oil and gas exploration. Pakistan committed itself to lay a railway line in Iran linking its railhead at Zahedan with Kerman to complete the rail connection between Turkey and Pakistan.(FEER 26-09-91 p.14)

Iran-US relations

The US President said that he would not move to improve relations with Iran until all American hostages were released. Even then, Iran's alleged continuing support for international terrorism, American distrust of Iran's intentions on nuclear projects and other issues, and Iran's reluctance to establish ties with the US remain obstacles in building a relationship. As evidence of Iran's involvement in terrorism, US officials cited Iran's alleged link to the assassination of the former Prime Minister SHAHPUR BAKHTIAR, the officially sanctioned death edict against the British author SALMAN RUSHDIE and support for radical Palestinian groups.(IHT 22-11-91)

Vietnam-United States

In April 1991 the US outlined a four-phase process for normalizing relations with Vietnam.(1 AsYIL 313) The first phase would start with formal discussions between the two governments after the signing of a Cambodian peace treaty. The second phase would begin with a cease-fire and the establishment of the UN Transitional Administration in Cambodia, and would include the partial lifting of the US economic embargo against Vietnam. The third phase would begin after the UN administration in Cambodia had been in place at least six months, and would include an exchange of diplomatic missions and the full lifting of the trade embargo. The final phase, after UN-supervised Cambodian elections due in early 1993, would include full diplomatic and economic ties.(IHT 24-10-91)

After the signing of the Cambodian peace treaty the two countries agreed to set up a working group on normalizing relations. It was reported in January 1992 that Thailand acted as an intermediary in diplomatic contacts between the US and Vietnam. The US position is that it could move toward an exchange of ambassadors if Vietnam could account for 2,266 US soldiers unaccounted for in Indochina - 1,655 in Vietnam, 522 in Laos, 83 in Cambodia and 6 in China.(IHT 23/24-11-91,17-01-92,23-04-92)

On 5 March 1992 the US agreed to provide millions of dollars a year in humanitarian aid in exchange for additional Vietnamese cooperation in resolving the fate of the missing Americans. In return for the aid the Vietnamese government had agreed to allow US investigators to travel on short

notice to areas of Vietnam where there were reported sightings of missing Americans, and to allow investigators greater access to Vietnamese military archives.

Despite the above agreement the US said it was still not prepared to lift the 17-year-old trade embargo that had crippled the Vietnamese economy and angered American investors. The US also said it did not envisage the resumption of full diplomatic relations with Vietnam until the spring of 1993, when free elections were expected in neighboring Cambodia. (IHT 06 and 07/08-03 and 23-04-92;FEER 19-03-92 p.12)

The US resumed formal aid to Vietnam in 1991 when it approved programs to provide artificial limbs to Vietnamese soldiers and civilians. In December 1991 it lifted travel restrictions for Americans wishing to visit Vietnam. (IHT 06-03-92) In April 1992 it allowed the establishment of telecommunications links, thereby entering the second phase of the US "road map" for normalizing relations with Vietnam. Other elements of this phase included permitting US firms to sign contracts to be executed when the embargo would end, lifting remaining restrictions on the activities of US non-governmental organizations in Vietnam and cooperating with other countries to help Vietnam eliminate its arrears in the IMF. On 29 April 1992 the embargo was further eased by allowing commercial sales to meet basic human needs, and lifting restrictions on aid projects by non-governmental organizations. (FEER 23-04-92 p.14, 30-04-92 p.12, 14-05-92 p.14)

Vietnam-France

It was reported that the French Secretary of state for foreign trade offered Vietnam help to preserve its independence against any Japanese economic invasion. During a meeting with the Vietnamese prime minister he said: "France can, I believe, help strengthen your independence against powerful forces from the region." He warned that while Japanese economic power was an important asset it also "holds some dangers." (IHT 13-02-92)

China-India

The Chinese prime minister paid a visit to India in December 1991, the first in 31 years. (The recent warming trend between the two countries began when the Indian prime minister visited Beijing in 1988. *See* 1 AsYIL 309) The talks produced a joint communique on 16 December 1991 and three agreements, on cooperation in space-related research and technology, on the resumption of border trade in limited areas and improved trade ties, and the reopening of consulates in Bombay and Shanghai. The Chinese and Indian leaders agreed that international concerns about human rights should not take precedence over the need for rapid development, and shared worries that the trend towards assertive nationalism in the former Soviet Union and in Europe would spill into their multinational countries. The prime ministers of both countries emphasized that their countries shared an interest in asserting themselves internationally at a time when an ascendant West is moving to shape the post-Cold War order. On this latter issue they condemned the "emerging

international oligarchy” and said no country or alliance “should be permitted to manipulate world affairs and practice power politics.”

The prime ministers barely touched on the unresolved border dispute but agreed that the boundary problem was no obstacle in their joint efforts to strengthen the two countries’ relationship.(IHT 12,13 and 14/15-12-91)

China-Soviet Union

China gave an official reaction on the Soviet coup d’etat of 19 August 1991 one day after the event, calling the developments “an internal affair”, adding that China opposes interference in other countries’ internal affairs and respects the choices of other peoples.(FEER 29-08-91 p.13)

[The Sino-Soviet joint communique of May 1989 committed the Soviet Union and China not to use force or the threat of force against each other in any manner. The ban covered actions involving the use of the land territory, the territorial waters or air space of any third country adjacent to either party.](FEER 03-10-91 p.30)

India-Portugal

The Portuguese president was scheduled to be guest of honour at India’s Republic Day parade on 26 January 1992, and so the two countries seem completely reconciled over India’s seizure of Goa 30 years ago.(FEER 16-01-92 p.9)

Australia as an Asian power

The visit by the Australian prime minister to Indonesia in April 1992 was reported to be an attempt to move away from the strain in relations resulting from the East Timor incident in November 1991, and part of a continuing courtship of Southeast Asian countries to win acceptance for Australia as being a part of the region instead of the European-American sphere.

During the visit the two countries signed three agreements, covering double taxation, fisheries and extradition.(FEER 07-05-92 p.21)

The United States as a Pacific power

In his address to the Australian Parliament on 2 January 1992 the US President pledged that America’s role and purpose as a Pacific power would “remain constant” despite the passing of the Soviet threat and a planned reduction of the US military presence in the region.(IHT 03-01-92)

During the President’s visit to Singapore the Prime Minister of Singapore said that a substantial US economic and security presence was needed to maintain a stable balance of power in the region.(IHT 06-01-92)

On 24 July 1992 Japan, worried that its vital trade routes may be disrupted by a conflict between China and other Asian countries in the South China Sea, called for retention of a strong American military presence in the region. The deputy foreign minister said that US involvement “remains extremely

important for peace and stability of the Asia-Pacific region amid the changing international environment.”(IHT 25/26-07-92)

Japan-Republic of Korea

During his visit to South Korea the Japanese Prime Minister apologized on 16 January 1992 for “the suffering and sorrow” that his country had inflicted on Korea during its harsh period of colonial rule. On his part the South Korean President referred to Korea’s trade deficit, calling it a grave issue that must be settled to facilitate closer relations. He also cautioned Japan not to send troops overseas as part of a plan to assist UN peacekeeping activities: “Japan should contribute to regional peace and stability through economic and non-military means.”(IHT 17-01-92)

Japan-DPR Korea

The fourth round of normalisation talks between Japan and North Korea ended in Beijing on 2 September 1991 with little or no apparent progress. North Korea went back on an earlier promise to investigate the case of LI UN HYE, a Japanese woman allegedly kidnapped in Japan and taken to North Korea. North Korea also repeated demands for compensation as a belligerent in World War II and for losses attributed to Japan over the 45 years since the war.(see:World War II) Japan had refused to consider either claim in earlier rounds of talks.(FEER 12-09-92 p.14)

Vietnam-Malaysia

On the occasion of his visit to Vietnam in April 1992 the Malaysian prime minister said that there are only two outstanding issues to be resolved between the two countries: the question of the Vietnamese boat people in Malaysia and the overlapping claims in the South China Sea. The Vietnamese prime minister affirmed Vietnamese willingness to accept return of Vietnamese boat people, and the two sides agreed to talk in May 1992 on the overlapping territorial claims. During the visit bilateral agreements were signed on telecommunications links and scientific, technical and economic cooperation as well as a memorandum of understanding on Malaysia’s decision to assist Vietnam’s rubber industry.(IHT 21-04-92;FEER 30-04-92 p.14)

(NON-)INTERFERENCE IN INTERNAL AFFAIRS

See also: Broadcasting, Economic cooperation, Inter-state relations (China-Soviet Union), Minorities, Persian Gulf, Refugees

Activities of Bhutanese in India

(see also: Minorities)

At a meeting between the King of Bhutan and Indian leaders in early September 1991 the latter reiterated that they would not allow their territory to be used

as a staging ground by thousands of Bhutan residents of Nepalese origin who had fled after the king had revoked their citizenship rights.(FEER 03-10-91 p.25)

Cambodia

When Prince NORODOM SIHANOUK received credentials from the new US envoy to Cambodia on 19 November 1991 he asked the US to give aid but in the future not to interfere [in the internal affairs of Cambodia]. He said he wished "that the US could avoid something like the event of 1970" [when the US supported a coup d'etat against the Prince].(IHT 20-11-91)

About a fortnight later the Prince reproached the US of meddling in Cambodia's internal affairs. Reacting to a letter from US senators asking president BUSH to keep the Khmer Rouge from returning to power in Cambodia, he said on 5 December 1991:"It is up to the people of Cambodia to judge, to condemn or not to condemn the Khmer Rouge... The US Congress should not interfere in the sovereignty and internal affairs of the future Cambodian parliament....The parliament of Cambodia should not be a satellite or slave of the US Congress."(IHT 6-12-91)

Singapore

Asiaweek Magazine, whose circulation in Singapore was slashed to 500 from 10,000 copies in 1987 as a result of accusations from the Singapore government about interference in domestic politics, has been permitted to raise the number of copies to circulate to 12,000 as of December 1991.(IHT 6-12-91)

ASEAN attitude toward events in Myanmar

In July 1991 ASEAN foreign ministers rejected a call by the US, the European Community and other Western nations to apply joint pressure on Myanmar to restore democracy and improve human rights (1 AsYIL 307), yet mandated the Philippines to approach Myanmar on human right issues. In December 1991 the Philippine foreign minister visited Myanmar on behalf of ASEAN foreign ministers, but the Myanmar authorities would only receive him as a Philippine official.(IHT 30-01-92;FEER 24-10-91 p.9,28-11-91 p.28)

Malaysian intervention on behalf of Myanmar Muslims

On 9 March 1992 Malaysia lodged a protest with Myanmar over the treatment of Rohingya Muslims forced to flee from Arakan province into Bangladesh.(see *infra*:Minorities) The Malaysian Foreign Minister said the problem could no longer be regarded as a domestic issue because "the action by Myanmar troops has burdened many neighbouring countries and may disrupt regional stability."(FEER 19-03-92 p.12)

Thailand and Vietnam

The Thai army commander charged in October 1991 that the Vietnamese embassy in Bangkok was making unauthorized contact with ethnic Vietnamese living in northeastern Thailand. During the Vietnamese prime minister's visit in late October both sides pledged not to interfere in each other's internal affairs. While the Vietnamese premier pledged to rein in the Vietnamese embassy, he called on both sides to respect each other's sovereignty, apparently referring to Vietnamese suspicions that the Thai military supported Vietnamese guerrillas fighting to overthrow the government in Hanoi.(FEER 14-11-91 p.19)

INTERNAL JURISDICTION

See: (Non-)Interference

INTERNATIONAL TRADE

See also: ASEAN, EEC, Foreign investment, Sanctions

Multifibre Agreement

In negotiations on the extension of the Multifibre Agreement (MFA)(*see* 1 AsYIL 324) several textile exporting countries from South and Southeast Asia demanded significantly more access to EC markets. EC trade negotiators argued that since the talks on phasing out the MFA were being held within the Uruguay Round of GATT negotiations, no major concessions would be made in provisional bilateral deals.(FEER 31-10-91 p.75)

Status of American Honda Motor Co.

As a result of U.S. representation American Honda received French approval to import U.S. made cars into France as U.S., not Japanese cars. The EC-Japanese agreement (*see*: 1 AsYIL 322) did not cover vehicles built in the U.S. The approval was seen as an important symbolic victory to the extent that the U.S. trade officials were willing to argue Honda's case, further strengthening Honda's status as an American automaker.(IHT 17-09-91; FEER 26-09-91 p.79)

"Local content" of North America-made Honda automobiles

The Japanese government considered "discriminating against Japanese interests" a US ruling that Honda Motor Co. owed millions of dollars in tariffs for automobiles imported to the US from Canada because they did not contain enough parts made in North America, *viz.* 46 percent. This was contrary to the Canadian view that the cars were more than 50 percent American and consequently qualified for duty-free treatment under the US-Canada Free-Trade Agreement. According to Honda the North American content of the cars concerned was 69 percent. In responding to the ruling

Japanese officials used American trade-negotiating strategy by accusing the US of promulgating deliberately vague rules to protect its market, complaining of "a certain lack of transparency" in the guidelines concerned. It was also noted that the US trade representative had argued that North American-produced Hondas were "an American car" when seeking to protect them against European Community quotas on Japanese imports(*see supra*). (IHT 04-03-92; FEER 12-03-92 p.53)

Japanese car sales in France

Nissan and Toyota agreed to limit sales in France of their cars made in European factories in exchange for permission to buy their French distributors. The approval was obtained in November and December 1991 respectively after having been postponed by the French Treasury in February 1990. As to cars made in Japan the Japanese carmakers abide by an unofficial limit of 3 percent of the French market. (IHT 24-01-92)

Effect of tariff measures

In August 1991 the U.S. had imposed a special tariff on the import of certain kinds of advanced computer screens in order to protect a nascent sector of the U.S. computer industry. Since several U.S. computer makers were dependent on these imported (Japanese) screens and since the American screen industry was unable to meet their needs the companies must either raise their computer prices or move their operations outside the U.S., which was in fact announced by one of the largest Japanese companies making computers in the United States. The tariff did not apply when the screen was imported as part of a larger computer system. Besides, one of the biggest victims of the tariffs appeared to be IBM which produces the screens in Japan in a joint venture with Toshiba. (IHT 27-09-91)

Sino-US trade relations

The United States opened an investigation (under section "Super" 301 of the Trade Act of 1988, *see note infra*) into alleged Chinese trade barriers to U.S. products. The US demanded that existing trade barriers be abolished in order to cut the Chinese trade surplus with the U.S. According to the US its trade deficit was \$10 billion in 1990 and was expected to be more than \$15 billion in 1991. China disputed the American trade figures and claimed that it was in fact the side running a deficit of \$1.4 billion in 1991. According to this reasoning many raw materials used for manufacturing in China originate in the US but do not count as exports to China since they are first shipped to Hong Kong. On the other hand the final products are assessed at their higher value when exported to the US.

The U.S. also accused China of unfairly restricting imports in four ways: import quotas and outright bans on some products, complex import licensing requirements, specific technical standards that match only domestically produced goods, and a refusal to publish rules so that American companies

can avoid legal pitfalls. In addition to the trade imbalance the U.S. charged China of using prison labour to make export goods and Chinese companies of falsifying labels of origin to avoid (American) quotas.

China would be facing US trade sanctions if it would not open its markets to the satisfaction of the US, and also if it did not satisfy the US in ending alleged piracy of intellectual properties such as patents and copyrights. (IHT 11-10-1991, 12/13-10-91;FEER 30-01-92 p.37)

With regard to US accusations on the use of prison labour Chinese officials had consistently asserted that the exportation of prison-made products is against Chinese policy.(IHT 23-10-91) A memorandum of understanding was reached by the two states on 18 June 1992 aimed at preventing the export to the US of goods made in Chinese prisons. Under the agreement US officials would be able to visit Chinese prisons, camps and companies suspected of exporting prison-made goods to the US.(IHT 20/21-06-92;FEER 02-07-92 p.12)

[*Note:* The US Omnibus Trade Act, particularly its “Super 301” provision requires the US administration to identify countries deemed to have unfair trade barriers and, when no improvement can be achieved by negotiations, to apply tariffs to their products by way of retaliation. The Act is controversial outside the US because it is alleged to run counter to provisions of the GATT. The provision lapsed after 1990 but in May 1992 a bill was introduced calling for a renewal for five years of the above provision.](FEER 21-05-92 p.51,28-05-92 p.49)

Most-favoured nation status for China with the US

The US Congress had been trying to make a renewal of China’s most-favoured-nation status conditional. In February 1992 the US Senate, though by a less than two-thirds majority, attached conditions to the renewal of China’s MFN status with the US, related to improvement of China’s record on human rights, trade and missile proliferation. The bill would require China to provide a full accounting and the release of prisoners arrested during the 1989 demonstrations. It also called for the curtailment of “gross violations of internationally recognized human rights”, the termination of trade practices restricting the import of US goods and services, and action to protect US intellectual property. Finally, the bill demanded that China take “clear and unequivocal steps” to prevent the transfer of high-performance missiles, chemical and biological weapons and nuclear-weapons technology to other countries.

China rejected the bill, saying that “[t]he bill violates the principle of mutual benefit of bilateral trade.”(IHT 27-02-92) The US president vetoed the bill on 2 March 1992 and on 2 June he announced the extension of MFN-status for China for another year.(IHT 03-03-92;FEER 11-06-92 p.8)

Avoidance of duties on imported textiles from China

There had been reports for some time about evidence of dumping of products on the US market by Chinese state-controlled companies. On 5 May 1992 a grand jury in the US District Court in Manhattan, New York, issued an indictment charging a Chinese provincial trade official, three US residents, two Chinese companies and one Californian company of conspiring to defraud the US of more than \$100,000 in duties on imported textiles and clothing through the undervaluing of textile goods from China.. The indictment was said to be the first in a broad, continuing investigation of efforts by importers to evade duties and bypass import quotas by shipping textiles made in China through other countries, like Pakistan. In 1991 textiles accounted for \$3.9 billion of the \$15 billion of US imports from China.(IHT 08-05-92;FEER 21-05-92 p.50)

China's efforts to re-enter GATT

In its efforts to qualify for GATT membership China vowed to abolish duties meant to regulate imports and to trim its list of products subject to import licensing. It also promised to promulgate a Foreign Trade Law and an Anti-dumping Law, and to publish existing trade regulations on import-export administration in order to achieve transparency.(IHT 02-03-92)

Sino-EC trade

Alarmed by China's \$12 billion trade surplus with the EC in 1991, the latter warned China to take quick action to open its markets and to stop "predatory export strategies."(FEER 26-03-92 p.65)

Sino-Russian trade

China and Russia signed a trade agreement on 5 March 1992, their first official agreement since the collapse of the Soviet Union.(IHT 06-03-92)

On 29 July 1992 the Chinese news agency reported that a private Chinese company, the *Nande* Economic Group, had traded 500 railcar loads of light industrial goods for four Tupolev TU-154M passenger jets from Russia in a deal worth 420 million Swiss francs. A centre would soon be opened in Moscow to market products ranging from consumer electronics and machinery to food, textiles and light industrial goods.(IHT 30-07-92)

Sino-Mongolian transit agreement

Until recently most Mongolian exports to Japan and other Asian states had to be shipped at Nakhodka. In order to develop a shorter route to the sea through China an agreement was concluded between China and Mongolia in August 1991, allowing Mongolia to use port facilities near Tianjin. The deal was believed to grant duty-free, unimpeded passage to Mongolian goods. With the present transport infrastructure, however, trains crossing the Sino-

Mongolian border have to stop to change wheels because the two countries have different rail gauges.(FEER 19-09-91 p.72)

US-Singapore trade and investment

The US and Singapore on 11 October 1991 concluded a Trade and Investment Framework Agreement containing a consultation mechanism for thrashing out significant trade issues, such as services, market access and intellectual property.(1 AsYIL 316) The mechanism may ultimately lead to free-trade in the future. Similar framework agreements have been concluded by the US with 29 Latin American and Caribbean countries since the breakdown of the GATT talks in December 1990, while similar framework accords were signed with the Philippines (1989) and Thailand. The agreement with Singapore could be seen against the background of a memorandum of understanding to boost trade and investment, signed by the US and ASEAN in December 1990 and allowing for bilateral agreements.

Some Asian trade officials, among whom Japanese, complained that the US-Singapore agreement contravened an understanding that no country working to strengthen the APEC process should engage in any bilateral or multilateral trade agreements.(IHT 11-10-91, 12/13-10-91;FEER 31-10-91 p.64).

Korean stand on rice import

South Korea's National Assembly unanimously passed a resolution on 15 October 1991 opposing the opening of the country's rice market to imports. The six-point resolution read, in part:"As rice is the root of our culture, the staple of the nation and the major source of income for farmers, the Assembly will never allow the opening of the rice market , even for minimal rice imports."(IHT 16-10-91)

US company selected for Japanese construction project

A US company was the first foreign firm to be given responsibility for a giant Japanese resort, hotel and airport project. It was reported that the Japanese developer had chosen an American contractor in order to win Japanese government approval for the airport. This would show that having an American firm involved can have a positive impact on a project, contrary to some time ago.(see also:1 AsYIL 320)(IHT 15-11-91)

OECD on Japanese trade

OECD forecasts on the world economy referred to the Japanese efforts to restructure and open its economy and questioned if removal of remaining structural impediments would help reduce the country's international surpluses."The aggregate external balance is, and will remain, essentially a macro-economic phenomenon, deriving from the saving-investment balances of Japan and its major trading partners, rather than from trade-policy factors.... Bilateral balances will continue to be determined for the most part by

the dynamic evolution of comparative advantage as a result of research and development and innovation.”(IHT 20-11-91)

Japanese US subsidiary denied status of US company

In 1991 Brother Industries (USA) Inc. accused Smith Corona of dumping its Singapore-produced type-writers at the US market, threatening jobs of Tennesseans.(see 1 AsYIL 322) On 26 September 1991 the US Commerce Department dismissed the complaint, ruling that Brother was not a US producer because its Tennessee plant performed only final assembly of Japanese-made parts. As a foreign-controlled company it did not have standing to file an anti-dumping suit in the US. Previously Smith Corona won an anti-dumping action against Brother and other Japanese typewriter makers in August 1991, on the basis of a ruling that it was a US producer.(FEER 10-10-91 p.79)

Reversely the US Commerce Department ruled on 8 November 1991 that Brother Industries of Japan was not avoiding anti-dumping duties imposed on its portable electric typewriters, contrary to Smith Corona allegations of avoidance by shipping of components from Japan for final assembly at a US plant. The ruling decided that the US factory was more than just a “screwdriver” operation.[Many of the components did not in fact come from Japan but from Malaysia.](FEER 21-11-91 p.83;09-01-92 p.43)

US-Japanese trade

In the US Congress initiatives were taken to introduce a 1992 Trade Enhancement Bill aimed at forcing Japan to bring its trade surplus with the US into “relative balance” over five years. It was said that Japan’s cumulative trade advantage since 1980 was \$459 billion. The proposed legislation would require the Japanese to reduce their trade surplus with the US by 20 percent a year over five years - either by allowing more sales of American goods in Japan or accepting cuts in US sales of Japanese automobiles.

On the occasion of the visit of the US president to Japan in early January 1992 Japan agreed to import 20,000 more US-made cars by 1994, from under 20,000 in 1991, and to increase its purchase of US car parts to \$19 billion a year by 1995, from \$9 billion last year. The agreement was the subject of the following remark by the Commissioner for External Trade of the European Communities on 15 January 1992:”We have the impression that certain elements in the agreement might be discriminatory against non-signatories of the agreement”, and the next day the Competition Commissioner accused that the US used political pressure to get a bilateral trade deal with Japan, and that there was “mounting evidence that the US is drifting toward a preference for managed trade.”(IHT 16-01-92,17-01-92)

Japanese accusations of US violations of rules on international trade

In confronting the US on trade issues an advisory panel of the Japanese Ministry of International Trade and Industry (MITI) attacked America for among the most unfair trade practices in the industrialized world. In its report the council examined how closely countries adhere to rules governing international trade, claiming American policies breach many of these rules. This was the complete opposite of the approach which takes trade surpluses as a measure of the openness of a market and which demands Japan to do more to open its markets to foreign goods and not export too vigorously.

In a kind of report card evaluating how well different countries adhere to international trade rules in 10 areas, the US stood out by failing in nine. The European Community ranked second to last, failing in 6 categories. According to the report, among the unfair US practices are: America too often imposes unilateral solutions to trade problems; it has abused rules that permit a country to halt dumping of products by exporters at unfairly low prices; it has arbitrarily altered its tariffs, and it has resorted frequently to "voluntary restraints" on a country's exports to the US to resolve disputes, a violation of free-trade principles.

A Japanese official said that Japan would try to avoid direct negotiations with the US over trade problems, as happened in the past. Instead, Japan would try to resolve problems by referring to the GATT.(see *infra*)(IHT 08-06-92)

Critics pointed out that the report largely ignored the criticism that Japan's huge trade surplus reflected barriers to import, and also omitted agriculture where Japan maintained strong barriers. Nor did the report address the role of *keiretsu*, the business groupings that some believe keep foreign competitors at bay.(IHT 10-06-92)

Japanese resort to GATT dispute settlement

Japan lodged a complaint with GATT against the anti-dumping duties imposed by the European Community on Japanese audio cassette imports. This was seen as signalling the emergence of a more commercially confident Japan, as Japan rarely takes disputes to Gatt, the first time being in 1990 when it secured a ruling against anti-dumping duties on electronic goods assembled in the EC.(FEER 23-07-92 p.41)

Cancellation of contract with Japanese partner

On 18 December 1991 the Los Angeles County Transportation Commission awarded a contract for \$122 million worth of automated rail cars to Sumitomo Corp. of America over a lower bid from an indigenous firm, Sumitomo being considered better equipped to perform the contract. In the face of bitter public protests, however, the Commission rescinded the contract despite a Sumitomo offer to bring in an American partner. Japanese officials considered the incident "basically...questionable, as the US government is urging Japan to open its market. We may urge the US in the same way."(IHT 23-01-92,25/26-01-92,28-01-92)

US-Japanese semi-conductor trade
(see also 1 AsYIL 321)

In 1986 an agreement was concluded setting up a system of floor prices on Japanese computer chips and calling for American and other non-Japanese chip companies to gain at least 20 percent of the Japanese semiconductor market. When the agreement was renewed in 1991 the floor prices were abolished, but it was quite probable that the 20 percent share would not be met by the deadline of the end of 1991. It was reported in March 1992 that American semiconductor executives were beginning to express concern that their Japanese competitors might be selling chips below production cost, a practice that would violate the semiconductor trade agreement.(IHT 07/08-03-92)

Barriers in Japanese-EC trade

Japan promised to scrap the port-fee system, under which EC ships had to pay higher fees into a Harbour Management Fund than Japanese vessels. EC ship owners lodged a complaint in January 1991 saying that the payments amounted to an illegal trade barrier.(FEER 02-04-92 p.79)

Vietnam-Singapore commercial relations

Vietnam signed an agreement with Singapore on 16 April 1992, allowing shippers from each country to participate in the other's inland trucking business. The current level of direct sea-borne trade between the two countries was estimated at more than 3 million metric tons a year, about 2 million of which was being forwarded to other destinations from Singapore. A few days afterwards an air-services agreement was signed, aimed at boosting trade, tourism and investment between the two countries. Singapore overtook Japan as Vietnam's largest trading partner in 1991. Vietnam has similar agreements with France, Thailand, Malaysia and China.(IHT 17 and 21-04-92)

Vietnam-Malaysia trade relations

Coinciding with a visit by the Malaysian prime minister at the head of a delegation of more than 200 officials and businessmen Vietnam signed three economic and technical agreements with Malaysia on 20 April 1992. One of the agreements was to expand post and telecommunications links between the two countries, and another was on economic, technical and scientific cooperation. A third was a memorandum of understanding on Malaysian technical assistance to Vietnam's rubber industry. The occasion also resulted in an agreement to explore for oil in areas of the South China Sea claimed by only both countries. Malaysia is the biggest investor in Vietnam among the ASEAN member states.(IHT 21 and 22-04-92)

Iranian orders in the West

Iran Air ordered two Airbus aircraft, its first order for large Western-made commercial planes since the 1979 Islamic revolution. The sale obtained US approval which was required since the engines would be made in the US.(IHT 28-04-92)

Termination of voluntary restraint agreement

Japan and the US agreed to end a voluntary restraint agreement on exports of Japanese machine tools to the US at the end of 1993.(IHT 28-04-92)

South-south trade relations

A Group of 15 developing countries emerged as a caucus to promote south-south trade relations at a meeting at Kuala Lumpur in 1989. A second G15 summit took place in November 1991.

One of the projects consisted of the setting up of "bilateral payments schemes", based on an idea conceived by Malaysian and Iranian officials in 1988. In order to avoid the normal credit risks accompanying unconfirmed letters of credit the central banks would agree on an arrangement whereby each agreed to guarantee payment for its exporters.

To help stimulate further trade and investment among countries of the "South" the G15 endorsed a Malaysian proposal to set up a "South Investment, Trade and Technology Data Exchange Centre"(SITTDEC), being a data centre to facilitate trade and investment along the lines of the Trade and Investment Promotion System which is run by the UN.(FEER 16-04-92 p.50)

"Newly industrialized states" and preferential trade

Under the Generalized System of Preferences, adopted under the auspices of UNCTAD and under which industrialized states were to remove all tariffs and duties on certain products from designated developing countries, South Korea, Hong Kong and Singapore had been able to export duty-free to the European Community goods such as electronic components, television sets and other consumer products.

The US withdrew GSP status from South Korea, Taiwan, Hong Kong and Singapore in 1989, and it was reported in July 1992 that the European Community was also reviewing the program: The ten beneficiary countries with the largest economies shared 70 percent of the GSP advantages afforded by the Community.(IHT 11/12-07-92)

(NON-)INTERVENTION

See also: Minorities, Specific territories: Kashmir

Iranian Revolutionary Guards in Lebanon

Iran reportedly decided last month to withdraw its revolutionary guards from Lebanon. The guards arrived in 1982 to fight the Israeli army which had invaded Lebanon earlier that year to drive PLO guerrillas out of the country. According to Lebanese and Iranian newspaper reports the withdrawal was agreed upon at a meeting of the Iranian foreign minister with the Lebanese president at the United Nations, although the whole action was formally denied by the Iranian vice president. The pull-out may be seen as a recognition by Iran that foreign armed interventions belong to a bygone era of expanding the Islamic revolution through force.(IHT 14-10-91,15-10-91,17-10-91)

IRAN-IRAQ WAR

*See also:*Embargo

United Nations report

In a report on the Iran-Iraq War the UN Secretary General concluded that Iraq was responsible for having started the war. Iranian officials hailed the report as vindication of the Iranian stance. It is not yet known how the finding would affect Iran's claims of billions of dollars in war reparations.(IHT 12-12-91)

Expropriation of Iraqi airplanes

According to Saudi and Kuwaiti sources Iran had decided to expropriate 132 Iraqi military and civilian planes that sought refuge in Iran during the Iraq-Kuwait War. The decision was described as a first step in Iran's claim for hundreds of billions of dollars in damages from Iraq for the eight-year war between the two countries. Six of the planes were Kuwaiti-owned aircraft. After negotiations the first of the planes were returned to Kuwait, but others were being held up over an Iranian demand for \$90 million for parking and maintenance fees.(IHT 31-07-92)

JAPAN'S MILITARY ROLE

Participation in U.N. peacekeeping forces

The Japanese cabinet decided on a bill allowing the participation of Japanese forces in United Nations peacekeeping forces.(see 1 AsYIL 327) According to the bill no troops could be sent except in the case of a truce and with the approval of all the parties in a conflict. The Japanese forces would withdraw if these conditions collapsed. The troops would probably not number more than 2,000 and would not carry any weapons except light arms for self-defence. These conditions would keep the proposed bill in accordance with the constitution which bars Japan from the use or threat of force to settle

international disputes. (IHT 20-09-91;26-09-91) The bill was approved by the Lower House on 3 December 1991.(IHT 4-12-91)

In the Upper House, the governing Liberal Democratic Party lacked a majority and relied on the support of two smaller parties. The three parties finally reached a compromise. (IHT 27 and 30/31-05-92) The Upper House approved the bill on 9 June 1992.

Under the approved version, up to 2,000 soldiers could immediately join UN peacekeeping units but would only be involved in logistics, medicine distribution and other non-combat duties. More dangerous operations, such as monitoring cease-fire agreements, removing land mines or disarming warring factions, would require the approval of the Diet and could not be undertaken without the passage of a separate law. A re-examination of the bill would take place in three years, and there would be a temporary moratorium on sending the troops for the immediate future.

Under the existing procedure the bill had to return again to the Lower House for passage into law, which took place on 15 June 1992. In the end Parliament decided that the Japanese troops may carry arms but were only allowed to fire in self-defence and were required to withdraw as soon as a cease-fire collapsed.(IHT 09 and 16-06-92)

Some of Japan's neighbours had some misgivings about the Japanese plans. China, for example, reminded Japan on 28 November 1991 through its foreign ministry: "For historical reasons, Japan's dispatch in any form of its troops on overseas missions is a highly sensitive matter. It is our consistent hope that the Japanese government will act with prudence."(IHT 29-11-91)

JOINT DEVELOPMENT

Tumen River Area Development Programme

A plan on a "Golden Triangle" linking Soviet, Chinese and North Korean districts around the estuary of the Tumen River is being developed.(see 1 AsYIL 329) The Tumen River Area Development Programme (TRAD) was taken up by the UNDP at the first meeting of its Northeast Asia Regional Programme, and in the summer of 1991 an international symposium on economic cooperation in Northeast Asia was held in Changchun, Jilin province, China, with delegates from Japan, the Soviet Union, North and South Korea, Mongolia, the US and Canada. The project consists of a triangular zone of free ports and areas for processing industries in Hunchun (China), the North Korean port of Unggi and the Soviet city of Posyet. The plans might become the centrepiece of a broader scheme for regional economic cooperation in what has come to be known as the Japan Sea rim. According to UNDP estimates the Tumen project would need \$30 billion.

In the spring of 1992 China approved the establishment of a special economic zone in Hunchun, in the Yanbian Korean Autonomous Region in North East China. According to Japanese news reports North Korea planned to open its first special economic zone, consisting of its northeastern coastal

frontier bordering on China and the Soviet Union and including the ports of Sonbong (formerly known as Unggi) and Najin. Later the old ports of Raijin and Chongjin were mentioned.

After a management committee was formed at a meeting at Pyongyang in October 1991, a six-nation working-level meeting would be held under UNDP auspices at Seoul in February 1992, with delegates from North and South Korea, China, Russia, Mongolia and Japan. The first working group session took place in Beijing in late April 1992.

The Tumen River rises from the crater lake of Changbaishan volcano, and flows eastwards for 530 km along the China-North Korea border into the Sea of Japan. In the 19th century China lost control of the last 15 km of the Tumen, just beyond Hunchun. From there on, the river became the border between Russia and North Korea although China retained navigation rights. A trading area embracing the two Koreas, Japan and northeast China would encompass nearly 300 million people. It would comprise 20% of Asia's land mass and 10% of its population. The idea of a Tumen-centred Northeast Asian block first surfaced in academic papers at the East West Centre in Hawaii and gathered momentum in a series of regional conferences held in Changchun, until the UNDP picked up the initiative. (IHT 03-10-91,04-11-91,14-01-92;FEER 24-10-91 p.22,16-01-92 p.16-20,20-02-92 p.14,14-05-92 p.32,28-05-92 p.30)

Thai-Malaysian joint development

Thailand and Malaysia in 1991 established a Joint Development Authority to exploit oil and gas reserves in a disputed section of the South China Sea adjoining the two countries.(see 1AsYIL160) It was reported that disagreements about how to share the cost of exploitation were holding up progress in the talks.(FEER 17-10-91 p.111)

Grant of oil-exploration contracts in the Timor Gap

Indonesia and Australia agreed to grant 11 contracts for oil-exploration in the Timor Gap to 19 companies from 7 countries, with a total investment commitment of \$362 million. The contracts require that a minimum of 46 seismic wells will be drilled within six years.

The two countries devised a revenue-sharing arrangement for oil found in the boundary area between Australia and the Indonesian province of East Timor.(FEER 26-12-91 p.77)

Vietnamese-Malaysian joint oil exploration

Malaysia and Vietnam on 21 April 1992 agreed to explore jointly for oil in those areas of the South China Sea over which the two countries both claim sovereignty but where no claim of other countries exist. Another agreement to search jointly in an area of the Gulf of Thailand was signed on 5 June on the same conditions.(FEER 30-04-92 p.67,18-06-92 p.83)

Malaysian-Vietnamese agreement for joint development in the Spratly Archipalego

Vietnam and Malaysia agreed to jointly develop areas around the disputed Spratly Islands where their territorial claims overlap.(IHT 22-01-92)

KOREAN WAR**US soldiers missing from the war**

North Korea on 28 May 1992 returned what it said were the remains of 15 more US soldiers killed in the 1950-1953 war. About 8,000 American soldiers are still missing from the war.(IHT 29-05-92)

LIABILITY**Settlement in Bhopal case**

The Indian Supreme Court cleared a civil settlement reached between the government of India and the Union Carbide Corp.in 1989 involving a compensation of \$470 million on behalf of the victims of the Bhopal gas leak disaster in 1984, but made its approval contingent on the revival of criminal proceedings against those responsible for the gas leak, whereas the original settlement included the quashing of criminal charges. It also handed down other alterations of the settlement involving the enactment of new legislation. Union Carbide had taken the position that while it accepted moral responsibility for the disaster it also believed that the company might have been the victim of sabotage by its own Indian employees.(IHT 04-10-91) On 2 February 1992 an Indian court threatened to order Union Carbide property in India and abroad to be attached unless the former chairman and two other executives of the US-based chemical company appear to face criminal charges of culpable homicide and maiming and causing injury in connection with the 1984 gas disaster.(IHT 03-02-92)

MIGRANT WORKERS

See also: Aliens

Easing of curbs on foreign workers

Malaysia, Taiwan, South Korea, Hong Kong and Singapore announced measures to allow employers to recruit more foreign workers, mainly from Asian countries with large labour surpluses, such as Indonesia, China, the Philippines, India, Bangladesh and Sri Lanka. The easing is intended to contain costs and inflation and to prevent a sharp fall in foreign investment because of increasing labour shortage.(IHT 30-10-91)

The Singapore government on 6 October 1991 announced a plan to allow manufacturing companies to employ more imported labour, up to a maximum level of 45% of their work forces (from the then current 40%). The manufacturers would, however, be subject to an increased monthly charge for each additional worker beyond a 35% level.(FEER 24-10-91 p.79)

Vietnamese workers in Russia

Vietnam and Russia signed a new protocol on 27 May 1992 allowing up to 30,000 Vietnamese guest workers to remain in Russia. In the heyday of Soviet-Vietnamese relations nearly 100,000 Vietnamese worked in the Soviet Union.(FEER 11-06-92 p.12)

MILITARY BASES

The US bases in the Philippines

(see also:1 AsYIL 331)

The Philippine Senate started debating the US-Philippine agreement on a new lease for the Subic Bay naval base and voted to reject it on 16 September 1991. The next day the Philippine president revoked an earlier eviction notice for the U.S.base, having the effect of overruling the Senate decision.(IHT 18-09-91)

There was a proposal by the president for a national referendum on the future of the base, eventually overruling the Senate, and the court would be asked by the government to determine its constitutionality. A week later, however, the President decided not to press for a referendum any longer, and instead to arrange a formula for a smooth withdrawal of the U.S.forces(IHT 24-09-91), in order,*inter alia*, to soften the impact on 40,000 Filipino workers and to provide more time for converting the base to civilian use (IHT 03-10-91).

Contrary to the President's preference a simple majority in the Senate agreed on 1 October that American troops should leave the Philippines by September 1992 (and those who strongly opposed the base agreement even demanded that the Americans leave by the end of 1991)(IHT 03-10-91). Meanwhile a group of lawyers filed a petition with the Supreme Court asking the court to rule on the constitutionality of the continued presence of US troops in the Philippines and to extend the jurisdiction of Philippine law to cover Subic.(IHT 02-10-91)

On 2 October 1991 the Philippine government decided to negotiate an executive agreement with the U.S.for the withdrawal of the U.S.forces within a period not exceeding 3 years.This agreement would need the approval of only a simple majority of the Senate.(IHT 03-10-91)

On 26 November 1991 the US handed Clark air base back to the Philippines, and talks were expected soon on a schedule for withdrawal from Subic Bay.(IHT 27-11-91) These negotiations broke down in late December 1991 primarily over the US refusal to hand over a precise timetable for departure or to say whether or not it was keeping nuclear weapons at the base. Consequently the withdrawal would have to take place within one year. (IHT 28/29-12-91)

US access to bases and repair yards in other S.E.Asian countries

It was reported that the US would ask other Southeast Asian states to provide more extensive access for its forces to compensate for the loss of the facilities in the Philippines. So far Singapore was the only country having a formal arrangement with the US.(IHT 25-09-91)

Falling within the scope of this earlier agreement (memorandum of understanding, November 1990, 1 AsYIL 333) that allowed US military planes and ships access to Singapore ports and airfields both countries reached agreement early January 1992 on the relocation of a US naval logistic command headquarters from the Philippines to Singapore.(IHT 06-01-92)

On 29 April 1992, however, the US defence secretary said that the US would not seek new military bases in Asia to compensate for the loss of its bases in the Philippines. He said the US hoped to reach agreement to use an Indonesian shipyard to repair US vessels on a commercial basis. In the same month the US and Malaysia signed an agreement for the repair of US naval vessels at the privatized Malaysian naval dockyard at Lumut in Perak state.(IHT 30-04-92;FEER 14-05-92 p.14) It was reported in June 1992 that Malaysia, Thailand and Brunei were also reported to have agreed to make their bases available to help sustain a US military presence and that a state-owned Indonesian dockyard had signed a maintenance agreement to service US warships.(IHT 23-06-92)

Russian access to the Cam Ranh Bay base

(see also 1 AsYIL 332)

Interfax news agency confirmed on 9 January 1992 that the last major former Soviet warship had left the base and had returned to Vladivostok on 22 December 1991. By the end of 1991 the base population had shrunk to around 1,500 personnel, and it was reported that as of 1 January 1992 only 50 military advisers would remain in Vietnam. The base was the Soviet navy's centre of operations in the region until Soviet power waned.

Later in 1992, however, Russia started seeking to re-establish a naval presence in Southeast Asia, and opened negotiations with Vietnam on a new agreement for access to the naval base at Cam Ranh Bay. The Russian foreign minister insisted on 22 July 1992 that the Russian navy would help maintain regional stability, not serve as an agent for confrontation.(IHT 23-07-92;FEER 23-01-92 p.17,06-02-92 p.14)

MILITARY COOPERATION

United States troops in South Korea

South Korea agreed to pay more for the upkeep of the 43,000 US troops in Korea, from \$150 million this year to \$180 million in 1992. It was agreed earlier in 1991 that the Korean share in the costs involved for maintaining the US forces would gradually increase to about \$280 million in 1995. The total costs are estimated at \$2.6 billion. (IHT 28/29-09-91)

Soviet pull-out from Mongolia

All remaining Soviet troops in Mongolia would have left Mongolia by September 1992. Before the country had established a multiparty system more than 40,000 Soviet troops were stationed there. (IHT 7-11-91)

Indonesian-PNG military agreement

The two countries signed a "status of forces" agreement on 14 January 1992, permitting greater cooperation on security matters. The agreement did not allow joint military action but permitted stepped-up levels of training and cooperation in civic matters.

Indonesia and Papua-New Guinea share a 800-km border and in the past there were skirmishes near the border between Indonesian soldiers and a small guerrilla group fighting for an independent state in the Indonesian province of Irian Jaya.(FEER 23-01-92 p.14)

Indonesian-US cooperation

According to the chief of the general staff of the Indonesian armed forces Indonesia would step up joint naval exercises with the US and may eventually engage in joint air force training. Indonesia fully agreed with an accord signed by Singapore that allows US air and naval forces extensive access to the island for repair, resupply and training exercises. He said that the presence of American forces is needed to maintain stability in that part of the world. The admiral was speaking at an unofficial Asia Pacific defence conference.(IHT 29-02/01-03-92)

Indo-US cooperation

The Indian Minister of State for External Affairs told the Indian parliament on 16 March 1992 that the Indian and US navies would carry out joint training exercises in international waters. India thus backed away from its previous, longstanding policy that such joint exercises would compromise India's non-alignment.

The two navies began their first joint maneuvers on 28 May 1992. The 24-hour naval exercise took place in the Arabian Sea and was allegedly to update Indian technology and to improve communications between the fleets.(IHT 29-05-92;FEER 26-03-92 p.12)

MINORITIES

See also: Cambodia, Diplomatic inviolability (:Abduction of diplomat), Sabotage on aircraft

Muslims in Myanmar

According to Bangladeshi military sources Myanmar troops had been carrying out a campaign of "annihilation" against Muslims in the border state

of Arakan(Rakhine), the only Muslim-majority state in mainly Buddhist Myanmar. It was reported that on 20-21 December 1991 the troops had even undertaken a cross-border raid into Bangladesh in hot pursuit of fleeing Muslims. More than 60,000 Myanmar Muslims (known as Rohingyas) appeared to have fled to southeastern Bangladesh.(IHT 20-01-92;FEER 09-01-92 p.21. See letter of 13 Feb.1992 from the Minister for Foreign Affairs of Bangladesh to the UN Secretary-General, UNdoc.S/23710) An additional nearly 150,000 were reported to have arrived in Bangladesh in March 1992, raising the number to more than 200,000.(IHT 21/22-03-92;FEER 26-03-92 p.22)

The last time Muslims fled in large numbers from Myanmar was in 1978. In that year a government campaign named *Naga Min*, or Dragon King, drove more than 200,000 Muslims from Arakan across the border. Then, like in 1991, Myanmar denied persecuting the Rohingyas, saying that they were illegal immigrants who had no right to be in Myanmar. In the past four decades since Myanmar independence, however, there had already been several hundred thousand Rohingyas who had emigrated to the Middle East. The latest campaign seemed to have begun in 1989 when people, Buddhist Myanmarese, were moved into new satellite towns in the predominantly Muslim areas of northern Arakan, and Muslims were displaced from their land and homes.(FEER 29-08-91 p.26,26-03-92 p.22,26)

There has been a long simmering rebellion among the Muslims of Arakan. The rebels fall into two main groups: the Arakan Rohingya Islamic Front (ARIF) and the more Islamic-orientated Rohingya Solidarity Organisation (RSO).

The first Muslims on the Arakan coast were Moorish, Arab and Persian traders who began arriving in the 8th century. Their descendants are the present-day Rohingyas and there was the Muslim kingdom of Arakan which was established in the early 15th century. Besides, when Burma was part of British India, the Arakan ricelands attracted many seasonal labourers, particularly from the Chittagong area adjacent to East Bengal (now Bangladesh). Many of them settled in the region and attached themselves to the already well established Muslim community.(FEER 29-08-91 p.28,26-03-92 p.22)

When the foreign minister of Bangladesh visited Myanmar in November 1991 an agreement was reached under which Myanmar agreed to take back more than 30,000 Muslim refugees provided their credentials as citizens of Myanmar could be established beyond doubt. Two similar agreements were concluded on 28 April 1992.(FEER 05-12-91 p.14,07-05-92 p.14)

The plight of the Rohingya Muslims started to cause concern within ASEAN. On 10 March 1992 Malaysia lodged a protest with the Myanmar government over the treatment of the Rohingyas, followed by a statement from Singapore expressing concern at the influx of Rohingya refugees into Bangladesh, and another expression of concern from Indonesia with an appeal to the Myanmar government to solve the problem. The Philippines and Thailand too expressed their concern, the latter noting that Thailand also faced a problem of refugees from Myanmar.(see Refugees) The Indonesian foreign minister told a parliamentary hearing that while the problems inside Myanmar are essentially an internal affair, these should be distinguished from the international

dimension which could affect the stability of Southeast Asia. So far, Asean as a group had not changed its stance of non-interference in the internal affairs of a neighbouring country.(FEER 26-03-92 p.27)

Ethnic Nepalese in Bhutan

Alarmed at a shift in the demographic balance as revealed in the 1988 census which showed Nepalese Gurkhas in the majority in five southern districts of Bhutan, the king imposed a Bhutanese-Buddhist cultural hegemony, denied expression of Nepalese Hindu culture and decreed that the traditional Bhutanese dress be worn by all. The teaching of the Nepalese language was dropped from schools and the Bhutanese Dzongkha language was enforced as the official language. The census figures were re-interpreted in 1989 with the king claiming Bhutan's population was only 700,000, of which only 28,000 were ethnic Nepalese and the rest were illegal immigrants (According to the 1988 census the population was 1.37 million, of which Bhutanese Buddhists comprised 48%, the Nepalese 45% and others 7%). Furthermore the 1985 Citizenship Act (which declared 1985 as the cut-off point for citizenship by domicile in Bhutan) was rigorously enforced, resulting in the statelessness of some 30,000 ethnic Nepalese who had no documentary evidence of domicile. The measure sparked mass protests in August and September 1990. In addition, following democratic developments in Nepal the Nepalese settlers in Bhutan began agitating for political rights which in turn led to a police response. This led to an increasing flow of refugees to Nepal.(FEER 03-10-91 p.25,23-07-92 p.10) From its side Nepal had begun to express its concern about the increasing influx of refugees from Bhutan. According to reports in July 1992 the number had already exceeded 60,000. Bhutan, however, refused to acknowledge the existence of the problem.

After bilateral talks during March and April 1992 failed to break the impasse, a SAARC team of jurists from India, Sri Lanka, Bangladesh and Nepal visited southern Bhutan from where most of the refugees had fled. According to the team, the refugee problem arose out of discriminatory Bhutanese laws and violations of human rights by the authorities. The team's report, submitted to SAARC heads of government, called for the repeal of these laws.

It was reported that Nepal planned to persuade Bhutan to take part in a joint endeavour with India to identify all the refugees in the refugee camps and help to repatriate them.(FEER 23-07-92 p.10)

Most of the Nepalese settlements in Bhutan date back to the middle of the last century.

MISSILE TECHNOLOGY

Chinese sale of missile technology

According to US intelligence reports China was continuing to sell missile technology to Syria and Pakistan despite statements that it was willing to curb missile exports according to the 1987 Missile Technology Control Regime (*see*

I AsYIL 270), devised by the US and other powers (but not China) to limit the supply of ballistic missiles to the Third World. [The Regime bans the export of all missiles or launchers for a system that has a range of 180 miles and a payload of 1,100 pounds. An annex to the agreement lists various equipment, technology, or chemicals that are critical to enable a country to build a missile of that payload and range and whose sale is also prohibited.] China had vigorously denied selling entire missiles or warheads to any country in the Middle East or Southwest Asia. (IHT 1/2-02-92)

The US suspicions had led to sanctions against two Chinese missile-producing companies accused of being involved in the missiles and launchers sale to Pakistan, by banning the export of high-performance computers and satellite parts to China and the supply of sensitive equipment. On 21 November 1991 a Chinese Foreign Ministry spokesman said that in accordance with its promise to the US Secretary of State during the latter's visit, China intended to observe the "guidelines and parameters" of the MTCR, saying that "the condition to this is that the US side lifts the three measures or sanctions against China announced on the 19th of last June." In February 1992 the sanctions were lifted. (IHT 22-11-91; FEER 05-03-92 p.14, 28-05-92 p.22)

Indo-Russian rocket contract

Russia affirmed that there was no question of suspending \$250 million contract to sell rocket engines to India because of US objections to the deal. Under the contract, signed in 1991 between Glavcosmos, the Russian space agency, and the Indian Space Research Organization, Russia was to supply cryogenic rocket engines to India which is trying to develop satellite launching capacity. The US had raised objections because the contract was allegedly violating the Missile Technology Control Regime. Russia was not a signatory to the agreement but was said to have agreed to abide by its provisions. (IHT 04-05-92) Both India and Russia, however, were prepared to allow a review of their program by a committee of experts to satisfy the US that it is not a weapons-oriented project. (IHT 07-05-92)

Indian missile test

India test-fired its *Agni* missile for the second time on 29 May 1992 (the first test occurred in 1989). The missile had an advertized range of up to 1,550 miles and a payload capacity sufficient to carry a nuclear warhead. The test proceeded in defiance of recent US diplomatic pressure aimed at curtailing India's nuclear and missile programs. India claimed the *Agni* is not a weapons system but a "technology demonstrator". (IHT 30/31-05-92; FEER 11-06-92 p.12)

MONETARY MATTERS

Asia-Oceania forum of central banks

(*see also*:1 AsYIL 334)

Since 1991 the Bank of Japan had been hosting meetings with senior officials from the central banks of Thailand, Malaysia, Singapore, Indonesia, the Philippines, South Korea, Australia and New Zealand. For the meeting of 14 February 1992 China was invited for the first time and had accepted the invitation.(FEER 30-01-92 p.51)

NARCOTICS PROBLEM

Sino-US cooperation

The Chinese anti-narcotics authorities were likely to approve a request by the US Drug Enforcement Administration (DEA) to open an office in Beijing. China is worried about increase in drug addiction in Yunnan province, bordering Myanmar, and about heroin from Myanmar being channelled through its territory.(FEER 03-10-91 p.8)

NATIONALITY

See also:Minorities(:Ethnic Nepalese in Bhutan)

Right to return denied to nationals

The Indonesian parliament on 4 March 1992 adopted a bill on immigration which permits the government to ban the re-entry into Indonesia of citizens deemed to have tarnished the country's image abroad. The significant aspects to the new Act (*see* State practice) are twofold: formal guidelines governing restrictions on travel abroad of citizens and the introduction of a temporary ban to bar citizens from returning home. There were suspicions that the law was targeted primarily at the remaining supporters of the outlawed Communist Party and at members of secessionist movements, such as the Aceh Merdeka movement based in Stockholm and the Fretilin movement seeking independence for East Timor.(FEER 19-03-92 p.12,26-03-92 p.18)

In Taiwan the legislature passed a revision to the National Security Law on 7 July 1992, allowing the government to exclude certain citizens from returning to Taiwan. Persons who may be excluded are those suspected of intending to use violence to undermine national security and social stability.(FEER 16-07-92 p.14)

NEUTRALITY

Supplying missile-parts to a country at war

A Tokyo District Court on 22 April 1992 imposed suspended prison sentences on business executives of Japan Aviation Electronics Industry Ltd. and fined the company the equivalent of \$37,000 for having illegally exported missile parts to Iran. The court held, *inter alia*, "Supplying missile parts to a nation at war not only harms international trust in our nation which holds the ideology of a pacifist nation, but also cannot help but exert a grave influence on international relations." (IHT 24-04-92)

NON-ALIGNED MOVEMENT

1992-95 chairmanship and preparation of the 1992 summit meeting

Indonesia was appointed chairman of the 103-nation Non-Aligned Movement for the 1992-1995 period. A ministerial meeting in Accra, Ghana, affirmed the desire of the member states for the movement to continue despite the end of the Cold War. Indonesia effectively began its tenure at the ministerial meeting on 3-4 February 1992 at Larnaca, Cyprus, when Yugoslavia to all intents conceded the chair ahead of the formal handover scheduled for the NAM's summit at Jakarta in September 1992. (see: Documents) As a result the meeting of the ministerial coordinating bureau which should prepare the summit meeting was to meet at Bali in May 1992. (FEER 19-09-91 p.14, 20-02-92 p.12)

NUCLEAR CAPABILITY

See also: Divided states: Korea

US nuclear arms in South Korea

After the surprise US decision of 27 September 1991 on withdrawal of its ground-based nuclear weapons from Korea the US government announced in October that it would retain its air-delivered nuclear weapons in South Korea for the time being. (IHT 14-10-91) Yet, according to a subsequent unannounced but privately acknowledged US decision all US nuclear weapons were to be withdrawn. The practical effect of the move would, however, be minimal because North Korea would still be in easy reach of American nuclear submarines.

It was reported in November 1991 that the US government was considering allowing international inspectors into American military bases in 1992 to verify that all nuclear weapons were removed from Korean soil, thereby depriving North Korea of any excuse to further forestall international inspection of its own nuclear plants. North Korea had said in the past that it would never allow nuclear inspectors into the country as long as American nuclear missiles were deployed

in the South and - in a condition added recently - as long as the US kept South Korea within its nuclear umbrella, US aircraft are allowed to fly over the Korean peninsula and the US is allowed to make calls on Korean ports with ships or planes carrying nuclear weapons.(IHT 24-10-91,22-11-91,02-01-92)

Following the announcement by North Korea accepting outside inspection (see *infra*) it was reported on 28 November 1991 that the US had begun to withdraw its tactical nuclear weapons from South Korea(IHT 29-11-91) and on 11 December 1991 South Korea disclosed that US atomic weapons had been removed from South Korea. South Korea also offered to provide access to US bases for inspection if North Korea would allow the simultaneous inspection of its nuclear complexes.(IHT 12-12-91,19-12-91,02-01-92)

US attitude towards North Korea's nuclear capacity

The US Secretary of State said on 13 November 1991 that the US considered North Korea's suspected development of nuclear weapons a matter of urgent global concern and that it was actively exploring, with Japan, China and the (then) Soviet Union, ways to curtail the Korean efforts. According to US officials, while the US was concentrating its efforts on finding ways to squeeze North Korea diplomatically and economically in order to force them to open their facility to IAEA inspection, "we need to go beyond that - there should not be a reprocessing facility there at all." The first sign of the multilateral American approach was manifested by the change in the Japanese attitude (see *infra*).(IHT 14-11-91)

Since it is the South Korean position that questions involving unification and relations between North and South should be resolved in a direct dialogue between the two countries, the US affirmed that while it sought to enlist the help of other countries it would not be in any institutionalized form, as with the German unification process.(IHT 14-11-91)

As to the means used to force the North to comply with the Nuclear Non-proliferation Treaty US military officials said that by halting its troops withdrawal (see:Divided states:Korea) and mounting a much larger military exercise than usual they wanted to send a clear signal to North Korea.(IHT 22-11-91)

Japanese attitude towards North Korea's nuclear capability

On 13 November 1991 the Japanese prime minister said that North Korea must dismantle a key part of its nuclear facility if it hopes to normalize relations with Japan and receive economic assistance. So far Japan had insisted only that North Korea allow international inspection of the nuclear project at Yongbyon. The prime minister focused on the suspected fuel processing plant which would enable North Korea to turn its nuclear waste into weapons-grade plutonium. Western intelligence experts expected the plant to be operational within two years. From its side North Korea emphasized that it "is a non-nuclear nation and [that it] has no intention to develop nuclear weapons and has no capacity to do it", and that American concern about North Korean intentions was "nothing but a cunning trick to justify the presence of its nuclear weapons in South Korea."

Japan put itself in a difficult position with its demand because it is building a giant fuel reprocessing plant itself intended to feed its civilian nuclear power plants. (see *infra*) Japanese officials conceded that it would be difficult to argue that North Korea must shut its plant while Japan moves ahead. (IHT 14-11-91)

Chinese attitude toward nuclear weapons in Korea

The Chinese foreign minister declared that “[w]e do not want to see the existence of nuclear weapons on the Korean Peninsula”, and added, “We hope to see the parties concerned engaged in effective consultation to find a solution to this problem, but we do not wish to see any international pressure.” (IHT 15-11-91)

In discussions with the Japanese foreign minister on 5 December 1991 the Chinese deputy prime minister said that China would not help North Korea develop nuclear weapons. (IHT 5-12-91)

North and South Korean attitudes

In November 1991 North Korea announced a four-point proposal that: (1) it was ready to permit international inspection of its nuclear installations when the US began to withdraw its nuclear weapons from South Korea; (2) would permit simultaneous inspection of its facilities with inspection of US bases in South Korea; (3) would negotiate directly with Washington on the inspection question, and (4) would negotiate with Seoul on a nuclear-free zone. (IHT 27-11-91)

On 8 November 1991 the South Korean president declared that South Korea would neither possess nor deploy nuclear weapons on South Korean soil and called on North Korea to make the same pledge. Officials said that the South Korean pledge in effect placed a ban on the re-entry of US nuclear weapons that were being removed by Washington in accordance with the latest US disarmament statement. (see *supra*: Divided states: Korea) Once this removal process had been completed the South Korean government was expected to make a formal statement declaring the absence of nuclear weapons from its territory. However, the US nuclear umbrella would continue to protect South Korea, and the presidential statement in fact did not address the question of whether it changed South Korea’s position over the passage of US nuclear-armed vessels or aircraft in its territorial waters or across its airspace. (IHT 9/10-11-91; FEER 21-11-91 p.13) Nevertheless, on 26 December 1991 North Korea pledged to sign an IAEA safeguards agreement and allow inspections soon, and dropped its demand that the US must officially confirm the withdrawal of all US nuclear weapons from Korean soil and that South Korea abandon the protection of the US nuclear umbrella.

In December 1991 North Korea also put forward a new draft agreement on making Korea free of nuclear weapons, containing an undertaking committing both sides to refrain from possessing facilities for reprocessing nuclear fuel or enriching uranium. This was in conformity with the US and South Korean demand that North Korea dismantles the reprocessing plant that they accuse it of constructing. The agreement, in the form of a six-article “Joint Declaration

for a Non-nuclear Korean Peninsula" was initialed on 31 December 1991. (see Documents) [The clause on mutual inspection on the basis of agreement was not in conformity with US wishes. The United States had always pressed for a strict inspection regime allowing inspectors to view any suspected nuclear site without permission of North Korea and on very short notice.] (IHT 27 and 30-12-91, 02-01 and 06-01-92; FEER 09-01-92 p.10)

The signature of this agreement in January 1992 opened the door for the implementation of the non-aggression and reconciliation accord of 13 December 1992. (see *supra*: Divided states: Korea) Both agreements entered into force when the two prime ministers met for a sixth round of North-South talks in Pyongyang 19 to 21 February 1992. (21-01-92, 18-02-92)

A further agreement between North and South Korea was concluded on 14 March 1992 (formalized 17 March 1992) to allow inspections of suspected nuclear weapons sites within about three months, including the establishment of a Joint Nuclear Control Commission, as agreed in the Agreement on Reconciliation and Non-aggression. (IHT 16, 18 and 20-03-92)

The actual signature of a nuclear safeguards accord by North Korea took place on 30 January 1992 [it signed the Non-Proliferation Treaty in December 1985] (IHT 08-01-92, 30-01-92, 31-01-92) although it was asserted that inspections would be barred until North Korea could inspect South Korea's military bases to ensure that American nuclear weapons had been removed. (IHT 20-02-92) [In order to speed up inspections the US had offered to allow simultaneous inspection of the US air base at Kunsan in South Korea. (IHT 24-01-92)] Ratification took place on 9 April 1992 and under IAEA regulations North Korea must accept nuclear inspection within 90 days of putting the safeguards accord into effect. (IHT 10-04-92) On 14 April North Korea announced that it would open three nuclear plants to international inspection, *viz* an experimental reactor at Yongbyon and two other much bigger plants which were under construction. (IHT 15-04-92) The existence of the first mentioned reactor was not yet known by Western analysts (IHT 17-04-92)

The Korean report which was much more detailed than expected, or even needed, was submitted on 4 May 1992. In its filing to the IAEA North Korea said it had four nuclear reactors currently running or under construction. One was an aging, small research reactor that had been under IAEA inspection for 15 years. Another was described as a 5-megawatt experimental nuclear power reactor at Yongbyon. Nearby is a 50 megawatt reactor still under construction. In addition, North Korea was building a 200-megawatt reactor in North Pyongan Province, and it hoped to build three 635-megawatt plants along the eastern coast. (IHT 07-05-92)

After his first visit to North Korean nuclear plants the director of IAEA told that he had been taken to a partly completed industrial plant to be used for processing spent uranium into plutonium. According to North Korean officials it concerned a research laboratory, conceding that they had produced a small amount of plutonium in experiments. On the other hand the IAEA study group also found evidence supporting the North Korean assertion that its nuclear plants are strictly for peaceful power-generation purposes. The IAEA visit was designed to make arrangements for a formal inspection. (IHT 18-05-92)

Indian attitude towards transfer of nuclear weapons technology

The Indian ambassador to the U.S. divulged that Libya offered in the late 1970s to pay India an amount comparable to its foreign debt in exchange for nuclear weapons technology, but India declined. (IHT 11-10-91)

Sino-Iranian co-operation

China signed an agreement in June 1990 to provide what it described as a "micro-nuclear reactor" for installation at Isfahan. It also provided training for Iranian nuclear engineers and sent delegations of scientists to Iran. (IHT 31-10-91) In a statement from its foreign ministry of 4 November 1991 China confirmed its cooperation program with Iran but emphasized that it was exclusively for peaceful purposes. China had signed commercial contracts with Iran in 1989 and 1991 for the provision of nuclear equipment for scientific and medical research, including an electromagnetic separator for isotope production (calutron) and a mini-reactor. According to the Chinese foreign ministry all such programs were subject to three principles: they could be for peaceful purposes only, the facilities had to be open to international inspection, and the recipient country could not transfer the technology to another state without China's permission. China had requested the IAEA to enforce safeguards before the equipment was shipped.

According to US intelligence reports in October 1991 the equipment supplied by China was capable of making fissionable material for nuclear weapons and the calutron equipment was considered capable of producing highly enriched uranium. Although the same US sources admitted that the quantity of Chinese-made equipment sold to Iran was not sufficient to produce even a single bomb's worth of enriched uranium, the sale would amount to a significant transfer of technology, and according to US analysis 90 per cent of what Iran was seeking from foreign suppliers could be used equally for nuclear weapons and civilian power. (IHT 1-11-91, 5-11-91, FEER 14-11-91 p.12)

According to newspaper reports the US government had urged China to stop helping Iran's nuclear program. Referring to the IAEA safeguards a US official said, "We're trying to tell the Chinese that in this case, you've got to go beyond the letter of the law." (IHT 18-03-92)

IAEA findings about Iranian nuclear facilities

At the end of a week-long mission officials from the International Atomic Energy Agency said in February 1992 that based on their findings Iran's nuclear activity and ability were entirely for peaceful purposes. (IHT-2-92)

Upon circulation of an Iranian letter relating to the results of the IAEA mission in the UN (UNdoc.S/24239) the Director General of IAEA had an IAEA press release also circulated, and particularly drew attention to a specific paragraph in the press release which read: "The activities reviewed by the team at the above-mentioned facilities and sites were found to be consistent with the peaceful application of nuclear energy and ionizing radiation. It should be clear that the team's conclusions are limited to facilities and sites visited by it and are

of relevance only to the time of the team's visit."(UN doc.S/24301)

Chinese cooperation with other countries

According to US sources there were suspicions that China had helped incipient nuclear weapons programs in at least three other countries: the sale of heavy water to India, long-term technical assistance to Pakistan's nuclear program, and cooperation since 1988 in building a nuclear reactor in Algeria, suspected to be for nuclear weapons research and production. Other sources believed that while China may be willing to help with projects that appear to have military implications, the assistance is limited and falls well short of transferring all that would be necessary to build a nuclear bomb. China denied nuclear assistance of a military nature while being openly active in aiding Pakistan's civilian nuclear energy development, including agreeing in 1989 to sell a 300 MW nuclear power station.(IHT 1 and 16/17-11-91,FEER 14-11-91 p.120)

The International Atomic Energy Agency refused to approve China's proposed sale to Syria of a small nuclear research reactor, apparently in an effort to persuade Syria to accept international safeguards against nuclear weapons proliferation.(IHT 9-12-91)

According to the *China Daily* China had opened negotiations to sell nuclear power plants to Egypt, Iran and Bangladesh. China signed a contract with Pakistan in December 1991 for the sale of a reactor. Iran confirmed that it was discussing a contract with China. The Egyptian embassy in Beijing denied any knowledge of discussions, and the Bangladesh embassy declined to comment. (IHT 31-07-92)

Indian aid to Iran

It was reported that India had been negotiating the sale of a 10 megawatt nuclear research reactor to Iran. Although some of the nuclear technology involved would not have to be subject to international safeguards India had pledged privately that any nuclear exports it makes would be subject to such safeguards. American officials had been pressing India to forgo the proposed sale in an effort to block Iran from expanding the nuclear program it had developed during the last few years with imports and technical assistance from China and Argentina. Iran's heightened interest in nuclear imports had raised alarm among some American officials who said they saw little commercial rationale for the country's expanding nuclear program when it is a major oil producer. Until the present export plans India had prided itself on its record of strictly prohibiting the spread of indigenous nuclear and other so-called dual-use technologies. (IHT 16/17-11-91)

Japanese nuclear program

To fuel its conventional reactors Japan uses enriched uranium supplied by the US. Plutonium can be recovered by reprocessing spent uranium fuel and then used as another kind of reactor fuel, or it can be transformed into

weapons-grade material with relative ease.

Japan planned to start importing shipments of plutonium in 1991 in order to reach energy independence. The plutonium, fabricated in Europe from Japan's spent nuclear wastes, would fuel both conventional nuclear power plants and a small group of fast-breeder reactors which would breed more plutonium for re-use, thus creating a "plutonium cycle". The plan, conceived decades ago, puts Japan in a particularly uncomfortable diplomatic position. At the same time that it is demanding stronger nuclear non-proliferation measures, including abandonment of reprocessing facilities in North Korea, it is promoting at home what may be the world's largest reprocessing program. Moreover, the price of uranium had declined, making plutonium-fed reactors comparatively uneconomical.(IHT 26-11-91)

It was expected that Japan would thus receive more than 30 tonnes of reprocessed plutonium in the next decade. Each shipment would contain roughly a ton of plutonium. The IAEA said that the plans to store huge quantities of plutonium in Japan could pose "political and security problems" in Asia. It urged to place the stockpiles in international custody rather than keep them in Japan. The agency was chiefly worried that other states with nuclear ambitions could use the Japanese precedent to insist that they, too, should have nuclear reprocessing installations and plutonium stockpiles.(IHT 14-04-92;FEER 23-04-92 p.22)

One ton of plutonium, reprocessed in France, would be sent back to Japan by sea sometime between September and December 1992. The specially built plutonium-fuel carrier would be escorted by a Japanese Coast Guard ship. Both the US and Australia were satisfied with the safety precautions being taken. Several countries in Asia and the Pacific, however, became alarmed at the possibility of an environmental disaster and started urging Japan to use an ocean route that is well away from population centers. Among them were Indonesia and some South Pacific island states at a meeting of the South Pacific Forum in July 1992. South Africa said it would bar Japanese ships carrying plutonium from sailing within 200 miles of its coast.

The US had the right to approve or disapprove the final security plan because the US supplied the original uranium fuel used in the Japanese reactors.(IHT 26-11-91,07 and 14-07-92)

China accedes to Non-proliferation Treaty

The Chinese National People's Congress began deliberations on 22 December 1991 on joining the Nuclear Nonproliferation Treaty(IHT 24/25-12-91) and a week later the Congress' Standing Committee authorized the government to sign the treaty.(IHT 30-12-91) The accession finally took place on 9 March 1992.(IHT 10-03-92)

Meanwhile the US reported that China had conducted its largest underground nuclear test ever on 21 May 1992.(IHT 22 May 1992)

Pakistan

China announced that it would export a 300-megawatt nuclear power plant to Pakistan to be installed at Chashma, southwest of Islamabad. The plant would cost \$500 million, with Pakistan meeting the local costs and China advancing credit to meet other costs. The power station would be used only for peaceful purposes and would be subject to safeguards and inspections by IAEA. The contract was concluded as part of a 1986 agreement on cooperation in the peaceful use of nuclear technology, and was first agreed to in November 1989 during a visit by the then prime minister of Pakistan to China.

Meanwhile the French President announced during a visit to Pakistan in February 1990 that France would also supply Pakistan with a 900-MW nuclear reactor. At the beginning of the 1970s Pakistan already acquired a reactor from Canada. According to Pakistani energy officials the development of a substantial nuclear-power generating capability is a top priority because of the country's increasingly inadequate energy supply. (IHT 02-01-92; FEER 16-01-92 p.14, 23-01-92 p.12)

Pakistan's capability to build an atomic bomb

The prime minister of Pakistan affirmed that his country has made solemn commitments, internationally as well as bilaterally with the US, not to produce nuclear weapons even though it has the technology. (IHT 30-12-91)

During a visit to France the prime minister of Pakistan confirmed on 17 January 1992 that Pakistan is capable of building atomic weapons, but is concentrating on economic development instead. He also affirmed that for Pakistan today it is not possible to ensure comprehensive safeguards as a condition for the acquisition of nuclear plants. (IHT 18/19-01-92) In February 1992 the Pakistan foreign secretary admitted that Pakistan has the components and know-how to assemble at least one nuclear explosive device. He also reiterated Pakistan's pledge not to explode such a device or transfer nuclear technology to other Islamic states or Third World countries. The production of highly enriched uranium and of weapon cores was permanently frozen last year, however, in order to meet US conditions for resuming aid. (IHT 8/9-02-92)

Indo-Pakistan agreement on nuclear installations

Pakistan and India exchanged lists of nuclear installations on 1 January 1992 under an agreement of January 1991 aiming at easing suspicion about each other's nuclear capabilities and at banning attacks on each other's nuclear plants. (IHT 020-01-92)

Efforts for regional control of nuclear weapons in South Asia

India expressed no enthusiasm for a US proposal for five-power (US, Russia, China, India and Pakistan) talks about a zone free of nuclear weapons in South Asia (as proposed by Pakistan), and opposed the idea of signing the Nuclear Nonproliferation Treaty since this treaty discriminated against nations that do

not possess nuclear weapons.(IHT 18/19-1-92;see also UNdoc.A/CN.10/158 of 2 May 1991 *re* Pakistani working paper on regional approach to disarmament)

In rejecting proposals for curbs, India put forward several arguments. Foremost, India insists that Pakistan retains aggressive intentions toward India and that it has its own nuclear weapons. Secondly, as long as China possesses nuclear weapons India cannot consider any proposal that would lead to a nuclear-free zone in South Asia. India also contends that there is an inherent unfairness in the pressure from the large powers on India when they continue to possess large arsenals of their own.(IHT 22-01-92)

In March 1992 the Indian Foreign Secretary said, however, that closer ties with the US could make India more receptive to the proposed conference on a non-proliferation treaty in South Asia.(IHT 12-03-92) While easing its opposition to the proposed five-nation conference on curbing nuclear proliferation on the sub-continent India favoured a bilateral approach to the issue.(IHT 16-03-92;FEER 30-04-92 p.24)

The prime minister of Pakistan affirmed that his country would agree to any regime of control which is non-discriminatory and treats Pakistan and India equally.(IHT 30-12-91) In response to critical comments on the Pakistani nuclear capability reference was made to the following Pakistani proposals: (1) establishment of a nuclear-free zone in South Asia, repeatedly endorsed by the UN General Assembly since 1974; (2) a proposal in 1978 that Pakistan and India issue a joint declaration denouncing acquisition or manufacture of nuclear weapons; (3) a proposal in 1979 for a system of bilateral inspection of all nuclear facilities on a reciprocal basis, simultaneous acceptance of IAEA safeguards and accession to the Nuclear Nonproliferation Treaty; (4) a 1987 proposal for a nuclear nonproliferation agreement in South Asia under the UN.(IHT 22-07-92)

International Atomic Energy Agency

More than 110 countries are members of the IAEA, including several who are not signatories of the 1968 Nuclear Non-Proliferation Treaty and are therefore not subject to the IAEA's scrutiny.

The IAEA's main verification powers are contained in a safeguards agreement dating from the early 1970s that require states to open their nuclear facilities for inspection. There is a growing belief in some quarters that international monitoring and verification arrangements are inadequate. A major hurdle to effective verification is that the IAEA has to give advance notice of their visits, allowing states to hide incriminating evidence. In addition, the IAEA can only inspect nuclear facilities which a host country admits to possessing. An alternative method would include the granting of "challenge" powers, giving inspectors the authority to randomly check installations not necessarily included in a list of declared nuclear facilities. However, greater transparency by more advanced monitoring equipment could lead to spying.(FEER 04-06-92 p.25)

OIL

OPEC (dis)agreement on oil production

OPEC agreed on 25 September 1991 to lift its production ceiling for all its 13 members to 23.6 million barrels a day, yielding to Saudi Arabia's demand and giving members the right to pump as much oil as they can. The agreement ended an era in which OPEC tried for two decades to set the price of oil by regulating its output; and it left the quota system whereby each member had a fixed allocation to produce a certain amount of oil.

(IHT 26-09-91)

In December 1991, however, Algeria called on OPEC to immediately reduce its output of oil by at least two million barrels a day to prop up oil prices. These had fallen \$5 per barrel, and reference was made to the impact of recession in the US and economic weakness elsewhere. The call for an emergency

meeting was opposed by Saudi Arabia which argued that prices had been driven down by speculators and did not see the situation as critical. (IHT 24/25-12-91)

On 20 January 1992 both Iran and Algeria announced plans to cut oil production in a bid to increase the price of oil. Iran would cut its output by 50,000 barrels a day, and Algeria by 20,000. A week earlier Nigeria, Venezuela and Libya announced reductions totalling 130,000 barrels a day. (IHT 21-01-92)

OPEC reached agreement on 15 February 1992 on reduction of oil production by a little more than 1 million barrels a day from 24.2 million, fixing a new ceiling of 22.9 million barrels. The great difficulty was, however, to reach agreement on the cut in the production of each member state. The accord assigned Saudi Arabia a quota of 7.8 million barrels a day, but Saudi Arabia would not diminish its current output of 8.5 million barrels by more than 500,000 barrels, while insisting on a third of OPEC's output. On the other hand Iran demanded further cuts to 22.5 million barrels. (15/16-02-92, 17-02-92)

British and French oil exploration in Cambodia

The (British) Enterprise Oil PLC and the (French) Compagnie Européenne des Pétroles reached agreement with Cambodia on 3 October 1991 to jointly prospect for oil in two offshore blocs in the Gulf of Cambodia. This was the first such accord after years of war and economic isolation. No particulars of the arrangement were made public. 26 offshore and onshore blocs were put for tender by the government in June 1991. (IHT 04-10-91) Later concessions were awarded to a consortium including Premier Oil Pacific, Repsol Exploration, Australasian Oil Exploration and Santos, Japan National Oil and Hungary's Hydrocarbon Institute. (IHT 6-12-91)

Vietnam

It was reported in March 1992 that Vietnam was drafting a new oil law. So far Vietnam had signed 11 production-sharing contracts with companies from Australia, Belgium, Britain, Canada, France, India, Malaysia, the Netherlands and Norway. (IHT 10-03-92)

No US participation in Vietnamese oil exploration

According to Vietnamese officials US companies would not be allowed to bid to join the exploitation of Dai Hung, Vietnam's largest oil field off the southern coast, because of the US trade embargo. (IHT 27-12-91)

Myanmar

According to industry analysts and consultants Myanmar had quietly emerged as a favourite of international oil companies. Ten major companies had already signed contracts. Onshore oil reserves are estimated at up to 3 billion barrels, and billions of cubic feet of reserves are known to exist in the Gulf of Martaban and Bengal Bay. Besides, the territorial waters in the Andaman Sea are thought to contain other deposits. The political opposition, however, has expressly stated that any commercial agreement, including the ten oil contracts, are illegal. (IHT 19-12-91)

PERSIAN GULF

Iranian position

Iran told its Arab neighbours on 9 January 1992 that security in the Gulf was not purely an Arab concern and that there was no need in the region for outside forces. However, the spokesman said that Iran did not object to the Gulf states' buying arms from the West, or to the presence of Western advisers to train Gulf armies. He said: "We do not interfere in the internal affairs of other nations and the type of military cooperation they want to establish with other states." (IHT 10-01-92)

PIRACY

See also: Divided states: China

Southeast Asia

According to the Singapore National Shipping Association there had been 61 cases of pirate attack against ocean-going commercial vessels in Southeast Asian waters in 1991, up from only three in 1989. Other reports even mention 200 pirate attacks in the region in 1991. For the period of the first five months of 1992 44 incidents were reported.

According to ships' captains, most attacks occur in the Strait of Malacca within 100 kilometers of Singapore, in Indonesian territorial waters or near islands in the South China Sea belonging to Indonesia or Malaysia. About 700 ships pass through the straits each week. Another area where attacks commonly occur is close to the Indonesian Anambas Islands in the South China Sea and the islands close to the Karimata Straits, off west Kalimantan (Borneo) Island.

Increasingly violent attacks by pirates, who have begun using fire bombs

against tankers in the sea-lanes of Southeast Asia, raised fears of a maritime disaster such as an oil spill in the Strait of Malacca. Pirates sometimes tie up crew members after robbing a ship, leaving the bridge unmanned.

Despite this persistence of piracy national governments, navies and police failed to suppress maritime crime, because of reluctance to intrude into the territorial waters of other states. Both the Singapore National Shipping Association and the Federation of ASEAN Shipowners' Associations made appeals to regional governments to eradicate piracy, by launching joint maritime police patrols.(IHT 19-11-91,09-07-92;FEER 02-07-92 p.14)

Protection of Vietnamese refugees

The UN High Commissioner for Refugees phased out an anti-piracy program dating from 1982 intended to protect Vietnamese refugees from attacks in the Gulf of Thailand, because the attacks had almost ceased in the last 18 months. Responsibility for policing the seas would thus revert to the Thai navy.(IHT 13-01-92)

POST-COLD WAR ORDER

*See:*Inter-state relations(China-India)

RAILWAYS

A trans-continental "Silk Road" railway

In late June 1992 passenger rail service began between the Xinjiang Uygur autonomous region in western China and the neighbouring Republic of Kazakhstan. This was to be the first link in a rail route projected to stretch from the Chinese port of Lianyungang on the Yellow Sea across Asia and Europe to the Dutch port of Rotterdam.(IHT 26-06-92)

RED CROSS

*See:*Aliens

REFUGEES

See also: Cambodia, Inter-state relations (Thailand-Vietnam), Minorities; Annual Report UNHCR,UNdoc.E/1992/59

Forced return of "boat people" to Vietnam

(*see also:*1 AsYIL 339)

In October 1991 there were estimated to be more than 100,000 Vietnamese living in camps in Hong Kong and Southeast Asia. In April 1992 it was reported that since March 1989 17,456 persons had returned voluntarily. There were

64,000 Vietnamese in 11 camps in Hong Kong, 21,600 had undergone screening and fewer than 10 % had qualified as political refugees.

Vietnam had tentatively agreed in September 1991 to accept the involuntary return of Vietnamese refugees who did not qualify as such in the country of refuge and were determined to have fled Vietnam for economic reasons (the so-called Orderly Return Program). The Vietnamese offer to reverse policy was said to have been made in discussions in September 1991 with British, Hong Kong and U.N. officials. The offer might be withdrawn if there were strong objections from the U.S. which opposed mandatory repatriation of Vietnamese. (IHT 3,19/20 and 25-10-91,24-04-92)

A formal agreement with Britain would be signed on 16 October at Hanoi (IHT 16-10-91) but was delayed because of remaining Vietnamese objections against forced repatriation. A spokeswoman expressed the Vietnamese position as follows: "In [view of] the principle of respecting human rights, Vietnam has never accepted forced repatriation. On the other hand, Vietnam [acknowledges] its responsibility towards the Vietnamese citizens who are refused by all countries of refuge, living a prolonged, miserable life in a foreign land. That's why Vietnam is ready to accept back those persons provided their dignity, their orderly repatriation is ensured, and with the necessary financial support of international organizations to help the returnees settle down soon." (IHT 18-10-91)

On 21 October, meanwhile, the Hong Kong government announced that Vietnam had agreed, pending the above overall agreement, to the forced return of a small number (about 250) of so-called "double-backers", i.e. those who had voluntarily gone home to Vietnam once but had returned to Hong Kong again. (IHT 22-10-91,24-10-91;FEER 31-10-91 p.14)

An agreement recognizing the forced repatriation of all refugees in principle was finally signed on 29 October 1991, but it only applied to those who had arrived in Hong Kong after that date. Under the agreement Vietnam was bound to accept everyone who was designated an economic migrant rather than a political refugee. It also guaranteed that no person returned would face punishment or persecution while the UNHCR would verify their treatment. (IHT 30-10-91)

Although the US State Department on 18 October 1991 had still stated that the US was opposed to the expected agreement (IHT 19/20-10-91), it appeared to have given Britain its tacit approval for the new repatriations. There were suspicions that the US government's recent attempts to force Haitian boat people home to Haiti had weakened its case with Britain. (IHT 10-12-91)

The first forcible repatriation took place on 9 November 1991, followed by another on 12 February 1992. Meanwhile at least 3,000 Vietnamese were waiting to return under a voluntary repatriation plan, but Vietnam said it could only take four to five flights a month. (IHT 13-02-92)

Finally an Anglo-Vietnamese overall-agreement was signed on 12 May 1992. It was predicted that it would take as long as four years to repatriate the 50,000 refugees now residing in the camps at the rate of 1,000 a month agreed to by Vietnam. Vietnam had guaranteed that the returning refugees would not be persecuted. (IHT 13-05-92) The first group of 38 persons was returned to Vietnam on 19 June 1992. (IHT 20/21-06-92)

Sri Lankan refugees (Tamils) in India

The Indian and Sri Lankan Foreign Ministers agreed on 6 January 1992 that India would begin repatriating about 200,000 Tamil refugees to Sri Lanka. A chartered vessel would take the first batch of 5,000 persons in the third week of January. Most of the refugees fled to India after the withdrawal of an Indian peacekeeping force from Sri Lanka in 1990. The ministers stressed that the returns would be voluntary. (IHT 06-01-92; FEER 16-01-92 p.14)

Singapore attitude

Singapore's Ministry of Home Affairs said on 21 October 1991 that no refugees would be allowed to enter Singapore until the 148 already in the republic were resettled in other countries, i.e. until the UNHCR and the guaranteeing countries "fulfill their written obligations and remove all present cases." Most of the refugees had overstayed the three-month guarantee period by more than a year. (IHT 22-10-91; FEER 31-10-91 p.14)

Myanmar refugees

An offensive by the Myanmar army drove about 3,000 refugees into Thailand at points in the areas of Ban Mae Sot, Ban Tha Song Yang, Umphang and Ban Mae Sarieng, about 485 kilometres northwest of Bangkok, bringing the refugee total to more than 40,000. (IHT 29-01-92) The total number of people living in refugee settlements along the Thai-Myanmar border was estimated in April 1992 to be 65,000, consisting of a majority of Karens, with substantial numbers of Mons and Karenis. (FEER 16-04-92 p.28)

Other refugees are those along the border with Bangladesh (*see* Minorities), approximately 30,000 people from Kachin state on the Sino-Myanmar border, and nearly 1,500 villagers who fled into the northeastern Indian state of Nagaland to escape fighting in the northwestern Sagaing Division of Myanmar. (FEER 27-02-92 p.16)

Closure of Malaysian refugee camp

The Pulau Bidong camp for boat people was being closed in August 1991, following a Malaysian government decision of 14 August 1991. By that time there were 12,800 Vietnamese boat people in Malaysia, awaiting either repatriation or resettlement. (FEER 29-08-91 p.14)

Indonesian refugees (Acehnese) in Malaysia (*see also* 1 AsYIL 340)

Malaysia said in October 1991 it would repatriate the approximately 200 or 300 persons who fled the northern Sumatran province of Aceh earlier in 1991. Meanwhile it was reported in June 1992 that 43 Acehnese had camped outside the UNHCR office in Kuala Lumpur claiming they were refugees and demanding political asylum. (FEER 24-10-91 p.14, 02-07-92 p.12)

Recognition of refugee status in Japan

On 20 April 1992 Japan granted refugee status to three Myanmar dissidents, the first non-diplomat Myanmarese to win such status.

Japan has granted refugee status to no more than 200 foreigners altogether. (FEER 14-05-92 p.18)

Bangladeshi refugees (Chakma) in India

Bangladesh and India agreed in late May 1992 to arrange for the speedy repatriation of all Chakma refugees to Bangladesh. More than 50,000 Chakma refugees from the Chittagong Hill Tracts region in southeastern Bangladesh fled into India several years ago in the wake of a long-festering insurgency by the Chakma hill tribes. (FEER 11-06-92 p.12)

Pakistani refugees (Biharis) in Bangladesh

Soon after British India was partitioned in 1947 Urdu-speaking refugees from Bihar province in India migrated to what was then East Pakistan. During the liberation struggle of the early 1970s which created an independent Bangladesh out of East Pakistan, most Biharis sided with Pakistan, leading to their being herded into refugee camps in and around Dhaka. They refused an offer of permanent settlement in Bangladesh and claimed themselves to be Pakistanis. They now number some 238,000.

Pakistan at that time was hardly interested in receiving the Biharis who had never lived in West Pakistan, and in 1978 the then president of Pakistan even promulgated an ordinance banning the repatriation of Biharis. Upon pressure from Bangladesh and other Islamic countries he finally agreed in the 1980s to allow the *Rabita Trust*, a Mecca-based Islamic humanitarian body, to raise funds for the repatriation of Biharis. It was estimated in the late 1980s that the migration would cost \$400-500 million.

Meanwhile a new government (prime minister BENAZIR BHUTTO) was elected in Pakistan which opposed the return of the Biharis, possibly in view of the experience with earlier migrants from India, most of whom had settled in Sindh province and who had formed the *Muhajir Qaumi Movement* (MQM) which turned out to become a formidable opposition to the prime minister's Pakistan People's Party. The chief minister of the Punjab (NAWAZ SHARIF), an opponent to the prime minister, however, offered to resettle Biharis in his province, and revived the repatriation plan when he became prime minister in late 1990.

At the behest of the Pakistani government the Rabita Trust began a detailed head-count of Biharis in March 1992. Repatriation was planned to begin later in 1992 but funds for the plan had yet to be found. (FEER 25-06-92 p.23)

REGIONAL SECURITY

Discussion in ASEAN

At the ASEAN summit in January 1992 the idea was introduced of inviting the five permanent members of the Security Council to accede to the ASEAN Treaty of Amity and Cooperation. It was dropped, however, when confronted with the argument that it could invite external interference in the region. (FEER 06-02-92 p.11)

RIVERS

Revision of Mekong River agreement

The Mekong Committee was founded in 1957 by the four lower Mekong countries, Thailand, Vietnam, Laos and Cambodia, with backing from Western donor countries and the UN Development Program. When the Khmer Rouge took over the government in Cambodia it rejected the Committee, forcing the other three to continue consultations as the Interim Mekong Committee under an agreement of 1978. It was agreed that the full Committee would be reactivated once Cambodia opted to return to active membership.

Problems started when the Cambodian Supreme National Council (SNC) requested to reactivate its membership in June 1991. Thailand put forward preconditions for this readmittance and the reactivation of the full Committee, asking the replacement of the 1957 agreement by the one of 1978, and arguing that the 1957 agreement was obsolete.

The 1957 agreement required all members to provide each other with detailed information on projects involving the Mekong's waters and tributaries, and prescribed that projects must receive the approval of all members before they could be implemented. The 1978 agreement did not contain this unanimity rule which implied a veto power for each of the member states.

Thailand was worried that the unanimity clause could delay the Kong Chi Moon project, intended to divert water from the Mekong near Nong Khai/Vientiane to irrigate Thailand's arid northeast region. The water would be carried in a 200-km canal and ultimately drain into the Chi and Moon rivers which flow into the Mekong east of Ubon Ratchathani near the Cambodian border. Vietnam was reported to be concerned that the Thai scheme would divert enough water from the river to disrupt its flow in the Mekong Delta in southern Vietnam. A reduced flow would increase salt-water intrusion that already threatens the rice fields in the delta.

Vietnamese officials insisted that their dispute with Thailand was over whether Cambodia should be readmitted without preconditions rather than whether Vietnam would be willing to revise the principles governing the use of water from the Mekong. Vietnam, Laos as well as the Cambodian SNC rejected the Thai preconditions.

Following this rejection Thailand cancelled a meeting set for early November 1991. The situation deteriorated at the end of February 1992 when Thailand

called off a meeting for the second time in four months. Vietnam for its part boycotted an informal meeting called by Thailand for consultations on 15 March 1992 as well as its continuation on 16 March in which the upper river countries China and Myanmar participated.

It was reported that Thailand appeared to want to reconstitute the committee with all six riparian states. Thailand also excluded the Mekong Secretariat from the informal meetings in March, accusing it of attempting to be a regulator rather than a coordinator, and of inciting the other three countries to side against Thailand. The head of the Bangkok-based Secretariat was asked to resign and to leave the country.(FEER 14-11-91 p.14,02-04-92 p.16)

SABOTAGE ON AIRCRAFT

Air India

A time-bomb was found in an Air India jetliner on 1 December 1991 minutes before it was to leave for London and New York. Investigators blamed Sikh militants, but no arrests were made.(IHT 2-12-91)

SANCTIONS

See also: Foreign investment, Inter-state relations(US-Vietnam), International trade, Missile technology

US sanctions against Vietnam

In September 1991 the US renewed its trade embargo against Vietnam for a year. The US sanctions were imposed after Vietnam invaded Cambodia in 1978 and according to current US policy they would be lifted only after the settlement of the Cambodian conflict and after Vietnam would have accounted for all US personnel listed as missing in Vietnam.(*see also:* 1 AsYIL 313 and *supra:* Inter-state relations)

It was reported that the US had warned some major banks to stop violating the US trade embargo against Vietnam. A number of major banks, generally not US-owned, had for years been handling foreign trade transactions for Vietnam in dollars, technically violating the US Trading with the Enemy Act.(FEER 31-10-91 p.74)

Lifting of Vietnam trade sanctions by Thailand

Thailand consented to a Vietnamese request to lift a decade-long ban on the export of items classified as "strategic" to Vietnam as bilateral relations had markedly improved in the past few years.(IHT 19-09-91)

US blockade on IMF and ADB lending to Vietnam

According to expectations the US did not lift its veto on IMF loans to Vietnam at the IMF and World Bank meetings in October 1991. Vietnam owes the IMF arrears of \$140 million and as long as this amount remains unpaid Vietnam would be barred from new IMF loans. Other industrialized countries, notably France, tried to help by organizing a special, informal support-group meeting of IMF members on 16 October 1991 to mobilize financial support for Vietnam. The meeting was held on the sidelines of the annual meeting of the World Bank and the IMF. The number of countries supporting renewed assistance had increased since a similar meeting at Washington in April 1991 which produced pledges of support from only France and Australia. (IHT 11,12/13 and 17-10-91;FEER 31-10-91 p.74)

As part of the embargo the US also kept preventing loans from the Asian Development Bank from being disbursed. The US has a 16.3 percent shareholding in the ADB, tying it with Japan for the most influence among the 52 members. (IHT 05-05-92)

Lifting of investment ban on Vietnam

The Singapore government announced that it would lift its ban on investment in Vietnam after a peace settlement on Cambodia would be signed and when the Supreme National Council would have taken its seat in the United Nations. Until such lifting Singapore banned local businessmen from investing in Vietnam but allowed trade with it. International economic assistance to Vietnam was largely frozen since Vietnam had invaded Cambodia. (IHT 12/13-10-91;FEER 24-10-91 p.79)

Impact of US sanctions on Vietnamese Airlines

The US trade embargo precludes US-made aircraft or those with a substantial US-made content from being owned or operated by Vietnam Airlines. It also seemed to bar such aircraft from being leased with foreign crew by the Vietnamese and based in Vietnam, but not if the aircraft is based and maintained outside Vietnam. It seemed that what is critical in the eyes of US enforcement officials is that any deal involving US-built or US-equipped aircraft that "transfers control to Vietnam is illegal." Apparently the transfer of revenues earned on joint services does not fall under the sanctions.

In February 1991 the lease by Vietnam Airlines of a Boeing 737 from the Dutch company Transavia was canceled because of US threats that Transavia's supplies of US-made spare parts for other planes would be cut off if it went ahead. The same happened to another lease of a Boeing 737 from the (Swiss) Trans-European Airways.

In April 1991, however, the lease of a DC-10 from Scandinavian Airlines System would not breach the embargo because the aircraft would, at least notionally, be based at Bangkok for the purposes of the lease while it shuttled back and forth between Bangkok and Ho Chi Minh City. Besides, the plane would be leased along with its cockpit and cabin crews. On this basis TEA

returned with a Boeing 737 which was based at Bangkok from where it would fly to Vietnam and thence onwards for Vietnam Airlines.

A similar deal was arranged for a Bulgarian (leased) Airbus A310 of JES Air which, between flights to and from Europe, was theoretically based in Singapore. In this case, however, it was reported that the US owner of the aircraft (United Technologies Corp.) won an injunction from a Singapore court barring the flights. UTC had sought the injunction on grounds that the charter arrangement might violate the embargo because the plane in question had US-made engines and flight controls, while JES Air maintained that the arrangement was within the bounds of US law.(FEER 27-02-92 p.32,05-03-92 p.21)

Lifting of sanctions against South Africa

Following the abolition of the legal foundations of apartheid by the South African parliament on 18 June 1991 Japan started to lift its sanction by abolishing its restrictions on the movement of persons between the two countries on 21 June 1991, although the restrictions would be upheld as regards sports exchanges so far as sports organizations are concerned which were not yet racially integrated.

Japan announced on 22 October 1991 that it would soon lift its economic sanctions on South Africa, including the ban on imports of iron ore and steel, the suspension of air links, the restrictions on investment and financing, and the call for voluntary abstention from importing Krugerrands and other South African gold coins. The lifting would also mean that Japan's nuclear power industry can again purchase South African uranium and that Japanese companies are free to invest in South Africa. The ban on sales of equipment to the South African police and military, however, would be kept for the time being. The lifting of the sanctions was hailed by South African business circles but was regretted by the African National Congress and the Congress of South African Trade Unions. (IHT 22 and 23-10-91 and contribution Kotera Akira)

Diplomatic relations were resumed on 13 January 1992 after having been absent since the Second World War.(FEER 23-01-92 p.14)

Sanctions against Indonesia because of East Timor incident

In connection with the shooting incident at Timor Island (*see: Specific territories: East Timor*) Canada decided to review its entire aid programme to Indonesia. The Dutch minister for development cooperation announced on 21 November 1991 that the Netherlands was suspending funding for all new development projects in Indonesia until the Indonesian investigation into the killings would yield an acceptable result. (*see: Economic cooperation*) Denmark decided to respond in the same way and Portugal, that has no diplomatic relations with Indonesia, urged the European Community to impose a trade embargo. The European Parliament urged EC member states to impose an arms embargo on Indonesia and asked them to consider curtailing or suspending aid and cooperation agreements with Indonesia. (*see: EEC*)(IHT 22-11-91; FEER 05-12-91 p.10,09-01-92 p.8)

US sanctions against Pakistan

The US impounded 3 naval reconnaissance aircraft that were about to be delivered by US manufacturers. The aircraft were already paid and the purchase was initially cleared by the US government, but it was later said that the planes would be released only after Pakistan agreed to comply with US nuclear non-proliferation requirements.(FEER 02-07-92 p.12)

SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION (SAARC)

See also: Minorities(:Ethnic Nepalese in Bhutan)

Cancellation of summit meeting

A sixth summit meeting scheduled for 7-9 November 1991 at Colombo was called off following Indian insistence that no summit could be held without the personal attendance of all the heads of state or government of the seven member states. At last year's summit meeting at Male, however, India did not object to the Sri Lankan prime minister, who was not head of state or government, representing the Sri Lankan president.(FEER 21-11-91 p.22)

SPACE ACTIVITIES

See also: Broadcasting

Asian developments in the field of commercial satellites

Countries in East Asia will spend nearly \$800 million over the next few years to build and launch new commercial satellites. The state-owned Korean Telecom awarded McDonnell Douglas Corp. a contract to launch the first two South Korean communication satellites in 1995. A Thai locally listed telecommunication company signed a contract with Hughes to build two satellites for launch in 1993.(IHT 29-11-91;FEER 21-05-92 p.51)

The Malaysian telecommunications company, Binariang, signed a memorandum of understanding on 12 November 1991 with Hughes Aircraft Co. for the purchase of a satellite. It was agreed with the European Arianespace that the latter would launch the satellite before 1995. Kourou, the launching place, is located 3 degrees north of the equator, the position at which Malaysia plans to launch its satellite. With regard to the Chinese company Great Wall Industry Corp. which was also vying to launch the satellite, it was said that China's rocket-launching facilities at Xi Chang were located 38 degrees above the equator which would make the cost to navigate the satellite into position very high.(IHT 26-03-92)

The Indonesian government said earlier in 1991 that it would launch a third satellite in July 1992 on a US Delta rocket.

The old Palapa B-1 satellite was to be bought by a newly established company, Pasifik Satelit Nusantara (PSN) from the state-owned telecommunications

company (Telkom) and would be used to compete on trans-Pacific telephone traffic in an inclining orbit.(IHT 29-11-91;FEER 23-01-92 p.47)

Chinese-Hong Kong joint venture

APT Satellite Co.,set up in Hong Kong in April 1992 by Hong Kong's Chia Tai International Communications Co. and three mainland companies, plans to buy two communications satellites and equipment from GM's Hughes Communications International Inc. The first satellite, the APSTAR-1, for which an agreement had already been signed, would be launched by mid-1994. The company expected a huge demand for telecommunications and satellite transponders in the Asia-Pacific region in the near future.(IHT 26-05-92)

Japanese space project

Japan ruled out joint development of the European Space Agency's *Hermes* manned space shuttle and will not give the project major financial and technological support. It will instead proceed with its own project to build *Hope*, an unmanned space shuttle set for completion by the year 2000, about two years ahead of *Hermes*.

Although both sides emphasized the dissimilarity of the two projects as the reason for the reluctance to cooperate, a more important factor might be Japan's wish to wean itself from technological dependence on the US and to gain independent access to space. At the same time the US would be wary of any alliance that might help Japan to compete in one of America's last areas of technological supremacy.

Even today Japan needs approval from the US to launch payloads on Japanese rockets developed largely with American technology. This could change next year (1993) when the H-2 rocket, designed entirely with Japanese technology and having a lift capacity comparable to the European *Ariane*, is scheduled to make its first flight.(IHT 26-02-92)[In July 1992 engine problems forced a further one-year delay in the first launching of the H-2, which is now planned for early 1994.]

Japan first successfully launched a 130-kilogram satellite with an N-1 rocket in 1975. Since then it had orbited 23 satellites with N-1, N-2 and H-1 rockets for communication and television network use. The first stage of the H-1 is based on 25-year old US Delta rocket technology licensed by McDonnell Douglas.(IHT 09-07-92)

Failure of Chinese launching rocket

A Long March rocket which was to have launched an Australian telecommunications satellite failed to lift off on 22 March 1992. It was believed to be the fourth failure of the Long March rockets which have sent 30 Chinese satellites and one foreign satellite into space since 1964.(IHT 23-03-92)

SPECIFIC TERRITORIES WITHIN A STATE: KASHMIR**Attitude of Pakistan on Kashmir**

The prime minister of Pakistan re-affirmed that the Kashmir issue is an unresolved international dispute. Pakistan supports the aspirations of the Kashmiri people for self-determination but it has not supplied arms.(IHT 30-12-91)

Efforts by Pakistan to prevent entry of Muslim militants into Indian-held Kashmir

Pakistani troops set off landslides, erected barricades and dismantled bridges on 10 February 1992 to try to stop a planned march by Muslim militants of the Jammu and Kashmir Liberation Front across a heavily guarded cease-fire line into Indian-held Kashmir. Pakistan said it would use force to block the march. More than 40,000 troops were deployed in and around Muzaffarabad, capital of Pakistan-controlled Kashmir. At the other side Indian troops laid mines near the border and imposed a curfew in an effort to block the march. India threatened to shoot if the demonstrators crossed the cease-fire line. The march erupted in violence on 12 February when the police fired on the protesters. It was reported that the Pakistan government was caught between its wary Islamic supporters and its efforts to engage India in a dialogue over the Kashmir issue (IHT 11-02-92,13-02-92; see letters dated 13 Feb.1992 and 17 May 1991 from the Minister for Foreign Affairs of Pakistan to the UN Secretary-General, UNdoc.S/23600)

SPECIFIC TERRITORIES WITHIN A STATE: TIBET**Chinese response to the Dalai Lama's plans**

In response to a remark made by the Dalai Lama in a speech at Yale University on 9 October 1991 that he hoped to return to Tibet soon but only if the Chinese government granted him freedom to travel throughout Tibet and talk directly to Tibetans, a Foreign Ministry spokesman said that the most important thing would be that the Dalai Lama stop his activities aimed at splitting China and undermining the unity of its nationalities, and abandon his position on Tibetan independence.(IHT 11-10-91)

SPECIFIC TERRITORIES WITHIN A STATE: EAST TIMOR

(See also survey in UN doc.A/AC.109/1115; Indonesian note verbale of 29 May 1992 in UNdoc.A/47/240)

Visit by Portuguese parliamentary delegation

Indonesia and Portugal agreed on terms to allow a Portuguese parliamentary delegation to visit East Timor. An advance team would go to Timor in October 1991. It would include representatives from the United Nations which continued to recognize Portugal as the administering power. At the last minute, however, the two sides disagreed about which journalists would be eligible to accompany the delegation. Indonesia objected to the inclusion of a journalist whom the Indonesian foreign minister described as a propagandist for Fretelin, the armed group fighting for Timorese independence. According to the Indonesian side an agreement had been worked out by the two countries' ambassadors to the UN permitting either government to object to journalists proposed by the other side. As a result of the conflict the visit was suspended.(FEER 05-09-91 p.14,07-11-91 p.12)

Clash with the army

On 12 November 1991 a funeral procession in the East Timor capital Dili led to a clash between about 3,500 demonstrators and the army, with a controversial number of casualties. Estimates ranged from 19 to 115. The funeral service followed a memorial service to mourn two youths killed in a clash with the police and coincided with a visit by a UN human-rights rapporteur.(IHT 13-11-91,FEER 05-12-91 p.10) A seven man-commission of investigation was appointed by the Indonesian President on 19 November 1991. It was headed by a Supreme Court judge and consisted of officials from the Interior, Justice and Foreign ministries, the armed forces, an East Timorese legislator and a member of the Supreme Advisory Council.(IHT 20-11-91) In its preliminary report the Commission said that troops initially fired in self-defence against demonstrators who stabbed an officer and injured another soldier, but that "the actions of a number of security forces have gone beyond what was necessary, claiming many victims." The Commission had strong reason to conclude that the death toll was about 50, with 91 injured.(IHT 27-12-91) On the basis of the advance report two senior officers with direct operational authority over East Timor were replaced.(FEER 09-01-92 p.8) As a result of the findings of a special military council the army took punitive measures against six senior officers in February 1992.(IHT 28-02-92)

Initially there were instances of the Red Cross being denied access to the victims in the military hospital, but the Indonesian authorities had provided the Red Cross with lists of those said to be wounded or detained as a result of the violence.(IHT 20-11-91) About a week after the incident the restrictions on access were partly lifted, and on 25 November 1991 the head of a delegation of the International Committee of the Red Cross in Indonesia said that the Red Cross had begun interviewing the Timorese held in a local military hospital.(IHT 26-11-91)

International criticism of the shooting came mainly from Western states: the US, the Netherlands, Australia, Canada and Portugal. On 28 November 1991 the UN Secretary General said that he was considering sending an investigatory mission for which he said he had the necessary facilities from the Indonesian

government.(IHT 28-11-91;FEER 05-12-91 p.10)

In response to the planned visit of a Portuguese “peace boat”, the *Lusitânia Expresso*, with about 100 students and journalists on board who planned to lay wreaths in Dili to honor the victims of the November 1991 shooting the Indonesian authorities declared East Timor temporarily off-limits to foreign journalists. The Indonesian territorial waters were declared closed to the boat, since the voyage was politically motivated, aimed at instigating confrontation, aggravating tension, inducing divisiveness and inciting disturbances. For these reasons the voyage was considered prejudicial to the peace, good order and security of Indonesia, and thus contrary to the established notion of innocent passage. Military officials warned that passengers of the boat would be arrested if they tried to land. The boat would be treated in the same way as if it were a fishing vessel intent on poaching. Upon a corresponding verbal warning by the Indonesian navy the approaching ship turned away on 11 March 1992 and returned to Darwin.(IHT 27-02-92;FEER 05-03-92 p.14,26-03-92 p.20. The Portuguese and Indonesian versions of the incident are documented in statements by the two governments dated 26 March 1992, UNdoc.A/47/134-S/23757 and 8 April 1992, UNdoc.A/47/152 respectively)

STATE SUCCESSION

Status of Soviet Union successor states

In his letter of 27 December 1991 to the President of the Russian Federation the Japanese prime minister stated the Japanese understanding that there was continuity of statehood between the Soviet Union and the Russian Federation and that all international agreements between Japan and the Soviet Union would continue to be valid between Japan and the Russian Federation. In its recognition of the other successor states of the Soviet Union the Japanese government emphasized, *inter alia*, the importance of abiding by the obligations under international agreements concluded between the Soviet Union and other countries.(Foreign Press Center Japan, Press Release 0837-09, 28 Dec.1991)

STRAITS

Detention of arms cargo by Turkey

The freighter *Cape Maleas*, carrying Bulgarian-made anti-aircraft guns, rocket launchers, weapons and ammunition for Iran was stopped on its way through the Bosphorus and was impounded on the order of an Istanbul court. Passage of arms and warships between the Black Sea and the Aegean is controlled by treaty law requiring that they be declared to the Turkish authorities. Iran lodged a diplomatic protest. It referred to “the Turkish court’s illogical and unprincipled decision” and described the Turkish action as “invalid and unacceptable” and a “violation of international rights and commercial relations between countries.” The Iranian deputy foreign minister

for Asia and Oceania called on Turkey to reimburse Iran for all expenses “resulting from the vessel’s illegal impounding, its consignment and other damages, as soon as possible.”(IHT 14/15-03-92)

TAXATION

Labuan tax haven

An offshore tax haven under the name of International Offshore Financial Centre (IOFC) was established by Malaysian Act of Parliament on 1 October 1990 on Labuan Island, 10 km off the East Malaysian state of Sabah.(FEER 31-10-91 p.63)

TERRITORIAL CLAIMS

Japanese - Soviet(Russian) dispute over the “Northern Territories” (see also:Economic cooperation, and 1 AsYIL 346)

In October 1991 Japan reversed its postwar strategy for dealing with the Soviet Union. It had always refused to offer economic aid except for a small amount of humanitarian assistance until the Soviet Union resolved the territorial dispute over the four islands north of Hokkaido. The change in policy came when the Japanese government announced a plan on a \$2.5 billion aid package.(IHT 14-10-91) The plan was discussed but not realized as the parties were not able to agree on a mutually acceptable link with the territorial question. The discussions did result in a Soviet announcement on an immediate reduction of its military presence on the four disputed islands by one-third (of the about 8,000 Soviet troops), to be followed eventually by further cuts. The two parties also agreed to scrap visa requirements for travel between the Kurils and Japan.(IHT 15-10-91)

On his first visit to Japan since the break-up of the Soviet Union the Russian foreign minister said in March 1992 that Russia intended to honor the 1956 (draft-)agreement and that Japan’s policy of refusing large-scale aid without the return of the islands may prove counter-productive, since political forces in Russia were using the country’s mounting economic problems as a political weapon.(IHT 21/22-03-92) In an effort to bridge the existing gap Japan suggested in April 1992 that it might agree to an immediate return of two of the four islands if there were a recognition of Japan’s right to the other two and a promise that they would be returned at a fixed date in the future. Such a compromise would mean that Japan could play a full role in the Group of Seven’s joint aid plan for the former Soviet republics.(IHT 20-04-92,17-07-92;FEER 07-05-92 p.14)

The political declaration that resulted from the G-7 meeting at Munich in July 1992 agreed on the perception that the “Northern Territory” issue is not only a problem between Japan and Russia but a common concern of global importance.(IHT 08-07-92;FEER 16-07-92 p.11)

Meanwhile an arrangement on the movement of persons to and from the islands was made by an exchange of letters between the Japanese and Soviet foreign ministers of 14 October 1991. It provided for the possibility of mutual visits between the islands and the Japanese mainland. This arrangement has been interpreted by the Japanese government in a restrictive sense in that visits by Japanese should take place in groups and in accordance with specific procedures, and limited to former inhabitants of the islands, campaigners for their return and the press. (Contribution Kotera Akira)

Chinese legislation on sovereignty over certain islands

In February 1992 China promulgated new legislation on its territorial sea in which it affirmed its claim of sovereignty over the Spratly (Nansha), Paracel (Xisha) and Diaoyutai (Senkaku) island groups. (see State practice)

The Japanese embassy lodged a protest to the Chinese foreign ministry with regard to the Senkaku (Diaoyutai) islands, demanding a "correction" of the Chinese legislation. The embassy claimed: "It is without doubt that the Senkaku islands are our own territory, not only in terms of historical aspects but also in international law, and the Japanese Government is actually governing the islands effectively." The protest was rejected by China. However, during his visit to Japan in early April 1992 the General Secretary of the Chinese Communist Party said that China maintained its opinion that the issue of the islands be left to future generations. [The Diaoyutai (Senkaku) islands lie between Taiwan and Okinawa and are disputed between Japan and China/Taiwan. The islands were placed under US administration after the defeat of Japan in World War II, but were returned to Japanese control in 1971.]

Malaysian officials said they would formally seek a clarification of the Chinese law and its implications. Vietnam was reported to have sent secret protest notes in an attempt not to escalate the dispute, while its Foreign Ministry drew attention to the agreement reached by the two sides in November 1991 to resolve the islands conflict peacefully. The Philippine Defence Secretary said he wanted to "see to it that the Spratlys do not become a military flash point." Finally, Indonesia called the Chinese action "unfortunate." (IHT 07-04-92, FEER 12-03-92 p.8)

Spratly (Chin.: Nansha, Vietn.: Truong Sa) Islands

The Spratlys are a far-flung group of 433 mostly barren islands and islets in the southern South China Sea. In addition to the mineral wealth that may be near them, they command shipping lanes. According to various sources (but reports differ), Vietnam maintains a military presence on 21 islands or islets, China on seven, the Philippines on eight, Malaysia on two and Taiwan on one. (IHT 09-07-92)

A meeting was held in Jakarta, starting 29 June 1992, to promote cooperation between China, Taiwan, the Philippines, Malaysia, Vietnam and Brunei, i.e. the countries involved in the dispute over areas of the South China Sea. (IHT 30-06-92)

It was reported that Malaysia planned building an airstrip on Terumbu Layang Layang atoll. The runway would cater to light aircraft in efforts to improve security and promote tourism there and on two neighbouring atolls.(FEER 12-09-91 p.14)

Vietnam and Malaysia agreed to jointly develop areas around the disputed Spratly Islands where their territorial claims overlap.(IHT 22-01-92)

Meanwhile Chinese troops landed on another islet in the disputed archipelago. According to Vietnamese sources a Chinese tugboat had landed soldiers and construction material on a partly submerged reef by the Vietnamese name of Da Lac and claimed as Vietnamese territory, where the Chinese set up a territorial marker. In an official protest Vietnam accused China of having "seriously violated Vietnamese territorial sovereignty." (In 1988 the Chinese navy sank at least one Vietnamese vessel and seriously damaged two others in a clash in the Spratlys, killing nearly 100 Vietnamese.) (IHT 09-07-92)

The Vietnamese note did not change the Chinese stand concerning its sovereignty over the islands. A foreign ministry spokesman said: "It is China's view that there is an abundance of historical records that show those islands are Chinese territory since ancient times." (IHT 10-07-92) In response to suggestions from ASEAN circles about an international conference to settle the dispute, China said that it might negotiate with Vietnam but that it did not want to involve other claimant countries in the conference. It was ready to seek a solution through bilateral negotiations but "opposed to having the issue internationalized." (IHT 17-07-92)

On 21 July 1992 the Chinese foreign minister said in a meeting with the foreign ministers of ASEAN that China was ready to put aside the core dispute and explore prospects for joint development of the area. The Vietnamese foreign minister said that pending a settlement of the dispute, no country should do anything to make the situation more complicated. Both the Chinese and Vietnamese foreign ministers attended the annual ASEAN foreign ministers meeting as observers.

At the above mentioned meeting the ASEAN ministers issued a declaration calling for disputes over sovereignty in the South China Sea to be settled by negotiation, without resort to force. (see Documents) (IHT 22 and 23-07-92)

Meanwhile the Vietnamese News Agency reported that Vietnam had set up a fishing port at a major island in the Truong Sa archipelago "to meet the increasing activities of state-owned fishing enterprises and private fishermen in the area". (IHT 29-07-92)

Chinese exploration contract in disputed territory

China signed an oil exploration contract with the (US) Crestone Energy Corp. on 8 May 1992. The contract covered some 25,000 square kilometres of the Vanguard Bank area (Chinese name: Wan'an Bei) in the South China Sea that lies some 260 km off southern Vietnam and is being claimed by both China and Vietnam. According to Vietnam the area forms part of its continental shelf. In a strongly worded statement the Vietnamese foreign ministry said that the agreement had "seriously violated Vietnam's sovereign rights over its

continental shelf and exclusive economic zone." For China, the area lies on the Chinese side of a median line between the nearest Vietnamese island to the west and the so-called Prince of Wales Bank, claimed -and reportedly occupied- by China.

The Chinese government had pledged to back up the company with its navy if necessary. The last time such a contract was awarded for disputed area was apparently in 1973 when the collapsing government of South Vietnam granted oil concessions to Western companies. That led to a battle in January 1974 between Chinese and Vietnamese naval forces. In 1988 there was another brief naval battle between China and Vietnam over the disputed areas of the South China Sea.(IHT 19-06-92;FEER 09-07-92 p.14)

The Islands of Sipadan and Ligitan

The Joint Commission set up by Indonesia and Malaysia to deal with the opposite claims of the two countries to the two islands (*see* 1 AsYIL 348) held its first meeting on 7-11 October 1991. The two parties agreed to intensify discussions aimed at resolving their dispute.(FEER 24-10-91 p.14)

Abu Musa Island

Abu Musa is the largest of three islands originally belonging to the United Arab Emirates that were occupied by Iran in 1971. It lies north of Dubai, roughly midway between Iran and the Emirates and had a population of about 700 Emirate citizens.

Despite its 20-year occupation Iran had agreed that the island's status was subject to eventual negotiations with the Emirates. By the middle of April 1992, however, Iran expelled all Arabs from the island and seized island property belonging to the Emirates, including a desalination plant and a school. According to newspaper reports it had been suggested to the Arab residents that they apply for Iranian identity cards. The President of the Emirates had asked Oman, which retains friendly relations with Iran, to mediate in the dispute.(IHT 17-04-92)

Batu Puteh Island

Batu Puteh (called Pedra Branca in Singapore) is a small island, little more than 500 sq.m., 15 km off the coast of Johor and some 50 km east of Singapore. Singapore has maintained the Horsburg lighthouse at the island since its independence and has built a helipad in order to facilitate that maintenance. The island had been administered from Singapore for the last 150 years. No one bothered to question sovereignty over the island until it was gazetted in a new map as part of Malaysia in 1979. This prompted Singapore to lay claim to it by virtue of its long occupation and administration of the lighthouse. Singapore also relies on a 1953 letter from the then State Secretary of Johor granting Singapore possession of the island.

The island is also being claimed by the state of Johor. Initially the claim by Singapore was countered by the view that Batu Puteh was historically part of

the Johor sultanate, and Singapore was only being allowed to use the island. It was also claimed that no state functionary ever had the right to negotiate over sovereignty, which was a matter for the sultan and the ruling council.

Both sides agreed to bring their claims to the negotiating table. The issue rested there until 1989, when radar facilities were being installed on the island to aid marine navigation, and fishermen from Johor were shooved away by the Singaporean navy.

In February 1992 it was reported that Malaysia had decided to settle the dispute by using legal principles instead of history. The Malaysian prime minister reportedly pointed out that it was important for Malaysia to stick to legal principles so as not to jeopardize its claims to other islands. In February 1992 Singapore had presented documents supporting its claim to Malaysia, on 29 June 1992 Malaysia presented its documents to Singapore. (FEER 17-10-91 p.37, 24-10-91 p.14, 06-02-92 p.14, 13-02-92 p.20, 02-07-92 p.21, 09-07-92 p.12)

TERRITORIAL WATERS

See: Hong Kong

UNITED NATIONS

See also: Cambodia

Participation in UN peace-keeping

India offered to send a 5,000-strong army brigade to the UN peacekeeping force to be deployed in Cambodia. Given that the total force was expected to be around 15,000 this would be an overly large component from one country. India already had 34 military officers serving with the advance UN force. (FEER 05-03-92 p.9)

Abuse of UN authority

According to US intelligence reports a North Korean government-owned cargo ship, the *Dae hung Ho*, left Korea in early February 1992 with an unknown number of missiles and related manufacturing, assembly or production equipment, on its way to Syria. The missiles were alleged to be so-called Scud-Cs, an indigenous, advanced version of the Soviet-designed Scud-B with a range of about 360 miles. (IHT 21-02-92) Early March the US government was examining the option of boarding the ships by US naval warships operating as part of the multinational group enforcing the UN trade embargo against Iraq. Although US officials said they had no authority to seize military cargoes bound for Iran or Syria, the intention would be to snare the North Korean vessels in the anti-Iraq enforcement program, and once their destination was properly documented by a boarding party, they would be allowed to proceed. Other US officials, however, looked skeptically at the legality of the disingenuous use of UN authority. (IHT 07/08-03-92) The ship arrived on 9 March 1992 in the Iranian port of Bandar Abbas, undetected by the

US navy.(IHT 11-03-92) The Iranian cargo ship *Iran Salaam* which was also suspected of carrying North Korean missiles, was expected to reach Iran within 24 hours.(IHT 14/15-03-92)

UNRECOGNIZED ENTITIES

*See also:*Divided states:China

Australia-Taiwan

Australia is represented in Taiwan by an office operated by the Australian Chamber of Commerce, some of the staff being Australian government officials "on leave". Despite the official policy a minister of economic affairs from Taiwan visited Australia in July 1991 and had meetings with Australian ministers.

Visas granted to visitors from Taiwan carried the condition that the holder did not have "any official or other status". It was expected that the requirement would be quietly dropped when it would no longer look as if Australia was surrendering to Taiwan's demands.(FEER 03-10-91 p.58)

China-South Korea

Talks on normalizing ties were expected to start in November 1991 when the Chinese foreign minister would be in Seoul to attend the ministerial meeting of the APEC. Earlier in the year the two countries opened trade offices with limited consular functions in each other capitals.(IHT 09-09-91)

On 20 December 1991 a trade accord granting each other most-favoured-nation status was initialed by the state-run Korea Trade Promotion Corp. and the China Chamber of International Commerce. The two governments were expected to exchange memoranda guaranteeing the agreement after its signature on 31 December 1991. The agreement was expected to come into effect by the end of January 1992. It leaves out key items like air links and investment. An investment guarantee agreement was pending: South Korea has about \$40 million of investments in China.(IHT 21/22-12 and 31-12-91/01-01-92)

Vietnam-Taiwan

A Taiwanese trade mission visited Vietnam in September 1991, marking the highest-level contact between Hanoi and Taipei since 1975. Taiwan is the largest foreign investor in Vietnam and is rapidly becoming one of the country's most important trading partners.(FEER 10-10-91 p.79)

Vietnam-South Korea

Vietnam and South Korea agreed in April 1992 to exchange liaison offices to facilitate growing economic cooperation and to perform some diplomatic and consular functions.(FEER 23-07-92 p.12)

VISAS

Denial to critics of the state

Two US senators who had been outspoken critics of China's human right practices were denied visas for a visit to China, with plans to travel to Tibet, in April 1992. The visa applications were not rejected but it was said that the timing of the proposed visit was "inconvenient". (FEER 23-04-92 p.14)

WORLD BANK

Japanese challenge of World Bank policy

It was reported that Japan started challenging the alleged undue faith of the World Bank in market mechanisms, and consequently in deregulation and liberalization, emphasizing instead the positive role that the governments of Japan and East Asian NICs have played in their countries' economic development by government industrial and credit-allocation policies. (FEER 12-03-92 p.49)

WORLD WAR II

Responsibility and apologies

During a visit to Japan by Queen BEATRIX of the Netherlands in October 1991 the Japanese prime minister apologized for Japan's wartime atrocities against Dutch citizens, expressing "sincere contrition" for the "unbearable suffering" of tens of thousands of Dutch settlers and soldiers who were interned when Japanese troops captured Indonesia which was a Dutch colony at the time. (IHT 24-10-91)

A proposed resolution in the Japanese parliament expressing regret over Japan's wartime aggression on the occasion of the 50th anniversary of the attack on Pearl Harbor ran into trouble because of a furor in Japan over President BUSH's refusal to apologize for the atomic bomb attack on Hiroshima.

Government spokesmen made it clear that no one in the government would apologize for the war. This was in keeping with the government's view that it will take decades for historians to determine who was responsible for the war. Although most American historians say Japan was clearly responsible, Japanese argue that Japanese responsibility was diluted by the fact that it was surrounded by hostile colonial empires. The prime minister also reiterated Japan's opposition to paying reparations to individuals in foreign countries, since it had already made payments to the countries themselves: "Japan has already legally solved the issue of individuals' rights to demand war reparations by concluding treaties with the governments of peoples to whom Japan had caused annoyances." But there was considerable confusion over what should be

said or not said, and even over the meaning of what had already been said. (IHT 6-12-91)

Nevertheless, less than three hours after the US President made a conciliatory speech in Hawaii to commemorate the anniversary of the attack on Pearl Harbour in 1941, the Japanese foreign minister made a statement in which he said that "Japan is deeply remorseful over these [Japanese] past actions" and expressed "[his] sincerest condolences to all those people [of] the countries concerned, as well as Japan, who sacrificed their lives in the course of the war....Japan, for its part, should face squarely the historical fact that the Pacific War, which inflicted unbearable suffering and sorrow on many peoples of the Asian-Pacific region, was started fifty years ago today with Japan's surprise attack on Pearl Harbor." (IHT 9-12-91)

War reparation for North Korea

The Japanese foreign minister said on 19 January 1992 that Japan would consider war reparations to North Korea and other economic aid if North Korea would allow international inspection of its nuclear facilities. Japan had refused to consider the reparations issue during the normalization talks in 1991, claiming that Korea was not a combatant in World War II, being a Japanese colony at that time. (FEER 30-01-92 p.12)

War reparation for Chinese

While China had formally waived war reparation claims when it established ties with Japan in 1972 the General Secretary of the Chinese Communist Party said that Chinese citizens may seek compensation on their own for damages inflicted by the Japanese Army during the Second World War. (IHT 07-04-92)

Forced prostitution

The Japanese government admitted on 13 January 1992 that the Japanese Imperial Army had recruited tens of thousands of Korean women to serve as prostitutes during the war, after having argued in the past that private companies had set up the operations as contractors to the army. The admission was affirmed with regard to Korean, Chinese, Taiwanese, Philippine and Japanese women by a government report of 6 July 1992 and the release of relevant documents from government archives. But it was said that the official investigation had found no proof that the women were coerced.

The government hinted that survivors might be offered some kind of compensation. However, since Japan settled issues of wartime compensation for Korea by treaty in 1965 when the two countries resumed full diplomatic ties, there would be no official compensation for the victims, but the government had been talking about finding private sources of funds that would settle claims without setting the precedent of reopening reparations claims. (IHT 14,16,21 and 23-01-92,07-07 and 11/12-07-92; FEER 16-07-92 p.14) During a visit to South Korea in January 1992 the Japanese prime minister apologized for the forced prostitution of teenagers and young women during the war while saying

that compensation was up to the courts.(IHT 23-01-92) Nevertheless South Korea decided to ask Japan to compensate the women. Since the issue of forced sex was not specifically referred to in the 1965 normalisation treaty which covered war reparations, Korea felt justified in seeking redress for the “comfort women”.(IHT 22-01-92)

Meanwhile three of the women filed a suit in the Tokyo District Court in December 1991 seeking \$160,000 each in damages.(IHT 16-01-92,22-01-92)

Chemical weapons abandoned by the Japanese

As a condition for endorsing a worldwide treaty banning chemical weapons China demanded that Japan take “full responsibility” for destroying about 2 million chemical weapons that its forces abandoned as they retreated from northern China during the 1940s. It was reported that China submitted a confidential working paper on the matter in February 1992. According to the Indonesian delegate to the conference who was appointed to mediate the dispute, Japan, being reluctant to assume total responsibility for an operation that may well cost hundreds of millions of dollars, promised help after months of wrangling but would not sign a blank check.(IHT 11/12-07-92)