CHRONICLE

CHRONICLE OF EVENTS AND INCIDENTS RELATING TO ASIA WITH RELEVANCE TO INTERNATIONAL LAW August 1992–June 1993

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AFGHANISTAN

Evacuation of foreign missions

As a result of the fights between the government forces (mainly Uzbek-supported Tajik) and fundamentalist Islamic (Pashtun) forces (*see* 2 *AsYIL* 283) several countries closed their embassies and withdrew their diplomats and the Red Cross handed over responsibility for its hospital to the Health Ministry, complaining that the warring factions did not respect its premises. (*IHT* 24 and 25-08-92)

Agreement on the forming of a national government

On 7 March 1993 an accord was concluded at Islamabad between eight out of the ten main warring factions. One group, the YUNUS KHALIS-led part of the Hizbe Islami faction, boycotted the negotiations and the faction led by General RASHEED DOSTAM was excluded because of his background of being connected with the NAJIBULLAH regime. The Islamabad Agreement was based on a Pakistani-proposed idea and allowed for a power-sharing regime. Under the accord Mr. RABBANI would remain president for 18 months from the date of his installation in December 1992 while Mr. HEKMATYAR would become Prime Minister. Elections for a constituent assembly would be held within eight months. The assembly would be required to approve a constitution under which elections must be held before the end of the 18-month period of President RABBANI. Although President RABBANI at first insisted on the retention of AHMAD SHAH MASUD as defence minister it was decided to form a 16-member defence council in which all eight rival factions would be represented.

The agreement did not prevent the cease-fire from breaking down a few days after it was agreed. (IHT 04-03,08-03,10-03-93; FEER 18-03-93 p.22)

AIR TRAFFIC

Disputes over transport on continuing flights

The US Department of Transport ruled in favour of United Airlines which had complained against a Japanese requirement for continuing flights from Tokyo to Sydney, consisting of a restriction of the number of passengers that originate in Japan to no more than a half. The restrictions were considered to be contrary to the bilateral Air Services Agreement between Japan and the US of 1952. (IHT 6/7-02-93)

On the other hand, Japan considered penalization of North West Airlines for allegedly violating the existing Air Services Agreement by picking up too many passengers on its New York-Osaka-Sydney route. According to the Japanese the US-Japanese aviation agreement provides that no more than 50 per cent of the passengers on the North West flight to Sydney should originate in Osaka, while in fact the figure had been more than 70 per cent for several months.

The differences result from a different interpretation of the “beyond” or “fifth freedom” rights referred to in the agreement and from the changes that have taken place in the market situation in the past 40 years. In Japan’s interpretation of the 1952 agreement, “beyond” rights are intended to be supplementary in nature, while from its launch in November 1991 Northwest’s New York-Osaka-Sydney route drew far in excess of 50 per cent of its Sydney passengers from Japan. Furthermore, lights to Sydney via Osaka are almost 3,000 km longer than from New York via Los Angeles. In the Japanese view, therefore, the real intent of North West was to establish an Osaka-Sydney service. Japan proposed that the dispute be put to arbitration besides trying to renegotiate the 1952 accord.

Several Asia-Pacific countries faced similar problems and were contesting air rights with the US. For example, Thailand allowed its agreement with the US to terminate in 1990, and flights between the two countries were since operating under a standstill arrangement which freezes services at current levels pending negotiation of a new accord. (*see* 1 AsYIL 268) (IHT 10/11-04-93;FEER 11-03-93 p.40)

Revision of existing air agreements requested

Many of the agreements were negotiated in the 1950s and the 1960s and no longer provide an acceptable balance of frequency allocation and gateway accessibility. They reflect a situation where most of the passengers were American.

In 1965 46,000 Japanese flew to the US and 185,000 Americans travelled the other way. By 1990 the Japanese tally had soared more than 70 times while the US figure had merely tripled. In accordance with the initial situation Japanese airlines provided a much lower percentage of the seats of the US-Japan flights than the US airlines. Seven US carriers fly 55 routes to Japan; of these, 23 go through Japan to ten major cities in

the Asia-Pacific region. By contrast, four Japanese airlines fly just 20 routes, with only one going beyond the US.

Fourteen Asian airlines, united in the Orient Airlines Association urged Asian governments to renegotiate bilateral air agreements with the US in order to allow the airlines greater access to the US. Many of them suffer from the existing restrictions, placing them at a significant disadvantage to US carriers. Asian airlines are restricted to flights to and from nine US cities but US carriers can fly to and from Asia through 21 US cities.

A modified British-US agreement for Hong Kong was reportedly almost ready for signature under which the US would not be granted beyond rights because the Hong Kong major carrier Cathay Pacific had little interest in similar rights that the US had available to trade.

Japan Airlines held up the British-US agreement as the one it would most like to see Japan emulate: under that agreement capacity is almost equally shared by the two sides. (IHT 10/11-04-93,24-06-93;FEER 11-03-93 p.40)

Air services agreement between Malaysia and South Africa

An air services agreement for the operation of scheduled air services was signed on 5 January 1993. Under the agreement, the designated airline of each country is entitled to operate two flights a week between the two countries. The designated airline of each country is also entitled to operate services to any three intermediate points and any three points beyond of its choice. (NST 06-01-93)

ALIENS

Expulsion because of behaviour contrary to visa purposes

China expelled an American scholar who acted as the adviser to a Chinese dissident who had returned to China from abroad and was arrested. The reason of the expulsion was "actions incompatible with his status as a tourist". (IHT 03-09-92)

Illegal immigrants in India

Indian police rounded up 132 Bangladeshi and transported them to the Bangladesh border on 11 September 1992. It was reported that there were as many as 10 million Bangladeshi illegals in India. (FEER 24-09-92 p.24)

Deportation for bribery

A Hong Kong woman journalist was deported from China on 1 November 1992 on charges—to which she confessed—that she had bribed a government employee in exchange for classified documents. (IHT 02–11–92;FEER 12–11–92 p.14)

Denial of consular access to detainee

Iran had arrested an American on charges of illegal business dealings and links with foreign intelligence agencies. The man had been living in Iran since before the revolution and was married to an Iranian woman who was a sister of the former head of the secret police of the Shah. The Iranian authorities denied [Swiss] consular access to the man. [Since the revolution the Swiss embassy handles US interests in Iran]. (IHT 5 and 7/8–11–92).

Abolition of fingerprinting for identification of aliens

(see AsYIL Vol. 1 p. 269, Vol. 2 p.285)

Japan relaxed the fingerprinting requirements for foreign permanent residents, after years of protests. This would affect about 638,000 foreigners, mostly Koreans and Taiwanese. The aliens will now be required to supply a photograph, signature and evidence of family registration. (IHT 9/10–01–93)

Deportation of illegal aliens from Japan

According to a Japanese Immigration Bureau report Japan had deported 3,391 aliens in April 1993 for violating visa and immigration regulations. South Koreans topped the list with 745, followed by Thais with 651, Malaysians with 540 and Iranians with 487. More than 90 per cent of the deportees had been illegal workers. (IHT 28–06–93)

Illegal aliens in Malaysia

Twenty-nine Indonesian immigrants drowned and 40 others were missing when they and 50 others were forced by the captain of their boat to swim ashore, 3km off Morib in the State of Selangor, on 20 July 1993. The captain had thought they were near shore when the boat hit a sandbar, and ordered the passengers to jump.

Malaysian Police had been waiting for the illegal immigrants after receiving information about a possible landing. All survivors were handed over to the Immigration Department to be deported to Indonesia. (NST 21–07–93;STAR 21–07–93)

ALLIANCES

Revision of Soviet-North Korean Friendship Treaty

According to Seoul newspaper dispatches Russia had proposed to amend the treaty to reflect the changing international situation, in particular a commitment to intervene in behalf of North Korea in the event of armed conflict. (IHT 6/7-02-93)

ARMS SUPPLIES

See also: Missile technology

US warplanes to Taiwan

Reversing a ten-year old policy towards China based on a Sino-US agreement of 17 August 1982 (the "1982 Communiqué") the US decided on 2 September 1992 to permit the sale of 150 F-16 warplanes to Taiwan. The decision was predominantly motivated by electoral considerations of employment preservation, but the sale was formally justified with the alleged fundamental change of the military balance by China's recent purchase of Russian *SUKHOI-27* warplanes. (*see* 1 AsYIL 270)

By way of response China warned that it might withdraw from the arms-control talks (which had begun in 1991 after the Gulf War) among the five permanent members of the Security Council as the world's main weapons producers and withhold its cooperation at the UN.

In a later commentary the official Chinese press agency said that to purchase a limited amount of weapons is entirely a matter within a country's sovereignty in which no foreign country should interfere. On the other hand it was argued that the US was selling sophisticated weapons to a province that is temporarily separated from the country which meant a direct infringement upon China's sovereignty and a gross interference in China's internal affairs.

Comments from both Japan and Korea were concerned that the proposed F-16 purchase would eventually increase tensions.

It was also reported that the US planned to sell 12 anti-submarine helicopters to Taiwan. The plan was denounced by China as a violation of the 1982 Sino-US communiqué, an infringement of Chinese sovereignty and interference in Chinese internal affairs. (IHT 03, 04, 5/6, 10, 17 and 26/27-09-92)

US arms sales to China

The US Government announced on 22 December 1992 that it would lift the ban on sales of military technology to China enacted after the 1989 Tienanmen riots. (FEER 07-01-93 p.12)

Mirage 2000 jet fighters for Taiwan

The French Government gave its approval for the sale of Mirage-2000-5 warplanes to Taiwan. For French weapons sales abroad initial permission must be obtained from an inter-ministerial commission on the export of war materiel (CIEEMG), followed by a government permission to negotiate (which had now been granted in the present case), followed by a final official approval once the negotiations are concluded.

The French Minister for Industry and Foreign Trade said that the final official approval in the present case “would not be considered by the French Government as an act of aggression against the People’s Republic of China.” The deal would include “at least 1,000 Mica air-to-air missiles.”

Meanwhile, according to a Taipei newspaper (United Daily News) the US had pressed Taiwan to cancel the proposed purchase of French warplanes as it might lead to a regional arms race. (IHT 07,10 and 11-09-92;FEER 03-12-92 p.9)

Russian offer of gunboats to the Philippines

Russia was reported to have offered to sell modern missile gunboats to the Philippine Navy. The offer was said to be under consideration. (IHT 16-09-92)

Malaysian warplanes procurement

Malaysia was reported to consider the purchase of Russian MiG-29 warplanes, offered by Russia at bargain prices. Later it also considered the American F-18D fighter, stating that “political risks” involving the stability of Russia as a long-term supplier were part of Malaysia’s “calculations”. (IHT 2909-92, 05 and 26-02-93)

Russian submarines and other weaponry for Iran

According to US Defense Ministry officials Russia had sold two dozen SU-24 bombers to Iran and was providing spare parts for some of the Iraqi planes that were flown to Iran during the Gulf War.

Russia also sold three diesel submarines of the “Kilo”-class to Iran which is the first Gulf country to possess submarines. The first ship arrived in Iran in the middle of November 1992 and joined the Iranian fleet.

US officials expressed their concern about what they saw as a new threat to naval operations in the sea lanes of the Gulf and the Arabian Sea. It was reported that the US Government had tried but failed to interest Saudi Arabia in paying Russia to abandon the transaction. When the acting US Secretary of State tried to stop the sale the Russian Foreign Ministry noted the recent US decision to sell fighter-planes to Saudi Arabia. Moreover, the Russian Foreign Ministry was reported as saying that the US concern was dictated not by political considerations but by the desire of the US to return to the Iranian arms market. (IHT 25-09, 26/27-09, 3/4-10, 31-10/01-11, 14/15-11, 24 and 30-11-92)

Iranian arms purchases

For its part Iran, cut off from the Western suppliers that sold arms to the pro-Western monarchy in the 1970s, turned to Russia, China, North Korea, Pakistan, Brazil and Argentina as major suppliers. According to foreign monitors Iran had committed more than \$7 billion in 1988 to buy arms and nuclear technology from China, North Korea and Russia. (IHT 10-08, 3/4-10-92)

North Korean missiles for Iran

According to US news reports Iran was close to concluding a transaction with North Korea under which it would acquire missiles with a 600-mile range and an ability to carry chemical weapons. (IHT 09-04-93)

Portuguese weapons for Myanmar

One or more shipments of arms and ammunition from Portugal arrived in Yangon, in spite of the EC arms embargo against Myanmar. The shipments were from the Portuguese arms manufacturer Industrias Nacionias de Defensa EP. (FEER 12-11-92 p.8)

Weapons from Cambodia

Since the peace process an increased flow of weapons from Cambodia seemed to have found their way to a wide variety of destinations, such as the army of the drug warlord KHUN SA in the Shan State of Myanmar, the Karen rebels, the Muslim rebels on Myanmar's western border with Bangladesh, insurgent groups in the Philippines and Sri Lanka and Sikh separatists in India. (FEER 12-11-92 p.9)

Russian MiG-29s for India

Russia agreed to sell 20 MiG-29 fighter planes to India. (IHT 25-11-92)

Chinese arms for Bangladesh

All the Bangladeshi fighter aircraft and warships lost in the 30 April 1991 cyclone were replaced by China. (FEER 05-11-92 p.7)

Indonesian purchase of ships of former East German fleet

Indonesia in December 1992 bought nearly a third of the former East German Navy,

including 39 naval vessels. The purchase would cover 16 corvettes, 8 minesweepers, and landing ships. In addition three new submarines were being built on order. (IHT 05-02-93;FEER 18-02-93 p.11)

Polish tanks for Pakistan

Pakistan was reported to be negotiating the purchase of 320 T-72 tanks from Poland. (IHT 05-02-93)

Export of Chinese arms to the US

According to US officials and documents the Chinese Armed Forces exported close to two million guns to the US during the period between 1989 and 1991 and set up or bought a number of companies in the US in an effort to earn hard currency and obtain American technology for military use. The US began allowing China to export arms to the US in 1987. (IHT 05-03-93)

ASSOCIATION OF SOUTH EAST ASIAN NATIONS (ASEAN)

Accelerated tariff reduction

The ASEAN countries agreed on 23 October 1992 at Manila to accelerate tariff reduction on 15 priority products as a basis of the projected free-trade area to be established within 15 years. (*see* 2 AsYIL p.288) Tariffs in these categories of no more than 20 percent would be cut to 0-5 percent within seven years and those of more than 20 percent would be cut within ten years, although each country would be allowed to temporarily exempt a limited number of items under each sector. (IHT 24/25-10-92;FEER 05-11-92 p.50)

ASEAN-EEC trade agreement

ASEAN and the EC set aside their dispute over human rights (*see* 2 AsYIL p. xxx) and succeeded in concluding an agreement on trade and investment in Manila on 30 October 1992. A compromise was reached on the issue of human rights in East Timor by a pledge from Indonesia and Portugal as to their commitment to human rights and an agreement to continue the dialogue and cooperation on these issues. (IHT 31-10/01-11-92;FEER 12-11-92 p.14)

BORDERS, BORDER DISPUTES AND BORDER INCIDENTS

See also: Cambodia, Territorial claims

China–Vietnam

The first Sino-Vietnamese talks on the two countries' border dispute since they normalized relations in November 1991 opened on 12 October 1992 and ended on 17 October. Subject of discussion were the land borders, the Gulf of Tonkin and the South China Sea. The issues were again discussed during the visit by the Chinese Prime Minister to Vietnam from 30 November to 4 December 1992.

The two countries failed to resolve the dispute over the Tu Chinh bank, some 80 nautical miles off the coast of southern Vietnam, where the US Crestone Energy Corp. had been given permission by China to explore for oil. (see 2 AsYIL 378) The two sides reached some agreement on the issues of their land border and that in the Gulf of Tonkin. They agreed to use the Sino-French treaties of 1887 and 1895, when France ruled Vietnam as a colony, to resolve their land frontier. (IHT 13–10–92,01 and 03–12–92;FEER 01–10–92 p. 12,29–10–92 p. 22,17–12–92 p. 23)

Thailand–Laos

(See: Inter-state relations, *infra*)

Thailand–Myanmar

Six Thai villagers were seized by Myanmar authorities in an area opposite the Thai province of Mae Hong Son in late August 1992. When ten Thai officials entered Myanmar territory to secure the release of the villagers they were taken prisoner on 6 October. On 13 October Myanmar released one of the low-level officials and pledged to also free the other nine and also the villagers. (FEER 22–10–92 p. 14)

On 4 September 1992 ethnic Karenni (to be distinguished from Karen) rebels of Kayah State in Myanmar launched an attack on their old headquarters near the Thai northwestern border which had been occupied by government forces for more than three years. In the raid a number of Myanmar soldiers were killed and others were captured and kept prisoner by the Karenni. The camp at Hwe Pong Laung on the Pai River was later recaptured by government forces. When on 1 November a major offensive was launched in Kayah the fighting spilled over the Thai border. As a result the border village of Huay Pleung, 3 km inside Thailand, was occupied by Myanmar forces since 5 November 1992.

The policing of the porous, 2,100-km border is difficult and extremely costly. Instead, ethnic minority groups in Myanmar have in practice been encouraged to serve as buffers. (FEER 03–12–92 p. 22).

Since February 1992 Myanmar troops had also occupied so-called Hill 491 after having cleared the area from Karen rebels. According to the Thais the hill was just inside Chumphon province, on Thai territory.

In a highly unusual way the Thai king intervened by calling for a peaceful solution. He said the hill could either be declared no-man's land, or there should be a joint Thai-Burmese survey of the area. "Both sides should agree that they will not carry out any activity there. Or if there is going to be any activity, both sides must do it together."

Four days later a Thai military delegation was invited to Yangon where the two sides

agreed on a withdrawal of troops from the hill, followed by a meeting of a border demarcation committee. (FEER 17–12–92 p.13)

India–Pakistan

Pakistani and Indian officials held talks aimed at containing the conflict on the disputed Siachen glacier in the western Himalayan mountains.

The Siachen campaign began in the 1970s, when a Pakistani travel agent helped foreign mountaineers scale the Sia Kangri peak in the Himalayan range beyond the NJ9842 map coordinate that marks the eastern end of the Line of Control separating the Pakistani and Indian zones of Kashmir. When the expeditions came to the notice of the Indian authorities, they became alarmed at the fact that Pakistani maps showed a claimed extension to the LoC running obliquely east and joining up with the Chinese border at the Karakorum Pass. Indian suspicions arose about eventual Pakistani plans to occupy the Siachen Glacier with a view to mounting an attack from the Karakorum Mountains into Indian-held Kashmir down the Nubra River Valley.

As a result in April 1984 Indian troops were moved and positioned into the Saltoro Range overlooking the key passes to the western edge of the glacier, whereupon Pakistan responded likewise.

Talks began in 1986 and five rounds were held, but were suspended in June 1989. They were resumed with a sixth round in early November 1992. Both sides agreed to separate the issues of troop disengagement and extending the agreed LoC. They also agreed on technical details involved in identifying the locations to which troops would be withdrawn, as well as on a system of joint helicopter patrols of the area. However, the negotiations bogged down on the marking of existing troop positions on a map to be annexed to the agreement because of Pakistani suspicions that the markings on the map would be used to press India's claims on delimiting the LoC. Pakistan insisted on written assurances that the recording of existing deployments would be without prejudice to any future claims. In turn, India pressed for a discussion of the principles on which the LoC could be extended. (FEER 12–11–22 p.14, 26–11–92 p.28)

China–India

China and India held their fifth round of border talks in Beijing in late October 1992. Efforts to boost confidence include twice-annual meetings between local military commanders, the installation of a communications “hot line” and an agreement of advance notification of military exercises. (FEER 12–11–92 p.30)

Afghanistan–Tajikistan

(*See also:* Civil war)

The Government of Tajikistan issued a statement on 21 December 1992 concerning “large numbers of troops massed in the border areas of the Islamic State of Afghanistan” who “have repeatedly violated the State border of the Republic of

Tajikistan", which actions "cannot fail to arouse the concern of the people and Government of the Republic of Tajikistan". (UN Doc.S/25025)

Intrusion of Thai customs officers into Malaysia

Six Thai customs officers were reported to have intruded into the northern border town of Padang Besar in the State of Perlis on 15 February 1993. During the incident, the customs officers seized goods worth RM 5000 said to belong to Malaysian traders which they believed were intended to be smuggled into Thailand. The goods were kept in two huts said to be about ten metres from the Malaysian-Thai border. The intrusion was the sixth since a much-publicized intrusion by 30 armed Thai enforcement officers into the triangular bazaar area on 30 June 1990.

Thai authorities, on the other hand, claimed that the area which the Thai customs officers had entered was Thai territory.

Following the incident the Malaysian Government conveyed to the Thai Government through the Thai ambassador their dissatisfaction over the incident and a request for firm action by the Thai Government to prevent a recurrence. The incident prompted the State government to deploy more police and an Anti-Smuggling Unit to reinforce security in the disputed area. (NST 18-02, 19-02, 20-02 and 22-02-93, 05-03-93)

Territorial waters boundary between Malaysia and Singapore

Malaysian and Singaporean officials reached agreement on 29 July 1993 on a new territorial waters boundary in the Straits of Johor. The draft agreement would be finalized by the end of the year.

Hitherto, there was no permanent territorial waters boundary in the Johor Straits but only a preliminary boundary agreed upon in 1985 after a joint hydrographic survey conducted in 1982. The midpoints of the deepest water channels along the Straits of Johor were collectively taken as the boundary then. That method led to ambiguity as pollution caused changes to the depths of the water channels.

The new permanent boundary would be determined by joining the geographical co-ordinates or fixed points agreed to by the two countries. (NST 30-07-93; STAR 30-07-93)

Papua New Guinea-Solomon Islands (see: Inter-state relations, *infra* p.398)

BOYCOTT

Japan seeks end of Arab boycott of Israel

Japan called on the Arab States to end their boycott of companies that do business with Israel. (IHT 04-12-92)

BROADCASTING

Dissident broadcasting to Vietnam

Moscow Radio had rented transmission facilities to a private radio station which was supported by a Vietnamese dissident group from the US, calling itself "The Organization for Renaissance", and broadcasting under the name of "Radio Irina" since 20 July 1992. Although Vietnam protested strongly and expressed accusations of interference in its internal affairs, the Russian foreign ministry felt powerless to intervene because a new Russian law on press rights, passed in December 1991, legalized the creation of independent radio stations and did not contain exceptional provisions on broadcasts to other countries. (IHT 15/16-08-92; FEER 13-08-92 p.7,01-10-92 p.18)

BBC broadcasts to China

The BBC planned to start broadcasting to China by using transmitters in the Russian Far East to get around Chinese efforts to prevent it from being received in China. (IHT 10-09-92)

American broadcasts to Asia

A US Congressional commission recommended that the US expand broadcasting to China and other Asian countries with programmes providing domestic news and supporting democratic movements, but was sharply divided over whether to set up news services for Asia similar to Radio Free Europe and Radio Liberty or to rely on the existing network of the Voice of America. The commission recommended that broadcasts be beamed to China, Vietnam, Laos, Cambodia, North Korea and Myanmar. (IHT 16-09-92; FEER 25-03-93 p.28)

Apology for insulting broadcast

Malaysia apologized to Indonesia over the broadcast of a foreign news report on Malaysian television on 23 September 1992 showing Indonesian soldiers firing on demonstrating mourners in East Timor in November 1991. The broadcast was considered insulting by an Indonesian youth group. (FEER 08-10-92 p.14)

Second AsiaSat satellite

Asia Satellite Telecommunications Co., a consortium of British, Chinese and Hong Kong interests, placed an order for a second broadcasting and communications satellite (AsiaSat-2) that will be in orbit by late 1994 and will cover an area from Tokyo to Australia and west to Berlin. AsiaSat is owned by Hong Kong, British and Chinese companies. (FEER 05-11-92 p.65)

CAMBODIA

The status of Cambodia-Vietnam borders

The Khmer Rouge introduced a demand for redrawing Cambodia's borders with Vietnam as a precondition for implementing the 1991 Paris peace accords. According to the claim Vietnam had annexed Cambodian territory as a result of three treaties concluded with the Phnom Penh Government between 1982 and 1985, and now the borders had to be returned to those existing in 1970 when Prince SIHANOUK was ousted in a coup by General LON NOL.

In the Vietnam-Cambodian agreement on "historical waters" of 7 July 1982 historical waters were defined as the body of sea located between the coast of Vietnam's Kien Giang province, Phu Quoc island and the Tho Chu archipelago and the coast of Cambodia's Kampot province and the Pulo Wai group of islands. The two sides also agreed to hold further negotiations on the issue "at a suitable time."

Another of the three agreements detailed the land border and was called the National Border Delimitation Treaty, concluded on 27 December 1985. According to the US State Department all the disputed areas were awarded to Vietnam with one small exception involving one square kilometer. (FEER 03-09-92 p.16)

Massacre of Vietnamese

(*See also:* Minorities)

On 10 March 1993, 33 Vietnamese fishermen and members of their families were killed in Chong Kneas, a floating village on Tonle Sap Lake, Siem Reap province, and 26 others were wounded. The gunmen were believed to belong to the Party of Democratic Cambodia (PDK, or Khmer Rouge). This was the fifth and biggest event of its kind recorded since July 1992. In these earlier incidents 35 Vietnamese had been killed. On 25 March 1993 there was another massacre of eight ethnic Vietnamese 90 kilometers northwest of Phnom Penh while there were similar reports of further killings of Vietnamese. Upon complaints by Vietnam the UN Secretary-General assured the Vietnamese Government that the UN would do all it could to protect ethnic Vietnamese from attack by the Khmer Rouge. (IHT 12 and 17-03-93, 26-03-93, 13-04-93; UNdoc. S/25053, S/25409, letter Vietnamese foreign minister 16-03-93, UN Doc. S/25455; FEER 08-04-93 p.22)

Freeze on disarmament

It was announced by the head of the UNTAC that a temporary freeze on the disarmament of three of the warring factions was necessary to maintain a balance of power between the four contending parties. The PDK ("Khmer Rouge") had so far refused to go along with the second phase of the peace accord, in which the four factions were to disarm and prepare for the elections to be held in 1993. (IHT 22-10-92)

The peace process

(see also 1 AsYIL 389 and: Minorities)

It was reported in late October 1992 that Japan and Thailand, who were given until the end of October by the UN Security Council to coax the Khmer Rouge faction back into the peace process, had failed in their efforts. The Khmer Rouge controlled 15–20 per cent of Cambodian territory and about ten per cent of the population, or 500,000 to 600,000 out of 9 million. (IHT 30–10–92; UNdoc. S/24800)

The Khmer Rouge would not take part in the planned elections nor honour their results unless the Phnom Penh Government be replaced by the Supreme National Council before the elections. In the opinion of the Khmer Rouge, elections in the prevailing conditions “would not be basically different from those staged in the past by Vietnam and its puppets.”

Further talks among the four factions with the two co-chairmen of the Paris Peace Conference and the chairman of the Supreme National Council in Beijing also collapsed on 8 November 1992. (IHT 31–10/01–11 and 09–11–92; UNdoc. S/24800)

Upon suggestions of sanctions against the Party of Democratic Kampuchea (“Khmer Rouge”) such as closing the Thai-Cambodian 800-kilometer border and cutting off trade in logs and gems, the Thai Government said it would abide by any sanctions ordered by the UN, but cautioned that it would be difficult to enforce an embargo because trade was in the hands of private Thai businessmen and much of the border runs through mountains and forest. Besides the Thai foreign minister later backed away somewhat from full support, saying that any measures taken must be consistent with Thai law. (IHT 12 and 14/15–11–92; FEER 12–11–92 p. 12) According to the Thai side trade between the outside world and the Cambodian factions was encouraged after the signing of the Paris peace plan, as an effective way to turn Cambodian parties away from hostilities. Nevertheless the UN Security Council on 30 November 1992 passed a resolution (No.792, with China abstaining) banning oil imports and lumber exports. It also threatened to freeze Khmer Rouge assets held abroad and to put an embargo on the exploitation of gems and minerals from Khmer Rouge areas. Accordingly the Supreme National Council of Cambodia imposed an embargo on logging exports. The Thai Government complied by ordering an end to cross-border trading with the Khmer Rouge. The order would apparently close the 27 crossing points on the border and shut down the cross-border logging and oil trade. (IHT 02,24/25 and 28–12–92 and 28–01–93; FEER 10–12–92 p.12) A month later, however, UN sources said that the Phnom Penh Government was violating the timber export ban with impunity and that, although being enemies the Phnom Penh Government and the Khmer Rouge were cooperating at the local level to continue exporting timber through Phnom Penh-controlled territory. (IHT 04–02–93).

A day after the UN resolution six UN soldiers were detained by the Khmer Rouge who released them only on 4 December 1992. The Khmer Rouge said they “arrested” the soldiers because “they were spying, taking photos and checking the coordinates on the map in order to help the Vietnamese and Phnom Penh forces.” (IHT 5/6–12–92) Various other incidents of members of UN Forces being detained by the Khmer Rouge occurred thereafter which were condemned, *inter alia*, by the UN Security Council. It was later reported that the Khmer Rouge had warned the UN that it would not be responsible for UN peacekeeping troops who entered so-called semi-liberated areas

under Khmer Rouge control without prior permission. It also announced that it would not allow UN peacekeepers to set up checkpoints in parts of Cambodia under its control when the UN sanctions begin on 1 January 1993. (UNdoc. S/25003; IHT 24/25 and 29–12–92) In early April 1993 three members of the UN peace-keeping force and a Japanese volunteer were killed by the Khmer Rouge. (IHT 05 and 09–04–93) On 19 April a UN unit was again attacked and a UN soldier killed. (IHT 20–04–93) On 4 May 1993 a UN convoy was ambushed, raising the casualty toll among the UN peacekeeping force to 26. (IHT 05–05–93)

The Khmer Rouge said that it would boycott the projected elections, and it accordingly did not register as a contesting party. It contended that the elections could not be fair because of the alleged presence of large numbers of Vietnamese in Cambodia. A Khmer Rouge spokesman said that there were in fact “more than 40,000 Vietnamese soldiers and officers in disguise within the army, police and administrative structure of the Phnom Penh regime.” (IHT 23/24-01,6/7–03–93; FEER 25–03–93 p. 30) (IHT 23/24–01–93)

In early March 1993 UN investigation teams found three Vietnamese soldiers serving with the armed forces of the Phnom Penh government. The latter denied that they were government soldiers and said they were members of a local militia who had married Cambodian women. The Phnom Penh Government had no objection to the repatriation of the men if they were found to have been Vietnamese soldiers. The Vietnamese foreign ministry issued a statement on 2 March 1993, stating that it was not responsible for the men because they had been demobilized eight to ten years ago, that they had become Cambodian of Vietnamese origin and that Vietnam had absolutely no jurisdiction over them, and that consequently the Vietnamese Government “cannot accept them back.” On 9 March 1993 the UNTAC said that another five Vietnamese soldiers had been found in Cambodia in violation of the peace accord. (IHT 10–03–93)

On the other hand Vietnamese officials complained that thousands of ethnic Khmers from southern Vietnam crossed clandestinely into Cambodia to register ahead of the 31 January deadline to participate in the country’s elections. Many of those who registered told officials after they returned to Vietnam that they now wanted to be considered Cambodian citizens, even though they were born in Vietnam and had never lived in Cambodia. (IHT 02 and 04–03–93; FEER 11–02–93 p. 9; UNdoc. S/25366)

In a statement of 26 March 1993 the Vietnamese ministry of foreign affairs emphasized that “UNTAC and the administrative structures in Cambodia” had the obligation to protect the ethnic Vietnamese residents in Cambodia. It referred to Article 16 of the Agreement on a Comprehensive Political Settlement which stipulates, *inter alia*, that “UNTAC shall be responsible during the transitional period for fostering an environment in which respect for human rights shall be ensured...” (UNdoc. S/25497)

Late January 1993 the Phnom Penh Government launched its largest military offensive against the Khmer Rouge since UN peacekeepers arrived in the country in 1991. UN officials condemned the offensive as the most serious violation of the cease-fire agreements and clearly going beyond self-defence. The Phnom Penh side justified its actions by saying that its sole goal was to reclaim territory lost to the Khmer Rouge since the 1991 peace accord and to protect farmers as they harvested their crops. The offensive was ended on 2 February 1993 but the troops were not withdrawn. (IHT 02,03,04 and 05–02–93)

On 8 March 1993 the UN Security Council unanimously adopted a resolution pledging to recognize the government that would emerge from the Cambodian elections,

regardless of whether the Khmer Rouge would join the election or not. (IHT 10-03-93)

On 14 April 1993 the Khmer Rouge took another step in distancing itself from the peace process by abruptly withdrawing its representative and his delegation from Phnom Penh. (IHT 15-04-93)

On 20 and 21 May 1993 a meeting took place at Singapore between senior officials of ASEAN countries, the US, Japan, Canada, Australia, New Zealand and South Korea, trying to work out a common strategy to strengthen a credible government that would emerge from the 23-28 May elections, in order to prevent another bloodbath in Cambodia. (IHT 30-10-92, 31-10/01-11-92, 09-11-92, 12-11-92, 14/15-11-92, 21-05-93; 02-12, 05/06-12, 24/25-12, 28-12 and 29-12-92, 23/24-01 and 28-01-93, 02-02, 03-02, 03-02, 04-02 and 05-02-93, 02-03, 04-03, 06/07-03, 10-03-93, 05-04, 09-04, 15-04 and 20-04-93, 05-05 and 21-05-93; FEER 12-11-92 p.12, 10-12-92 p.12, 11-02-93 p.9, 25-03-93 p. 30; UN Doc.S/24800,S/25003,S/25366,S/25497)

The general elections

At the end of six scheduled days of voting (23-28 May 1993) the turn out was approaching 70 per cent of the 4.7 million registered voters. (IHT 25-05-93) By the end of the voting nearly 90 per cent had cast their ballots. The head of the UN Transitional Authority in Cambodia as well as a delegation of international observers described the elections as "free and fair". (IHT 26-05-93) On 9 June 1993 the UNTAC announced that the Funcinpec (*Front Uni National pour un Cambodge Independent, Neutre, Pacifique et Coopératif* - United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia) had won most of the votes (45.2%) followed by the Cambodian People's Party (CPP) (38.6%) (IHT 25-05 and 26-05-93, 10-06-93)

Post-election developments

On 3 June 1993 Prince NORODOM SIHANOUK in an unexpected move declared himself President, Prime Minister and military supreme commander of a new transitional "national government of Cambodia." Within hours of the proclamation, however, the establishment of the new government was cancelled, allegedly because of the negative response from the Funcinpec party, led by one of the Prince's sons, NORODOM RANARIDDH. Another son, NORODOM CHAKRAPONG, had become a high official in the Phnom Penh Government and in the rival Cambodian People's Party after having defected from Funcinpec some time ago. (IHT 04,5/6 and 7-06-93)

On 10 June 1993 the CPP declared that the UN and foreign countries had fraudulently engineered the election results, and it was announced that the deputy Prime Minister of the Phnom Penh Government, Prince NORODOM CHAKRAPONG, had formed a secessionist movement in the eastern and north-eastern part of Cambodia to press demands for an independent inquiry into alleged voting irregularities. One of his central demands was the appointment of his father as Cambodia's supreme leader. Characterizing the developments, Prince SIHANOUK said: "This is a very Third-World situation." (IHT 11, 12/13 and 14-06-93) The secessionist movement collapsed on 15 June as its leader, Prince NORODOM CHAKRAPONG, fled across the border to

Vietnam. (IHT 16-06-93) Promised amnesty by his father, however, the prince returned to Phnom Penh on 16 June.

The new constituent assembly on 14 June 1993 proclaimed Prince NORODOM SIHANOUK as head of State. (IHT 15-06-93; FEER 24-06-93 p. 11)

On 16 June 1993 the two major political parties, Funcinpec and CPP, agreed to share power in an interim government under the new head of State. The government would rule until the newly elected assembly has drafted a constitution. (IHT 17-06-93) Agreement was reached on 18 June 1993 on how the power-sharing was to be realized. (IHT 19/20-06-93)

The new head of State said that the UNTAC might have to extend its stay until October 1993, despite the fact that according to schedule the UN forces were to leave three months after the election. The UN might be forced to stay on because Prince SIHANOUK said his wife, Princess MONIQUE, foresaw that August would be an inauspicious month to proclaim a new government. (IHT 19/20-06-93)

The head of State offered the Khmer Rouge to serve as an adviser to the interim government, which was accepted by the Khmer Rouge. (IHT 26/27-06-93) When in Bangkok for talks with the Thai foreign minister, Prince NORODOM RANARIDDH, joint leader of the interim government, said on 28 June 1993 that he would continue to talk with the Khmer Rouge despite the Western wish that they be eliminated, because this would lead to fighting. (IHT 29-06-93) The next day the Prince re-affirmed that the Khmer Rouge should be part of the national reconciliation and should be allowed to take part in a new unified army. (IHT 30-06-93)

During the first visit of a high-ranking US official in Cambodia in more than 20 years the deputy Secretary of State said that the US would not provide economic aid if the interim government included the Khmer Rouge. (IHT, 04-06, 5/6-06, 07-06, 11-06, 12/13-06, 14-06, 15-06, 16-06, 17-06, 19/20-06, 23-06, 26/27-06, 29-06 and 30-06-93; FEER 24-06-93 p.11)

CHEMICALS AND CHEMICAL WEAPONS

Indian exports to the Middle East

The US protested to India because it sold chemicals that could be used to make poison gas to States in the Middle East. A shipment of the chemicals was sent from India to Syria on a German vessel. The chemical could be used to make pesticides as well as nerve gas. American officials concluded that the shipment was intended for the Syrian chemical weapons programme and alerted the German authorities whereupon the latter had the chemicals sent back to India.

According to American sources the shipment was but the latest of several chemical sales by Indian companies in recent years that had continued despite repeated US protests.

On 23 September 1992 India announced that it was prosecuting the chemical company, United Phosphorous, for violating export rules. The Indian Ministry of External Affairs said that customs officials at Bombay had been instructed to investigate the case and that the company concerned would not be given fresh export licenses for another six months. (IHT 22 and 24-09-92)

Chemical plant and sprayer aircraft for Iran

The US Government decided not to authorize the sale by BP America to Iran of a chemical plant that would produce as a by-product a widely available chemical warfare agent, hydrogen cyanide. BP America had assured that the plant would be used to make acrylonitrile, a substance in manufacturing synthetic fibers. There were currently no controls on international sales of hydrogen cyanide and the existing draft treaty to eliminate the threat of chemical warfare would require only that anyone seeking to buy hydrogen cyanide pledge not to divert it to military uses.

Another proposed sale concerned airplanes designed to spray chemical pesticides on agricultural crops. According to the planes' producer the aircraft could not be used for spraying chemical warfare agents without endangering the pilots. He also said that there was no evidence that Iran had attempted to misuse similar planes sold to Iran in 1975. If the sale was barred Iran would buy similar planes elsewhere. (IHT 06 and 07-01-93)

CIVIL WAR

See also: Afghanistan, Cambodia

Tajikistan

(See also: Borders)

Civil war erupted in 1992. In September 1991 President RAKHMAN NABIYEV, who had come to power as the leader of a revitalized Communist Party, was forced out of power by the Islamic Renaissance Party (IRP) and the secular Democratic Party. An interim president, AKBARSHAH ISKANDAROV, later made way for ALI RAKHMANOV in a move to reconcile the pro-communists and the IRP-Democrat alliance. Almost immediately after RAKHMANOV was chosen President, forces from the Kulyab region (southeastern Tajikistan)—where RAKHMANOV as well as NABIYEV come from—favouring the communist side, began a drive to capture the capital, Dushanbe, from the interim government. They were supported by neighbouring Uzbekistan which is worried about the spread of Islamic fundamentalism. The conflict has become mainly one between pro-communist clans dominating the Kulyab region and Islamic fundamentalists and Democrats from the southwestern region of Kurgan Tyube, with the Islamic faction receiving increasing support from Islamic parties in Afghanistan, Pakistan and Iran. There are historical rivalries between the clans of Kulyab and Kurgan Tyube. (FEER 28-01-93 p.18)

COMMERCIAL ARBITRATION**Iran v Siemens**

Iran filed a complaint with the International Chamber of Commerce against the Siemens Company of Germany for failing to complete a nuclear plant at Bushehr. (IHT 03-08-92)

Commercial arbitration in Vietnam

Vietnam established a single International Arbitration Centre by merging its Foreign Trade Arbitration Council and its Maritime Arbitration Council. The new centre will have jurisdiction over all disputes concerning Vietnam's international economic transactions. (BLD 28-05-93)

Arbitration in Singapore-Vietnamese transactions

(see: International trade, *infra* p.404)

CULTURAL PROPERTY**Looting of Cambodian art treasures**

It was reported that there had been a sharp increase in organized thefts of art objects from Cambodian temples, and even from the Angkor conservation centre in the town of Siem Reap where thousands of objects have been stored for safe-keeping. The pieces were being taken out of the country, mostly to or through Thailand. Thailand has not signed the 1970 UNESCO Convention for preventing trafficking in antiquities. It was suspected that the thieves were getting inside help in Cambodia. (IHT 19-05-93)

DIPLOMATIC AND CONSULAR RELATIONS

See also: Divided States: China, Sanctions, Territorial claims

Iran-United Kingdom expulsions

Iran decided to expel two Britons and an Indian who worked in the British embassy for being involved in 'illegal activities'. The orders came a day after the British Government decided to expel an Iranian diplomat in London. (IHT 17-08-92)

South Korea—Vietnam

The two countries normalized relations after suspension of South Korean-South Vietnamese relations in 1975. On 9 October 1992 South Korea opened a liaison office in Vietnam. During the visit of the Korean Foreign Minister to Vietnam in late December 1992 the two countries established full diplomatic relations. In May 1993 the Vietnamese Prime Minister paid an official visit to South Korea and agreements covering trade, aviation and protection of investment were concluded. (FEER 22-10-92 p.14, 07-01-93 p.12, 27-05-93 p.14)

Singaporean and Malaysian relations with South Africa

Singapore established a consular office in South Africa, Malaysia sent a diplomat in the guise of an official of State-owned Malaysian Airlines. (FEER 01–10–92 p.6)

Malaysia—Marshall Islands

Malaysia and the Marshall Islands established diplomatic relations on 4 January 1993. (NST 05–01–93)

Size of US mission in the Philippines

After the removal of the American military bases, the US was reported to reduce its diplomatic mission in the Philippines. The embassy was one of the largest US diplomatic missions in the world. The staff included about 350 Americans and 1,200 Filipinos. (IHT 18–12–92)

Reduction of Indian and Pakistani missions

As a retaliation for a recent demand by Pakistan that India reduce its Consulate-General staff in Karachi from 64 to 24, India asked Pakistan on 10 January 1993 to reduce the size of its High Commission staff in New Delhi from 150 to 110. It also refused a request that the home of MOHAMMED ALI JINNAH be turned over to Pakistan for use as a consulate building in Bombay. (FEER 21–01–93 p.14)

Rejection of Cambodian-South Korean diplomatic relations

It was reported that (then) Prince SIHANOUK rejected out of hand suggestions for establishing diplomatic relations between South Korea and Cambodia. The Prince had always maintained close relations with North Korea. (FEER 18–03–93 p.9)

Chinese consulate in Vietnam

For the first time since Vietnamese reunification in 1975, China in late May 1993 opened a consulate in Ho Chi Minh City. (FEER 17–06–93 p.14)

DIPLOMATIC INVIOABILITY

Investigation into killings of Saudi diplomatic and consular officials in Bangkok

In 1989 a Saudi diplomat was murdered in Bangkok, followed by the killing in February 1990 of three more Saudi consular officials. [Later the same month a Saudi businessman who was close to the Saudi royal family was kidnapped and presumed also to be killed.]

In the past years there had been few signs that the Thai police had done their utmost in dealing with the investigation of the cases, resulting in a deterioration of Thai-Saudi relations. Saudi Arabia put fresh pressure upon the Thai Government, with an implied threat of a possible closure of the Saudi embassy. After the murders in 1990 it had stopped issuing visas to prospective Thai workers, and re-entry visas to those already in Arabia. As a consequence the number of Thai workers declined from as many as 300,000 to 20,000. The number of Saudi diplomats in the embassy was cut from 14 to four.

On 26 February 1993 the Thai Interior Minister stated that the official investigation had led to the conclusion that an international gang had been responsible for the killing of the diplomats and that the murders were in reprisal for religious riots in Mecca in 1987. [This referred to the demonstrations by Iranian pilgrims and their suppression by a Saudi police force] (FEER 11-02-93 p.16, 11-03-93 p.14)

DISARMAMENT

Asian attitudes toward nuclear non-proliferation

The Japanese Government had begun using its aid leverage to press India and Pakistan to accede to the Non-Proliferation Treaty while at the same time trying to bring China into multilateral discussions on South Asian regional security with the two countries. The initiative stemmed from the adoption last year by Japan of principles which would guide allocation of its foreign aid. The issue was first raised with the Indian Prime Minister on his visit to Japan in June 1992.

The Indian public response was that the Japanese initiative was welcome as a means of conveying the Indian views to a wider audience. India rejected the notion that South Asia presented a self-contained 'security paradigm'. Its longheld view is that it will not enter any nuclear arms control regime unless it is universal and non-discriminatory. A major barrier to Indian accession to the NPT had been China's unwillingness to forgo use of its nuclear capability in the region. The Indians asked why Japan, as the only victim of nuclear attack, could not accept the idea of a time-bound programme or the universal elimination of nuclear weapons. Pakistan repeated its well-known offer to forgo the nuclear option provided India did the same.

It was reported that Japan had asked the two countries as a first step to agree to more transparency in their nuclear development programme and had suggested to open facilities to inspection by neutral countries. The other element of the initiative was designed to build trust and reportedly consisted of a convocation of multilateral talks among India, Pakistan,

China and other interested parties. It was said that Japan hoped that China would be willing to enter into talks with India and Pakistan on a regional security arrangement in which a 'no-use' commitment would be made. (FEER 15-04-93 p.12)

DISCRIMINATION

Position of Honda in the US

The US Motor Vehicle Manufacturers' Association on 25 November 1992 asked the US Honda subsidiary to withdraw from membership. It said that it wished to focus on the interests of Ford, Chrysler and General Motors and that 'fair trade' creates a divide between domestic and foreign firms. (FEER 10-12-92 p.57)

DISPUTE SETTLEMENT

See also: Borders, Regional security, Territorial claims

Preventive diplomacy to reduce Spratlys tension

As part of the attempts to defuse the conflicting claims to sovereignty over the Spratly Islands in the South China Sea a process was initiated in early 1990 by Indonesia, designed to bring the claimant States together to discuss, in a series of quasi-unofficial workshops, not their conflicting claims of sovereignty but rather non-political issues such as the environment, navigation and marine research. These meetings should encourage formal talks on how to resolve the rival claims when conditions are ripe.

The first workshop on 'Managing potential conflicts in the South China Sea' was held in Bali in January 1990. It was attended by the six ASEAN States.

The second workshop, in Bandung in July 1991, was expanded to include participants from China, Taiwan, Vietnam and Laos, all taking part in their private capacity even though they included officials from the foreign ministries of all the countries involved, except Taiwan. The participants agreed on the peaceful settlement of disputes, on the exercise of self-restraint by the countries involved and on the delimitation of exclusive economic zones and continental shelves through negotiations.

The third meeting was held in June-July 1992 in Yogyakarta and concluded that joint development of the South China Sea's resources could resolve the current impasse regarding resource exploitation.

A fourth, four-day marine scientific research workshop was held in Manila, beginning 31 May 1993, with scientists and officials from nine countries attending. Among the topics on the agenda were fisheries research, biological diversity, non-conventional energy and meteorology. There was also a Philippine proposal for a joint oceanographic mission to the area of the South China Sea.

A next meeting was to be held in Indonesia later in 1993 and would deal with 'resource assessment in the sea'. (FEER 27-05-93 p. 30; The Nation [Bangkok] 01-06-93 p. A4)

DISSIDENTS

Defection of Chinese diplomat

The Chinese consul-general in St. Petersburg and his wife fled Russia and applied for political asylum in Sweden. (IHT 17-03-93)

DIVIDED STATES: CHINA

See also: Arms supplies

Visit by German Economics Minister to Taiwan but refusal of submarines sale

On 18 November 1992 Germany broke its ban on official contacts with Taiwan when the Economics Minister arrived to visit the island. But on 29 January 1993 the German Federal Security Council decided to refuse the sale of submarines and frigates to Taiwan. (IHT 30/31-01 and 05-02-93; FEER 03-12-92 p. 9, 11-02-93 p. 14)

Suspension of Sino-Niger diplomatic relations

The Chinese government lodged a strong protest with the Niger Government against the establishment of diplomatic relations between Niger and the government at Taiwan, and suspended its diplomatic relations with Niger.

Desperate for foreign financial assistance, Niger wavered for more than a month before finally deciding for recognizing the government in Taipei. The latter had made a \$50 million aid offer against promises of a low-interest loan by China. (IHT 1/2-08-92)

Unofficial relations between Taiwan and Russia

Taiwan set up a 'Taipei-Moscow Economic and Cultural Coordination Commission' which would open a representative office in Moscow. A counterpart organization was set up by Russia, on the lines of the model used by Japan and the US for unofficial representation with Taiwan. The offices would issue visas and enjoy limited diplomatic privileges. (FEER 17-09-92 p.14; 24-09-92 p.17)

'Republic of China' consulate in Latvia

In 1991 Latvia was recognized by China and entered the UN. But within six months it had signed an agreement with Taiwan to upgrade its representative office in Riga to consulate status under its official name, the Republic of China. (FEER 24-09-92 p. 17)

Chinese premises in Seoul

Taiwanese attempts to sell the Chinese embassy building in Seoul before China moved in, provoked a strong protest from the local Chinese community which argued that the embassy site belonged to all of China. The compound had been established during the Qing dynasty in the nineteenth century. Apart from the embassy compound several other properties with an aggregate value of \$1–2 billion would be transferred to the Chinese Government. Rival claims over some properties were expected to lead to disputes between the new Chinese embassy and members of the local Chinese community. (FEER 08–10–92 p.26)

Expansion of Taiwanese investments on the mainland

The Mainland Affairs Council of the government at Taiwan approved a proposal allowing investment by service industries on the Chinese mainland, although through third parties in order to respect the prohibition on direct contacts. However, it was said that many service companies had already invested in China in defiance of government policy. (IHT 26–10–92)

Israel-Taiwan unofficial trade offices

Contacts were established between the government at Taiwan and Israel which would lead to the opening of unofficial trade offices in Tel Aviv and Taipei. (FEER 19–11–92 p.13)

'Informal' Japan-Taiwan discussions

A few weeks after the visit of the Japanese Emperor to China the Japanese Chief Cabinet Secretary met with the chairman of Taiwan's Council for Economic Planning and Development for an 'informal' dinner and discussions in Tokyo. (FEER 26–11–92 p.14)

Taiwan-US high level contacts

The US Trade Representative arrived in Taiwan on 30 November 1992 as the first cabinet-level US official to visit the island since the US derecognized the Taipei authorities in favour of the central government at Beijing. The Chinese news agency said that 'this obviously is in violation of the US government's commitment banning ranking officials from visiting Taiwan, part of the People's Republic of China.' On the other hand an official of the foreign ministry at Taipei said that since 1991 Taipei's foreign minister had been allowed to make four visits to the US. (IHT 02 and 04–12–92)

Upgrading of French Institute office at Taipei

It was announced that the French Institute, the French representative office in Taipei, had become entitled by the French Government to issue tourist visas directly, following a similar practice of other unofficial offices, such as those of Australia, Britain, Canada, Germany, and the US. Besides, a press bureau would be added.

Unlike his predecessors, who were retired diplomats, the current director retained his active status at the French Foreign Ministry. (IHT 11-02-93; FEER 04-03-93 p.16)

Mainland - Taiwan high level talks

(See also: Selected Documents)

After preparatory talks a historic meeting between senior representatives of the two sides took place in Singapore on 27 and 28 April 1993. The participants were the chairman of the 'Straits Exchange Foundation' (SEF) in Taiwan and the head of the Chinese 'Association for Relations Across the Taiwan Straits' (ARATS). It was the highest level of contact since the end of the Chinese Civil War in 1949.

The mainland side wanted an agreement on open direct trade and transport links as a way of hastening reunification, but Taiwan feared that such links might lead to a further increase of Taiwanese exports to, and investments on the Chinese mainland that would make Taiwan overly dependent on the mainland. On the other hand the Taiwanese proposed a pact to safeguard their investments in China or a revision of a Chinese 22-point guideline on Taiwanese activities on the mainland, but this was not considered timely by the mainland side unless Taiwan first agreed to ease restrictions on Taiwanese investments in China, allow mainland businessmen to visit Taiwan, open its labour market to mainland workers and bolster Chinese imports to Taiwan. It was finally agreed to leave out references to investment protection and economic exchanges in the joint communiqué and to defer these matters to future discussions.

The meeting ended on 29 April 1993 with the signature of a Joint Agreement and three agreements, on compensation for lost registered mail, the use and verification of certificates of authentication of documents, and the establishment of a systematic communication channel. The latter agreement outlined a schedule for contacts between the two organizations. The joint communiqué set forth the topics the parties would like to deal with in the future. These included fighting crime, repatriating illegal immigrants, protection of intellectual property, fisheries disputes, judicial cooperation and the promotion of exchanges across the Taiwan Strait. (IHT 12, 27, 28, 29 and 30-04-93)

Recognition of Mongolia by Taiwan

It was reported that the government at Taiwan (under its name Republic of China) was on the verge of recognizing Mongolia as an independent State. The Chinese Nationalist Government first recognized Mongolia in 1946, after committing itself to such recognition in a treaty of friendship with the Soviet Union in 1945, thereby fulfilling a Soviet precondition for entering the war against Japan. In 1952 the treaty

was renounced by the government at Taipei as the Soviet Union had allegedly broken its pledge not to aid the Chinese Communist Party. The recognition of Mongolia was then considered by the Taipei authorities as annulled. (FEER 20-05-93 p. 9, 03-06-93 p. 15)

Taiwanese trade offices on the mainland

According to the Taiwanese semi-official China External Trade Development Council Taiwanese trade offices would be set up by the end of 1993 in Beijing and Shanghai. (IHT 23-06-93)

Taiwanese efforts to rejoin the UN

The government at Taiwan was pressed by the legislature to take the initiative to rejoin the United Nations. It issued instructions to its overseas offices to promote the case for Taiwan's 'participation', while avoiding the term 'membership'. (FEER 03-06-93 p.15)

DIVIDED STATES: KOREA

Diplomatic relations between South Korea and China

In view of the expected establishment of diplomatic relations between the Republic of Korea and China, Taiwan responded by announcing that it would cut its links with South Korea. China would continue to recognize North Korea, but the latter strongly opposed the Chinese recognition of South Korea.

Economic trade between China and South Korea reached \$5.8 billion in 1991, far more than Chinese trade with North Korea. Trade between South Korea and Taiwan was slightly more than \$3 billion in 1991.

The formal announcement of the establishment of relations took place on 24 August 1992 with the issue of a joint statement. The statement called for an exchange of ambassadors and required South Korea to break diplomatic relations with the authorities at Taiwan. The statement said that China respected the desire of the Korean people for quick reunification through peaceful means and that it supported these efforts, but added that they must reach that goal 'by themselves'.

The first contacts between China and South Korea took place in the early 1970s by way of table-tennis friendship games. Then in the spring of 1983 the hijacking of a Chinese airliner to Seoul provided the occasion for the first official contact. The head of the Chinese civil aviation administration negotiated the return of the aircraft and the passengers but not the hijackers. These negotiations paved the way for a series of secret diplomatic contacts. In 1985 the crew of a Chinese torpedo boat mutinied and sailed off to South Korea. This time the negotiations resulted in the return to China of the mutineers and the ship.

Meanwhile informal trade links began to grow. In 1988 China took part in the Seoul

Olympics, and when China began preparing to host the 1990 Asian Games in Beijing, South Korean companies bought up advertising billboards at the games stadium worth some \$25 million, thus partly underwriting the games. In October 1990 the two countries set up trade missions in each other's capitals. The South Korean mission in Beijing was staffed with senior diplomats and was an embassy in all but name.

In April 1992 the South Korean foreign minister went to China to attend a meeting of ESCAP and preparations were made for an agreement on normalization. (IHT 24 and 25-08-92; FEER 03-09-92 p. 9)

Sino-South Korean dialogue on North Korea

On his visit to China that started on 27 September 1992 the President of South Korea stated publicly that he wanted to enlist China in his efforts to force North Korea to become more open and flexible, particularly on the issue of opening its nuclear installations to mutual inspections. The Chinese President was quoted as supporting the peace process on the Korean peninsula and the removal of all nuclear weapons from the region. But he warned that too much international pressure might slow rather than advance the reunification. (IHT 29-09-92)

Opening of travel routes between North and South Korea

The two countries agreed on 28 July 1992 to open at least two sea routes to allow travel and possibly the exchange of goods. The agreement also provided for opening an overland route between the two sides. On 11 March 1993 South Korea said that it would lift a ban on business travel to North Korea. But this would not include approval of economic cooperation and investment, which would remain banned until suspicions about North Korean nuclear weapons development are resolved. (IHT 12-03-93; FEER 06-08-92 p. 12)

Implementation of the Reconciliation Treaty

The Prime Ministers of North and South Korea concluded three protocols on 17 September 1992 by way of implementing the Reconciliation Treaty of December 1991. They did not, however, succeed in reaching agreement on reciprocal nuclear inspections nor on the issue of reuniting families divided since the Korean War.

The protocols established the framework for four commissions which will deal with a broad range of projects, including military, economic, political, social and cultural cooperation.

Later in the year North Korea on 3 November 1992 rejected proposals for talks on establishing a military hotline and arranging exchange visits by war-divided families because of the planned South Korean-US military exercises scheduled for 1993. The exercises were cancelled in 1992 after the two Koreas signed their non-aggression pact in December 1991. (see 2 AsYIL 303) On the other hand South Korea threatened to suspend economic cooperation unless North Korea apologized for a spy ring uncovered

by South Korea and accepted mutual nuclear inspections. (IHT 18 and 19/20-09-92, 04-11-92)

Withdrawal of US troops

After a 'Phase One' reduction of 6,987 since 1990 there were still 37,413 US troops in South Korea in 1992. A decision on a planned 'Phase Two' cut of 6,500 by the end of 1995 was postponed in 1991 over concern that North Korea was trying to develop nuclear weapons. A South Korean-US communiqué of 8 October 1992 reaffirmed the deferment until the problems relating to the suspected North Korean nuclear weapons programme would be solved. (IHT 08-10-92; FEER 22-10-92 p.14)

Price of reunification

South Korea's finance ministry issued a report according to which reunification by the year 2000 with the absorption of the North Korean economy would cost \$980 billion. The report was based on a study done two years after Germany's reunification. South Korea's gross national product is \$280 billion. Consequently the report suggested a much more restrictive unification process, which would include initially limiting travel between the two sides to those families separated by the Korean War. (IHT 29-01-93)

Distorted reports on North Korea

The South Korean foreign ministry criticized Western news coverage of North Korea on alleged large-scale troop movements and incidents with the Chinese as 'gross exaggerations and distortions'. (IHT 03-05-93)

ECONOMIC COOPERATION AND ASSISTANCE

See also: Environmental pollution and protection

Asia-Pacific Economic Cooperation forum

(*see:* 1 AsYIL 289; 2 AsYIL 306)

At its annual meeting the APEC forum, now comprising 15 members (US, Japan, Canada, China, Taiwan, South Korea, Hong Kong, Australia, New Zealand and the ASEAN member States) agreed on 10 September 1992 to establish a permanent secretariat in Singapore. (*see:* State practice of Asian countries)

Meanwhile Japan and other Asian countries at the same meeting expressed concern that a planned North American Free Trade Area might harm their trade and divert investment away from Asia. (IHT 10 and 11-09-92).

Japanese Official Development Aid policy

(see also: Disarmament, *supra* p. 362)

A White Paper on the subject stressed that disbursements of ODA would be linked to the records of recipient countries on military spending (including development and manufacture of weapons of mass destruction and missiles), arms sales, democracy (including respect for human rights) and market reforms (Four Principles). These principles were previously tentatively set out as aid guidelines in April 1991.

In the foreign ministry's latest ODA annual report, however, it was admitted that Japan had avoided applying the Four Principles to Indonesia, Thailand and Peru. It said that as improvements in democratic development had occurred in those countries, Japan saw no reason to reconsider its aid policy towards them.

In the fiscal year 1991–1992 Japan provided \$11 billion in development aid, compared with \$9.4 billion from the US. Taking the aid in terms of percentage of GNP Japan is in the middle among industrial countries, 0.32 per cent in 1991–1992, far short of the 0.7 per cent target set by the UN.

While 95 per cent of American aid does not have to be repaid, most Japanese aid is in the form of credits, although more than 90 per cent of them are no longer tied to purchase of Japanese goods and services. (IHT 22–04–93; FEER 15–10–92 p. 20)

Resumption of Japanese aid to Vietnam

After three postponements earlier in the year under pressure of the US (its most important trading partner) Japan informed the US in late October 1992 that it would resume economic aid to Vietnam despite the still existing US-led embargo.

Japan on 6 November 1992 extended a big 30-year commodity loan (\$370 million) at an interest rate of 1 per cent and a 10-year grace period. The condition of a settlement of about \$170 million in outstanding loans made by Japan to the former South Vietnamese government was fulfilled as the remainder of the loan was repaid, reportedly with a bridge loan provided by Japanese commercial banks. Vietnam had cancelled principal and interest payments when Japan suspended aid disbursements in protest at the Vietnamese invasion of Cambodia. It was not clear whether Japan's decision to resume aid would imply stopping to vote with the US to block international development bank lending to Vietnam. (IHT 29–10 and 7/8–11–92; FEER 19–11–92 p. 14, 26–11–92 p. 64)

Japan–China

Japan was the first country to restore official assistance to China sixteen months after the Tiananmen incident. Since 1980 it had extended more than \$8.3 billion in assistance for infrastructure and energy related projects. Japanese banks held some 60 per cent of China's overseas debt of \$60.6 billion.

Resumption of Korean aid to Russia

South Korea prepared to resume its aid to Russia, after having granted \$3 billion in economic assistance in 1990 and then cut off the remainder in December 1991 because Russia had failed to pay interest on the loans. (IHT 18-11-92)

Vietnamese rice for Cuba

Vietnam mounted a campaign to raise funds to buy 10,000 tons of rice for Cuba in view of the Cuban support for Vietnam during the latter's war with the US. (FEER 10-12-92 p.6)

Japanese aid to Central Asian republics

It was reported that Japan is laying the groundwork to become the leading donor to the five Central Asian republics of Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan and Tajikistan. It began exploring its interest in the republics in May 1992 when the Japanese foreign minister visited the region, followed by a high level Finance Ministry delegation touring the republics in October 1992. In December Japan, overcoming French and US opposition, succeeded in putting the five republics on the OECD list of development assistance countries, thereby allowing Japanese assistance to be defined as development aid. Japan also led a drive to admit the republics to the Asian Development Bank although they were already members of the European Bank for Reconstruction and Development. (IHT 16-12-92)

Thai-Indochinese infrastructural network

According to Thai newspaper reports Thailand was to propose the building of a road and related infrastructure linking Thailand and Indochina with Japanese assistance. Such a network would help draw the Indochinese States into the international trade and investment system and would boost tourism. (IHT 2/3-01-93)

Japan's role in providing aid to Russia

Japan invited foreign ministers of the Group of Seven in April 1993 to discuss an aid package for Russia. The move would reflect the pressure Japan is facing to be more forthcoming on aid to Russia and be aimed partly at deflecting a French call for an emergency meeting of G-7 leaders on assistance to Russia. According to Japanese officials, despite the Japanese position on the disputed islands of the 'Northern Territories' a multilateral aid plan to Russia would be acceptable, as opposed to bilateral assistance. At the meeting which took place on 14-15 April 1993 Japan agreed to contribute \$1.8 billion to the aid package, \$600 million more than what had been planned a few days previously, because of pressure from the other G-7 countries. The

Japanese contribution included \$320 million in grants. The remainder was largely made up of trade insurance and export credits. Previously Japan had committed \$2.7 billion in aid to Russia, of which only about \$800 million had been dispensed.

Despite this willingness of Japan to participate in aid to Russia and while it seemed to be prepared to separate the question of aid from that of the disputed islands, the Japanese foreign minister a month later responded in a negative way to a US proposal to create a \$4 billion fund to help privatize State-owned enterprises in Russia, saying that Japan would not provide more money than it had already committed, because of the lack of progress on the territorial dispute. (IHT 18 and 20/21–03–93, 14 and 15–04–93, 23 and 25–06–93)

Refusal of World Bank loan conditionality

In the 1950s India developed a plan to harness the Narmada River in western India by building a series of dams and canals in its basin. The first of these dams is the Sardar Sarovar project for which the World Bank had granted a \$450 million loan.

In an unexpected move India waived the remaining \$170 million of the loan. At the centre of the issue were World Bank 'benchmarks', or conditions, that India said infringed on the country's dignity as an independent nation. (FEER 15–04–93 p.15)

Japanese loan to Iran

Japan announced a \$357 million loan to Iran for the first phase of construction of a hydroelectric plant on the Karun River in Southern Iran. Japan was the first developed industrial country to resume lending to Iran since the 1980–1988 Iran-Iraq War. (FEER 10–06–93 p.14)

ECONOMIC COOPERATION ORGANIZATION

Quetta Plan of Action

At a meeting at Islamabad the membership of the organization was expanded to include all five former Soviet Central Asian republics, bringing the number of members at ten. The organization also created preferential tariff arrangements and a development bank.

The ECO met in Quetta, Pakistan, early February 1993 and issued the 'Quetta Plan of Action for ECO'. The plan called for setting up road, rail and air links and the development of ports. An ECO airline and transport company would eventually be formed. Visas, tariffs, customs duties and other restrictions on the free flow of people and goods would first be standardized and slowly abolished. Oil and gas pipelines and power transmission lines were to be laid across the region and beyond for trade in energy. By June 1993, when the ECO summit would take place in Istanbul, the ECO Trade and Development Bank would have opened for business. (FEER 17–12–92 p.64, 25–02–93 p.19)

EMBARGO

See also: Boycott, Economic cooperation and assistance, Sanctions

Embargo on supply of 'dual use' technology to Iran

Out of concern about Iran's military build-up the US began a diplomatic campaign to stop the major industrialized countries from selling militarily useful technology to Iran. Western governments had thus far been united in their official opposition to direct, large-scale military or nuclear sales to Iran but, according to news reports, had been less stalwart and not united on policy questions concerning 'dual use' technology. For example, Japan in a statement expressed its reservations about the US plans. Also, the US was seen as undermined by its own military and high-technology transfers to Saudi Arabia and the smaller Gulf states. The US diplomatic initiative was referred as the first ever to target global sales of 'dual use' technology to a single Third World country, instead of aiming at blocking sales to groups of States, such as the former Soviet bloc or countries that are alleged to support terrorism.

It was reported that the US was to meet with the other six of the G-7 countries on 20 November 1992 to persuade them to follow its wishes. It would be the first time that the G-7 countries would specifically discuss the matter of exports to Iran and the similar sales to Libya, Iraq and North Korea. The US concern drew a response from the Iranian president who said that the West was just trying to alarm Iran's neighbours in order to sell them more weapons.

The US Congress had approved corresponding measures barring all US exports of high-tech goods to Iran. Previously the US Commerce Department had no authority to block exports to Iran of 'dual use' equipment. (IHT 11 and 19-11-92)

Supply of US passenger planes to Iran

The US Government was reported to be reviewing a request by Boeing Co. and General Electric Co. to pursue sales of passenger planes in Iran, in view of the existing US ban on trade with Iran. Jet aircraft and engines are on a list of items that cannot be sold to Iran because it is one of several countries that Washington considers to be sponsors of international terrorism. The US ban extends to any products in which more than 10 per cent of the value of the components is made in America. In 1992 the US lifted the ban to allow the Airbus consortium to sell two aircraft to Iran, according to the US State Department as a gesture to Iran for its help in the 1991 release of the US hostages in Lebanon. (IHT 10/11-04-93)

Modification in COCOM policy

At its meeting on 24 November 1992 the Coordinating Committee for Multilateral Export Controls (COCOM) allowed the successor States of the USSR to attend for the first time and to receive increasingly sophisticated Western technology provided they impose effective export controls. It was reported that by making such proposals the US

and its allies were seeking to enlist the cooperation of those States in preventing sensitive technology reaching so-called 'countries of concern to the international community'. [Membership of COCOM includes all NATO members except Iceland, plus Australia and Japan] The proposed system would include a guarantee that the equipment would be used for civilian ends, allowing Western countries to make spot checks and the introduction of a comprehensive export control system capable of ensuring that a country to which sensitive goods are being sent is indeed the end user. (IHT 25-11-92)

Jet engines for China

A US inter-agency committee reached a tentative agreement to allow the export of jet engines to the Chinese military. The sale could proceed provided that their electronic controls were not too advanced and would meet technical specifications to be drafted by the Defence Department. (IHT 07-01-93)

Softening of US embargo on Vietnam

Since the JES Air case (*see* 2 AsYIL 370) the US trade sanctions in respect of Vietnamese air services were eased in so far that US-built aircraft were allowed to stay overnight in Vietnam and run domestic services as extensions at the beginning or end of international services. But the foreign owners must still retain control of the aircraft.

In response to Vietnam's cooperation in determining the fate of Americans missing in action in the Vietnam War the US Government decided to allow American companies to sign contracts and open offices in Vietnam to prepare for a lifting of the trade ban. The contracts could be executed when the embargo would be lifted. As the first US company that started to operate officially in Vietnam since the end of the war in 1975 an American consulting firm, the Vietnam America Trade and Investment Consulting Co., inaugurated its representative office on 24 April 1993.

In June 1993 senior foreign policy advisers recommended the US president that the US allow the IMF to re-finance Vietnam's debt and thus give Vietnam access to global capital markets. The IMF was scheduled to vote on the matter on 12 July 1993.

Before 14 September 1993 the American president also had to decide on extension of the embargo. (IHT 15-12-92, 27-04-93, 23-06-93; FEER 08-10-92 p. 66, 24/31-12-92 p. 10)

Alleged violation of Iraqi oil embargo

The US protested to Iran about a large shipment of oil from Iraq in violation of international sanctions. While Iran insisted that it was respecting the trade embargo, US intelligence sources concluded that the shipment was too large to have taken place without the knowledge of the Iranian Government. (IHT 29-03-93)

EMIGRATION

See: Immigration

ENVIRONMENTAL POLLUTION AND PROTECTION

See also: International trade

Malaysian-Indonesian Joint Committee on the Environment

It was reported that the two countries would sign an agreement to set up a Joint Committee on the Environment (JCE) to address pollution problems at their mutual border. The Committee would form a mechanism for technical cooperation, especially in facing environmental disasters. The need for such cooperation became apparent from problems faced in battling oil spills following recent collisions in the Straits of Malacca. (*see:* Sea traffic, p.444) The JCE would also provide a forum to discuss other environmental problems, such as air pollution, faced by the two countries. Hitherto, Malaysia had such an arrangement only with Singapore. (NST 16-02-93)

Formation of an International Forestry Organization

Malaysia took the initiative on 17 February 1993 at a Global Forestry Conference in Jakarta to propose the formation of an international organization to address all issues pertaining to the world's forests. The proposal was made on behalf of developing countries and was based on a collective decision made by India, Indonesia, China and Malaysia after deliberations at UNCED in June 1992. The proposed organization could be either a new body formed under the auspices of the UN or an extension of the existing International Tropical Timber Organisation (ITTO), an agency which handles tropical forest management under the UN.

There is as yet no platform to discuss the implementation of the Statement of Principles on Forest as agreed at UNCED. Moreover, while ITTO had already formulated guidelines and set a timeframe for sustainable tropical forest management, there is currently no multilateral forum to address issues of temperate and boreal forest management. A study by the World Wide Fund for Nature (WWF) had shown that temperate and boreal forests were also under threat of destruction and that these forests were as important as tropical forests from the perspective of, *inter alia*, biodiversity conservation and environmental protection. (NST 15-02 and 18-02-93; STAR 15-02-93)

Reduction of pollution by exhaust fumes

At an Asia-Pacific energy conference held at Singapore in early May 1993 and co-sponsored by the International Herald Tribune and the Oil Daily Group, East Asian oil-industry officials said that their governments had no plans to follow the West in imposing tax increases on oil products to raise revenues and reduce pollution and global

warming. According to them Asian States prefer to concentrate on tightening pollution standards, such as cutting the harmful lead and sulfur content of oil products. (IHT 04 and 05-05-93)

Pollution buy-off by forest protection

A US company, the New England Electric System announced its plan to offset carbon-dioxide emissions at its US plants by preserving rain forests in Malaysia. It would spend \$450,000 on a 3-year programme to discourage Malaysian loggers from cutting entire sections of forest to get at certain kinds of trees. (FEER 20-08-92 p.67)

Timber trade

(see: International trade, *infra* p.408)

Acid rain in Japan

There were strong indications that cross-border pollution from China and Korea contribute to acid rain in Japan. Increased consumption of coal for accelerated economic expansion raises the level of sulphur dioxide, which causes acid rain.

A report by the Japanese Central Institute of Electric Power Industry of October 1992 estimated that China generates 50 per cent of the sulphur ion emissions that cause acid rain in Japan, with Korea producing 15 per cent and Japan the remaining 35 per cent.

Growing awareness of the problem had led the Japanese Government to revise its overseas development assistance programme for China. The next loan package would focus on environmental issues. (FEER 04-02-93 p.16)

Radioactive waste in the Sea of Japan

According to reports by *Greenpeace* the Russian Navy had continued the practice of the former Soviet Navy of dumping radioactive waste and contaminated components from nuclear submarines in the Sea of Japan, but accurate data were not available. It was said that Russia had continued dumping until at least December 1992. (FEER 18-03-93 p.21)

South Korea and Russia agreed to execute a joint survey of the Sea of Japan to assess the damage caused by the dumping of two decommissioned nuclear reactors and solid radioactive waste by Russia from 1966 to 1992. (IHT 12-04-93)

Japanese-South Korean Ecology Agreement

It was reported that the two countries would shortly sign an ecology agreement, involving the exchange of information, the promotion of joint research, cooperation on questions such as climate change, biological diversity, acid rain, pollution of the Sea of Japan, and protection of migratory birds. (BLD 25-06-93)

Ban on trade of rhinoceros horns and tiger bones

Being party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora since 1981, China declared illegal the sale, purchase, import, export and carriage of the two items and ordered that they no longer be used in medicines. This measure was apparently taken in response to the fact that the US Secretary of the Interior had tightened pressure on China and Taiwan to halt such trade by issuing a certification to the president that the trade diminishes the effectiveness of the 1973 Convention. Under the so-called PELLY Amendment that could lead to trade sanctions. (IHT 07-06 and 11-06-93)

EXTRADITION**New extradition legislation in Malaysia**

By the Extradition Act of 1992 the Extradition Ordinance 1958 and the Commonwealth Fugitive Criminals Act were repealed. The Act was based on the 1966 Commonwealth Scheme relating to the Rendition of Fugitive Offenders. (BLD 1992 No.22)

FINANCIAL CLAIMS**Implementation of settlement in the Bhopal case**

The Supreme Court of India on 16 October 1992 cleared the way for payment of compensation to the victims of the 1984 gas leak from the Union Carbide plant, under a settlement reached earlier. The court approved the transfer of \$470 million paid by the company to a welfare commissioner who will dispense the funds. (FEER 29-10-92 p.22)

Philippine claim against Westinghouse Electric Corp.

The Philippine State sought annulment of a 1974 contract for construction of a \$2.2 billion nuclear power plant in Bataan, claiming that Westinghouse bribed MARCOS government officials in order to win the project.

The plant was built by Westinghouse during the MARCOS regime in 1976 and completed in 1985. It was never commissioned. The AQUINO Government mothballed the project because of alleged defects and a lack of safety measures. Its uranium fuel remained stored, checked regularly by the IAEA.

The Philippine Government rejected a tentative compromise reached in March 1992 and ordered the case to be pursued in US courts. On 19 May 1993 the court cleared Westinghouse of the charges. (FEER 17-12-92 p.67, 10-06-93 p.70)

Iranian frozen assets in the US

(see: Inter-state relations, *infra* p.402)

FISHERIES**Thai-Vietnamese agreement on release of fishermen**

(see 2 AsYIL 314)

The Thai and Vietnamese Prime Ministers agreed to release each other's fishermen who had been detained for illegal fishing. Vietnam held several hundred Thai fishermen, while Thailand held some 30 Vietnamese. (FEER 06-08-92 p.12)

Whaling

Japan and Norway urged to lift the existing moratorium on commercial whaling that had been in effect since 1986. They argued that the moratorium, introduced to revive stocks that had been depleted by excessive whaling was no longer needed for certain types of whales, such as the minke whales. Before the annual meeting of the International Whaling Commission at Kyoto in May 1993 the Japanese commissioner had said that Japan might leave the Commission if the moratorium was extended.

The Whaling Commission's scientific committee had estimated that there were 760,000 minkes—a relatively small whale—in the Southern hemisphere. Yet the Commission in 1992 decided not to allow resumption of any whaling until it had approved other necessary measures, like monitoring and inspecting whaling ships. The 1993 meeting finally decided to extend the moratorium, although Japan was authorized to catch about three hundred minke whales in the Antarctic, ostensibly for research purposes.

During the 1993 annual meeting of the Commission the Commission's technical committee voted in favour of a French plan to create a whale sanctuary in the Antarctic region south of 40 degrees latitude for a period of 50 years. Japanese officials argued that the idea of a whale sanctuary in fact represented the imposition of one nation's morals on another. For Japan whaling is part of its tradition and a ban on commercial whaling amounts to foreign interference. The meeting put off voting on the French proposal and deferred a decision to the next meeting in 1994. At the same meeting a Japanese request for a limited coastal catch was rejected by the Commission.

According to news reports in May 1993 Japan finally seemed to have decided not to withdraw from the IWC. (IHT 04, 12, 14 and 15/16-05-93; FEER 27-05-93 p.16)

'Self-abstention'

On 14 August 1992 China, Japan, Poland, South Korea, Russia and the US agreed to a two-year 'self abstention' policy beginning in 1993, under which there would be a ban on fishing of pollack and associated stocks in the Doughnut Hole of the Central Behring Sea.

Illegal fishing in Malaysia

Seven Thai nationals were fined a total of RM (Malaysian Ringgit) 700,000 by the Kuantan (Pahang) magistrate's court on 27 February 1993 for illegally fishing in Malaysian waters. (STAR 28-02-93)

FOREIGN INVESTMENT**Singapore—Vietnamese agreement on the promotion and protection of investments**

The agreement was concluded on 29 October 1992 and entered into force on 25 December 1992. The agreement provides for a definition of 'investment' for the purposes of the agreement, MFN treatment, free transfer of earnings, currency, and interests and dispute settlement. As to expropriation it has been provided that this has to be in accordance with law and on a non-discriminatory basis. Compensation shall be effectively realizable and without unreasonable delay. Full compensation ('the value immediately before expropriation') is envisaged.

North Korea's first foreign investment law

North Korean unveiled its first foreign investment law on 20 October 1992. It had been adopted by the Standing Committee of the Supreme People's Assembly on 5 October 1992.

The new law will allow foreign investors to establish equity and contractual joint ventures within North Korea, and set up and operate wholly foreign-owned enterprises in a free economic and trade zone. Foreign-funded enterprises would receive preferential treatment, including reduction and exemption of income and other taxes, favourable conditions for land use and preferential supply of bank loans.

In 1991 North Korea announced the creation of an economic zone in Najin and Sonbong, in North Hamgyong Province, and said that the ports of the two towns and adjoining Chongjin would be free trade ports. (IHT 21-10-92)

Taiwan—British Aerospace joint venture

A memorandum of understanding was signed in Taipei in September 1992 under which BAE would spin off its regional airline manufacturing assets and set up a new company. Taiwan Aerospace Corp.(TAC) would then buy half the new company.

The agreement followed the failure of the 29 per cent Government-owned company to complete an agreement for the purchase of 40 per cent of the commercial business of McDonnell Douglas Corp. This agreement fell through because of marketing and financing problems surrounding the projected MD-12 aircraft. (IHT 21-10-92)

Malaysian development projects in Iran

Ekran Bhd., a Malaysian cable and construction company, signed a memorandum with Iranian officials on 14 December 1992 to take on six development projects, five of which were to be sited on the Qeshm Island free-trade zone and one in Tehran. The contract was signed in early April 1993. The value of the projects was estimated at \$4 billion.

Kuala Lumpur-based Technology Resources Industries was to install a cellular-telecommunications network on Qeshm Island. Technology Resources would hold 40 per cent of the joint venture and the remaining 60 per cent would be held by the Qeshm Free Trade Authority. (FEER 07-01-93 p.61, 10-06-93 p.62)

Malaysian investment guarantee agreements

Malaysia and Taiwan signed an investment guarantee agreement on 18 February 1993. The lack of such an agreement had been a major deterrent towards more Taiwanese investments in Malaysia. Approved Taiwanese investments in Malaysia were valued in excess of RM 14.7 billion. (STAR 19-02-93)

The next day a Malaysian-Hungarian investment guarantee agreement was concluded. The agreement not only protected investments, including those made prior to the agreement, but also provided for the settlement of investment disputes through the International Centre for Settlement of Investment Disputes. (NST 20-02-93)

Kazakhstan-Chevron joint venture

(See also: Oil and gas)

Kazakhstan and Chevron Corp. agreed in May 1992 to a 50-50 joint venture to develop the Tengiz and Korolev (Korolyov) oil fields on the northeastern coast of the Caspian Sea. Income from the field would be divided 20 (Chevron)—80 (Kazakhstan). The investments in field development and processing plants are estimated to be about \$20 billion during the whole lifespan of the project, estimated to be about 40 years. (IHT 30-12-92) On 6 April 1993 the 40-year agreement creating the joint venture, *Tengizchevroil*, was signed. (IHT 30-12-92, 07-04-93, 10-06-93; FEER 22-04-93 p. 77)

Chinese investments abroad

The Chinese State-owned Capital Steel Corp. bought the Peruvian iron company *Hierroperu SA* in December 1992. In the mid-1980s China International Trust and Investment Co. (CITIC) bought a timber operation in Seattle and a huge aluminium smelter in Australia. The same company bought a steel mill in Delaware, USA a few years later. Besides there had been purchases of industrial plants which were dismantled and reconstructed in China. (IHT 31-12-1992/01-01-93)

Japanese purchase of US computer technology-related company

The outgoing US Government on 26 January 1993 approved the sale of a unit of an American company to a Japanese company, Nakamichi Peripherals. It involved a unit of Applied Magnetics Corp., the only American company producing the main component for computer laser disk drives and the information processing technology for the Trident and Patriot missile guidance systems. It was reported that the new administration was faced with the question of reconsidering the decision but decided to allow the purchase. (IHT 27-01-93, 10-06-93 p.71)

Oil exploration in China

China decided on 17 February 1993 to allow foreigners to explore for oil in onshore areas, including part of the (southeastern) Tarim Basin in the Taklamakan desert. In March 1993 it was reported that three Japanese companies and British Petroleum Co. would launch a joint venture to develop oil fields in the Tarim Basin.

In 1991 the China National Petroleum Corp. (CNPC) had signed an agreement with Japan National Oil Corp. to explore a 30,000-square-km area in the southwestern part of the Tarim Basin. And late 1992 CNPC signed an agreement with Exxon to act as technical contractor for exploration work. Originally, this was the extent of foreign participation allowed by the CNPC, but apparently China decided it could not afford to wait.

Previously China had opened 11 on-shore areas in southern provinces. (IHT 18-02-93, 11-03-93; FEER 04-03-93 p.44)

Foreign investments in China

It was reported that China had approved foreign direct investment worth \$57.5 billion in 1992, which was three times as much as in 1991 and more than the total foreign investment from 1979 to 1991. According to estimates at least three-quarters of the 1992 investment commitments were made by companies owned by Overseas Chinese. These companies are also the leading investors in Vietnam. (IHT 23-04-93)

The US firm Levi Strauss announced that because of the alleged human rights violations in China it would not make direct investments in China and it would phase out its use of Chinese subcontractors, which accounted for about 2 per cent of its production. But it would continue buying Chinese fabric. (FEER 13-05-93 p.75)

Indonesia—Exxon natural gas project

Indonesia came a step closer to the conclusion of an agreement on a huge natural gas project in the South China Sea in May 1993 by agreeing to a bigger share for Exxon than the normal 30 per cent. The cost of developing the gas is expected to be high because about 70 per cent of the gas would be carbon dioxide. The cost of investment was about \$17.5 billion based on 1992 calculations, but including operating costs it

could reach \$40 billion. (IHT 15/16-05-93) On 8 July 1993, however, Pertamina, the Indonesian State oil company, said that development of the field would not proceed. The Minister for Mines and Energy said, *inter alia*: "The project has been canceled because it is not economic for the government at present. The project will not give benefit to us. But we may be able to develop it for ourselves in the future."

The problem appeared to be the difficulty of disposing of massive amounts of environment-unfriendly carbon dioxide. This carbon dioxide was to be stripped from the gas. The gas would then be reinjected into aquifers beneath the seabed before being shipped to the consumers at a later time.

The Indonesian side said it had not been able to reach an understanding with Exxon on environmental and legal issues related to the project. The two parties had been unable to agree who would be responsible for the gas once it had been put back into the ground, who would deal with the problem if the gas escaped from the aquifers, who would own oil or natural gas that Exxon might inadvertently discover while drilling the injection wells into the undersea aquifers. Moreover, Indonesia was believed to be reluctant to give Exxon assurances that it would not unilaterally change the financial terms of gas development in the future. (IHT 15/16-05-93, 10/11-07-93)

GENERAL AGREEMENT ON TARIFFS AND TRADE

Taiwanese observer status and application for membership

Taiwan applied for membership in January 1990. On 29 September 1992 GATT granted observer status to Taiwan and a formal working party was set up to settle the terms for the island's full membership. The GATT Council chairman said on that occasion that the Council would "adopt the protocol for the People's Republic of China before examining the report and adopting the protocol on Chinese Taipei."

The Taiwanese application was made under Article 33 of the GATT as a "separate customs territory", a provision originally designed for countries preparing for independence from colonial rule but never before used for application for membership. (FEER 08-10-92 p.83,22-10-92 p.58)

Resumed talks on Chinese participation

Sino-US talks on the issue of Chinese membership of GATT which were suspended after the Tiananmen incident in 1989 were resumed in early March 1993, before the GATT meeting in that month. Generally speaking the US had been requiring the fulfillment of five conditions: (1) a unitary national trade policy, so that imports receive the same treatment at every entry point; (2) full transparency, so that all regulations, licence requirements and quotas are specifically spelled out; (3) elimination, over time, of non-tariff barriers to trade; (4) a commitment to move to a full market-price economy; and (5) until that is done, a temporary "safeguard system" allowing other countries to protect themselves against surges in Chinese exports. According to the Assistant US Trade Representative China had accepted the two last requirements in 1989 but refused to accept them now.

So far as the US is concerned GATT membership for China would not defang the annual MFN debate (*infra*, p.407). A US law (stipulating that Communist countries are not automatically eligible for MFN status) would take precedence in the US over an international agreement (such as GATT).

China argued that their economy had undergone great changes in the past four years and should not be subject to such special conditions.

As to the US suggestion that if China were to join the GATT a monitoring system should be set up to ensure that it lived up to its obligations and its schedule for market reforms, the Chinese Trade Minister said that China would not submit to such monitoring in exchange for admittance. (IHT 01-02-93, 01-03, 03-03 and 19-03-93; FEER 22-10-92 p.58, 11-03-93 p.56)

HIJACKING OF AIRCRAFT

Chinese aircraft hijacked to Taiwan

After a Chinese passenger plane which was bound from the southern city of Shenzhen to Beijing was hijacked to Taiwan on 6 April 1993 the Taiwan authorities immediately returned the plane and the 205 passengers and crew but decided to try the hijackers in Taiwan. (IHT 07 and 08-04-93)

HONG KONG AND MACAU

The airport issue

The deadlock in Anglo-Chinese discussions on the financing of the project seemed to be broken when the Hong Kong Government accepted a Chinese suggestion in September 1992 that the colony inject more money from its fiscal reserves in order to eliminate the need of a proposed contingency fund of 21 billion Hong Kong dollars designed to assure lenders that the project would be able to repay its debts. The Hong Kong Government offered to inject 40 billion Hong Kong dollars in additional equity into the project, substantially reducing the level of its long-term debt. However, the Chinese side criticized the offer, because instead of tapping Hong Kong's huge fiscal reserves, the government would raise funds from the proceeds of land sales that would otherwise go to the post-1997 government.

On 15 October 1992 China rejected fresh plans for financing, but according to the British side, did not put forward alternative ideas. In any case the Chinese warned not to proceed until an overall financial package had been agreed upon, and on the occasion of the official visit by the British Governor to China the Director of the Hong Kong and Macau Affairs Office said that China would not assume responsibility after 1997 for debts or contracts linked to the planned airport if construction would start without China's consent. In spite of these warnings the Hong Kong Government announced on 19 November 1992 that it would award a contract to a Japanese-led consortium for the

enlargement of an island to house the terminal and two runways. The tender award was to expire at the end of the month. The financing was approved by the Legislative Council by a vote of 27 to 25. On 26 February 1993 the government awarded another contract to build a tunnel and road network to a subsidiary of a French company. (IHT 18-09, 19/20-09 and 24-09-92, 16-10 and 24/25-10-92, 20-11 and 28/29-11-92, 27/28-02-93)

Activities of Chinese security forces in Hong Kong waters

For the twelfth time in 1992 Chinese security forces had entered waters under Hong Kong jurisdiction on 25 September 1992. They boarded a Hong Kong police ship and held the crew under control of weapons for some time. When the Hong Kong government expressed its grave concern the Chinese Border Liaison Office said it would apologize if any Chinese officers had taken any "improper action".

According to other reports Chinese security units had detained at least 15 ships bound for Vietnam in Deep Bay in the northwestern corner of the colony, over which both Hong Kong and China claimed jurisdiction. The Chinese authorities claimed they were cracking down on smugglers. Ships and crews were detained and the cargo confiscated. (IHT 25-09-92; FEER 10-09-92 p.14, 08-10-92 p.14).

Governor's proposals for political reform

(see 2 AsYIL 321)

On 7 October 1992 the Governor announced a host of political and social welfare proposals for the period till 1997. Under the plan the voting age would be lowered to 18 from 21, a series of municipal councils would be entirely directly elected, and 30 so-called functional constituencies, which represent various professional groups in the Legislative Council, would be broadened to include a much higher number of voters. Each of Hong Kong's 2.7 million workers would get one vote to select a representative of the workplace. That would increase by a factor of 5 the number of voters participating in that part of the election. Besides the Governor said he would recompose the Executive Council (the "cabinet") so that it would no longer include sitting members of the Legislative Council.

The following day a Chinese Government spokesman asserted that the proposals violated the 1984 Joint Declaration by not consulting China, a view contrary to that of the Governor, according to which the plans are consistent with the Joint Declaration as well as the Basic Law. In 1985 China advanced the concept of "convergence" under which British proposals for political reform in the colony had to converge with Chinese policy for Hong Kong after 1997, a concept accepted by the British. (IHT 08, 09, 10/11 and 15-10-92; FEER 17-12-92 p.17) On 16 November 1992 the Chinese Vice-Premier implicitly warned that China may not honour the 1984 Joint Declaration if Britain would not back off from its reform plans. (FEER 26-11-92 p.10) During his visit to Vietnam in early December 1992 the Chinese Prime Minister said: "The essence of this problem is not whether we want democracy or not, but whether there should be good faith in abiding by the commitments." (IHT 03-12-92)

On the occasion of the first official visit by the Governor to China the director of the Hong Kong and Macau Affairs Office said that if the proposed policy changes would be enacted in spite of the Chinese objections, China would replace Hong Kong's government, legislature and judiciary by forming these organs of the post-1997 government in accordance with the regulations of the Basic Law. He also said that China would not assume responsibility after 1997 for debts or contracts linked to the planned airport if construction would start without China's consent. (IHT 24/25-10-92)

On 28 October 1992 China and Britain released secret correspondence between the countries' foreign ministers and other officials in 1990 on the conduct of government in Hong Kong. According to the Chinese side the documents showed that a confidential deal had been reached on key elements of the 1995 legislative elections, under which the UK agreed to model the elections on the Chinese post-1997 electoral blueprint for Hong Kong. According to other interpretations the correspondence shows that the two sides attempted to agree on plans for legislative elections before and after the take-over that would "converge" for a smooth transition, but the exchange appeared inconclusive. The letters showed at one point that the British foreign minister agreed in principle that the Electoral Committee in 1995 would conform to the 1997 model, but had put forward five principles for fair elections to be enshrined in the Basic Law. According to a Hong Kong government official the negotiations were broken off because China would not agree to more directly elected seats and the Basic Law was published without the five principles. (IHT 29-10-92; FEER 12-11-92 p.13)

The Hong Kong Legislative Council on 11 November 1992 endorsed the Governor's proposals in general by a majority vote but the Chinese side reiterated that the Council was only a consultative body to the Governor that had no right to overthrow agreements between Britain and China. (IHT 13-11-92) On 12 January 1993 the Governor presented his plan in legislative form to the Executive Council (IHT 12-01-1993) and on 13 January 1993 the Legislative Council voted against a motion that would have urged the Governor to consult with China before proposing any political changes. (IHT 14-01-93) Later the Executive Council delivered the British proposals in legislative form to the Chinese Government for examination before the Hong Kong Government would give them to the Legislative Council for debate and possible enactment.

After diplomatic exchanges between the British and Chinese Governments in February on whether there should be talks on the existing disagreements (IHT 18-02-93) it was reported on 8 March that China was prepared to resume talks with Britain on Hong Kong on two conditions: that Britain would carry out any agreement reached by the two sides, and that it exclude any Hong Kong citizens from the discussions. British officials had insisted that Hong Kong officials sit in on the talks and that local legislators have the final word on any Chinese-British deal. (IHT 09-03-93) On 11 March 1993 China put forward a proposal for talks, leading to a postponement of an announcement by the Governor to the Legislative Council which would expectedly have included a formal introduction of the democratization bill. (IHT 12-03-93)

As the differences between the Chinese and British sides on whether the British delegation should include Hong Kong officials were not yet solved the next day the democracy bill was finally published on 12 March 1993, but the governor did not set a date for presenting the bill to the legislature. (IHT 13/14-03-93) Responding to this British move China threatened on 17 March 1993 to set up a second power centre in

Hong Kong in the years before it takes over the territory in 1997 and said that it might be forced to set up a new government structure in 1997. (IHT 18-03-93)

Responding to a suggestion by the British foreign minister the Chinese foreign minister said on 23 March 1993 that the time was not ripe for a meeting on the dispute. (IHT 24-03-93) Finally the two countries agreed on 13 April 1993 to begin talks again, scheduled to begin on 22 April. According to the deputy governor of Hong Kong there were plans to give Hong Kong government officials a "support" role in the talks as "suitable for both sides." (IHT 14-04-93) A second round of talks was later announced for 28 April 1993. (IHT 27-04-93)

The Joint Liaison Group had its first full meeting on 21 June 1993 after six months of stalemate. The three-day meeting ended in acrimony, leaving a continuing logjam on deciding a host of technical issues. (IHT 08-10, 09-10, 10/11-10, 15-10, 24/25-10 and 29-10-92, 13-11 and 25-11-92, 12-01, 14-01 and 18-01-93, 09-012-03, 13/14-03, 18-03 and 24-03-93, 14-04 and 27-04-93, 22 and 24-06-93; FEER 12-11-92 p.13)

Hong Kong Government contracts after 1997

China declared in a six-paragraph statement of 30 November 1992 that all government contracts, leases or agreements which are not approved by the Chinese Government would be invalid after the reversion to Chinese rule in 1997. The immediate response of the Hong Kong Government was that the declaration violated the 1984 Joint Declaration as well as the Basic Law, arguing that "[a]ccording to the Basic Law, contracts which are valid under Hong Kong's existing laws will continue to be valid and recognized and protected by the Hong Kong Special Administrative Region, provided that they do not contravene the Basic Law." On the other hand, the Chinese statement said, "According to the Sino-British Joint Declaration, Britain's administrative power over Hong Kong will terminate on 30 June 1997, and it will then have no right to handle any affairs after that date. Accordingly, all contracts, leases and agreements signed or ratified by the Hong Kong British Government will be valid until 30 June 1997."

In accordance with the above policy China on 21 May 1993 endorsed a 12-year pay-television franchise, a 15-year extension to a licence for the local utility, and a landfill project. (IHT 01-12-92,22/23-05-93; FEER 10-12-92 p.8)

Bank of China to issue banknotes

The Hong Kong Government announced on 12 January 1993 that the Bank of China would begin issuing Hong Kong banknotes in 1994, joining the two British banks that so far possessed this right. It would issue about ten per cent of the value of the currency in circulation. Currently about 86 per cent of notes are issued by the Hong Kong Bank, a unit of the London-based Hong Kong and Shanghai Banking Corp., while the remaining 14 per cent are issued by Standard Chartered Bank.

In accordance with the current loosely linked rate of 7.8 to the US dollar the issuing banks are required to deposit one US dollar with the government for every 7.8 Hong Kong dollar they issue. Insofar as every bank has to pay US dollars to obtain banknotes, every bank is in effect a note-issuing bank. Hence the Bank of China issuing

notes is purely symbolic — it will be issuing its own pieces of paper instead of somebody else's. (IHT 13-01-93)

Special Advisory Council

The National People's Congress of China approved the establishment of a Special Advisory Council on 31 March 1993 to prepare for the return of Hong Kong. Earlier China had said that it would set up a panel to prepare for the reabsorption of Hong Kong in 1997. (IHT 01-04-93; FEER 08-04-93 p.13)

Nationality of Hong Kong residents of Indian subcontinent origin

While the vast majority of ethnic Chinese in Hong Kong are regarded by China as Chinese citizens, the Indian minority of some 7,000 people is in danger of being rendered effectively stateless after 1997 because Britain refused to restore to them full British citizenship that all Hong Kong British subjects had before they were deprived of that status through a series of (British) immigration and nationality law changes since the 1960s.

India holds that no special treatment should be given, and acquisition of Indian citizenship would require a five-year residence in India. Recently, the Chinese Government indicated that the ethnic Indians can, if they wish, apply for Chinese nationality after 1997. It was suggested by some circles that the persons concerned should be allowed to apply for Chinese nationality now, rather than wait until 1997, since they are already living in a territory that China claims as its own. (FEER 22-04-93 p.29)

Macau Basic Law

The Macau Basic Law Drafting Committee submitted its final draft to the Chinese Government on 16 January 1993. (FEER 28-01-93 p. 14. Text of the Basic Law in *Beijing Review* Vol. 36, No. 18, 3-9 May 1993)

HOT PURSUIT

India—Myanmar

(see: Inter-state relations)

Indonesia—Singapore

(see: Piracy)

Iranian air strikes against crossborder rebel stronghold

For the first time in more than a year Iranian war planes on 25 May 1993 bombed two bases up to 100 kilometers inside Iraq used by the *Mujahidin Khalq*, the main Iranian opposition group. The bombing was carried out allegedly in response to recent rebel attacks in Iran. The Iranian Government defended the air strikes as legitimate defence. In a letter to the UN Secretary-General Iran said the operation was "brief, necessary, proportionate, purely defensive." Iranian military sources held Iraq responsible for the raids because it had failed to heed earlier Iranian warnings to halt the "transborder aggression".

In response to the angry Iraqi reaction Iranian officials emphasized that Iran was not renouncing the UN-brokered cease-fire and wanted trouble-free relations with Iraq. Iran also announced that it planned to release 100 Iraqi prisoners of war on 27 May 1993. (IHT 26 and 27-05-93)

HUMAN RIGHTS

See also: Aliens, Association of Southeast Asian Nations, (Non-) Interference in internal affairs

Implementation of resolution 1992/40 of the UN Commission on Human Rights: Chinese view

The resolution (28 February 1992) was entitled "Regional arrangements for the promotion and protection of human rights in the Asian and Pacific Region". At a request of the UN Centre for Human Rights some states forwarded their views, among which was China. In its reply of 28 September 1992 it was observed, *inter alia*: "Every country is making its own efforts to promote the general enjoyment of human rights. The Chinese Government considers that different countries' differing views on human rights and choices of measures to protect them in the light of the individual circumstances and special features of each need to be acknowledged and respected. A pattern of human rights safeguards evolved in any one region will only suit that region, and cannot be treated as a standard to be imposed on other countries and regions..."

The Asian region has its own characteristics. Hence the Asian region neither should nor can slavishly imitate the regional human rights protection mechanisms of other regions. Asian countries can, by means of increased contacts and interchanges, increase their mutual understanding, and, subject to equality, reciprocal respect and non-interference in one another's internal affairs, together explore the implications of and channels for increasing international cooperation in human rights, in order to contribute to the promotion and protection of human rights in the region."(UNdoc.E/CN.4/1993/31)

Suspension of Sino-US human rights dialogue

In response to the US sale of jet fighters to Taiwan China suspended its formal dialogue on human rights with the US. China decided in December 1990 to open the

dialogue, thereby acknowledging that human rights were a valid topic of discussion among officials of the two countries. There was some speculation that the new Chinese approach might still permit discussions about human rights with members of the US legislature and other Americans who are not government officials. (IHT 25-11-92)

Proposal for a World Institute for Poverty Eradication

The establishment of a World Institute for Poverty Eradication (WIPER) was proposed by Malaysia at the Afro-Asian Rural Reconstruction Organisation (AARRO) conference in February 1993.

WIPER would be an independent body, organized on the lines of the Red Cross, supported by the government and financed by the private sector. The Malaysian WIPER would serve as a model body for other AARRO member countries, each of which would eventually have a WIPER so that AARRO would have a network whereby poverty eradication programmes could be coordinated. (NST 09-02-93 and 10-02-93)

Regional UN activities in the field of human rights

A seminar on national, local and regional arrangements for the promotion and protection for human rights in the Asian region was organized by the UN Division of Human Rights, in Colombo from 21 June to 2 July 1982. Among the views expressed at this seminar was the need to take into account the economic, social and political conditions as well as the specific needs of the Asian region; the need to be both selective and innovative, and to choose those aspects best suited to the region.

From 7 to 11 May 1990, the UN Centre for Human Rights organized in Manila the first Asia Pacific workshop which examined, *inter alia*, the question of regional institutions and arrangements for the promotion and protection of human rights. The workshop emphasized the role played by the Universal Declaration as a source of inspiration for national and international endeavours for the protection and promotion of human rights and fundamental freedoms, the efforts of the international community to help to realize these rights, particularly through the existing United Nations human rights machinery, as well as the importance of constructive and well-informed public opinion for the universal enjoyment of the rights and freedoms enshrined in the various international instruments. (UN Doc. A/CONF.157/ASRM/2)

Second Asia-Pacific Workshop on Human Rights Issues

The Workshop was held at Jakarta from 26 to 28 January 1993 as a follow-up of a seminar on regional arrangements for protection and promotion of human rights in late 1991. It was organized by the UN Centre for Human Rights in cooperation with the Indonesian Government. The central objectives of the workshop were, *inter alia*: (1) to increase awareness among countries of the region of international human rights standards and procedures and of the role of States in implementing human rights norms; (2) to inform about available mechanisms to assist States in fulfilling obligations

under various international human rights instruments; (3) to promote bilateral cooperation on human rights in the region; (4) to discuss the establishment of regional arrangements for protection and promotion of human rights; (5) to facilitate dialogue on the 1993 World Conference on Human Rights. The Report of the Workshop was submitted for the attention of the Regional Meeting for Asia of the World Conference on Human Rights, held at Bangkok on 29 March to 2 April 1993 (*see infra*).

The Chairman's concluding remarks included the following passages:

"...While human rights principles are universal and standards have been negotiated and accepted at the international level, responsibility for the implementation of these norms primarily rests at the State level.... It is interesting and instructive to note that human rights are dealt with in the Charter under the heading of 'International Cooperation'. Accordingly, the promotion and protection of human rights should be pursued in a spirit of cooperation and mutual respect and in a non-confrontational way.... Commitment to the principle of indivisibility will promote international cooperation and avoid unproductive confrontation...[T]he individual and the collective aspects of human rights must be considered concurrently and in a balanced manner...Matters which should be taken into account in establishing regional mechanisms in Asia and the Pacific include the geographical complexity, diversity and vastness of the countries which form the region as well as their different historical background and levels of political stability, economic prosperity and social development.... A step by step strategy should be adopted in establishing regional machinery for the promotion and protection...A first step could be the setting up of sub-regional machinery for human rights information dissemination. This could be followed, for example, by the establishment of an Asia Forum which could enhance regional exchange of ideas and experiences aimed at promoting human rights activities..." (UNdoc.A/CONF.157/ASRM/3 of 16-03-1993)

Asian preparatory meeting on human rights

An Asian preparatory meeting for the World Conference on Human Rights was held at Bangkok from 29 March to 2 April 1993. Forty-nine countries and observers from other regions attended the meeting. In his opening statement the Thai Prime Minister said, *inter alia*:

"...For Asia to succeed and play a more prominent role on the world stage, we must ensure that our peoples are provided with their rights and freedoms as set forth in the Charter of the United Nations and the Universal Declaration of Human Rights.... I believe that the path towards these ideals lies through economic development, democratization and social justice.... This Conference should serve to underline the fact that there is only one set of fundamental human rights for whatever part of the world. It should also eliminate the misconceived idea that human rights in a more economically developed region of the world are superior to those in a less economically developed region. Perception of rights do not exist in pure air. It is a result of complex interactions between several groups in the society. Therefore, it is natural that approaches to the implementation of fundamental human rights vary because of differences in socio-economic, historical, cultural backgrounds and conditions. The promotion of universality of human rights would be more effective if

there is a clear understanding and recognition of such differences. Changes to human rights must emerge primarily from within and not imposed from the outside. Human rights should also evolve at their own pace if they are to be peaceful and sustainable.”

The Meeting resulted in the adoption, without a vote, of a Final Declaration, to be known as “The Bangkok Declaration” (*see infra*, Selected Documents). (IHT 01–04–93; UNdoc.A/CONF.157/ASRM/5; A/CONF.157/ASRM/8)

Japan’s position regarding human rights in Asia

(*See also*: Economic cooperation and assistance, *supra* p.370)

Although joining in the Final Declaration of the Preparatory Meeting in Bangkok (*see supra*) Japan issued a separate statement explaining that Japan does not actually support the more controversial positions adopted in the document. It specifically objected to the so-called 4th operative paragraph which rejected “any attempt to use human rights as a conditionality for extending development assistance”. On the other hand, Japan likes to think of itself as playing a moderating role on human rights.

Japan broke ranks with most Asian States when it sided with the Western countries by taking the position that acting on human rights abuses is no interference in internal affairs and arguing that human rights should never take second place after economic progress and development. (IHT 19/20–06–93; FEER 17–06–93 p. 22)

IMMIGRATION AND EMIGRATION

See also: Migrant workers

Influx of aliens into Malaysia

It was reported that Malaysia was attempting to stem the tide of aliens entering the country. Indonesians accounted for the overwhelming majority of these immigrants: the number of Indonesian workers in Malaysia was estimated at over 1 million. A registration drive in early 1992 resulted in the determination of 320,000 cases of illegal immigrants who were granted amnesty and allowed to work in the plantation and construction sectors. It was estimated in 1992 that another 100,000 failed to register and could be deported. Indonesia was reported to be preparing to receive back 250,000 deportees.

It was reported in April 1993 that the number of illegal immigrants who did not register and were at large in Malaysia was 224,000. (FEER 06–08–92 p. 21; IHT 22–04–93)

Influx of Chinese into Myanmar

It was reported that there had been a massive influx of Chinese from the border province of Yunnan into the city of Mandalay. Some 23,000 were known to have settled

in 1992, and another 27,000 were expected in 1993. Most of the migrants were businessmen. (FEER 06-05-93 p. 9)

Illegal immigrants in Pakistan

See also: (Non-)Interference, *infra* p.404

Pakistan announced on 4 January 1993 that it would deport all illegal immigrants. Newspaper reports estimated the number at 1.5 million, most of them coming from India, Bangladesh, Sri Lanka, Egypt, Sudan and Saudi Arabia. It was expected that the measure could affect thousands of Arab Muslims who fought in the Afghan civil war. (IHT 05-01-93) Meanwhile it was reported that Iran offered visas through its Peshawar consulate. (FEER 24-06-93 p. 9)

Illegal Chinese immigrants

The Chinese foreign ministry said on 10 June 1993 that the liberal asylum policy prevailing in some countries actually worked to encourage illegal emigration. The spokesman repeated China's assertion that illegal immigration was an international problem requiring international cooperation, and said that China was determined to stamp out its illegal flow of emigrants. (IHT 11-06-93)

INSURGENTS

See also: Borders

Insurgencies in Myanmar

(*See also:* Borders)

The central government of Myanmar has been fighting ethnic insurgencies for the past 40 years, practically right from the time of Myanmar independence. There were signs that these conflicts may come to an end, with the cooperation and pressure of China and Thailand. Meanwhile the Carter Center in Atlanta, Georgia, seemed also to be sending signals to the warring factions to try to find a solution to the conflicts.

After an uprising of rank-and-file of the army of the Communist Party of Burma (CPB) in early 1989 the central government responded favourably to a request for a truce, thereby allowing the former CPB forces (which were then split into four different ethnic armies) to retain their weapons and control over their respective areas.

This became the model for similar deals with (1) the Shan State Army in September 1989, and, in early 1991, with (2) the Pa-O National Army (in southern Shan State), (3) the Palaung State Liberation Army and (4) the Shan State-based 4th Brigade of the Kachin Independence Army (KIA).

It was reported that the remaining three brigades of the KIA in Kachin State proper had come under Chinese pressure to negotiate peace along the same lines. Talks between the KIA and the central government were held in January and early March 1993. A unilateral cease-fire agreement was reached on 8 April 1993, according to which both

sides would confine their respective forces to certain designated areas in Kachin State. The Kachins insisted that whereas the other deals were "business deals" the present one was supposed to be the first step towards more comprehensive peace talks between the central government and all ethnic rebels.

The State Law and Order Restoration Council (the central government) would probably decline to talk to fronts such as the Democratic Alliance of Burma (DAB), an umbrella organization comprising nearly 20 different ethnic rebel armies and underground groups. (FEER 01-04-93 p. 28, 22-04-93 p.9)

Peace talks in the Philippines

Agreement to begin talks before the end of June 1993 was announced after a meeting in Jakarta on 14-16 April 1993 between NUR MISUARI, leader of the (Muslim) Moro National Liberation Front (MNLF) and a Philippine government panel. The talks would deal with the question of self-government for Islamic provinces in Mindanao. The government agreed to allow the Organization of the Islamic Conference (OIC) to act as a facilitator at the talks which would be held somewhere in Mindanao.

The talks would be based on the implementation of the 1976 Tripoli Agreement which ended years of bloody hostilities. The Agreement promised autonomy for 13 Mindanao provinces and allowed the MNLF to establish its own security force.

The MNLF had repeatedly accused the government of failing to implement the agreement. The MNLF had opposed the 1990 government-organized referendum because of alleged disconformity with the Tripoli Agreement. In that referendum only four Muslim-dominated provinces (Lanao del Sur, Maguindanao, Sulu and Tawi Tawi) voted to join the now-formed Autonomous Region of Muslim Mindanao.

The MNLF had been largely moribund since MISUARI and then president AQUINO signed a second peace accord in 1986. (FEER 06-05-93 p. 28)

INTELLECTUAL PROPERTY

China joins Copyright Convention

China notified the UNESCO on 31 July 1992 that it had decided to join a global copyright convention. On 14 October 1992 Chinese officials announced that a start would be made with the implementation of two international pacts, namely, the Berne Convention on Protecting Literary and Artistic Works and the Universal Copyright Convention. (IHT 1/2-08-92)

Taiwan-US dispute on copyrights

Taiwan and the US ended talks on 9 December 1992 without reaching agreement on US charges that Taiwan had failed to protect foreign copyrights. The US accused Taiwan of violating a bilateral pact of 1989 prohibiting the import from third countries

of US-made laser disks containing films and music. The Taiwanese side denied the charges, saying that free imports of copyrighted items did not violate the 1989 agreement and that Taiwan would not revise any laws to accommodate the US demands. (IHT 10-12-92) On 8 April 1993 Taiwan agreed to accept the US demand, but only in principle and although it asked that products for non-commercial purposes be allowed to be imported even without prior approval from the copyright holders. (IHT 09 and 10/11-04-93)

The 1989 Agreement was only partly ratified by the Taiwan parliament in January 1993, but on 22 April 1993 the Taiwanese legislature finally gave its approval to the treaty in its entirety. (IHT 23-04-93; FEER 06-05-93 p.14)

The US also contended that Taiwan had failed to create an inspection system to prevent exports of pirated computer software and demanded that Taiwan protect patents on US pharmaceutical products registered before 1986. Taiwan was only willing to protect the drug patents from 1986 onward.

Taiwan had revised its copyright law in May 1992 to strengthen protection for foreign films, music recordings and computer software. (IHT 10-12-92) Nevertheless the US issued an ultimatum on 10 June 1993 demanding that Taiwan pass new laws on intellectual property before 1 July 1993. (IHT 10-12-92, 09-04, 10/11 and 23-04-93, 11-06-93; FEER 06-05-93 p. 14)

Indian-US dispute over patent protection of pharmaceutical products

The Indian Institute of Chemical Technology (IICT) had discovered a process for manufacturing the (Aids-inhibiting) drug AZT, different from that used by the US producer Burroughs Wellcome, US subsidiary of the London-based Wellcome Foundation. The process was licensed to the local drug firm Cipla which would consequently be able to market the product at a quarter of the price of Burroughs Wellcome's imports. IICT also set up deals with the Brazilian firm Labogan and the local Lupin Laboratories.

The Indian activity is legal under Indian law. The 1970 Indian Patent Act does not afford protection to original producers of health, drugs and foodstuffs if substitute products are manufactured through different processes, making drug prices in India the cheapest in the world. The discoverer of a drug can take out Indian patents on all conceivable processes but the Wellcome Foundation had not done so. However, Cipla would not be able to export its product to countries which have a patent on AZT.

As a result of the Indian-US dispute on intellectual property rights the US had already withdrawn developing country preferences on imports of Indian drugs and chemicals. (FEER 01-10-92 p. 78, 10-12-92 p.7)

INTER-STATE RELATIONS: GENERAL ASPECTS

Pakistan-Uzbekistan

On the occasion of a visit by the Uzbek President to Pakistan the two countries on 13

August 1992 concluded three agreements on investment and cooperation in postal and telegraphic services, power generation and irrigation. (FEER 27-08-92 p.12)

India-Pakistan

The two countries on 19 August 1992 signed agreements prohibiting the use of chemical weapons and setting out a code of conduct on the treatment of diplomats. They also ratified an agreement on advance notice of military exercises, manoeuvres and troop movements and permitting overflights and landings by military planes. (IHT 20-08-92)

As a result of a dozen explosions in Bombay on 12 March 1993 tensions between India and Pakistan heightened as individual Indian officials charged that Pakistan had played a role in the bombings. It was reported that the US intervened vigorously to calm tensions because US diplomats feared that India might take military action against Pakistan by way of response. (IHT 16-04-93)

India-Central Asia

The Indian Prime Minister made a four-day official visit to Uzbekistan and Kazakhstan in May 1993. This reflected a policy decision to promote links with secular political forces in the new Central Asian republics. (FEER 03-06-93 p.14)

China-US

China warned the US on 3 September 1992 that it might withdraw from arms-control talks and withhold its cooperation at the United Nations unless the US revoked its decision to sell F-16 fighter jets to Taiwan. (*see* Arms supplies) In lodging the strong Chinese protest the Vice Foreign Minister said to the US Ambassador that the deal would "lead to a major retrogression in Chinese-US relations and [would] inevitably cause a negative impact on Chinese-US cooperation in the United Nations and other international organizations." He also said that "China would find it difficult to stay in the meeting of the five permanent members of the UN Security Council on arms-control issues". [The five UN Security Council members which are also the world's main weapons producers, agreed in 1991 after the Gulf War to clamp down on the arms race to Third World "dangerous" countries and to exercise closer supervision of arms exports to the Middle East.] The Chinese Foreign Minister, referring to the US decision to sell F-16 jet fighters to Taiwan in violation of the 1982 accord, said: "In arms control, good faith is first and foremost. Without good faith there would hardly be any arms control."

In late November 1992 it appeared that China had also suspended its formal dialogue with the US on human rights, in response to the sale of jet fighters to Taiwan. (*see* Human Rights)

Other strains in the relationship came from China's growing trade surplus with the US (second only to Japan's), the fact that China seemed not to have fully kept a promise (allegedly made to the US Secretary of State in 1991) to allow all dissidents to leave

China, and the slow pace in which China was implementing an agreement on curbing the export of goods made with prison labour.

On the other hand the US Commerce Secretary went to China in mid-December 1992 to restore the annual cabinet-level economic talks which had been suspended since the 1989 rift. It was generally thought that this mission was partly to balance a visit to Taiwan in early December by the US Trade Representative. (IHT 04-09 and 17-09-92, 25-11-92; FEER 10-12-92 p.11)

China-Laos

Although China had supported the Lao communists against the former regime, relations between the two countries deteriorated after the communist victory in 1975 when Laos aligned itself with Vietnam and the Soviet Union and particularly when Laos sided with Vietnam following the latter's intervention in Cambodia in 1978. Ties began improving with mutual visits by the leaders of the two countries in 1989 and 1990 and the conclusion of several economic agreements. (FEER 06-08-92 p.14)

Thailand-Laos

Relations between the two countries began improving after the brief war over a disputed border area in early 1988 and the subsequent collapse of the Soviet Union. Mutual visits by the countries' leaders resulted in a mutual troops withdrawal from the disputed area, a reduction of Thai tariffs on Lao agricultural exports and a Thai aid offer to provide technical training.

Unresolved issues are the disputed points along the long common border and the 45,000 Lao refugees living in camps in Thailand. Contrary to the Thai desire to be no more than a country of provisional refuge, by May 1992 only 10,315 refugees had returned home under a voluntary repatriation scheme initiated by the UNHCR. (FEER 06-08-92 p. 15)

Thailand-Vietnam

The two countries signed agreements on 23 December 1992 on eliminating double taxation and on the establishment of a long-term credit fund to help Vietnam buy Thai goods. (FEER 07-01-93 p. 63)

US-Laos

The two biggest issues straining US-Lao relations have been the opium production in Laos and the issue of US servicemen missing in action in the Indochina War. Laos agreed to more joint searches for the servicemen, and opium output had fallen by 27 per cent in 1990 and 1991 compared with 1989. In November 1991 the US agreed to upgrade diplomatic relations to ambassadorial level, and US companies emerged as the

second largest foreign investors in Laos thanks largely to two oil-exploration contracts. (FEER 06-08-92 p.15).

Japan-Russia

The Russian President on 9 September 1992 abruptly postponed an imminent visit to Japan, scheduled for 13–18 September. According to a brief announcement the decision to postpone was made “taking into account the existing circumstances and following an exchange of views with the leadership of the Russian Government, the Supreme Soviet and the Security Council.” It was reported that the President told a cabinet meeting on 10 September that the visit had been delayed for a number of reasons, and in particular, because natural gas contracts with Japan (and Korea) had not been ready to be completed. (IHT 10 and 11-09-92)

The visit, rescheduled in April 1993 when Russia proposed a visit for May, 1993, was again put off on 5 May 1993. According to a presidential spokesman the visit was postponed by mutual agreement till the autumn (IHT 06-05-93) but according to Japanese officials they first heard about the cancellation over television rather than through diplomatic channels. According to the same sources the reason for the failure of the first as well as the second trip was essentially the same: Russia was not prepared to talk about the disputed islands. (IHT 15-04-93, 07-05-93)

In both countries conflicting claims to four islands north of Japan had swelled into heated issues of national honour, blocking any compromise and any chance of a meaningful visit. Naval officers say Russia needs the strait between the islands to send nuclear submarines into the open Pacific. (IHT 10 and 11-09-92, 15-04-92, 06-05 and 07-05-93)

North Korea-US

(see also: Nuclear capability, *infra* p. 431)

According to newspaper reports the North Korean Government sent an appeal to the United States on 8 September 1992 for a major improvement in relations and a series of high-level meetings, but the US State Department repeated its insistence on a much stronger regime of inspections of the Korean nuclear installations before moving toward closer ties. The appeal was not the first in its kind and was in accordance with North Korean efforts to negotiate with the US apart from South Korea. (IHT 18-09-92)

The first high-level meeting between the US and North Korea since the Korean War was held in New York in January 1992. The US then affirmed that it would upgrade its dialogue with North Korea only after the latter had worked out a satisfactory bilateral inspection regime with South Korea, and that improvement of relations would depend on North Korean ending its exports of ballistic missiles and missile technology and paying greater respect for human rights and the resolution of bilateral issues such as US servicemen missing during the Korean War (IHT 18-09-92; FEER 01-10-92 p. 9).

China-South Korea

(See also: Divided States: Korea, *supra* p.367)

The two countries signed a normalization agreement on 24 August 1992, some 42 years after Chinese volunteers crossed the Yalu River to fight the US-backed South Korean forces. (FEER 03-09-92 p. 9-10)

The President of South Korea made his first official visit to China from 27-30 September 1992 after the establishment of diplomatic relations between the two countries. The visit produced wide-ranging economic agreements, covering trade and investment and scientific and technological cooperation. It was reported that the South Korean president won China's implicit agreement to use its good offices to get North Korea to permit bilateral inspections of its nuclear facilities. (IHT 01-10-92; FEER 03-09-92 p. 9-10, 08-10-92 p.10)

China-South Africa

While there was Chinese support for the ANC idea that formal relations would await the establishment of a South African interim government with black participation the two countries started the exchange of informal representatives. (FEER 15-10-92 p.12)

Japan-China

(see also: World War II)

The Japanese Emperor visited China from 23-28 October 1992, being the first Japanese Emperor ever to do so. The visit took place on the occasion of the 20th anniversary of the normalization of Sino-Japanese relations in 1972 but according to Japanese government officials the broader purpose was part of Japan's "consistent and sustained effort to put behind us the troubles rooted in the last war." In his official speech the Emperor "deplored" the "unfortunate period" in which Japan "inflicted great sufferings on the people of China".

The only official war reparations China ever received were 34 warships presented in 1947 when the remnants of the Japanese fleet were parcelled out among the four main World War II victors. When Sino-Japanese diplomatic relations were established, China renounced reparation claims. However, a number of private claims against the Japanese State and Japanese companies for war reparations are still pending.

China was considered to have accepted an expanded international and regional role for Japan when the General Secretary of the Chinese Communist Party during his visit to Japan in April 1992 said: "The Chinese Government and people...support Japan in playing a positive role in the defence of peace in Asia and the world and in promoting the common prosperity of all countries." (IHT 24/25-10-92; FEER 13-08-92 p.11, 29-10-92 p.18; FEER 05-11-92 p.13)

Papua New Guinea—Solomon Islands

At a meeting held at Port Moresby on 26 February 1993 the foreign ministers of the

two countries agreed to conclude a framework treaty which was to be called "Special Agreement Guiding Relations between the Independent States of Papua New Guinea and Solomon Islands". The ministers also signed an agreement on interim arrangements for border surveillance and administration pending the conclusion of a Basic Agreement on Border Arrangements. (UNdoc.A/48/111-S/25394 of 10-03-93)

ASEAN and Vietnam and Laos

Vietnam and Laos signed the ASEAN Treaty of Amity and Cooperation in 1992 and became observers at its annual meeting of foreign ministers. (IHT 24/25-10-92)

Senior officials of Vietnam and ASEAN countries on 22 February 1993 endorsed a plan that would enable Vietnam to join ASEAN, possibly within a few years. The report cautioned against any attempt to seek the kind of close-knit economic and political union as envisaged in Western Europe. The report said that because it is such a diverse region Southeast Asia must "strive to be, not a supranational community...but a community of different nations and different peoples with their own identities". (IHT 23-02-93)

Japan-North Korea

The normalization talks began in January 1991 but collapsed on 6 November 1992 as the North Korean side refused to discuss the case of the woman who, according to Japan, was abducted 13 years ago from Japan and forced to tutor North Koreans (*see* 2 AsYIL 330), and another woman convicted of the 1987 bombing of a South Korean airliner over Myanmar. (IHT 7/8-11-92)

Iran and Iraq-US

According to senior US officials the US Government had concluded that the leadership of Iraq and Iran would remain hostile to the US for the foreseeable future and that new steps should be taken to isolate both States. The policy was said to also reflect advice given to the US by Middle East leaders. Contrary to past US practice of building up one state in hopes of balancing the other's military and political influence the new objective would be to ensure that both countries remain equally weak for an indefinite period. (IHT 24-05-93)

The vice-president of Iran said on 27 May that Iran would be ready for direct talks with the US if the latter ended its freeze on Iranian assets. (IHT 28-05-93)

South Korea-Russia

The Russian President made his first Asian visit to South Korea from 18-20 November 1992 during which three agreements were signed: a basic relations treaty providing a legal framework for closer economic, political, scientific and cultural

cooperation, a military agreement on exchange visits and a double taxation agreement. The Russian President suggested that Russia would no longer honour a 30-year old Soviet pledge to defend North Korea in case of war, and said that Russia would no longer provide military aid to North Korea. (*see infra*, p.402) Further, he formally apologized for the Soviet support for the North during the Korean War and for the 1983 incident whereby a Korean Airlines plane was shot down by a Soviet jet fighter. (IHT 19 and 21/22-11-92;FEER 03-12-92 p.15)

Vietnam–France

The President of France arrived in Vietnam on 9 February 1993 as the first Western head of State to visit the country since the end of the Vietnam War. He pledged to overturn the US economic embargo and said that France would intervene to restore Vietnam's eligibility for IMF and World Bank loans. It was also reported that France would double its direct financial aid to Vietnam in 1993 to \$65 million and that the president had agreed to consider the Vietnamese request to cancel its \$290 million debt to France. In 1992 France was Vietnam's third largest donor after Japan, which resumed credits in November 1992, and Sweden which never cut its aid.

The visit resulted in six agreements on economic, legal, medical and cultural cooperation, among which an agreement on double taxation and another on the upgrading of the Vietnamese legal system.

Referring to the Indochina War the president said it "appeared to me to be a mistake" and he found it satisfying that France was the first Western country "to show its desire for reconciliation." Comparing to the reconciliation with the former enemies in Europe he said: "Why not do the same elsewhere?" (IHT 10 and 11-02-93;FEER 11-02-93 p.12,25-02-93 p.11)

Vietnam–China

The Chinese Prime Minister visited Vietnam from 30 November to 4 December 1992, the first such visit in more than two decades. The Prime Minister denied that China wanted to expand its influence in the region and also that China planned to buy an aircraft carrier from Russia or Ukraine.

The visit resulted in four agreements mutually guaranteeing foreign investment and encouraging economic, scientific and cultural cooperation. Besides there was a Chinese interest-free credit of \$14 million. (IHT 01 and 03-12-92;FEER 17-12-92 p.23)

China–Russia

The Russian President visited China from 17 to 20 December 1992. Describing the nature of the visit he marked a new stage in relations that emphasize economic and security cooperation and forsake ideological disputes. The two sides signed 24 joint statements, documents and memorandums of understanding. Among these was a joint declaration on basic principles, that is, in essence, a non-aggression pact. Besides there

were agreements on trade and economics, educational and scientific exchanges, border security, military and technical cooperation, arms sales and nuclear power. The two sides agreed to build a nuclear power station for which Russia would give a \$2.5 billion credit. (IHT 19/20–12–92)

Japan–US

A spokesman of the Japanese foreign ministry said on 12 January 1993 that “Japan and the US are entering a new phase where we are going to pursue an equal partnership” and that Japan would not give in to US pressure on global and bilateral issues, including sensitive trade talks. “As an equal partner, many see Japan asserting itself a little more strongly *vis-a-vis* the US.” (IHT 13–01–93)

In a demonstration of the cool stance of the US Government toward Japan, American officials served notice that the Japanese Prime Minister should not expect to meet the new US President until after Japan had taken concrete steps to help ease the huge trade imbalance between the two countries. (IHT 29–01–93) A striking shift of emphasis in the US-Japanese relationship was reported to have taken place as ministers of the new US Government exclusively dealt with economic matters during their first meeting with their Japanese counterparts without in any respect linking it to security issues. (IHT 14–04–93)

Reacting to the meeting between the Japanese Prime Minister and the American President in mid-April 1993 (*see*: International trade) Japanese Government and opinion leaders proclaimed the birth of a more equal and more combative era of US-Japan relations. (IHT 13–0 and 29–01–93, 14–04 and 19–04–93)

India–Russia

During the visit of the Russian President to India in January 1993 the two countries signed ten agreements, the most important ones being a new Treaty of Peace and Friendship (replacing the 1971 Treaty), an agreement on defence cooperation and one on India's debts. Agreement was reached on the supply of spare parts and conventional weapon systems (*see*: Arms supplies), the sale of a long-range rocket (*see*: Missile technology) and on a settlement of the problem of Indian debts to Russia which had arisen as a result of the sharp drop in the value of the ruble. (IHT 29–01–93; FEER 11–02–93 p.18)

India–Southeast Asia

It was said that the visit by the Indian Prime Minister to Thailand in early April 1993 was a significant step in a new Indian economic and political thrust into ASEAN, replacing its previous Soviet-oriented policy. Consequently, during a press conference the Indian Prime Minister reportedly took pains to identify with ASEAN by pointing out shared Asian values, such as in the field of human rights. Since 1992 India had become a South Asian “dialogue partner” of ASEAN. (FEER 22–04–93 p.16)

India–Myanmar

The change of policy also had its impact on the Indian attitude towards Myanmar. In the past years India had been highly critical of the Myanmar government's treatment of dissidents but it was now turning to a line of "constructive engagement" as had been done by ASEAN.

Cooperation between the two countries is needed in managing their common border against drug trafficking, smuggling, and insurgency. As a result of the visit by the Indian Foreign Minister in late March 1993 informal cooperation between the border forces of the two sides was to be put on an official footing and both sides would extend to each other facilities for transborder pursuit of rebels.

There are about 14,000 Myanmar political refugees in India. In April 1993 the Indian government decided to put all these refugees to government-run camps on the Indo-Myanmar border. (FEER 06-05-93 p.12)

Asia–Russia

In a speech to the Indian parliament on 29 January 1993 the Russian president urged a realignment of Asia's largest states—thereby referring to Russia, India and China—in a "major force" to balance US and European interests. (IHT 30/31-01-93)

Iran's attitude towards the outside world

The President of Iran granted his first news conference with foreign reporters in two years on 31 January 1993. In it he said that a resumption of diplomatic relations with the US would require "some goodwill gestures", "some signal of goodwill in practice and not in theory." One such gesture would be the freeing of billions of dollars in Iranian assets frozen in the US. Iran demanded \$11 billion for military equipment ordered by the late Shah before the 1979 revolution. The relations were severed after Iranian militants seized 52 hostages in the US embassy in November 1979.

As to Iraq the President said that although he saw the regime of President Saddam Hussein as a destabilizing force in the region, he opposed US intervention: "We do not think the solution is that a power like the US comes to the region and takes control of the fate of the Iraqi people. We suspect the intentions of the US and the West." (IHT 01-02-93)

North Korea–Russia

Russia had proposed and North Korea had agreed to amend their 1961 friendship treaty to reflect the changing international situation, in particular with regard to the Russian commitment to intervene on behalf of North Korea in the event of armed conflict. (IHT 6/7-02-93)

It was later reported that North Korea agreed reluctantly to a Russian demand not to employ Russian nuclear scientists and engineers. The demand was reportedly caused

by Russian concern about allegations that North Korea was developing a nuclear bomb and was accompanied by a threat to sever ties. (IHT 18-02-93)

Iran-Arab States

Algeria severed diplomatic relations with Iran, accusing it of trying "not only to destabilize Algeria but the whole of the Muslim world and to undermine the image of Islam in the world." Algeria had already recalled its ambassador from Tehran in January 1992, and the mutual diplomatic representations were reduced in November 1992.

It was later reported that Egypt and Algeria had stepped up denunciations of Iran, asserting that it was supporting Islamic rebels in their countries. (IHT 29-03-93, 10/11-04-93)

Iran-Russia

On 29 March 1993 the two countries announced the conclusion of three agreements. The first established the framework for regular political consultation between the foreign ministers and the exchange of diplomatic delegations. The second is a consular agreement providing for, *inter alia*, the abolition of visa requirements for diplomatic and service passports. The third is a declaration of principles on which economic and political cooperation will take place. (BLD 16-04-93)

North Korea-China

It was reported that Chinese attempts to persuade North Korea to cancel its announced withdrawal from the Nuclear Non-proliferation Treaty (*see*: Nuclear capability) had run into fierce resistance: North Korea refused to receive a Chinese high-level delegation planned to take part in birthday celebrations for the North Korean President, suspended travel permits for several North Korean delegations that were to have visited Beijing for normal exchanges, and increased its guard force on its side of the Chinese border. (IHT 28-04-93)

(NON-)INTERFERENCE IN INTERNAL AFFAIRS

See also: Broadcasting, Specific territories within a State: Kashmir

Rejection of protest over arrest of dissident

China rejected US and French protests over the arrest of a dissident. The Foreign Ministry spokesman said that the man was a Chinese citizen and that he had broken Chinese law after his return from exile in the US. "This is not a matter for the US nor is it a matter for France. Their protests are unreasonable." (IHT 04-09-92)

Expulsion of militant Muslims

(*see also*: Immigration, *supra* p. 392)

The Acting Prime Minister of Pakistan told the meeting of the Organization of the Islamic Conference foreign ministers on 25 April 1993 that Pakistan would expel militant Islamic fundamentalists of foreign nationality who, he said, were using Pakistan as a base to engineer violent uprisings in their homelands. This was because "Pakistan cannot allow its territory to be used for any undesirable act against another State." (IHT 26-04-93)

Alleged Pakistani involvement in Bombay bombing

As a result of a dozen explosions in Bombay on 12 March 1993 tensions between India and Pakistan heightened as Indian officials charged that Pakistan had played a role in the bombings. The bombings caused the death of at least 250 people, 1,400 people injured and heavy damage to the stock exchange building.

On 21 April 1993 and again on 14 May the Indian Home Minister gave a statement on the matter in parliament, referring to a conspiracy involving a Dubai-based smuggler and a Bombay family. Some 20 underworld figures had been recruited in Bombay and sent to Pakistan for training, while explosives and arms had been landed at fishing villages near Bombay. (FEER 06-05-93 p.14)

It was reported that the US intervened vigorously to calm tensions because US diplomats feared that India might take military action against Pakistan by way of response. (IHT 16-04-93, 15/16-05-93; FEER 06-05-93 p.14)

INTERNATIONAL TRADE

See also: Association of Southeast Asian Nations

Singapore-Vietnam agreement on maritime transport

A maritime transport agreement was concluded (on 16 April 1992) to foster greater cooperation and strengthen trading links between the two countries. The agreement was the fifth shipping agreement entered into by Vietnam, the others being concluded with France, Malaysia, China and Thailand. Singapore remained by far the largest trading partner of Vietnam. Under the agreement vessels of both countries will be accorded MFN status. For the first time an arbitration agreement allowing for the prevailing rules of the Singapore International Arbitration Centre (SIAC) to apply in an arbitration had been provided. A similar arbitration clause was included in a later trade agreement which was concluded on 24 September 1992, which also allowed for arbitration according to the rules of the Vietnamese International Arbitration Centre.

Sino-US trade tension

The US announced on 21 August 1992 that it had drawn up a "hit list" of \$3.9

billion worth of Chinese exports for punitive tariffs unless the two sides would reach an agreement by 10 October 1992 about American access to the Chinese market by way of the lifting of various non-tariff barriers. It was the largest such list ever published by the US. According to the assistant US trade representative the list had been designed with two criteria in mind: one was to avoid harm to American users of Chinese products by picking product areas in which China was not the sole supplier. The second was to minimize the impact on the Hong Kong economy. The US had begun an investigation of Chinese practices believed to affect US exports under Section 301 of the US Trade Act. (*see* 2 AsYIL 333)

If the US trade representative would have determined by 10 October that Chinese trade practices were harming US commerce, the US would impose tariffs of up to 100 per cent on Chinese exports. On 9 September 1992 China for its part threatened to hit \$4 billion of US imports with punitive tariffs in case of US action.

The US wanted China to publish all its laws and regulations pertaining to foreign trade, many of which were not publicly available, and to eliminate restrictive import bans, quotas and licensing that US officials said had prevented American products from being sold in China. As to quotas and licensing requirements the question was when rather than whether China would eliminate them. The transparency question was more difficult to solve as it would require China to publish a huge body of unwritten trade regulation and nationally standardize rules which were currently regionally divergent. Besides the US trade representative demanded that the principle of transparency include a statement of the Chinese export objectives and import priorities.

On 10 October 1992 the two sides finally signed a trade agreement that will phase out most Chinese import licenses, quotas and other controls, and that averted a US-China trade war. China agreed to remove 75 per cent of its existing licensing controls, quotas and other non-tariff barriers within the first two years of the agreement. China is also required to make public all internal laws, policies and guidelines dealing with exports and imports. Under the agreement the US should be able to sell China more goods and thereby reduce a growing trade deficit with China that threatened to reach more than \$17 billion in 1992. US exports grew an average 25 per cent during the past two years and China had become one of America's fastest-growing export markets.

In late November 1992 the Chinese Government indicated that it would offer the same terms it agreed to in the Sino-US agreement to the rest of its trading partners worldwide.

In its effort to speed up its re-entry into the GATT and by way of fulfilling the trade agreement concluded with the US in October 1992 China on 15 December 1992 announced its largest reduction of imports tariffs ever. By 31 December a reduction of 7.3 per cent of the general import duties would be effected and, besides, it promised to cut its overall level to 15 per cent comparable to that of other developing countries in the GATT. It was also announced that China would reduce the need for licences on two-thirds of imports within two years, and that all documents on trade management would be made public in a year, after which the government would only implement regulations that are on public record. (IHT 22/23 and 24-08-92, 10-09-92, 12-10-92, 30-11-92, 16-12-92, 21-04-93; FEER 22-10-92 p.56)

Resumption of Sino-US Trade Forum

Regular Sino-US ministerial-level trade talks that were started in the eighties in a Joint Commission on Commerce and Trade and were suspended after the Tienanmen incident were to be resumed in December 1992. (IHT 30-11-92)

Sino-US dispute over inter-modal transport market

The US shipping giant Sea-Land believed it had been promised a licence to operate its own container trucks between Hong Kong and Guangzhou (Canton), starting from 1 March 1993, but it appeared later that the Guangdong provincial authorities were threatening to renege on the promise.

There were indications that Sealand got caught in a bureaucratic wrangle as the Sino-US shipping agreement under which the licence would have been issued and which was extended in September 1992 was concluded and implemented by different Chinese authorities.

China had long placed strict limits on the access of foreign shippers to its markets but in 1991 US carriers won the right to open branch offices and operate feeder lines into Chinese ports. (FEER 25-02-93 p. 49)

South Korean-US "Presidents' Economic Initiative"

The presidents of the two countries signed an agreement on 2 October 1992 under the name of Presidents' Economic Initiative, under which South Korea would dismantle non-tariff barriers to US exports by the end of 1993 as well as enact legislation to protect the intellectual-property rights of US companies. In return the US promised to facilitate high technology investments by US companies in South Korea.

The talks began in January 1992 when the US President asked Korea to engage in market-opening negotiations similar to the Structural Impediments Initiative with Japan (*see infra*, p. 411), and on 7 August 1992 a package of recommendations was initialled. (FEER 20-08-92 p. 58, 22-10-92 p. 50)

The replacement of non-tariff barriers and the Japanese and Korean ban on rice imports (*see: AsYIL*, Vol. 1 p. 316, Vol. 2 p. 336)

The Director-General of the GATT called on Japan for an across-the-board conversion of non-tariff import barriers to tariffs, but the Japanese Government objected against it, particularly with regard to the import of rice. It cites the necessity of maintaining self-sufficiency in its staple grain as the reason for the ban.

South Korea received a similar suggestion to end its ban on rice imports and to allow outsiders to supply up to five per cent of the country's consumption. He suggested the replacement of the ban by the introduction of very high tariffs which would allow the minimum market access of 3-5 per cent. The Korean ban is explained by the heavy dependence of its farmers on the rice crop.

The Japanese Prime Minister said in a news conference on 12 December 1992 that his government was formulating a policy that would both protect farmers and prevent a failure [of the Uruguay Round of talks under the auspices of GATT]. He proposed a two-tier tariff plan, under which the first 10 per cent of imports would be subject to very low tariffs and the following 20 to 30 per cent to very high tariffs. Under the Japanese Food Control Law virtually all rice imports are banned. (IHT 02 and 05/06–09–92, 23–11–92, 14–12–92)

US most-favoured nation treatment for China

(see also: AsYIL Vol. 1 p. 318, Vol. 2 p. 334)

The US President on 29 September 1992 vetoed a bill in which the US Congress required that extension of the MFN status for China be dependent on human rights in China. The President said that he shared the goals of the legislature but that it could “throw thousands of Americans out of work.” On 30 September 1992 the presidential veto was overruled by the House of Representatives. (IHT 30–09 and 01–10–92) It was reported that legislation had been re-introduced in the US Senate that would demand China make “significant progress” in human rights, free trade and other areas to gain renewal of its MFN status in June 1994. (IHT 24/25–04–93) (IHT 5/6–06–93)

Meanwhile American companies vigorously lobbied for extension of the MFN status of China. Trade analysts estimated that exports to China created about 150,000 jobs in the US. In 1992 China spent \$7.47 billion in the US, and exported for an amount of \$25.68 billion. (IHT 8/9–05–93)

On 28 May 1993 the US President by executive order renewed MFN-status for China for another year, but attached conditions to further extensions beyond June 1994. Two mandatory conditions were (1) that China grant freedom of emigration to its people and (2) that it comply with a 1992 bilateral agreement which was supposed to end exports to the US of products using prison labour. In addition five areas were listed in which China must make “overall, significant progress”: (1) adhering to the Universal Declaration of Human Rights, (2) releasing and accounting for political prisoners, (3) ensuring humane treatment of prisoners, including allowing access to prisoners by international humanitarian and human rights organizations, (4) protecting Tibet’s “distinctive religious and cultural heritage”, and (5) permitting international radio and television broadcasts into China. It was expected that China would honour the prison labour agreement anyway and free emigration is one of the existing requirements governing the granting of MFN-status to Communist countries.

Apart from the executive order the president wrote in a letter to Congress that next year the government would also consider whether China had made “overall, significant progress” in a number of other areas, including: stopping forced abortion and sterilisation, ending religious persecution, seeking to resume dialogue with the Dalai Lama on Tibet, and ceasing the jamming of Voice of America broadcasts. The executive order distinguished MFN renewal from arms proliferation and trade issues, which would be negotiated separately. In three separate accords in 1992 China agreed to limit its exports of ballistic missile technology, to protect foreign copyrights and trademarks, and to lower tariffs on a broad range of goods. (IHT 30–09–92, 01–10–92, 24/25–04–93, 8/9–05, 26–05, 28–05, 29/30–05 and 31–05–93, 5/6–06–93; FEER 10–06–93 p.13)

NOTE: Under 1974 legislation, "non-market" economies are eligible for MFN-status only if the president annually certifies that open trade would advance the cause of human rights. Congress has 90 days to disapprove of the president's decision. The President, in turn, has the authority to veto the disapproval, subject to a two-thirds overrule by both House and Senate.

Cancellation of Sino-US aircraft lease agreement

New China Air, the Chinese all-cargo airline canceled an agreement to lease 4 Boeing 737s from the American company BWY Ltd., a New-York-based company. It did so after Chinese Government officials had warned "to consider that if we chose Boeing we would have to take into account the unpredictable nature of the relationship between the US and China." New China Air would lease the aircraft from Lufthansa instead. (IHT 10/11-10-92)

ASEAN response to Austrian action on tropical timber

Malaysia protested to GATT on 4 November 1992 on behalf of ASEAN against Austrian efforts to have tropical timber products labelled. The Malaysian minister for primary industries recalled that Austria itself produces 12 million cubic meters of temperate timber products. The Malaysian protest stated, *inter alia*, that the Austrian action was "an attempt to unilaterally decide what constitutes sustainably managed forests when there is still no international consensus on the criteria and determination of sustainably managed forests." (IHT 06-11-92)

Japanese car exports to the European Community (see 1 AsYIL 322)

Japan and the European Community in late 1992 and again in early February 1993 failed to agree on a forecast for new-car demands in the EC in 1993 in order to determine the level of Japanese exports. They could not agree either on a modification of the export-monitoring system for the period between 1993 and 1999.

A monitoring agreement was initially introduced in 1986 and used a demand forecast. The accord was updated in July 1991 for a seven-year transition period from the start of the integrated EC market in 1993 and an end to export restraints in 1999, but doubt remained as to whether the production levels of Japanese producers in Europe would be considered a factor in determining export volumes. Under the existing agreements quotas for the Japanese car imports in Italy, Spain, France and Britain would be abolished in 1993. In spite of the existing arrangements Japan agreed in April 1992 to cut its car exports to Europe by about six per cent from 1.26 million in 1991.

In early March 1993 agreement was finally reached on a forecast of a contracting EC car market in that year, implying a reduction of Japanese exports, but parties still differed over the magnitude of the decline and, consequently, of the cut in Japanese exports. On 1 April 1993 the parties agreed on a common estimate of a decline in

demand by 6.7 per cent in 1993 compared to 1992. Under EC pressure Japan agreed to reduce its 1993 exports to the EC by practically 9.4 per cent, considerably more than the percentage fall of demand. The allowed number would be 1.09 million, compared with 1.19 million in 1992. Two months after the April 1993 agreement, the EC in early June again requested urgent talks to negotiate stricter limits on Japanese car exports to the Community, because of pessimism about the depth and duration of the recession in Europe.

Among the twelve EC members seven did not restrict Japanese imports, while the five that do (France, Italy, Spain, Portugal and Britain) only imported 340,000 in 1992 and were scheduled to lift that number to nearly 400,000 in 1993. The bulk of a considerable further export cut would then have to come in the seven open markets. The April agreement, however, was based on an understanding that the supply of Japanese cars would not be restricted in the open markets. (IHT 02-12 and 03-12-92, 03-03-93, 04-06-93; FEER 15-04-93 p.67)

Voluntary export restraints

Japan announced on 8 January 1993 that it would extend for another year its "voluntary export restraints" for cars to the US at 1.65 million cars for the year beginning April 1993. It was not expected to please US car producers who had been seeking tighter limits. In 1992 the limit was cut from 2.3 million vehicles to 1.65 million but exports were expected to be below the ceiling, as they were in recent years. This was the result of the shifting of production to factories in the US. (IHT 09/10-01-93)

Chinese textiles export to the US

(see 2 AsYIL p. 335)

The US Customs Service announced that it would offer a series of seminars in Hong Kong and China in January 1993 to teach textile manufacturers how to comply with American import laws. This followed a 19-month investigation of China's textile export practices, resulting in indictments of evasion of duties and import quotas.

The US later decided to cut China's textile quota in retaliation for illegal shipments. China said that the measure violated Sino-US textile agreements and that China was considering submitting the case to arbitration. The US said that Chinese companies each year shipped \$2 billion of low-cost garments in violation of US quotas by attaching fake third-country certificates of origin and re-exporting them. China had tried to stop such transshipments by punishing dozens of companies for engaging in transshipping. (IHT 24/25-12-92, 17/18-07-93; FEER 08-10-92 p.83)

Conditions of Sino-North Korean trade

China announced on 29 December 1992 that beginning in 1993 all trade with North Korea must be paid for in cash rather than in barter. China is North Korea's largest trading partner, followed by Japan, the former Soviet Union and Iran. (IHT 30-12-92)

Japanese response to dumping

Japan on 29 January 1993 announced for the first time that it would impose anti-dumping duties. It would impose these duties on imports of ferrosilicon manganese from Chinese companies that it said was sold in Japan at unfairly low prices. China regretted the decision and threatened some kind of retaliation. According to a MOFERT (Ministry of Foreign Economic Relations and Trade) spokesman the decision was made "without consideration of some true and reliable information."

According to a Japanese trade official the Japanese decision was the first of what would become an increasingly common tactic as Asian countries push to open Japan as an export market. The risk for Japan is that the move could backfire. Japan had for a long time pointed to its low general tariff levels and to the fact that it had never resorted to anti-dumping duties to argue that its markets were more open than those of the US or the EC. (IHT 30/31-01-93)

EC dumping investigation into Asian imports

The European Community announced on 10 March 1993 that it had opened dumping investigations into imports of television camera equipment from Japan and electronic components from Taiwan and South Korea, that could lead to punitive duties. The Community defines dumping as selling goods abroad for less than their production cost or less than their home-market prices. On 11 March 1993 the EC said it had imposed provisional anti-dumping duties on bicycle imports from China after an EC inquiry had found a 34.4 per cent difference in the sale price of Chinese bicycles in the Community and in China, and concluded that bicycle imports from China had eroded profitability and undermined investment of EC manufacturers. (IHT 11-03 and 12-03-93)

Asian-African competition in the cocoa market

Producers and consumers of cocoa met in Geneva early March 1993 to agree on measures to support prices, which had fallen to their lowest levels. Cocoa had been depressed by huge stocks built up after a rapid expansion in production in the late 1980s. Production in Indonesia had risen ten-fold in the last ten years to about 215,000 tons a year and Malaysia had doubled its output. African exporters are led by the Ivory Coast with annual output of around 730,000 tons and Ghana with 280,000 tons. Indonesia is neither a member of the International Cocoa Organization of producing and consuming countries nor of the Cocoa Producers' Alliance. The talks centered on a plan to withhold up to 350,000 metric tons from the market but the two sides failed to agree on who should pay for the programme and what prices it should aim at. (IHT 09-03-93)

Draft of US Asian trade policy

It was reported that the US was drafting a trade policy toward Japan, China and South East Asia that would combine aid to American high-technology industries with the opening of Asian markets for these products. The new policy of supporting specific exports would be a sharp departure from the former administration's approach of seeking across-the board trade liberalization which sometimes benefited other countries as much as American companies. Under the new policy trade would become an integral part of US economic and national security concerns. The new policy would not include severe trade restrictions as desired by the automobile and textile industries. It may be tempered by diplomatic and military concerns and consequently lead to a less or a more restrictive trade policy. (IHT 12-03-93)

US Trade and Investment Framework Agreements

The US held talks with Malaysia on the possibility of concluding a TIFA. It already had such an agreement with Singapore (*see* 2 AsYIL 336) and was preparing another with Brunei. Worldwide the US already had 22 TIFAs which are low-key bilateral agreements which provide a framework for consultations. (FEER 03-12-92 p. 6)

Japan-US Structural Impediments Initiative negotiations

The S.I.I. trade negotiations were launched in 1989 (*see* 1 AsYIL 320) and represented the political ascendancy of the "revisionist" school of Japanese studies in the US. This view holds that "Japan is different" and must be made more like the US before its chronic trade surpluses can be trimmed. Meanwhile some important sectors of the US industry were moving in the opposite direction. Instead of complaining about Japan's differences, American companies are teaming up with Japanese ones precisely to get a foothold in the Japanese market. (IHT 04-08-92)

Japanese-US trade

The relative success of the US-Japanese semiconductor trade agreement (*see* AsYIL Vol. 1 p. 321 and Vol. 2 p. 339) under which the market-share of US and other non-Japanese manufacturers had increased from 8.6 to an expected level of 20.2 per cent at the end of 1992 might encourage the US to demand specific market-share goals in other industries in which Japan's market is considered closed. Japan appeared worried about this step toward "managed trade". The call in the 1986 semiconductor agreement for US and other non-Japanese manufacturers to gain 20 per cent of the Japanese market had been regarded by the US as a Japanese commitment while Japan regarded it only as an expectation. It was recalled that in the original agreement of 1986 the call was not even contained in the agreement itself but in a secret side letter and that it was only in the renewed agreement of 1991 that it was put into the main text. The Japanese semiconductor market is about \$20 billion a year.

The US Advisory Committee for Trade Policy and Negotiations, a panel comprising about 40 top businessmen, recommended in February 1993 that the US should press Japan to agree to "temporary quantitative indicators" in sectors where invisible import barriers persisted. These indicators should "reflect a level of global imports which would result if commercial considerations were the sole determinant of the level of [Japanese] imports" in a particular sector.

Speaking of US-Japanese trade the US president said on 23 March 1993: "...we're sometimes in a position of trade deficit, but we're often in a position of trade surplus, with the EC. We once had huge trade deficits with Taiwan and South Korea, but they have changed now quite a bit...But the persistence of the surplus the Japanese enjoy with the US and the rest of the developed world can only lead one to the conclusion that the possibility of obtaining real equal access is somewhat remote."

The US-Japanese trade problems were the main subject of discussion when the Japanese Prime Minister visited the US in mid-April 1993. The two leaders disagreed sharply on "results-oriented" trade negotiations, particularly those setting numerical targets for Japanese imports of US goods. They did agree on the need to create a new framework within three months to address "structural and sectoral issues" that would replace both the SII negotiations (*see above*) and the moribund Market-Oriented Sector-Specific ("Moss") talks. The Japanese argue that US businesses had under-utilized opportunities created by the SII talks and that the US Government was never serious about structural reforms it undertook to implement, such as cutting the budget deficit, increasing industrial competitiveness and improving education and training.

According to the US Secretary of Commerce in late April 1993 the US and Japan were working on two new trade agreements. One would aim at reforming the structure of the Japanese economy to make it easier for foreign companies to compete; it would be the successor to the so-called Structural Impediments Initiative. The other, a so-called "strategic export initiative", would try to improve market access in specific sectors.

In a "Japan paper" spelling out goals for a new economic relationship with Japan, American presidential advisers in May 1993 recommended the US President to adopt a confrontational economic policy that would challenge Japan to cut its worldwide trade surplus by 50 per cent over the next three years. If followed the policy could usher in a tense period in relations between the two countries. US officials said on 27 May 1993 that in an attempt to end criticism that the US is selfishly trying to help only American companies, a new US trade strategy toward Japan would press for increased imports in Japan from all countries. Under this new approach the US might press Japan to increase imports of certain goods by a specific amount without these additional imports having to come from the US. Meanwhile Japan was laying the groundwork to resist such demands. Japan would propose strict ground rules for talks with the US to take place in June 1993, that would exclude, *inter alia*, the setting of numerical targets from the discussions.

The Japanese Prime Minister had already warned earlier that Japan would not accept a trade policy requiring Japan to meet specific targets for increased imports of American or other products, as such policy would be tantamount to managed trade. Meanwhile the Japanese Ministry for International Trade and Industry released a report on 20 May 1993, containing an impassioned defence of Japan's trade system and rebutting charges that Japan's markets are uniquely difficult to penetrate and its

economic system inherently tilted toward running huge surpluses of exports over imports. [On 13 April 1993 Japan announced a \$116.5 billion programme to stimulate its economy but declined to set aside a specific portion for the purchase of imported goods].

Despite the apparently firm Japanese position, some American officials said they saw an opportunity to wrest concessions because Japanese officials were allegedly usually eager to minimize foreign disapproval when the world's spotlight was turned on them, such as at the G-7 meeting.

New US proposals for trade relations were submitted on 8 June 1993, including numerical targets for reduction of Japan's trade surplus and for increasing imports of specific products, but without automatic retaliation if the targets were not met. The proposal called for Japan's current account surplus to be reduced to between 1 and 2 per cent of Japan's economic output in three years compared to about 3 per cent now. It also called for an increase in Japan's imports of manufactured goods by about one third. The proposal would be subject of negotiations aimed at establishing a new framework for Japanese-US trade. (IHT 18-03,22-03 and 24-03-93,13-04,14-04,17/18 and 24/25-04-93,21-05,22/23-05 and 29/30-05-93,09-06-93;FEER 01-04-93 p.80, 29-04-93 p.15)

Access to Japan's construction market

On 30 April 1993 the US launched an offensive to obtain better access to the Japanese construction market. Unless Japan took action within 60 days to improve access for US contractors, Japanese companies might be banned from participating in US public works projects. Japan uses a system in which officials designate a limited number of bidders for each project. As the deadline of 30 June approached there was no easing of the access yet, but it was not expected that the US would introduce retaliatory measures in view of the impending G-7 meeting early July. (IHT 03-05-93,29-06-93)

Access to Japan's supercomputer market

The US started a review of the 1990 US-Japan Supercomputer Agreement, under which Japan was to open up its bidding procedures. The review is to be completed by 31 May 1994, implying that by then Japan should have bought several US computers. While using the term "comparable market access" the US in fact demanded pre-determined shares of the market. The US share of the European supercomputer market was about 85 per cent, against 11 per cent in Japan. (FEER 13-05-93 p.74)

Sino-South Korean trade

Bilateral trade reached a value of \$8 billion in 1992, up 39 per cent from 1991 and more than double the level in 1990. By the end of 1992, 443 South Korean investment projects had been approved. Much of the Korean trade and investment is directed toward the Chinese province of Shandong, opposite Korea. (IHT 07-04-93)

Japanese trade surpluses

Over the past four years Japan's trade surplus with the countries of East and South East Asia more than doubled, to \$42 billion in 1992 from \$18 billion in 1989, while the surplus with the US declined in the same period, to \$43.7 in 1992 from \$45 billion in 1989. Japan's exports to East Asia—\$116.4 billion in 1992—was exceeding those to the US, \$95.9 billion. The issue *vis-à-vis* Asia is particularly complicated because many of the States in that region are also quite protectionist, maintaining the inconsistent position of relying heavily on exports while keeping their own markets relatively closed to others. (IHT 14-04-93)

Japan-Chile trade

Japan and Chile had been quietly enhancing economic and political ties in the last two years. Since 1991 Japan had become Chile's largest export market, and Japanese investments were increasing remarkably. Japan could use Chile, along with Mexico, to circumvent tariff barriers in the Latin American market.

Impact of violation of worker rights on international trade: US-Indonesia

The US Trade Representative (USTR) warned Indonesia that its exports to the US may become ineligible for low tariffs under the US General Scheme of Preferences because of alleged violations of worker rights.

In June 1992, Asia Watch and the International Labour Rights Education and Research Fund (ILRERF), a pro-labour non-governmental organization, separately petitioned the US Trade Representative (USTR) to investigate Indonesian labour practices. Under US law the president must end low tariff benefits under the US General Scheme of Preferences (GSP) to a trading partner which is not "taking steps to afford internationally recognized worker rights." These rights include freedom of association, the right to organize and bargain collectively, a ban on forced labour, restrictions on child labour and acceptable conditions of work.

In April 1993 the GSP subcommittee, a mid-level inter-agency group led by the USTR, took up the Indonesian case with the majority favouring putting Indonesia in the "pending" category. The case then went up to a higher-level trade policy review group where the hardliners would face opposition from the Departments of State and Defence. (FEER 06-05-93 p.9, 13-05-93 p.13)

Sino-EC trade

China and the EC held trade talks on 27–30 April 1993, the first top-level discussions in nearly four years. Unlike the US the EC appeared to keep trade relations at a more strictly business level without attaching human rights conditions. In 1992 the EC trade deficit with China had widened to an estimated \$12 billion. (FEER 13-05-93 p.71)

JAPAN'S MILITARY ROLE

Japanese participation in UN peace-keeping in Cambodia

Japan on 8 September 1992 formally accepted a UN request for 600 soldiers, 75 police officers and eight cease-fire monitors to join the Cambodia mission. This would be the first deployment of ground troops abroad since World War II. Because of opposition in Japan the government agreed to a compromise limiting the military's duties mainly to rear-echelon work such as construction. (IHT 09-09-92)

Doubts arose about the extent to which Japan was prepared to bear the physical consequences of participation in UN forces when a Japanese policeman was killed in Cambodia in May 1993. The Japanese Government made considerable efforts to have the remainder of the civilian policemen withdrawn from dangerous areas to the capital Phnom Penh. (IHT 12-05-93)

Participation in UN force for Africa

The Japanese Government said in early December 1992 that Japan would not participate if the UN decided to send forces to Somalia. A foreign ministry spokesman said that the location is remote from Japan, that Japan's capacities were limited, that Japan had not been asked to play a part in the joint force and that there were legal restraints: the situation which existed in Somalia did not seem to satisfy the requirements of the new law authorizing Japanese participation.

On 26 March 1993, however, the government said that Japan would send military personnel to join UN peace-keeping operations in Mozambique. A Foreign Ministry official said the decision should dispel the impression that Japan was concerned primarily with Asia. "What we are saying is that Japan's concern is more global, that we are ready to go wherever there is a need." After a government fact-finding mission to Mozambique it was decided that the conditions for Japanese participation in UN peace-keeping efforts there had been met, and on 27 April 1993 Japan said that it would send 53 military personnel. (IHT 03-12 and 5/6-12-92, 27/28-03-93, 28-04-93)

Modification of the peacekeeping law

The Japanese foreign minister called for a change in the peacekeeping law to allow Japanese forces abroad to play a military role. He said this was needed "to change the way of interpretation about the constitution so that Japanese soldiers can rush out to help people overseas and settle international disputes." However, when the ruling party planned to open formal discussions in parliament on amending the 1947 constitution the Prime Minister said he did not support such plans, saying that Japan must not repeat its mistakes. (IHT 04-01 and 19-01-93)

Protection of Japanese UNTAC volunteers

Concerned about loss of municipal public support for its first venture in peacekeeping, the Japanese Government had quietly asked the UNTAC to guarantee the safety of Japanese election observers in Cambodia or deploy them only to comparatively safe areas of the country. A Japanese civilian volunteer was killed in an incident in April 1993, and since then the government had been sharply criticized for allowing Japanese civilians to travel into disputed areas of the Cambodian countryside without armed UN escorts. (IHT 29-04-93)

JOINT DEVELOPMENT**Agreement on "Northern Growth Triangle"**
(see 1 AsYIL 329)

Malaysia and Thailand agreed on 7 January 1993 to study the possibility of and to work toward a new "growth triangle" along with Indonesia, linking southern Thailand, northern Malaysia and northern Sumatra and allowing the three countries to tap each other's labour, technology and natural resources. The idea of the triangle was first suggested by Malaysia in 1991. The countries involved planned to ask for ADB assistance in realizing the plan. Among the projects currently discussed were a joint deep-sea fish canning company, trilateral cooperation in the timber and furniture industry and expanded ferry services. (IHT 08-01-93; FEER 21-01-93 p. 59, 03-06-93 p.9)

Joint gas exploration in the Gulf of Thailand

The Malaysia-Thailand Joint Authority (MTJA, see 2 AsYIL 343) was reported entering into discussions with contractors of the joint development area (JDA) on 14 January 1993 concerning the proposed joint gas exploration. Exploration work is expected to start three years after the production sharing contracts are signed.

The JDA, located in the Gulf of Thailand, is a designated overlapping area on the continental shelf of Malaysia and Thailand and covers an area of about 7,200 sq. km. It is about 130 km off Kota Bahru in Kelantan, Malaysia and 120 km off Narathiwatt in Thailand. The MTJA was established under the laws of both Thailand and Malaysia in January 1991 (1 AsYIL 160) and is empowered to assume all rights and responsibilities on behalf of the two governments for the exploration and exploitation of non-living natural resources in the JDA. All costs incurred and benefits derived by the MTJA from activities carried out in the JDA would be equally shared by the two governments. (NST 08-01-93)

“New silk road”

Mitsubishi Corp. and China were reported to contemplate doing a feasibility study for a 6,700- kilometre natural gas pipeline that would run from Turkmenistan through Uzbekistan and Kazakhstan to Xinjiang in Western China. From there gas would be shipped to Japan. (IHT 11-02-93)

Increase of state holding

The government of Papua New Guinea settled a dispute with foreign mining companies on the price to be paid for increased participation by the State in the Porgera gold mines. It was agreed that the State, which already had a 10 per cent stake, would buy an additional 5 per cent share from each of its three Australian partners, so that each of the four partners would thus have a 25 per cent stake. The Porgera gold deposit is one of the richest gold discoveries in the world in the last half-century. (IHT 18-03-93)

Tumen River project

(see: AsYIL Vol. 1 p. 329, Vol. 2 p. 342)

China, Russia and North Korea agreed in principle to lease out land for 20 years for the \$30 billion port and industrial project along the Tumen River. According to the UN-sponsored plan the land, which straddles the three countries, would be managed by an independent, international corporation. (FEER 27-05-93 p.71)

Malaysia-Vietnam

The two countries agreed on 4 June 1993 to share the costs and proceeds from oil exploration in a disputed area of the South China Sea. The area is a 2,200-square km zone southwest of Vietnam and north of Malaysia's east coast and was called “common waters”. (FEER 17-06-93 p.67;BLD 25-06-93)

JUDICIAL ASSISTANCE**Chinese treaties on judicial assistance**

China has entered into bilateral treaties on the matter with 15 States: France, Poland, Mongolia, Belgium, Italy, Spain, Russia, Turkey, Cuba, Thailand, Ukraine, Kazakhstan, Belarus, Egypt and Bulgaria. The treaties provide for cooperation in civil and commercial matters, including the handing over of judicial documents, investigation of evidence and the enforcement of judgments. (BLD 25-06-93)

JURISDICTION

See also: Hong Kong

Backing of the death penalty edict against Salman Rushdie

A majority of the Iranian parliament supported a speech by the State's Religious Leader in which he said that the religious death order against the author four years ago because of his book "The Satanic Verses" must be carried out. However, the parliamentary speaker said on 29 April 1993 that Iran had no intention of sending hit men to carry out the death sentence. (IHT 18-02-93,30-04-93)

Attacks on merchant ships on the high seas

On 2 February 1993 the Japanese freighter *Yusho* was steaming through international waters near the Sakishima Islands some 200 km northwest of Taiwan, en route from Taiwan to Osaka, when an unmarked vessel fired shots at the *Yusho*. Two hours later the same unmarked boat fired at the Panama-registered cargo ship *Orange Ocean*. It refused to identify itself when challenged by a Japanese coastguard cutter but after it was stopped by the cutter the uniformed crew admitted to be Chinese police officers on an anti-smuggling mission. The Japanese embassy in Beijing lodged a protest and received an apology. Yet less than 24 hours after the apology another unmarked vessel fired at the Vladivostok-bound Russian cargo ship *Sukhinichi* near the Japanese island of Ishigaki, of the Sakishima group. Japanese officials confirmed the vessel that fired the shots was Chinese. (FEER 18-02-93 p.21)

LAW OF THE SEA

Raising of the flag of the host state by a visiting warship

A disagreement arose as to the question whether a visiting foreign warship is required to raise the host State's flag upon entering the latter's port. The incident occurred when a French warship visited Haiphong for the first time since the end of French colonial rule in 1954. According to Vietnamese officials it was standard practice for all foreign ships entering Vietnamese ports to fly the Vietnamese flag, but, on the other hand, it was said that international naval protocol would not seem to contain such requirement. (IHT 25-11-92)

LITIGATION

Iranian claim against the US

On 2 November 1992 Iran filed in the Registry of the International Court of Justice an Application instituting proceedings against the US with respect to the destruction of Iranian oil platforms by US warships in 1987 and 1988. (ICJ Communiqué No. 92/26)

MIGRANT WORKERS

See also: Passports and visas

Reverse migration of Japanese-Brazilians

An increasing number of Japanese-Brazilians are leaving Brazil to find employment in Japan. Two years ago Japan adopted a law that almost automatically grants children and grandchildren of emigrants three-year work visas. The number of visa-issues at the Japanese consulate at Sao Paulo jumped from 8,602 in 1988 to 61,500 in 1991. (IHT 15/16-08-92)

Bangladeshi to Taiwan

Bangladesh took the initiative to export skilled and semi-skilled labour to Taiwan. (FEER 20-08-92 p.12)

Foreign workers in Korea

In July 1992 South Korea granted an amnesty for 55,000 illegal foreign workers, more than one-third of whom were ethnic Koreans from China. At the same time the government implemented a new policy providing up to 10,000 visas to enable companies to import foreign workers for on-the-job training. The amnesty and visa schemes reflected a shift in government policy towards limited accommodation of foreign workers. According to immigration department estimates there were about 70,000 foreigners working in South Korea. (FEER 27-08-92 p.58)

Chinese workers as part of purchase agreement

One of Indonesia's largest pulp and paper producers had hired about 700 workers from China as part of a purchase agreement for equipment for coal-fired power plants. Because of strong objections in Indonesia the company had to apologize in parliament and to start sending back the workers. As foreign workers must be shown to have special skills lacking in the domestic market, Indonesian labour union officials

questioned the fulfillment of this requirement with each of the huge number of workers. Besides, the Defence Minister told a parliamentary working committee, "In fact, the main cause of the problem is not the numbers of the foreign workers in itself, but more their country of origin and the ethnic origin of the project owners." (FEER 01-10-92 p. 18)

Numbers of illegal workers

The following numbers were reported regarding illegal workers in the various Asian States: **Singapore** had between 200,000-300,000 undocumented workers, the bulk of whom are Malaysians from over the border. This would be on top of about 30,000 Indians, Malaysians and Chinese who were being assimilated. Some 60,000 of the undocumented workers came from the Philippines, Sri Lanka and Thailand. In the **Malaysian** peninsula alone, nearly 470,000 migrants declared themselves during an amnesty that ended the summer of 1992. In addition, there existed roughly 140,000 Indonesians living illegally in Sabah and another 10,000 in Serawak. **Thailand** was home to some 200,000 illegal workers, of whom some 110,000 were from Myanmar who had been granted "open-door" work permits. 1992 figures from **South Korea** put the number of illegals at 46,000, of which the largest group were Filipinos (17,650), Chinese (9,737) and Nepalese (5,000). **Taiwan** had some 60,000 illegal workers from countries as diverse as Bangladesh, Iran and the Philippines. The biggest attraction, not surprisingly, is **Japan**, where the illegal population in 1992 was estimated at nearly 280,000. It was estimated that nearly 2.7 million foreign workers will be needed by the turn of the century to meet the labour demand, and the Tokyo Chamber of Commerce and Industry was reported to be lobbying for an open quota of 600,000 jobs for foreigners in 1993.

The numbers indicated that the migrants from the region were no longer opting for the four traditional destinations of the past: the US, Canada, Australia and New Zealand. (FEER 29-04-93 p.23)

MILITARY BASES

Russian access to the Cam Ranh Bay base

(see AsYIL Vol. 1 p. 332, Vol. 2 p. 346)

Contrary to earlier reports the Vietnamese foreign minister denied any negotiations with Russia on renewed Russian access to the base. (FEER 06-08-93 p.11)

Return of Philippine bases

The US on 30 September 1992 formally turned over the Subic Bay base to the Philippines. The last 1,700 American troops withdrew to Cubi Point Naval Air Station on the western edge of the complex and would leave by the end of November. This last withdrawal took place on 24 November 1992. (IHT 01-10-92,25-11-92)

Russian bases in Mongolia

Mongolia refused to allow Russia to retain any of the former Soviet bases in its territory, unless for strictly civilian purposes. Russia had requested to retain several signal stations to monitor China. (FEER 17–12–92 p.8)

MILITARY COOPERATION**South Korea—Japan**

The Chairman of the South Korean Joint Chiefs of Staff announced to parliament on 21 October 1992 that South Korea would seek a gradual expansion of military ties with Japan as a result of the rapidly changing military situation in the region. (IHT 22–10–92)

US access to Philippine military installations

The US and the Philippines agreed on 6 November 1992 that US warships, aircraft and troops would continue to have access to military installations in the Philippines even after the US withdrawal from its military bases in that country. This could be interpreted as continued preferential access to the former US military facilities. It was reported that the president preferred an access agreement which would allow the US only a contingent of less than 100 American military advisers who would officially be classified as “consultants”. (IHT 7/8–11–92; FEER 29–10–92 p.9, 19–11–92 p.14)

US—Philippine Mutual Defence Treaty

Apart from the above limited agreement, military cooperation between the two countries after the withdrawal of the US from its military bases in the Philippines is governed by a 1951 Mutual Defence Treaty.

This Treaty states that an armed attack on either party would require each “to meet the common dangers in accordance with its constitutional processes.” To this statement was attached the following: “An armed attack on either of the parties is deemed to include an armed attack on the metropolitan territory of either of the parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific.”

The Philippines’ metropolitan territory, according to the 1898 Treaty of Paris between Spain and the US, basically includes its territorial waters but does not include the Philippines’ continental shelf claim.

On the occasion of the hand-over of the last remaining part of the bases the Philippine president called for a review of the Mutual Defense Treaty “in the context of the Post-Cold War era.” (IHT 25–11–92; FEER 26–11–92 p.20)

Chinese naval visit to India

During the visit by the Indian Defence Minister to China in July 1992 the two countries agreed on the first visit by a Chinese warship to India some time in 1993. Agreement was also reached to develop military academic, scientific and technological exchanges. There were speculations that the efforts to build up a naval relationship were aimed at defusing mutual concerns over the expanding presence of both navies in Asian waters, such as the development of close naval cooperation between China and Myanmar. (FEER 12-11-92 p.30)

Sino—Myanmar cooperation

According to Western intelligence reports China recently not only supplied several patrol boats to Myanmar, but also trained Myanmarese sailors and helped to build naval port facilities, such as a new base on Hanggyi Island at the mouth of the Bassein River and the upgrading of facilities on Great Coco Island near the (Indian) Andaman Islands. (FEER 12-11-92 p.30)

Singaporean military training in Bangladesh

Bangladesh agreed to allow Singapore to train some of its military aircrew in Bangladesh. It was not clear how Bangladesh would be compensated for the use of its facilities. Singapore's army maintains extensive overseas military training facilities in Brunei and Taiwan and the air force conducts regular exercises in Australia. (FEER 11-02-93 p.9)

Thai-US military manoeuvres

It was decided that after a suspension for the past two years the two countries would resume joint military manoeuvres in Northern Thailand in May 1993. (IHT 12-03-93)

Resumption of US military aid to Malaysia and Indonesia

(See also: Sanctions, *infra* p.443)

The US Congress had cut off military training aid to Malaysia because of its refusal to give first asylum to Vietnamese boat people beyond the 300,000 that were already in Malaysia, and the aid to Indonesia was cut off because of the shooting of Timorese demonstrators in 1991. The US started emphasizing resumption of the aid as it was becoming involved in regional security consultations with ASEAN. (*see*: Regional security) (FEER 03-06-93 p.18)

MINORITIES

See also: Insurgents, Migrant workers

Ethnic Nepalese in Bhutan

(see 2 AsYIL 349)

In a "letter to the Editor" [of the *International Herald Tribune*] the First Secretary of the Royal Bhutanese Embassy at New Delhi wrote, *inter alia*:

"Bhutan's population of about 600,000 comprises two broad ethnic groups, the Drukpas of the North, the original inhabitants, and the Lhotshampas of the South, who are recent immigrants of Nepali origin.

The first influx of Nepali immigrants into Bhutan took place in the first half of this century. In 1958, these immigrants were granted citizenship as a one-time measure only. Over the past three decades, a continued influx of illegal economic migrants has raised the number of ethnic Nepalis in Bhutan to almost a third of the total population.

Bhutan became aware of this serious threat to its stability and security when agitation by ethnic Nepalis for a separate State was launched by the Gurkha National Liberation Front in the mid-1980s in neighboring areas of India.

A nexus of illegal immigrants and a section of the southern Bhutanese people with vested interests bitterly opposed the efforts of the government to curb illegal immigration...."

According to the letter the dissident (Nepali) groups enticed ethnic Nepalis (from Bhutan) to come to camps in Nepal and register as "Bhutanese refugees", and that in response people in southern Bhutan had been leaving the country. As to the alleged "cultural cleansing" the letter denied any campaign to force people to wear the national dress and speak the Dzongkha language, and emphasized that the policy of promoting the national dress and language was endorsed by the southern Bhutanese people in large public meetings. (IHT 06-10-92)

Korean minority in Japan

Contrary to Koreans who have migrated to other countries, most of the 600,000 Koreans in Japan have chosen to remain Korean nationals. According to figures of the Japanese Justice Ministry, 161,212 Koreans had acquired Japanese nationality since World War II. (IHT 29-01-93)

Uzbekistan and Tajikistan

As a result of the new borders drawn in 1925 when Turkestan and the Republics of Bukhara and Khorezm were dismembered, ethnic entities were divided whereby ethnically Uzbek cities like Khozhent were put in Tajikistan and Tajik cities like Samarkand and Bukhara became located in Uzbekistan. Tajiks are Iranian, Uzbeks are Turkic. (IHT 16-02-93)

Vietnamese in Cambodia

(see: 2 AsYIL 293; see also: Cambodia)

The killings of Vietnamese during the past year, culminating in the mass murder in March 1993 revived memories of the programme organized in 1970 by the LON NOL government after the overthrow of Prince NORODOM SIHANOUK at that time. Large numbers of Vietnamese were killed by the military and the police, and most of the minority, estimated at 500,000, were put in concentration camps, from which many were expelled to South Vietnam.

There is no certainty as to the number of Vietnamese—either Cambodian citizens or unauthorized immigrants. The Khmer Rouge asserted that there are more than 2 million, of whom 1.3 million have obtained Cambodian citizenship under the Phnom Penh Government and consequently entitled to vote. The KNPFL or Buddhist Liberal Democratic Party contended that there are 1.5 million Vietnamese, while the Phnom Penh Government cites numbers from 120,000 to 500,000. While many of the Vietnamese are migrants who entered the country to find work following the Vietnamese invasion in 1979, other families have been in Cambodia for generations.

Both the Khmer Rouge and the KPFNL maintained that the Phnom Penh Government had remained under Vietnamese control despite the departure of the Vietnamese army in 1989. The policies of both groups are rooted in deep-seated ethnic and racial antagonism. (IHT 12-03-93)

The recent crusade against the Vietnamese seemed to enjoy a degree of passive support. The political parties were unwilling to publicly condemn the Khmer Rouge killings. (Then) Prince NORODOM SIHANOUK was one of the rare Cambodian politicians to express condemnation, but while expressing his compassion for the Vietnamese civilians in a message on 15 March, he said neither he nor the UN was able to contain "this thirst for murdering the Vietnamese... In these conditions the best service to the innocent Vietnamese civilians residing in our country is to advise them to return to their country—that is the Socialist Republic of Vietnam." (FEER 08-04-93 p. 22)

As a result of the assaults against ethnic Vietnamese thousands of them started to flee their homes. Hundreds of fishing boats carrying ethnic Vietnamese families headed south down the Mekong River towards Vietnam. The exodus was called the largest in Indochina for more than a decade. It was believed that hundreds of thousands of people could eventually go. (IHT 12-03-93, 02-04-93; FEER 08-04-93 p. 22, 15-04-93 p. 21)

Rohingyas

(see 2 AsYIL p.347)

Contrary to the persecution of the Rohingya over the past five decades, the Buddhist and Muslim communities in the region have coexisted amicably for the previous 1,000 years or so. The turning point occurred during World War II, when inter-communal tensions were either created or exacerbated when the Arakanese Buddhists—as well as the Burman nationalists—sided with the Japanese, while the minorities remained loyal to the British.

In 1942 mobs of militant Buddhists attacked Muslims in northern Arakan, some

80,000 of whom fled to (British-held) East Bengal. In 1948, after Myanmar independence, discontent among Muslims in Arakan led to the Mujahid rebellion. An extensive government campaign in 1954 resulted in many Muslims fleeing to the then East Pakistan. In 1961 the last remaining Muslim mujahids surrendered. The situation reached a new phase when in 1978 some 200,000 Muslim refugees streamed across the border. In early 1992 a second major exodus of Rohingyas took place when nearly 300,000 crossed the Naaf River that marks the Myanmar-Bangladesh border. As a result of the cyclical waves of repression and flight many Rohingya exiles have been attracted by the more radical Muslim groups.

As a result of what is called the Diaspora of Myanmar Rohingya Muslims to the Middle East there are reportedly more than 20,000 in the UAE (Dubai, Sharjah and Ajman), as many as 200,000 in Saudi Arabia, between 1,500–2,000 in Qatar, and 3,000–5,000 in Jordan, apart from more than 200,000 in Pakistan. The largest concentration of Rohingyas in the Middle East is in the Saudi Arabian desert towns of Nakasa and Jarwal, close to Mecca. (FEER 28–01–93 p.23–24)

Korean Russians

Following the Japanese occupation of Manchuria the Korean minority in the Russian Far East were seen as a potential fifth column by the Soviet authorities. With little advance notice, 180,000 Korean residents of the Pacific coastal regions were deported *en masse* in 1937. They resettled in various Central Asian regions of the former Soviet Union.

Although they generally lived peacefully among a Muslim environment for decades, rising nationalism in the wake of the collapse of the Soviet Union made the 280,000 Koreans no longer welcome in the new Central Asian States. In Tajikistan 6,000 ethnic Korean residents were among the refugees who fled into neighbouring States because of the civil war.

In an effort to find a solution a law was reportedly being drafted by the Russian Parliament, under which the Koreans may be able to return to their traditional homeland on the Siberian Pacific coast. The law would offer Russian citizenship to Koreans living in all the former Soviet republics and would permit them to settle anywhere they want in Russia. It was expected that the law would be passed later in 1993 but subject to conditions placed by regional authorities to protect ethnic European Russian interests. (FEER 11–03–93 p.26)

MISSILE TECHNOLOGY

See also: Arms supplies

Supply of M-11 missiles by China to Pakistan

According to US intelligence reports China exported to Pakistan M-11 missiles capable of carrying nuclear weapons. There was, however, disagreement among US intelligence officials about whether the Chinese missiles spotted in Pakistan fulfilled the

requirements of the Missile Technology Control Regime. [In late 1991 China stated its intention to abide by the Missile Technology Control Regime, an international accord prohibiting the export of missiles with a range of more than 300 km (185 miles) and a payload of more than 500 kg. (*see* 2 AsYIL 349)]

Under US law passed in 1990 the US Government is required to retaliate by imposing sanctions if the missiles proved to be a violation of the MTCR. Last year the US froze exports of high-speed computers to China as a reaction to Chinese export of launchers for M-11 missiles to Pakistan. It was reported that the present sale had also led to the postponement of the sale of a supercomputer to China that was to be used for weather forecasting. (IHT 5/6-12-92, 07-05-93; FEER 17-12-92 p.14, 07-01-93 p.6)

North Korean long-distance missile

North Korea in late May 1993 successfully tested a new missile, the Rodong-1, with a range of about 1,000 kilometers. (IHT 12/13-06-93)

Indo - Russian rocket contract

(*see*: 2 AsYIL 350; *infra* p. 442)

On the eve of his visit to India in January 1993 the Russian President said that although the West, and especially the US, had taken a guarded view of the Russian sale of rocket technology to India, Russia was committed to honour the contract.

The US-Russian dispute over the sale of rocket engine technology to India flared again later. Consultations took place in late June 1993 to try to find a solution. The US seemed particularly concerned about the included sale of production know-how and other technology along with the rockets themselves. (IHT 27-01-93, 24-06-93)

MUSLIM SOLIDARITY

Malaysian policy in respect of Muslim interests

As the first among the ASEAN States Malaysia closed its embassy in Belgrade and froze its diplomatic ties with Yugoslavia because of the situation in Bosnia, for which Malaysia put the responsibility with Yugoslavia.

The Malaysian move was consistent with its policy in other international cases involving a Muslim element: Malaysia was the first country to allow the Islamic Alliance of the Afghan Mujahideen to set up a representative office in early 1984, and in 1991 Malaysia deviated from the common ASEAN understanding not to interfere in the affairs of neighbouring countries by protesting to Myanmar over the treatment of Muslim Rohingyas. (FEER 20-08-92 p.12, 27-08-92 p.9)

Iranian weapons for Bosnia

Croatian authorities intercepted a plane-load of Iranian arms and personnel at Zagreb airport early September 1992, intended for delivery to Bosnia. (IHT 11-09-92)

NARCOTICS PROBLEM**Arrangements with the US**

Under an existing arrangement with the US, countries like India and Turkey could supply the US market for opium with 80 per cent of their production in return for a promise that they prevent the diversion of their opium harvest towards the illegal drug trade and, in the case of India, make substantial efforts to stop the transit of narcotics from Pakistan, Afghanistan, Myanmar, Thailand and Laos.

The 80-20 rule was up for review in 1993. The US Drug Enforcement Administration (DEA) suspected that the opium yields in India were far above the amount allowed by the government while illegal traffickers offered prices 73 times higher than the government price.

India sells about 700 tons of opium and barter another 220 tons to foreign drug companies in return for codeine. Each of the 142,000 licensed opium farmers in India must sell a fixed amount to two government opium factories. (FEER 22-10-92 p.44)

Regional law enforcement

According to French Foreign Ministry sources law enforcement agencies from a number of countries met to discuss a global strategy in the war against drugs. Under this informal agreement the US was put in charge of operations in Latin America, France in Africa, Germany in the Pakistan-Afghanistan "Golden Crescent" and Japan in the Myanmar-Thailand-Laos "Golden Triangle". (FEER 07-01-93 p.6)

NUCLEAR CAPABILITY**Iranian nuclear programme**

(see also: Arms supplies, *supra* p.348)

Iran and China agreed on the purchase of a 300-megawatt nuclear plant. The agreement was disclosed during a visit by the Iranian President to China in September 1992. The IAEA would be allowed to inspect the nuclear power plant. China was already building a small nuclear research reactor in Isfahan. (see 2 AsYIL 356) Russia agreed to sell two 440-megawatt nuclear power reactors to Iran.

The US Government was opposed to any State helping Iran to develop a nuclear programme, whether peaceful or not, and had repeatedly urged China to stop

cooperating with Iran in its nuclear programme. [In 1990 Iran and China signed a ten-year agreement for scientific cooperation and the transfer of military equipment and technology].

On 27 November 1992 the Iranian Deputy Foreign Minister stated that Iran had no need for nuclear weapons and described reports that Iran was planning to acquire nuclear weapons as "a lie and a plot."

A draft CIA report concluded that Iran was making progress on a nuclear weapon by the year 2000, but there was continuing debate among US intelligence experts on Iran's military build-up. (IHT 03-08-92, 12/13-09 and 25-09-92, 01-12-92)

Japanese plutonium transport

(see 2 AsYIL 357)

The ship specially outfitted to carry out the planned plutonium transport from France to Japan was the *Akatsuki Maru*. The US Government formally approved of the plan in a letter to the US Congress, and notified its intention to provide security help including surveillance by spy satellites. [The US approval was required because the plutonium had been reprocessed from spent uranium fuel rods originally provided by the US to Japan for use in conventional nuclear reactors].

In addition to earlier opposition from several States, such as South Africa and Chile, to the passage of the ship through sea-routes near their coasts, the Malaysian foreign minister expressed objections against an eventual passage through the Straits of Malacca. These objections were shared by Indonesia and Singapore but there were doubts as to their right to deny the ship free and innocent passage through territorial waters which are used for international navigation. While admitting that Indonesia could not close international sealanes Indonesia had called on—even pressed—Japan not to use Indonesian waters, particularly the narrow Straits of Lombok.

After taking a route round Africa and Australia the ship turned to the north through the waters separating Australia and New Zealand, passed between Hawaii and the Marshall Islands and arrived safely at Tokai on 5 January 1993.

The idea of importing the plutonium is the result of a 30-year-old plan to create a self-sustaining source of nuclear power (nuclear cycle) by reprocessing nuclear wastes from Japanese (uranium) power plants and using the resulting (much more dangerous) plutonium as new fuel in specially converted conventional reactors as well as in "breeder reactors" which generate electric power and "breed" additional plutonium at the same time.

Eventually Japan would reprocess the fuel in Japan itself, for which purpose it is building a reprocessing plant at Rokkasho that will be operational by about 2030. But for the next 15 to 20 years it planned to rely heavily on reprocessing plants in England and France under a \$4 billion contract. The imported plutonium was intended for use in the already existing Monju fast-breeder reactor which was scheduled to become operational in 1993.

However, there had developed a world oversupply of plutonium and ordinary nuclear fuel made from uranium had become far more plentiful and far less expensive than some decades ago. Besides, surprised about the strong international criticism of the first shipment government officials said on 13 November 1992 that they would review

the plans of future transports to Japan. Yet the modification or termination of the plutonium programme would be extremely difficult since Japan had built a huge industry around it with huge investments in breeder-reactor technology. Moreover, the existing contracts with Britain and France had made these countries' reprocessing facilities highly dependent on the Japanese business.

The plutonium also offers the Japanese the capability to develop nuclear weapons. The shipment put Japan in some odd diplomatic quandaries, forcing it to argue that it should possess nuclear materials and technology that it wants to deny to other countries that lack nuclear weapons, like North Korea. (IHT 19-08 and 22/23-08-92, 16-09-92, 06-10-92, 09-11 and 10-11-92, 14/15-11-92, 17-11-92, 28/29-11-92, 08-12-92, 06-01-93; FEER 03-09-92 p.20, 08-10-92 p.12-13)

Inspection of North Korea's nuclear activities

(see also: Divided States: Korea)

Despite the peace accord between South and North Korea (see 2 AsYIL 409) the two countries failed to remove the greatest obstacle to normalization of relations, reciprocal nuclear inspections. The implementation of the 1991 Joint Declaration had been deadlocked over the South Korean demand for "challenge inspection". North Korea had rejected the demand on the ground that IAEA inspection (see *infra*) had allegedly resolved the issue. For its part North Korea had demanded to inspect US military bases in South Korea and examine all the records pertaining to the withdrawal of US nuclear weapons from that country.

In September 1992 the South Korean President said he had become convinced that North Korea's "determination to develop nuclear weapons has become weaker", marking a reversal from assessments some months earlier by the US CIA that North Korea might be only months away from building an atomic weapon. It was reported that the IAEA inspections had also proved that fears about a large factory being ready to start reprocessing plutonium were not correct.

Pursuant to the 1992 Safeguards Treaty North Korea had submitted an [initial] report on nuclear material subject to safeguards under the agreement. (see 2 AsYIL 355) It admitted that it had reprocessed nuclear fuel from a research reactor to produce a tiny amount of plutonium for research purposes.

Inspections (seven of which were carried out during the period till May 1993) were begun in May 1992 to verify the correctness of the information contained in the report and to assess its completeness. These inspections led to inconsistencies between the Korean declarations and the inspections' findings. Laboratory analysis of the plutonium samples given to the IAEA revealed there were three different reprocessing instances instead of one. It was said that after plutonium has been extracted from used uranium fuel it breaks down into neptunium and there appeared to be neptunium of three different ages in the sample. These results appeared inconsistent with North Korean declarations on the timing and the number of batches that had been processed. The most important gap in the knowledge about the North Korean programme was caused by continuing inability of the international inspectors to have access to the natural uranium core of the 5 MW(e) experimental reactor which had been in operation since 1986. By comparing it against its operating records one could determine the number of

spent fuel rods that had been removed and perhaps reprocessed to make plutonium.

Besides, North Korea had refused an IAEA request of 9 February 1993 to visit two additional sites that Western intelligence agencies suspected were nuclear waste treatment sites and linked to an alleged North Korean nuclear weapons programme. The suspicion was based on spy satellite photographs and chemical evidence. The refusal was motivated by the alleged military nature of the buildings and the alleged absence of any involvement with nuclear activities, and was connected with the continuance of the US-South Korean military training exercises. Furthermore North Korea complained that the two sites were not part of the agreed list of plants subject to inspection.

When confronted with the North Korean refusal the IAEA (through resolutions of the Board of Governors of 25 February and 18 March 1993) demanded a "special inspection". This procedure had never been used before and is intended to make possible an inspection of a site that a State had not declared to be a nuclear one. North Korea was initially given one month to allow inspection but the period was later extended till 31 March.

Thereupon North Korea responded on 12 March 1993 by announcing its withdrawal from the Nuclear Non-proliferation Treaty, taking the US-South Korean joint military exercises (which it referred to as "a nuclear war rehearsal") as the cause of its decision. It said it would remain outside the treaty until the IAEA halted its attitude and until the US nuclear threat was removed.[Under the NPT the nuclear installations of a State remained open for inspection for 90 days after its withdrawal]

As to the reactions from some other States, Russian diplomatic sources warned that North Korea should not be forced to comply with inspection requests and should be allowed some room to manoeuvre. China reacted by declaring that it "holds that [the problems] should be settled properly through consultations in a manner conducive to the universality of the Nuclear Nonproliferation Treaty." Bringing the case before the Security Council would "complicate things." South Korea on 15 March started imposing economic countermeasures but emphasized simultaneously the need to resolve the dispute in a peaceful manner. It planned to renew talks with the North on mutual nuclear inspections (which had broken down in January 1993 because of the US-South Korean military exercises) and agreed with the US to apply a "stick and carrot" approach.

As the deadline set by the IAEA passed on 31 March 1993 the IAEA Board of Governors adopted a further resolution on 1 April 1993 reporting the situation to all members of the Agency and to the Security Council and the General Assembly of the UN. Among the 35 members 28 voted for the resolution, 2 (China and Lybia) voted against and India, Pakistan, Syria and Vietnam abstained. Subsequently, the Security Council on 11 May 1993 adopted Resolution 825(1993) (by a vote of 13-0, China and Pakistan abstaining), calling upon North Korea "to comply with its Safeguards Agreement with IAEA as specified by the IAEA Board of Governors' resolution of 25 February 1993" and requesting the Director General of IAEA "to continue to consult with the Democratic People's Republic of Korea with a view to resolving the issues which are the subject of the Board of Governors' findings".

Talks were started again between the IAEA and North Korea. No solution was reached in regard to the IAEA demand for inspection of the two suspected sites. In April 1993 the IAEA requested permission for urgent activities relating to the maintenance and replacement of safeguards equipment and for observance of the

refuelling of the 5 MW(e) reactor. Agreement was obtained for the former, while the refuelling of the reactor was postponed.

Meanwhile US and North Korean diplomats had begun "back channel" talks in Beijing to seek a solution of the crisis, later followed by formal negotiations starting early June 1993. The US side would require North Korea to strictly adhere to the NPT, implement fully the South-North Korean bilateral accords barring enrichment or reprocessing fissible material for nuclear weapons, including mutual inspections, and allow IAEA to carry out inspection of the suspected sites. On the other hand the US would be prepared to promise not to attack North Korea with nuclear weapons, raise the possibility of additional talks on future political and economic cooperation and terminate the annual US-South Korean military exercises. For its part the North Korean ambassador to the UN said that North Korea would return to the NPT if five conditions were met: the US-South Korean joint military drills should be cancelled, North Korea should be permitted to inspect US military installations in South Korea, a US pledge not to launch a nuclear attack, the removal of the US nuclear umbrella from South Korea and a pledge to respect North Korean socialism.

Hours before the North Korean withdrawal from the NPT was to take effect on 12 June 1993 the North Korean Government decided "unilaterally to suspend, as long as it considers it necessary, the effectuation of its withdrawal". (IHT 18-09,19/20-09,02-11-92, 14-01,02-02,09-02,11-02,13/14-02,23-02,27/28-02,05-03,13/14-03,16-03,18-03,19-03,24-03,31-03,01-04,02-04,16-04,19-04,22-04,04-05,10-05,13-05,26-05,12/13-06,14-06,29-06-93; FEER 01-10-92 p.8-10,25-03-93 p.10,03-06-93 p.12; UN-doc.S/26456).

Supply of nuclear reactors by Canada to South Korea

The Atomic Energy of Canada Ltd announced the sale of two reactors to the Korea Electric Power Corp. which had previously already bought two other reactors from Canada, one of which was completed in 1983. South Korea already operated six *Westinghouse*-made reactors and several others made by the French *Framatome* SA. The Canadian-designed reactors would use the waste from the American models as their fuel. (IHT 21-09-92)

Japan juxtaposed to North Korea and South Korea

The US as well as Japan had been demanding the dismantlement of a secret nuclear reprocessing plant under construction about 60 miles north of Pyongyang, despite North Korean insistence that the plant is purely for energy research. On the other hand, under US pressure South Korea had pledged in 1991 never to build a reprocessor. Yet, Japan is building a huge reprocessing plant of its own and was in the meantime acquiring plutonium from the reprocessing of its uranium-waste in Europe.

Defining the US position a US Government official said that "[i]f it was any other country than Japan, we would look at this plutonium project and conclude a bomb was the real motive. But the fact is that it's O.K. for the Japanese because we trust them, and not O.K. for the North Koreans because we don't trust them." (IHT 10-11-92)

Pakistan's alleged nuclear armament

Pakistan denied an American NBC report that it had components for seven nuclear bombs. Earlier in the year the Pakistani Prime Minister acknowledged that Pakistan had the ability to make atomic bombs but said it would not do so, while the foreign minister had declared in February 1992 that Pakistan had frozen its nuclear weapons programme at the level of October 1989.(IHT 03-12-92)

Indian nuclear activities

India has a high level of nuclear autonomy because it mostly has locally designed reactors which use natural (non-enriched) uranium which is not subject to international control. However, for its plants that require enriched uranium the supply that is not connected with full-scale international monitoring has considerably decreased. There had been a policy shift by the French and the Russians, previously the most flexible suppliers, but who had decided to require full-scope safeguards for future supply agreements. The French change of policy was a result of its joining the NPT and in the Russian case the change was decreed in March 1992. Previously, France as well as the Soviet Union only required safeguards for the particular power stations which used the materials supplied. Full-scope safeguards, however, mean IAEA inspection and monitoring of all nuclear installations to see that there is no diversion towards weapons production.

One of the power plants facing problems is the *Tarapur* atomic power station which was initially supplied with enriched uranium by the US and covered by safeguards under a tripartite agreement between India, the US and the IAEA. After the US withdrew in 1974 France stepped in with a similar agreement that would expire in 1993.

Similar problems are created by India's shortage of heavy water. (FEER 29-10-92 p.20)

China's nuclear power programme

The first nuclear power plant in Guangdong province, consisting of two 900-MW units, is located at Daya Bay, 50 km from Hong Kong and was set to start up by October 1993. A second plant in Guangdong consisting of two 1,000 MW reactors is planned and a decision has to be made as to its location. The alternatives are the Daya Bay site and Yangjiang, about 200 km from Hong Kong.

Before the diplomatic row as a result of the French sale of warplanes to Taiwan (2 AsYIL 285; *see also*: Sanctions), French companies had a virtual monopoly in China's nuclear power programme. *Framatome* and *Electricité de France* built the Daya Bay plant. (FEER 18-02-93 p.56)

Radioactive waste disposal

According to Taiwanese reports Taipei and Beijing authorities were close to

agreement for the joint development in China of a modern disposal facility for low-level radioactive waste from both sides of the Taiwan Straits. The site would be large enough to accommodate all low-level waste produced by the mainland and Taiwan for the next three or four decades. The facility would be located either in northern China or on an island in the South China Sea. The first possibility would imply a modification of existing dumping facilities in Xinjiang Province, which would be relatively fast and cheap. As to the alternative option feasibility studies suggest this would involve higher development costs. (FEER 18-03-93 p. 9, 25-03-93 p.22)

OIL AND GAS

Opening of Indian oil and gas fields

In August 1992 India announced that 43 oil and gas fields would be opened for exploitation by foreign and local companies. They may either team up as majority partners with one of the two state oil explorers, the Oil and Natural Gas Commission and Oil India, or operate their own production-sharing contracts with the government.

The fields included the Mukta and Panna fields located 95 km west of Bombay and the Mid Tapti and South Tapti offshore fields near the city of Surat. (FEER 12-11-92 p.54)

Oman-Indian pipeline

The two countries signed preliminary agreements for the building of an underwater gas pipeline from Oman to India, to be completed within four years. The pipeline would, however, have to pass over the continental shelf of Iran and Pakistan. (Fin.Times 17-03-93; BLD 02-04-93)

Cut in Indonesian oil export

As a consequence of rising internal fuel demands and ageing oil fields, Indonesia started cutting back on its petroleum exports. The country's own needs already soak up nearly half of the output, and that demand is bound to increase as the economy continues to grow. Indonesia is widely expected to become a net importer of oil before the end of the decade. (IHT 27-05-93)

Malaysia-Iranian oil contracts

The national oil corporation of Malaysia, *Petronas*, signed a new contract with the National Iranian Oil Company to buy 50,000 barrels per day for two years beginning May 1993. (NST 07-04-93)

Kazakhstan

(See also: Foreign investment)

On 6 April 1993 Kazakhstan announced an oil agreement with *Chevron* for the exploitation of the giant Tenghiz oil field in western Kazakhstan. Tenghiz is regarded as one of the world's top ten fields with reserves likely to be as much as 35 billion barrels. The agreement set up a joint venture *Tenghizchevroil*.

British Gas and the Italian *Agip* signed a deal last year to explore and develop the huge Karachaganak oil and gas fields in the Ural Mountains, also in west Kazakhstan. *Elf Aquitaine* of France had agreed to explore a field in the centre of the country.

It was announced on 9 June 1993 that seven multinational oil companies signed a preliminary agreement for exploration and possible development of new oil fields in the Caspian Sea. The field could prove larger than the Tengiz deposit and the Korolyov field. (IHT 30-12-92, 07-04-93, 10-06-93; FEER 22-04-93 p.77)

Vietnam

The Indonesian company *Astra Petronusa* signed a production-sharing contract on 22 October 1992 to explore for oil and gas off Vietnam's southern coast, near the Dai Hung field on Vietnam's continental shelf. (FEER 05-11-92 p.65)

A Vietnamese-Russian joint venture oil exploration and production enterprise was preparing to begin searching for oil on the Spratly Islands. Meanwhile, in late May 1993 Vietnam pressed Russia for an early dissolution of *Vietsovetpetro*, the existing Russian-Vietnamese joint venture for oil exploration and production. The main question still separating the two sides was how much Vietnam would pay for the dissolution. (FEER 10-06-93 p.9, 17-06-93 p.9)

British Petroleum, under contract with Vietnam, made a potentially significant natural-gas discovery in waters claimed by both China and Vietnam. The block is adjacent to offshore acreage that China awarded to *Crestone Energy Corp.* in 1992. (see 2 AsYIL 378) (IHT 27/28-02-93)

New oil contracts in Indonesia

State oil firm *Pertamina* awarded oil exploration and production-sharing contracts to Canadian and US companies on 27 February 1993. The areas involved were the Pasemah bloc in South Sumatra, Jambi province, Irian Jaya, and North Tanjung, Central Kalimantan. (FEER 11-03-93 p.59)

Philippines

Exploration by a joint venture between *Shell Philippines Exploration* and *Occidental Petroleum* had indicated potentially large deposits of oil and gas in deep-water offshore fields west of Palawan Island. The centrepiece is Malampaya, 50 km northwest of Palawan. The two companies were expected to invest a total of \$2 billion to develop

Malampaya and the adjoining Camago gas field.

Another rich field is the West Linapacan concession of the Houston-based *Alcorn*. Linapacan accounted for most of the country's 1992 domestic oil production. A third promising offshore area is the Ragay Gulf, between the Bondoc Peninsula and the Bicol provinces of southern Luzon. (FEER 27-05-93 p.59)

ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC)

Withdrawal from membership

Ecuador announced on 18 September 1992 that it had decided to give up membership in OPEC, being the first country to leave the 13-member organization. (IHT 19/20-09-92)

Policy on output and quotas

In November 1992 the organization restored individual country quotas after a virtual free-for-all that was largely blamed for the price collapse. The November deal set a 24.58 million barrel-a-day output ceiling for members in the first quarter of 1993. That would have slashed OPEC output by about 500,000 barrels a day. (IHT 11-01-93)

On 23 January 1993 Saudi Arabia called on OPEC to reduce its overall output by 1 million barrels a day for the second quarter of 1993. This seemed to signal an end to Saudi Arabia's policy of maximizing production. On the other hand Kuwait said it could not cut output because of the losses it had incurred as a result of the Gulf War. (IHT 25-01-93)

When the group began talks in February on a reduction of production virtually everybody agreed that a reduction was inevitable but no agreement could be reached over what would constitute an equitable sharing of the burden. The talks focused on whether large producers should bear more of the burden of reduction while poorer members, particularly those that are small producers, should be exempted. Populous countries that are medium-sized producers, such as Indonesia, Algeria and Nigeria, feel that given their limited reserves of oil and their great need for revenues, they should not be asked to sacrifice their oil income. Small producers such as Qatar and Gabon, each producing under a half a million barrels a day, argue that large producers should assume most of the responsibility for adjusting production. The issue of equitability had become sensitive and its importance was highlighted in 1992 by the departure of Ecuador that felt membership was costing more than its benefits. (IHT 15-02-93) An agreement was finally reached on 16 February 1993 despite initial resistance by Kuwait and Nigeria. The initial plan was for a roughly 4 per cent pro-rata cut by all OPEC producers, with Kuwait applying the cut from the 1.5 million barrel per day national quota awarded it in November 1992, but effectively receiving a 1.6 million barrel quota through volume compensation from Saudi Arabia and the United Arab Emirates. The final agreement appeared to give Kuwait assurances that its production could go up in the summer if the market was strong enough. (IHT 16 and 17-02-93)

According to industry monitors OPEC exporters seemed to have cut crude-oil output in March 1993 by more than 1 million barrels daily to just above 24.3 million barrels. (IHT 01-04-93) The next month, however, OPEC was unable to reconcile different figures on oil output provided by member States and those from independent sources which indicated an output of 700,000 barrels above the agreed ceiling. (IHT 12-04-93) At around \$19 per barrel prices were scarcely higher in real terms than they were before the 1973 Arab oil embargo. (IHT 11-01 and 25-01-93, 15-02, 16-02 and 17-02-93, 01-04, 12-04 and 13-04-93)

Response to Western carbon tax

OPEC member States and other oil-producing States, among which were Russia, Kazakhstan, China, Mexico and the Texas Railroad Commission representing the Texas oil interests and with observer status, met on 12 April 1993 to discuss how to react to the threat of new carbon taxes by the US and other Western States. The participants at the talks control 80 per cent of world oil output. The meeting shied away from confrontation and the communiqué just said that prevailing prices were too low and a "new wave of tax increases which are discriminatory against oil will have a destabilizing effect on the oil market" (IHT 13 and 14-04-93)

PASSPORTS AND VISAS

Abolition of exit permits for nationals

(see 2 AsYIL 168)

The Indonesian Government decided to abolish the requirement of an exit permit for citizens who wish to travel abroad, but would continue to keep a black-list of citizens who are barred from leaving the country. (FEER 06-08-92 p. 12).

Malaysian visa requirements for South Asians

Under new visa rules aimed at preventing tourists from working in Malaysia, Malaysians must sponsor tourists from India, Sri Lanka, Pakistan and Bangladesh. (IHT 22-04-93)

PERSIAN GULF

US submarine for the enforcement of "no-fly" zone

(See also: Arms supplies)

On 4 November 1992 the nuclear-powered submarine "Topeka" entered the Gulf,

ahead of a submarine that Iran had purchased from Russia. However, the US Naval Forces Central Command denied any connection; it was said that the Topeka was part of a battle group that had been inside the Gulf since August for the purpose of enforcing a "no-fly" zone for Iraqi aircraft over southern Iraq. (IHT 05–11–92)

PIRACY

See also: Straits

Straits of Malacca

An International Maritime Bureau office was set up in Kuala Lumpur to coordinate information on the subject.

Most pirate attacks in the shipping channels leading in and out of Singapore were believed to originate in Indonesian territory on the nearby islands. There were more than 200 attacks on ships in 1991 and 70 in 1992 to late October, many of them in or near the Phillip Channel near Singapore. By late October 1992 the number of attacks had dropped to almost zero and meanwhile 70 Indonesians had been arrested since June.

Malaysian officials proposed that shipping lines should pay a levy to transit the straits, to offset costs involved in anti-piracy patrols and to combat pollution. (FEER 19–11–92 p. 46)

Malaysian-Indonesian and Singapore-Indonesian agreement

Malaysia and Indonesia announced joint measures to combat piracy in their adjoining territorial waters. A joint body was set up to coordinate maritime enforcement activities but a right of hot pursuit into each other's waters was not yet provided for. The regional centre was opened in Kuala Lumpur on 23 October 1992. Equally, military authorities from Indonesia and Singapore signed an agreement in July 1992 to work together to stamp out piracy in the Malacca Strait, including the possibility of hot pursuit in each other's territorial waters. (IHT 07–08–92, 24/25–10–92; FEER 13–08–92 p. 12)

IMO Working Group on Piracy

The International Maritime Organisation's working group on piracy started its work in London in January 1993 and would focus on the Straits of Malacca. The IMO had declared the Straits of Malacca an "especially dangerous" shipping route in terms of piracy threat. It had recorded more than 200 attacks on vessels using the straits in 1991.

The working group would assess the situation and draw up proposals on combating piracy and preventing other unlawful acts at sea in the Straits of Malacca for submission to the 62nd session of the IMO's Maritime Safety Committee in May 1993. (NST 07–01–93, 27–02–93)

Attack on the MV Far Trader

The MV *Far Trader* was attacked by pirates near the Indonesian island of Natuna. The pirates used automatic weapons and stole goods worth \$3.1 million. (IHT 15–12–92)

Decline of piracy in 1992

According to the International Maritime Bureau pirate attacks in South-east Asia fell sharply in 1992 due to increased surveillance. The number dropped from 107 in 1991 to 73 in 1992. (IHT 05–02–93)

RECOGNITION

See: Unrecognized entities

REFUGEES

(*see also:* Thailand-Laos, *supra* p.396)

Pakistan's policy on Afghan refugees

In a statement on 2 September 1992 the Foreign Ministry of Pakistan stated that Pakistan was not ready to take more refugees from Afghanistan. It would only allow Afghans carrying travel documents. Instead it would cooperate with the UN in setting up camps inside Afghanistan. Pakistan received more than 3 million Afghan refugees in the 14-year civil war, and more than a million have returned. (IHT 03–09–92)

Vietnamese refugees ("Boat People")

It was reported that the flow of Vietnamese refugees appeared to have ceased, with only 12 having arrived in Hong Kong in 1992 until November, and in the first eight months of the year only 18 Vietnamese had landed in Indonesia, nine in Thailand, one in Malaysia and none at all in Singapore, Macao or the Philippines. In 1991, 21,900 Vietnamese arrivals were reported by South-east Asian countries, on top of 32,100 in 1990 and 70,000 in 1989. (IHT 13–11–92)

Malaysian attitude towards Vietnamese refugees

(*see also:* Military cooperation *supra* p.422)

The Malaysian Government said it would allow skilled Vietnamese refugees to stay and work in Malaysia for up to two-years. The proposal was to allow skilled workers and professionals, such as doctors and accountants, to stay on. There were still some 14,000 Vietnamese refugees in Malaysia. (FEER 29–04–93 p.14)

Tajik refugees*(See also: Civil war)*

Since the civil war erupted in 1992, about 60,000 Tajiks—many suspected of favouring the IRP and the Democrats—had sought refuge in northwestern Afghanistan, and thousands others were believed to have crossed the border at other parts of the country. (IHT 24/25-12-92;FEER 28-01-93 p.18)

Biharis in Bangladesh*(see 2 AsYIL 366)*

A first badge of 324 Pakistanis out of a total of 238,000 stranded in Bangladesh left for Lahore on 11 January in a chartered aircraft. The repatriation was being financed by the Mecca-based *Rabita* agency and the Pakistan Government. (FEER 21-01-93 p.14)

Allegedy forced repatriation of Rohinyas

According to Bangladeshi officials 8,571 Rohingyas (*see Minorities*) were repatriated up to 6 January 1993, out of a total of 243,771 registered refugees. Bangladesh categorically denied accusations from UNHCR that it was coercing Rohingya refugees to return to Myanmar contrary to its pledge to adhere to the principle of voluntary repatriation. FEER 28-01-93 p. 23)

Myanmarese refugees in India*(see: Inter-state relations)***Indonesian Muslim refugees seeking asylum at Dutch embassy**

On 10 June 1993 67 members of an Indonesian Muslim sect sought refuge for some time at the cultural centre of the Dutch embassy at Jakarta. They asked for admission to the Netherlands because they were “nowhere in Indonesia welcome”. After hours of negotiations between Dutch diplomats and Indonesian military and civilian officials the group left the premises the next day. According to the embassy the group was not being persecuted but just displaced, and their problem was an internal Indonesian affair.

The sect-members had left the island of Java for west Kalimantan where they were rejected by the local population because of their divergent religious views. After having initially asked the embassy for shelter, they later requested “political asylum” which was denied. (NRC 11-06-93)

REGIONAL SECURITY*See also: Disarmament, Dispute settlement*

North East Asian Security forum

In his speech to the UN General Assembly on 22 September 1992 the President of South Korea recalled his 1988 proposal for a "Consultative Conference for Peace in Northeast Asia" that included a six-party dialogue (North and South Korea, China, Japan, US and the former USSR) and expressed his hope that "an opportunity for dialogue among all interested parties will be found." (FEER 08-10-92 p.11)

The relevance of the Five Power Defence Arrangement

Under the Arrangement, formed in 1971 between Britain, Australia, New Zealand, Singapore and Malaysia the members agreed to engage in military training exercises and consult together in the event of an external attack against Singapore or Malaysia. In a recent interview the Indonesian foreign minister suggested that the pact was an anachronism since the circumstances that prompted its formation disappeared a long time ago, thereby referring to the Indonesian armed confrontation policy against Malaysia in the early sixties. While not calling for its dissolution the minister made it clear that Indonesia would prefer to see it superseded by cooperation at a bilateral or trilateral level, primarily involving Southeast Asian States. (IHT 31-10/01-11-92)

South East Asian regional security

The impetus for a security dimension in the regional cooperation came from Japan, which proposed in July 1991 that regional security could be discussed within an enhanced ASEAN Post-Ministerial Conference (PMC), the regular meeting between the six ASEAN members and Japan, the US, the EC, Australia, New Zealand and South Korea that directly follows the annual ASEAN foreign ministers' meeting. The proposal was originally rejected by some ASEAN members as they feared a definition of security in purely military terms which would imply a proposal to form a military alliance. At one end of the spectrum the Philippines and Singapore favoured a military dimension to security operation, at the other end of the spectrum Indonesia held to the view that security should be defined in broader political and economic terms. The idea was later endorsed by the 1992 ASEAN summit meeting.

During his visit to four South East Asian countries in January 1993 the Japanese Prime Minister made a speech in Bangkok on 16 January in which he called on Asian and Pacific nations to develop a long-term vision for regional security and urged the start of a dialogue among the countries of the region. The speech was aimed at bolstering proposals for some sort of collective security arrangement in Asia that would include a continued military role for the United States while shifting more of the burden onto Asian countries. (IHT 18-01-93)

Taking up the idea the International Study Centre, operating under the Thai Foreign Ministry, took the initiative for three workshops on the issue. The first workshop was set to be held in Bangkok in March 1993 and would involve under-secretary level representatives from UN headquarters, ASEAN, the Asian Development Bank and other regional officials and academics. The Centre had in mind using pro-active

“preventive diplomacy” on a multilateral basis. It intended to draw ESCAP into the programme, giving it a political dimension. It was said to aim at a regional code of conduct. Among the topics that could fall under the scope of the programme were mentioned the situation in Cambodia, the Spratly Islands, ethnic conflicts, drug suppression, the development of the Mekong River and the proposed regional growth triangles. (FEER 25–02–93 p.25)

Meanwhile ASEAN officials held talks in Japan in February 1993 and decided to call a preparatory meeting in Singapore, to develop plans for a regional security forum. This meeting was held in May 1993 and was attended by senior officials from 12 Asia-Pacific States (the six ASEAN States, Japan, South Korea, Canada, New Zealand, Australia and the US). It drew up an agenda for an ASEAN post-ministerial conference with the dialogue partners in July. An ASEAN proposal to invite Russia and China to participate informally was accepted and the US abandoned its initial opposition against a multilateral security arrangement in East Asia as it might weaken a long-established system of bilateral security treaties with America. (IHT 03–03–93, 22/23–05–93, 10–06–93; FEER 29–04–93 p.26, 03–06–93 p.18)

Council for Security Cooperation in the Asia-Pacific

Ten Asian and Pacific countries (Australia, Canada, Japan, South Korea, the US and the ASEAN countries except Brunei) agreed on 9 June 1993 to create an advisory council for security cooperation. The new body would allow military and intelligence officials to meet in a private capacity with security specialists from universities and research institutes to draw up proposals on settling disputes and building confidence. The Council would support the senior officials forum which convened in Singapore in May 1993 (*see supra*). There were plans to expand the Council to include China, Russia, Vietnam and other countries in the region. (IHT 10–06–93)

Sino-Japanese regional security talks

In response to rising tensions in the Asia-Pacific area, China and Japan agreed to bilateral talks on regional security issues. The Japanese proposal was made during a visit of the Chinese foreign minister to Japan in late May 1993. The talks might begin in July.

The Chinese foreign minister made it clear that China believed it premature to consider setting up regional structures to deal with broader security matters. Both foreign ministers agreed that the two countries should seek to avert any introduction of nuclear weapons into South and North Korea. (IHT 31–05–93; FEER 10–06–93 p.14)

RIVERS

Resumption of Mekong cooperation

Vietnam, Thailand, Cambodia and Laos on 5 February 1993 signed a joint communiqué in Hanoi outlining the broad principles for resuming cooperation in the development of the Mekong River. The four countries agreed to meet again in Thailand in April 1993 to discuss a new framework for cooperation. (FEER 18-02-93 p.14)

SANCTIONS

See also: Embargo, Environmental pollution and protection, Space activities

US ban on supplying Indian Space Agency

(*see also:* Missile technology)

The US enforced a ban on supplying components and equipment to the Indian Space Research Organization as punishment for India's decision to buy a rocket engine from Russia. (IHT 06-08-92)

US ban on arms delivery to Pakistan

(*see* AsYIL Vol.1 pp.271,335, Vol.2 p.286 (Arms), 371 (Sanctions))

The US refused to grant a request from Pakistan for the release of 11 F-16 aircraft which were withheld under the PRESSLER amendment, banning arms sales to Pakistan since October 1990 because of its alleged nuclear programme. The aircraft were already paid for. It was later reported that the US State Department had pushed for a new interpretation of the PRESSLER restriction by which the ban on arms sales would not apply to the commercial sale of military equipment but only to concessional sales contracts between the governments.

Under the same PRESSLER amendment the US notified Pakistan that it must return eight leased US frigates of which the five-year leases had expired. (FEER 20-08-92 p. 12,29-10-92 p. 28;03-12-92 p. 6)

(NOTE: In an amendment to its 1961 Foreign Aid Act on 6 October 1992 the US Congress lumped Pakistan, China and India together on the nuclear and ballistic missile issue.)

Malaysia lifts sanction against South Africa

(*See also:* Diplomatic and consular relations)

Malaysia lifted its travel ban in November 1991 following South Africa's moves toward dismantling its policy of race segregation, and Malaysian Airlines would begin weekly flights to Johannesburg from 26 October 1992. (IHT 27-08-92)

Disregard of Arab boycott against Israel

(see also: Boycott)

Honda Motor Co. of Japan announced on 30 September 1992 that it would export cars to Israel. It would be the latest of a number of Japanese companies to disregard the Arab boycott. At least six other Japanese car producers were already selling in Israel. (IHT 01-10-92)

Freezing of US defence training aid to Indonesia

(see also: Military cooperation)

The US Congress passed a foreign aid bill by which it froze US defence training aid to Indonesia in protest at the killing of separatists in East Timor in November 1991. It would reconsider lifting the freeze if the Indonesian military were to spend the funds on training its soldiers on human rights principles and providing legal redress for civilians prosecuted over the Timor incident. (FEER 22-10-92 p.14)

Chinese sanctions against France

China ordered France on 23 December 1992 to close its consulate in Guangzhou by way of retaliation for the French sale of 60 warplanes to Taiwan. (see: Arms supplies) In explaining the measure the Chinese deputy foreign minister said that "by insisting on the sale of the fighter aircraft to Taiwan in disregard of the strong objections of the Chinese side, the French Government has seriously infringed upon China's sovereignty and security, interfered in China's internal affairs, and obstructed and jeopardized China's efforts to achieve peaceful reunification." Comparing the French arms deal with the sale of 150 F16 warplanes by the US the Chinese Foreign Minister said that the two were different because under the three Sino-US communiqués (1972, 1978 and 1982) US weapons sales to Taiwan were "permissible" within a limited period of time. (FEER 07-01-93 p.12)

China also barred French companies from competition for contracts for the Guangzhou underground rail system and threatened to halt cooperation on a nuclear power plant. (IHT 24/25 and 29-12-92) (see: Nuclear capability) In early March 1993 the French telecommunications concern Alcatel-CIT said that China had apparently frozen telecommunications contracts worth some \$363 million. The contracts were due to be signed at the end of 1992 but were suspended for an indefinite time. But according to the spokesman other contracts with regional Chinese authorities had not been affected. (IHT 05-03-93)

According to information from the French Trade Commission in Beijing in late December 1992 French companies were then involved in between 50 to 100 joint ventures in China with total combined investment of about \$600 million. (IHT 24/25-12, 29-12 and 30-12-92, 05-03-93; FEER 07-01-93 p. 12)

Alleged violation of Iraqi oil embargo

The US protested to Iran about a large shipment of oil from Iraq in violation of international sanctions. While Iran insisted that it was respecting the trade embargo, US intelligence sources concluded that the shipment was too large to have taken place without the knowledge of the Iranian Government. (IHT 29-03-93)

SEA TRAFFIC

See also: Piracy, Straits

Collisions in the Malacca Straits

In 1992 seven major collisions between ships took place in Asia, among which four in the Straits of Malacca, a 1,000-km waterway which is used by about 2,000 vessels every month. In June the US destroyer *Ingersoll* collided with a Singapore merchant ship, causing substantial damage to both ships. In July two supertankers collided, fortunately not spilling any oil. On 23 August 1992 the Greek cruise ship *Royal Pacific* sank in the Malacca Strait after a collision with a fishing trawler. On 20 September 1992 the Japanese oil tanker *Nagasaki Spirit* and the Panamanian container ship *Ocean Blessing* collided and burst into flames, causing a huge oil slick entering the Malacca Strait. The collision occurred in the upper part of the Strait. [Two days before a merchant ship collided with an Indonesian boat that was drifting in the strait after developing engine trouble.] The container ship was towed to a North Sumatran port but the tanker, which was carrying 40,000 tons of oil, was still drifting in the strait with an oil slick having a radius of about 20 kilometers.

These incidents strengthened calls for a system of compulsory pilotage and the imposition of a toll on ships using the waterway. Both Malaysia and Indonesia had proposed the toll. (*see:* Piracy) The fee would provide new services such as radar surveillance for shippers using the straits. Shipowners and shippers had been against the toll, however, as it would set a precedent for other shipping lanes. Taxes and new traffic regulations would slow cargo delivery times and increase costs. For its part, Singapore as a major port and transshipment centre was reported to be wary of actions that might call into question the international status of the strait and the right of free passage. However, Malaysia and Indonesia were pressing for stricter controls. Indonesian officials had proposed the introduction of special shipping lanes or compulsory piloting for all vessels passing through the strait. The alternatives for the shallow Malacca strait are the Sunda Strait between Java and Sumatra and the Lombok and Makassar Straits which are all deep-water channels.

On 8 October 1992 the Malaysian Prime Minister announced that Malaysia would convene an international conference on the shipping lane to discuss the matter. (*see:* Straits) (IHT 24-08 and 25-08-92, 21-09, 22-09 and 25-09-92, 09-10-92; FEER 19-11-92 p.50)

Collision in the Andaman Sea

A Danish supertanker, the *Maersk Navigator*, carrying nearly 2 million barrels of oil from Oman to Japan, collided with another tanker, the *Sanko Honour*, in the Andaman Sea, near the western entrance of the Malacca Strait, about 60 nautical miles off the coast of Sumatra, on 21 January 1993. It caught fire, was abandoned, drifted and started spilling oil. Salvage experts later succeeded in stopping the drifting, and fears for an environmental disaster receded as the light crude oil pouring from a ruptured tank was easily dispersed. The oil formed a slick about three kilometers long and 200 meters wide. Later India called for international assistance to fight the large oil slick that threatened marine life in the Bay of Bengal.

Proving ultimate liability and getting financial compensation for damages might be difficult. Although the *Maersk Navigator* is owned by A.P. Moller of Denmark, it was reported that a Japanese oil company, Idemitsu Kosan Co. had chartered the tanker and leased space to General Sekiyu Co., an affiliate of Exxon Corp. (IHT 22 and 23/24–01–93, 01–02–93)

SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION (SAARC)**India's attitude toward a regional development fund**

It was reported that India had dropped its long-standing opposition to a regional development fund being set up under the SAARC, insisting that aid should be disbursed on a bilateral basis. The change of attitude stemmed from pressure by Japan which intended to make a substantial initial contribution. (FEER 10–09–92 p.9)

South Asian Preferential Trade Arrangement

(see: Selected Documents)

The member States of SAARC concluded the trade arrangement during the seventh SAARC summit meeting at Dhaka on 11 March 1993. The arrangements do not stipulate preconditions for reciprocity or uniformity. This was to reduce misgivings that India, the largest and relatively most industrialized country in SAARC, would benefit disproportionately from the reduction of trade barriers. (IHT 12–04–93; FEER 22–04–93 p.17)

SPACE ACTIVITIES**Satellite launching by China: the Optus B2**

China Great Wall Industry Corp. had launched an Australian-owned and US-built telecommunications satellite, the Optus B2, on 21 December 1992 but the satellite

disappeared and no signals were received from it although the owners expected to begin receiving signals about 14 hours later. The Chinese company considered the launch to be completed faultlessly without problems. The rocket had transmitted correct signals to the launch site for the full 11 minutes needed to reach the proper orbit and to separate from the satellite.

In June 1990 the first Western communications satellite, AsiaSat 1, was launched successfully from China, but in March 1992 a launch of an Australian satellite, Optus B1, failed. The launch was later completed in August 1992. Another foreign, Swedish, satellite for scientific experiments, was successfully launched in 1992 before the Optus B2 in December. There are three other confirmed contracts for launches of US-built satellites in 1994, among which one with the Intelsat organization.

The US and France have used export-controls against China to prevent it from undercutting launch-prices. The charge for launching the two Optus satellites was \$35 million each, or about half the market rate before China entered the market. (IHT 23 and 24/25-12-92; FEER 07-01-93 p.11)

Satellite activities by Asian countries

It was reported that the (Taiwanese) China Development Corp. and the (mainland) Great Wall Industrial Corp. were planning to set up a Hong Kong partnership to design and build a regional telecommunications satellite. Meanwhile the Chinese Ministry of Post and Telecommunications had set up a separate Hong Kong company, Asia Pacific Telecommunications Satellite Co., in 1992 to launch and use satellites purchased from the US. Then there is Asia Satellite Telecommunications Co., a consortium of British, Chinese and Hong Kong interests, which already has AsiaSat-1 in operation and which has plans for a second satellite.

Except for the Philippines and Taiwan, most countries in the region already have launched or soon will send up their own satellites, including Japan, Indonesia, South Korea, Thailand and Malaysia. Singapore also has a regional satellite project. (FEER 25-03-93 p.70)

SPECIFIC TERRITORIES WITHIN A STATE: KASHMIR

See also: Borders

Indo-Pakistan talks on Kashmir

India and Pakistan had their first talks on their dispute over Kashmir in 20 years on 17 August 1992. The discussion represented a shift by Pakistan, which previously wanted the dispute resolved by the UN, whereas India had long favoured a bilateral approach.

Pakistan restated its position that ownership of the northern territory should be decided by a plebiscite, according to a 1947 UN resolution. (IHT 18-08-92)

Pakistani efforts to prevent cross-border demonstrations

In late October 1992 Pakistan took various measures, such as erecting barbed wire barricades on roads to the border with India to block a proposed march across the cease-fire line. The Prime Minister assured that "no one will be allowed to cross the border." The leader of the Jammu and Kashmir Liberation League initially said that his party rejected government appeals to call off the march. A day later, however, the march was actually called off after Pakistani forces shot into the crowds of protesters. (IHT 24/25 and 26-10-92)

In early April 1993 Pakistani forces again halted Kashmiri marchers who tried to storm the state's border with India. (IHT 06-04-93)

SPECIFIC TERRITORIES WITHIN A STATE: EAST TIMOR

Appeal for clemency

The Australian foreign minister called on Indonesia on 24 May 1993 to reduce the life sentence imposed recently on a Timorese rebel leader, and to consider giving East Timor more autonomy. (IHT 25-05-93)

STRAITS

See also: Piracy, Sea traffic

Accident prevention in the Malacca Straits

Against the background of ship accidents and collisions in the Malacca Straits the Malaysian foreign minister raised the issue at the UN General Assembly in September 1992 and spoke of an "urgent need to take a fresh look at existing international regulations applicable to the Straits and find a mechanism to share the responsibility of ensuring safety of navigation."

In connection with the accident involving the *Maersk Navigator* in January 1993 (*see:* Sea traffic) Malaysia, Indonesia and Singapore would form a working group of technical experts to look into the management of traffic in the Straits. The working group would, among other things, look into suggestions that the existing traffic scheme, that covered only a small part of the straits, be extended to cover the entire length of the straits. The group would draw up recommendations to be submitted to an international conference at ministerial level later in the year.

Accidents in the Straits in 1992 were likely to strengthen plans by the Malaysian and Indonesian Governments to introduce tolls on international shipping using the waterway to finance improved safety measures. Indonesian officials had also proposed the introduction of shipping lanes or compulsory piloting for all vessels passing through the strait. The latest system of traffic rules worked out specifically for the Straits of Malacca and Singapore dates from 1977. The recent accidents had all occurred in the

northern and wider stretch of water between the west coast of Malaysia and the coast of Sumatra, where there was no lane system in operation yet.

Shipowners have been reluctant to comply with suggestions to take a longer route from the Gulf to Japan by using the deeper Sunda Strait or the Lombok or Makassar Straits, as this would add to shipping costs. (IHT 22-01-93; NST 27-02-93; STAR 27-02-93; FEER 08-10-92 p.12)

TELECOMMUNICATIONS

Submarine cables

Australian & Overseas Telecommunication Corp. agreed in principle on 9 January 1993 to build a submarine optical-fibre cable system linking Vietnam to Thailand and Hong Kong. The network would provide Vietnam with its first optical-fibre links abroad. (FEER 21-01-93 p.59)

Regional telecommunications officials, meeting in Seoul on 19 March 1993, approved the start of a \$100 million submarine optical-fibre cable project that will link South Korea, Japan and Russia with other regional networks. (FEER 01-04-93 p. 83)

TERRITORIAL CLAIMS

See also: Borders, Dispute settlement

Russian-Japanese dispute on the "Northern Territories"

(*See also:* Inter-state relations: *supra* p. 397)

The Russian Deputy Prime Minister in August 1992 made the suggestion that the US should be included in the negotiations on the disputed islands, and expressed his opinion that the matter was a [multilateral] issue. This would be a major change of policy for the Russians who had, like the Soviet Union, insisted in the past that the dispute was a bilateral matter.

Meanwhile the Russian President suggested in an interview on 16 August 1992 that the Russian troops withdrawal from the Kuril Islands may be completed a year later than the deadline previously given. The new deadline would be mid-1995. It was later said that although the President wanted to achieve progress on the issue during his planned visit to Japan in September, the very difficult situation in Russia warranted no optimism and on 2 September 1992 the President said that politically it was not a suitable time to hand over the disputed islands to Japan.

In the light of reports that local Russian authorities had been giving approval to companies to develop the islands, the Japanese Foreign Ministry told the Russian ambassador that such moves would "harm efforts to strengthen Japanese-Russian relations." Several weeks later it was reported that a Hong Kong company, Carlson and Kaplan (Hong Kong) Ltd, had bowed to Japanese pressure and disavowed a contract to

build a tourist resort on the island of Shikotan. The company, owned by a Taiwanese, informed the Japanese consulate general at Hong Kong that it was cancelling a lease to build a hotel and golf course on Shikotan. However, on 2 December 1992 the Russian President proposed in a decree that was subject to parliamentary approval that foreigners be allowed to lease land in the Kuril islands. The decree also proposed to make the islands a special economic zone with tax-free exports and imports. (IHT 05-08, 18-08 and 25-08-92, 03-09-92, 19/20-09-92, 24/25-10-92, 03-12-92; FEER 05-11-92 p.12)

Paracel (Vietn: Hoang Sa; Chin: Xisha) and Spratly (Vietn: Truong Sa; Chin: Nansha) Islands

Recent Chinese action in respect of the islands began with an air and naval operation against, and the ousting of, the then South Vietnamese garrison at the Paracel islands on 19 January 1974. Subsequently, in March 1988, in the guise of setting up sea-level weather research stations the Chinese took control of six islands in the Spratly group, thereby sinking 3 Vietnamese transport ships, killing 72 seamen and taking 9 prisoners. The 1992 Chinese Law on the Territorial Sea determined the archipelagos as Chinese territory. (see 2 AsYIL 165) In June 1992 Chinese troops were landed on a reef which was claimed by Vietnam and set up a "sovereignty post" and it was reported in June 1993 that China had protested against visits to the disputed islands by the Vietnamese Deputy Premier and a delegation from the Vietnamese National Assembly.

In May 1992 the signing of a contract by China with the (US) Crestone Energy Corporation on the exploration of oil in an off-shore bloc contiguous to a Vietnamese oil field (see 2 AsYIL 378) led to protests from Vietnam that the concession was on the Vietnamese part of the continental shelf, followed by the signing on 9 June 1992 of a contract between Vietnam and a Norwegian seismic survey company to conduct deep-water hydrocarbon surveys in the vicinity of the Crestone concession.

The Philippines officially annexed the *Kalayaan* group of eight islands (part of the Spratly archipelago) in 1978. The existing text of the US-Philippine Mutual Defence Treaty of 1951 does not explicitly prescribe US assistance in case of the Philippine position being threatened. (see *supra*: Military cooperation)

Since mid-1990 Chinese statements spoke of shelving the sovereignty issue and of jointly developing the resources of the area instead. During a visit to Malaysia the Chinese defence minister said on 25 May 1993 that China would not use military force to secure its claim to the Spratly Islands.

A workshop on managing conflicts in the South China Sea was held on 29 June-3 July 1992 at Yogyakarta, Indonesia. (see: Dispute settlement) Subsequently, the Association of South East Asian Nations in July 1992 adopted a Declaration emphasizing the necessity of resolving the sovereignty and jurisdictional issues pertaining to the South China Sea by peaceful means. (see *infra*, Selected documents) (IHT 26-05-93; FEER 13-08-92 p.14, 20-08-92 p.6, 26-11-92 p.20, 10-06-93 p.9)

Gulf of Tonkin

In a note from the Vietnamese to the Chinese Foreign Ministry, Vietnam complained about oil drilling and seismic surveys carried out by Chinese ships "in a sea area under Vietnam's sovereignty". The note reminded that "as long ago as 18 January 1974, the Chinese side sent a note to the Vietnamese side proposing that, pending a demarcation of territorial seas between the two countries, the two sides temporarily suspend exploration activities" in the area concerned. It also reminded that the two sides had agreed "to open negotiations soon on problems relating to the border on land, in the Tonkin Gulf and in the Eastern Sea" (*see: Borders*) and consequently asked China "to stop implementing the set plan and refrain from similar activities in the future". According to Vietnam the Chinese oil drilling rig was positioned some 130 kilometers off the Vietnam coast, or nearly 93 kilometers west, i.e. on the Vietnamese side, of a north-south boundary line in the Gulf of Tonkin agreed in 1887 by China and France. On the other hand, the Chinese foreign ministry responded that the Chinese oil drilling ships in question were working on the Chinese side of the central line, an area which is under China's jurisdiction. In the early 1970s China had proposed talks to discuss redrawing the boundary line. According to Vietnamese foreign ministry sources the two sides failed to reach an agreement whereupon China proposed that both countries refrain from searching for oil in a large rectangular area on the Vietnamese side of the 1887 line until the parties would resolve their differences. According to Vietnamese sources drilling started early September 1992 in an area some 143 kilometers off Hainan Island.

On 12 May 1993 Vietnam again publicised an incident of a Chinese seismic survey ship intruding into waters beyond the Vietnamese southern continental shelf from 5–10 May. According to the report the survey ship interfered with oil exploration vessels working for British Petroleum and the Indian Oil and Natural Gas Commission under contract with Vietnam's Oil & Gas Corp. (UNdoc. A/47/430; IHT 5/6–09–92; FEER 17–09–92 p. 14, 24–09–92 p. 22, 27–05–93 p.14)

Persian (Arab) Gulf Islands

(*see* 2 AsYIL 379)

Iran is reported to have denounced a statement by eight Arab Gulf Cooperation Council foreign ministers that criticized Iran's alleged attempts to annex three disputed islands, Abu Musa, Greater Tunb and Lesser Tunb. The islands have been ruled jointly for two decades by Iran and Sharjah, one of the seven sheikhdoms that constitute the United Arab Emirates (UAE). A 1971 agreement allowed an Iranian garrison to be stationed on Abu Musa. In April 1992 Iran, citing security reasons, expelled certain citizens of the Emirates and only allowed expatriates with Iranian permits to remain. (IHT 14–09–92) On 12 November 1992 Iran permitted 12 teachers to return to the island of Abu Musa, and also permitted an Indian doctor to reopen a clinic on the Island.

During a second round of talks between the parties on 28 September 1992 the Emirate delegation presented a memorandum in which it demanded that Iran withdraw from the three islands. An Iranian source said that a withdrawal was out of the question. (IHT 29–09–92) According to Iran the islands had historically belonged to it.

In late December the Iranian President invited the UAE to talks in Tehran to settle the dispute. (IHT 13–11 and 26/27–12–92)

Philippine claim on Sabah

The Philippine foreign minister assured Malaysia that his government would work toward a resolution by aiming at an agreement between the Philippine executive and legislature to abolish a law which defined the baseline of the Philippines by including Sabah. The country's territorial boundaries do not include Sabah, but a 1968 law included a categorical provision that stipulates that this is "without prejudice" to the Philippine claim.

Direct interest in the claim is confined to Muslim groups in the south, including descendants of the Sultan of Sulu.

A breakthrough in the issue came when the Philippine president and the Malaysian Prime Minister reached a new understanding when they met in Brunei for the Sultan's Silver Jubilee in October 1992. It was agreed to set up a joint commission to act as a framework for expanded regional ties and to settle outstanding problems. Among the Commission's tasks will be to explore the possibility of a "growth triangle" including Mindanao, Sulawesi and Sabah.

Extension offices of the respective Philippine and Malaysian embassies would be established in Sabah and Mindanao. Asked whether this meant that the Philippines was recognizing Sabah as part of Malaysia a Philippine Foreign Ministry official said the term "extension office" was used deliberately to "avoid legal and diplomatic complications that establishing a consulate would entail." (FEER 24–09–92 p.24,11–02–93 p.13)

Sipadan and Ligitan Islands

(see 1 AsYIL 348)

In February 1993 the Malaysia-Indonesia joint commission decided that the question of the overlapping claim be further discussed by the commission's joint working group. The latter would be convened after Malaysia had fully studied Indonesia's written reply to the memorandum submitted by Malaysia to Indonesia in July 1992. No time limit was set for a full consideration by Malaysia of the Indonesian reply so as to remove any pressure against an amicable solution. (NST 09 and 10–02–93; STAR 09–02–93)

TERRORISM

see: (Non-) Interference in internal affairs

UNITED NATIONS

South Korean participation in peace-keeping

South Korea decided on 15 April 1993 to send an army engineering unit to help UN peace-keeping operations in Somalia. (IHT 16–04–93)

Restructuring of the UN Security Council

Malaysia's views on the issue were conveyed by the Malaysian foreign minister to the President of the UN General Assembly on 19 April 1993.

Malaysia would like the Council to be restructured and expanded to provide a more representative membership. Malaysia would also like the power of veto to be abolished. (NST 20-04-93)

Jurisdiction over peace-keeping forces

An unarmed Japanese policeman was killed when a UN convoy was ambushed in Cambodia on 4 May 1993. It was reported that the Japanese Government responded by ordering all 750 Japanese police officers serving in Cambodia to retreat to the capital, Phnom Penh and that the UN protested the order as it undermined the chain of command in the peace-keeping force. Japan denied these allegations, but Japan did plead with the UN authorities to keep the Japanese members of the UN force out of danger. (IHT 06, 10 and 11-05-93)

Cessation of UN Population Fund in China

According to reports the Fund was considering to cease its activities in China. It had been—wrongly—associated with forced sterilization measures taken by China to control its population growth. It was expected that if China was threatened with a withdrawal of the Fund the government would almost certainly announce on its own that the UN support was no longer necessary.

It was reported that the US Government had decided to resume aid to the UNPF after a seven-year suspension on the condition that the US contribution would not benefit China. This new policy would reverse a 1985 provision in the US law prohibiting US funding of any organization that "supports or participates in the management of a programme of coerced abortion or involuntary sterilization". (IHT 17-05-93; FEER 27-05-93 p. 22)

Permanent UN Security Council seats for Japan and Germany

The chief US delegate to the United Nations declared that the US supported the bid by Japan and Germany for a permanent seat on the Security Council. (IHT 10-06-93)

VIETNAM WAR**The US MIA issue**

Officials of the US Defense Intelligence Agency believed most of the live sightings were of Russians or other Europeans or Cubans working on projects in Indochina.

The Vietnamese chief delegate to the UN asserted that the US was making excessive demands in the search for servicemen still unaccounted for from the Vietnam War, and said that Vietnam had begun to fear that American inspections of prisons and archives were cloaks for espionage. Of particular concern to Vietnamese officials were repeated requests for “short notice” searches of prisons and sites to follow up reports that Caucasians believed to be Americans had been spotted alive. Vietnam denied that it ever offered open access to prisons in the search for Americans. Vietnam had demanded full files from the US on the reports of people who had said they had seen live Americans, while the US side was not prepared to jeopardize its sources by complying with the request. The Vietnamese representative to the UN recalled that under new agreements concluded in 1992 Vietnam had joined in 35 live-sighting searches and that all those investigations had proved the information on live sightings to be incorrect. He complained that US-Vietnamese relations were in fact taken hostage by strong MIA lobbies. (IHT 8/9 and 10–08–92)

WORLD WAR II

Financial assistance for so-called “comfort women”

It was reported that Japan was considering establishing a foundation in Korea to provide financial assistance to Korean women recruited to work as prostitutes for the Japanese army during World War II. The creation of such a foundation in Korea, to be financed by Japan but administered by the Korean Government would avoid setting a precedent for obligatory compensation. Japan maintains that compensation was officially dealt with by the 1965 Normalization Treaty between the two countries. Under this treaty South Korea waived any claims to war reparations. (FEER 13–08–92 p.12) In late March 1993 the South Korean foreign ministry said that South Korea itself would pay financial support to the women. (IHT 31–03–93; FEER 13–08–92 p.12)

Japanese apologies for recruitment of “comfort women” in the Philippines

The Japanese Prime Minister apologized to the Philippines on 11 March 1993 for the wartime recruitment of Filipino women as prostitutes for the military, adding that “[w]e are also considering some means of showing our regret.” (IHT 12–03–93)

Japanese apologies

The Japanese Government, mindful of Japan’s highly vociferous ultranationalist fringe, ruled out any clear-cut apology for Japan’s war-time behaviour during the visit of the Emperor to China on 23–28 October 1992. The Chinese Government had not sought an apology. (IHT 15–10–92)

On the eve of the visit the Japanese chief cabinet secretary said: “The purpose of the Emperor’s visit to China is not to issue a new apology” but added that the Emperor

would “make remarks about history and Chinese-Japanese relations that invoke previous statements.” (IHT 23–10–92)

In his banquet toast to the Chinese President the Emperor said; “In the long history of relations between our two countries, there was an unfortunate period in which my country inflicted great sufferings on the people of China. I feel deep sorrow over this.” (IHT 24/25–10–92)

Chinese war claim

A grassroots movement representing 300,000 Chinese announced plans on 15 September 1992 to form a nation-wide organization to press Japan for \$180 billion in World War II reparations. The non-governmental group is named the Chinese Popular Committee for Japanese Reparations. (IHT 16–09–92)

Remainders of Japanese war material in China

On the occasion of its signing the Convention on the banning of chemical weapons China asked Japan to take responsibility for removing over 200 shells and 1,000 tonnes of toxic chemicals abandoned by the Japanese army in China during World War II. (FEER 28–01–93 p.14)