CHRONICLE

CHRONICLE OF EVENTS AND INCIDENTS RELATING TO ASIA WITH RELEVANCE TO INTERNATIONAL LAW

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AIR TRAFFIC

Pressure to revise air service agreements with the US

(*see also* AsYIL Vol. 1 p. 268; Vol. 3 p. 343)

Fifteen major Asian and Pacific airlines represented by the Orient Airlines Association announced that they would lobby their governments to scrap or drastically revise a number of decades-old, one-sided air-service agreements with the US.

Under the agreements, concluded in a time when Asian airlines were in their infancy and most international air passengers were Americans, American carriers were given broad freedoms to transport passengers from one point in Asia to another. No similar rights were granted to the Asian carriers in America. (IHT 09-07-93) [The US and Australia reached a three-year agreement on Pacific airline routes via Japan in December 1993 (IHT 21-12-93, 17-03-94).]

Japan-US relations on air services

Japan had opened talks with the US on the future of aviation links by seeking out current rights of US air carriers. Although air travel was not part of the US-Japanese "framework"-agreement reached in July 1993 during the G-7 meeting (*see infra*: International Trade), US officials said Japan's posture in the talks conflicted with principles of open trade referred to in the trade talks between the US president and the Japanese prime minister in July. (IHT 06-08-93)

In March 1994 the US deferred a decision on granting Japan Airlines permission for a new route between Honolulu and Sendai. This reflected, *inter alia*, US dissatisfaction about Japanese denial of approval last year for US airlines to fly without restrictions between the US and Australia via Japan (*see* 3 AsYIL 343). Japan lodged a formal protest against the postponement which was allegedly in violation of a 1984 aviation agreement. (IHT 17 and 25-03-94)

“Fifth freedom” in Malaysia-Philippine air traffic relations

The two countries were to sign a Memorandum of Understanding on 14 February 1994 extending landing rights for airlines of both countries, allowing Malaysia's designated airline to pick up passengers from Manila to Taipei. In return, the Philippines' designated airline would be allowed to pick up passengers from Kuala Lumpur to Bangkok. (STAR 08-02-94)

ALIENS**Detention and expulsion of foreign missionaries**

Several foreign Christians were detained in Henan Province, China, in February 1994 and held for five days. The action was based on two new sets of regulations of 5 February 1994 on proselytization and dissemination of religious materials by foreigners. One of the persons was subsequently expelled and the others left themselves at the same time. (IHT 16 and 18-02-94)

Punishment by caning in Singapore

A Singapore court convicted a US teenager of vandalism in early March 1994 and sentenced him, *inter alia*, to be flogged with six strokes of the cane. The sentence was criticized by the acting US ambassador and on 7 March the US president called on the Singapore government to reconsider the punishment, but the latter said it would not intervene in the court decision: “Singapore judicial process cannot apply different standards to persons subjected to the same law.” (IHT 04 and 09-03-94)

On 4 May the Singapore government turned down the convict's final plea but reduced the number of lashes from six to four in what it said was a gesture of good will toward the US President who had asked that the sentence be commuted. After the caning had taken place it was again criticized by the US president and the Singaporean ambassador was summoned to the State Department to hear US protests. (IHT 06 and 12-05-94)

Spy suspect in Iran

An American woman was arrested and convicted on charges of drunken behaviour in Tehran in April 1994. The court sentenced her to 80 lashes and a small fine. The woman who arrived in Iran in the early 1980s was also suspected of espionage activities. (IHT 09-05-94)

APEC (ASIA-PACIFIC ECONOMIC COOPERATION)

Origins of APEC

APEC was originally conceived as a forum of officials from Asia-Pacific countries in response to the rise in economic regionalism. Consequently, Australia - the initiator of the plan - excluded the US and Canada when it first proposed the grouping in early 1989. When the US reacted angrily as it feared the emergence of an economic group dominated by Japan, the latter urged Australia to include the US and Canada. The originally twelve APEC ministers, comprising six from ASEAN and another six from ASEAN's Pacific dialogue partners, first met in Canberra in 1989 as an informal consultative forum. Two years later in Seoul, APEC began to spell out the members' commitment to free trade and economic collaboration through "open regionalism". When the US took over the chair in September 1992 it said it wanted the forum to be transformed from a "talking shop" to an achievement-based group. (FEER 18-11-93 p. 16)

Heads of government meeting

(*see also*: East Asian Economic Caucus)

During the G-7 meeting in Tokyo early July 1993 the US president announced that the time had come for the US to "join with Japan and others in this region to create a new Pacific community" and that he was consulting leaders of the 15 APEC members on a proposal to meet in Seattle in November 1993. The main aim of the gathering would be to seek top-level backing for a program to liberalize trade in the region. The US was chairman of the group in 1993 and was to be host of the annual meeting of the APEC foreign and economic ministers at the same time and place.

Singapore, South Korea, the Philippines and Canada supported the American initiative, but Malaysia opposed a summit meeting because it would "institutionalize" the group. Indonesia also appeared wary of the invitation and was reported to want assurances that the Seattle meeting would confine itself to economic matters and not become a venue for discussion of political issues. (IHT 09, 21-07-93) On 25 July 1993 it was reported, however, that except remaining doubts about Malaysia the Asian countries had given up their objections against the proposed summit conference. The Chinese foreign minister stressed that Taiwan and Hong Kong were members of the APEC forum as regional economies and, therefore, should not take part in a summit meeting. On the other hand, US officials said a formula could be devised that would allow China to attend the Seattle meeting at head-of-government level while Taiwan and Hong Kong would send lower-level economic representatives. (IHT 26-07-93)

Prospects of Asia-Pacific integration

At the 25th meeting of ASEAN ministers of economic affairs and trade in early October 1993 concern was expressed about the plans for closer Asia-Pacific integration which had been advanced by a number of developed countries of the region and which

might bring the weaker countries in a position of being dictated the terms of future trade and economic cooperation.

It was said that the US had tried to get the approval of other APEC members for a binding agreement to lower tariff and non-tariff barriers in the Pacific, but was vetoed by ASEAN countries. Instead a preparatory meeting of APEC countries' officials at Honolulu in September 1993 agreed to recommend to the Seattle meeting that a committee be established to "pursue opportunities" to liberalize and expand trade and investment within APEC. The concerns of ASEAN were carefully expressed in the joint press statement issued after the ministers' conference: after noting "the continued evolution of APEC as a constructive framework for sustaining the growth and dynamism of the Asia-Pacific region" and since "this evolution will increasingly involve various economic issues" the meeting concluded that "the ASEAN Economic Ministers should have more meaningful and active roles in providing directions and guidance to promote common ASEAN interests". The Singaporean chairman of the meeting expressed the concerns in the following clearer terms: "APEC should not become a kind of organization that displaces or dilutes the kind of relationship that we have within ASEAN." (IHT 9/10-10-93; ASEAN Documents Series 1992-1994 p. 25)

In November 1993 it was again reported that the ASEAN members had agreed that the APEC forum should remain a loose consultative body and not evolve into a trade negotiating body and that it would be premature to endorse any proposal to create a Pacific free-trade area. No action should be taken that would weaken the global trading system and strengthen trends toward regional economic blocs. ASEAN also wanted to pre-empt moves by the US or Australia to open rapidly growing East Asian markets to their exports at a faster rate than was acceptable to countries in the region. Of the eleven East Asian members of APEC only Singapore and Hong Kong had abolished virtually all barriers to free trade. (IHT 16-11-93)

Seattle meeting

The fifth meeting of APEC foreign and trade ministers was opened on 18 November 1993. They ended their meeting on 19 November after effectively rejecting a long-term vision of an Asian economic "community" constituting a structured free trade group. The Japanese foreign minister said that "[i]t is through consultation, not negotiation, that APEC members should deepen mutual understanding, form common views and pursue common goals." Mexico and Papua-New Guinea were admitted to become members of the forum, but membership of Chile was postponed till next year and a moratorium was imposed on other candidates (such as Peru). A Committee on Trade and Investment was set up which was to recommend on how the APEC countries could lower the cost of doing business in the region.

The heads of state or government met on 19 and 20 November in the absence of the Malaysian Prime Minister. (IHT 12 and 19-11-93)

ARMS SUPPLIES

Russia/US - Malaysia

As a result of competition first Russia and then the US had improved their offers for fighter aircraft, the latter in spite of initial reluctance. Malaysia finally decided on 29 June 1993 to purchase 18 MiG-29M fighters from Russia and 8 McDonnell Douglas F/A-18D strike aircraft from the US (IHT 13-07-93; FEER 08-07-93 p. 13).

It was reported in August 1993 that Russia was finally prepared to make the modifications to its MiG-29 fighter as specified by Malaysia as a condition for the purchase. The modifications were said to include a much improved engine and stronger airframe, and the setting up of a service centre in Malaysia. The final purchase agreement was signed on 7 June 1994. Under the terms of the agreement Malaysia would pay \$550 million and under a counter-purchase clause Russia promised to spend \$150 million on palm oil and unspecified other products from Malaysia. (IHT 02 and 08-06-94; FEER 12-08-93 p. 9, 05-05-94 p. 13, 16-06-94 p. 20)

Chinese supply of missiles to Pakistan

See: Sanctions

Arms sales to Third World

In 1992 arms sales to the Third World fell to their lowest levels since 1985. Sales from Russia fell from \$28.8 billion in 1986 to \$5.9 billion in 1991 and \$1.3 billion in 1992. Chinese sales dropped from a peak of \$4.7 billion in 1987 to \$100 million in 1992, slipping from the rank of the world's fifth largest arms seller to the 10th place. US sales fell only slightly, from \$14 billion in 1991 to \$13.6 billion in 1992, and increased from 49 percent in 1991 to 57 percent in 1992. The US has been the largest seller to the Third World since 1990. (IHT 21-07-93; FEER 26-08-93 p. 11)

Repurchase of weapons

In response to growing fears of terrorist attacks on American civilian aircraft the US government requested the allocation of money by the US Congress to buy back hundreds of Stinger anti-aircraft missiles that the US had given to Afghan rebels in the 1980s. (IHT 24/25-07-93)

Further submarine deliveries from Russia to Iran

(*see:* 3 AsYIL 347)

The Iranian navy commander said in August 1993 that Iran would soon receive its third Russian-made submarine (IHT 17-08-93).

US weapons supply to Taiwan

The US agreed to sell four E-4 Hawkeye early-warning aircraft and 41 Harpoon anti-ship missiles to Taiwan and to lease three frigates on which the missiles would be fitted. (IHT 06-09-93) According to a newspaper report of 25 October 1993 the US also agreed to sell anti-aircraft missiles to Taiwan. (FEER 04-11-93 p.15)

It was reported in late April 1994 that the US was planning to sell hundreds of millions of dollars worth of arms to Taiwan with the tacit approval of China, leaving in effect the 1982 Communique in which the US promised gradual reduction of its arms exports to Taiwan. The compromise was said to be designed to prevent further strains in Sino-US relations. (IHT 28-04-94)

Israeli weapons sales to China

According to the US CIA Israel has been selling advanced military technology to China for more than a decade and appeared to be moving toward formalizing and broadening their military technical cooperation. (IHT 13-10-93) The arms sales were defended by the Israeli prime minister who, however, insisted that they did not violate any restrictions on transferring American weapons technology. (IHT 14-10-93)

Export of "dual use" technology to Iran

According to an investigation completed in September 1993 by the US House Foreign Affairs Subcommittee on International Security, International Organizations and Human Rights, 230 companies had supplied Iran with "dual use" technology and equipment, of which more than 50 were American.

In 1992 German sales of high-technology goods to Iran reached a value of \$5 billion, Japanese sales nearly \$3 billion, Italy and Britain each \$1 billion, France not far behind, and the US ranking sixth at \$746.6 million. (IHT 25-10-93)

Indonesian purchase of military aircraft from Britain

After confirmation in June 1993 of an Indonesian order for 24 trainers and ground-attack fighters from British Aerospace, it was reported in December 1993 that the Indonesian air force was authorized to discuss further purchases of Hawk aircraft. Shortly before British Aerospace had announced that it might set up joint ventures with Indonesia on turboprop aircraft and cars.

In June 1993 the Indonesian chief of staff had announced that Indonesia planned to buy about 100 warplanes over 25 years to replace ageing aircraft. (IHT 07-12-93)

Chinese arms supplies to Myanmar

Chinese military equipment has been reported to flow into Myanmar at an increasing pace since August 1990. The total value of the arms delivered and on order was estimated at more than \$1.2 billion. One of the main priorities was reported to be the remodelling of the Myanmarese navy. (FEER 16-12-93 p. 26)

North Korean purchase of old submarines

North Korea began purchasing fourty old submarines from the Russian Pacific Fleet for scrap metal, through arrangement of a Japanese trading company. (IHT 20-01-94)

US and Australian arms aid to Cambodia

The US and Australia considered supplying arms to the Cambodian army because of its recent battlefield defeats at the hands of the Khmer Rouge. (*see infra*, Cambodia) The arms supply was requested by King NORODOM SIHANOUK. The Australian foreign minister said that it was "wholly legitimate" for the Cambodian government "to seek assistance ... in order to maintain the country's sovereignty and territorial integrity". A senior US official said that the US was also prepared to consider arms supplies but was unlikely to act on its own because of the multilateral pattern of cooperation established during the UN peace effort. (IHT 16-05-94)

Russian military equipment for India

India was reported to be negotiating the purchase of 30 MiG-29 aircraft, and the manufacturers of the MiGs expected to start a joint venture with the Indian state-owned *Hindustan Aeronautics* to make components for MiG aircraft and service them. (FEER 23-06-94 p. 29)

US fighter planes for Pakistan

See: Sanctions

ASSOCIATION OF SOUTH EAST ASIAN NATIONS (ASEAN)

See also: Asia-Pacific Economic Cooperation, East Asia Economic Caucus, Islam

Cooperation in the field of law

An "ASEAN Ministerial Understanding on the Organizational Arrangement for Cooperation in the Legal Field" was reached at a meeting of ASEAN Ministers of Justice, Ministers of Law and Attorneys-General on 11-12 April 1986. Referring to an observation made at the (seventeenth) ASEAN Ministerial Meeting in 1984 to the effect that stress should be laid on cooperation, including harmonization in the legal field, the Ministers in 1986 agreed, *inter alia*,

1. that legal cooperation shall initially comprise (a) exchange of legal materials, (b) judicial cooperation and (c) legal education and legal research;
2. that these aspects shall be studied further by Senios Legal Officials.

A second meeting of the ministers in the field and attorneys-general was held in April 1993. According to the resulting Joint Communique the ministers and attorneys-general:

- (a) called upon the ASEAN legal fraternity to enhance the understanding of each other's legal systems;

- (b) noted the need to disseminate reports of studies and research on law undertaken by national training and research institutions; and
- (c) called for increased bilateral and regional cooperation in legal training, continuing legal education and exchange of study visits of Senior Law Officials.

The meeting also noted that an ASEAN Legal Information System could facilitate the dissemination of information pertaining to the laws of the ASEAN countries and called upon the member states to consider the feasibility of developing an ASEAN Legal Information System. (Asean Documents Series 1967-1988 p. 377; Id. 1992-1994 (Suppl. Ed.) 64)

Implementation of Common Effective Preferential Tariff scheme

At the 25th Economics Ministers' Conference in October 1993 the ASEAN member states agreed to start implementing the Common Effective Preferential Tariff scheme from 1994, except Brunei which would begin tariff cuts in 1995. The program was designed to cut tariffs on selected product groups to between zero and 5 percent from 1993 (IHT 06-10-93), but only Malaysia had stuck to the schedule while Singapore had already long maintained an almost tariff-free policy.

Agreement was also reached on the enlargement of the list of products due to benefit from accelerated tariff cuts within 10 years (*see* 3 AsYIL 349) by 336 items, an increase of the number of products included in the tariff-reduction process and a reduction of the number of products listed for temporary protection for eight years, particularly for the Philippines, Indonesia and Malaysia. In the absence of concrete details, however, economists remained sceptical of the new version and emphasized that the real issue was the question of non-tariff barriers.

Increasingly AFTA was satisfying few and disappointing many, due, among other things, to lack of proper planning. On the one hand there were those who were most reluctant to accelerate the process. On the other hand there were grievances about the lack of rules governing local content requirements, the absence of effective dispute-settlement procedures, the exclusion of services and non-processed agricultural goods, the limited investment concessions, inadequate regulation of non-tariff barriers, and the inability of governments to adopt adjustment measures for the elimination of protection. (FEER 12-05-94 p. 20; Asean Documents Series 1992-1994 (Suppl. Ed.) 23)

The prime minister of Singapore was reported to have said, *inter alia*, "Where we are competitive, we should export to world markets. Where others are more competitive, we should open our doors to them, giving them a vested interest in our economic well-being and encouraging our own industries to upgrade and become competitive." Otherwise "we cannot criticize others for shutting out our competitive exports." (IHT 08-10-93, FEER 21-10-93 p. 74)

ASIAN DEVELOPMENT BANK

Linkage between bank loans and social and environmental issues

The ADB had reached the ceiling of its lending capacity and prepared to double its authorized capital to \$47 billion. The US had decided to give up its opposition against the capital increase but to take a more active role in the bank by calling for a linkage between 40 percent of the bank's loan spending and social and environmental issues, as well as a linkage with "cross-cutting" issues, such as women in development and good governance. This shift of policy to the side of other donor countries took place under the CLINTON administration.

Annoyed over this attempt by Western countries to put conditions on ADB loans, China abstained from voting on the doubling of capital. Several developing countries, among which India and China, argued that the social aspects of development were already well taken care of through the Asian Development Fund, the Bank's concessional-loan branch. According to these countries the Bank's commercial loans were so expensive that they should be kept focused on projects that promote high economic growth, such as infrastructural projects. (IHT 04 and 09-05-94)

ASYLUM

Cambodian prince in Malaysia

Prince NORODOM CHAKRAPONG of Cambodia arrived in Malaysia with his family on 3 July 1994 following an abortive coup. He was granted permission by the Malaysian government to stay temporarily in Malaysia. The permission had been granted on the basis of an old arrangement between the Malaysian prime minister and the prince's father, King NORODOM SIHANOUK, who had requested that the prince be allowed to stay in Malaysia. After getting the impression that the Cambodian government was unhappy about the prince's prolonged stay, Malaysia requested the prince to leave for a third country. The refugee prince was subsequently reported to have been granted permission to leave for France. (NST 14-07-94, 29-07-94; STAR 13-07-94, 18-07-94)

BORDERS, BORDER DISPUTES AND BORDER INCIDENTS

Tajikistan - Afghanistan

Tajik rebel exiles and Afghan fighters launched an attack on a border post on 13 July 1993, resulting in the death of 25 Russian and Tajik soldiers. A second attack, killing eight, was then repulsed by Russian soldiers and border guards firing into Afghanistan. The Tajik government is allied with regional forces against Islamic militants who have their base in Afghanistan. (IHT 16 and 23-07-93)

China - India

During the visit of the Indian prime minister to China in early September 1993 the two countries signed a "peace and tranquillity agreement". The agreement stipulated that, pending a final resolution of the demarcation line, the two countries respect and observe the "line of actual control" and would not resort to force or threats of force. A bilateral team of experts would determine the actual line. The agreement included a commitment to reduce forces along their border, but it had yet to be determined whether that would imply a one-for-one cutback as proposed by China or an adjusted ratio as advocated by India. The two countries also agreed to start confidence-building measures, to give prior notification of military manoeuvres and to prevent airspace intrusions. (IHT 08-09-93, FEER 16-09-93 p. 13)

In December 1993 talks took place between Chinese and Indian Army delegations on measures to lower military tension along the China-India border. (IHT 22-12-93)

Cambodia - Vietnam

See: Inter-state relations

China - Vietnam

China and Vietnam on 19 October 1993 signed an agreement in Hanoi on basic principles to resolve territorial and border issues on land as well as at sea. It was the first agreement since the two parties started border talks 19 years ago. (IHT 20-10-93) In February 1994 it was reported that the two countries had agreed to discuss their territorial disputes (IHT 26/27-02-94) and talks began on 22 March 1994 on the borders in the Gulf of Tonkin. (FEER 31-03-94 p. 13)

Vietnam - Thailand

It was reported that the two states concluded an agreement on principles for settling their territorial disputes on land and in the South China Sea. The agreement was signed on the occasion of a visit by the head of the Vietnamese Communist Party to Thailand in October 1993. (FEER 28-10-93 p. 15) During a visit by the Thai prime minister to Vietnam in March 1994 the two parties agreed to set up a joint body to resolve the disputes over fishing rights and maritime boundaries. (FEER 31-03-94 p. 13)

India - Bangladesh

Indian and Bangladeshi soldiers exchanged fire across the border on 29 November 1993 over a land dispute between farmers. Indian farmers in the northeastern state of Tripura came under fire from Bangladeshi border guards when they tried to till farmland claimed to belong to Bangladeshi farmers. (IHT 30-11-93)

China - Laos

In december 1993 Laos and China signed a treaty intended to maintain peace along their common 500-kilometre border. A border delimitation plan had been adopted in 1992 to resolve disputes along their frontier. (FEER 16-12-93 p. 15)

Indonesia - Vietnam

The presidents of Vietnam and Indonesia agreed to expedite the demarcation of their common border in the South China Sea. (FEER 12-05-94 p. 13)

China - Russia

(see also: Inter-state relations: general aspects, p. 461)

The two countries reached agreement on the alignment of the short western section (35 miles) of their 4,000-kilometre border at the conclusion of border talks between China and a joint delegation of four countries of the Commonwealth of Independent States: Russia, Kazakhstan, Kyrgyzstan and Tajikistan. Agreement has yet to be reached on the eastern region around the Amur River which has been a contentious issue between the two countries for a century. (IHT 15-06-94)

Indonesian-Philippine maritime boundaries

According to the Philippine Undersecretary for Foreign Affairs the two countries reached agreement on three principles which would govern the drawing of their maritime boundaries: the UN Convention on the Law of the Sea, the median line principle, and "creative options". (IHT 28-07-94)

BROADCASTING**Star-TV dominated by (Australian) News Corp.**

As part of a competition among Western media to develop the television market in Asia where two-thirds of the world's potential viewers live, News Corp. (43 percent owned by RUPERT MURDOCH) on 26 July 1993 bought 63.6 percent of Hutchvision Ltd., parent company of Star-TV, Hong Kong, the dominant satellite broadcaster in Asia. (IHT 27-07-93)

The acquisition by a non-Asian and the expected resulting friction and instability caused criticism by the prime minister of Malaysia, to which News Corp. responded by a statement reassuring that Star-TV would not become a vehicle for outside interference in Asian affairs.

Malaysia prohibits individuals from owning satellite receiving dishes and in India the government had proposed a law restricting Western television broadcasts. (IHT 04 and 05-08-93)

Because of concerns about an uncontrolled invasion of Western values, several countries in Asia were moving to restrict foreign programming to distribution on land-based cable networks that can be more easily controlled by licensing. (IHT 23-03-94)

Radio Irina

(see 3 AsYIL 353)

Vietnam reportedly succeeded to persuade Russia in June 1993 to close Radio Irina. (FEER 25-11-93 p. 11)

China's attitude toward Radio Free Asia

China demanded on 27 January 1994 that the US drop plans to set up a new radio station, envisioned as a conduit of news, information and commentary for the people of Cambodia, China, Laos, Myanmar, North Korea and Vietnam. According to the spokesman of the ministry of foreign affairs the real objective is "to use the news media to interfere in the internal affairs of China and other Asian countries and to create confusion." (IHT 28-01-94)

Taiwanese satellite broadcasting

Po Hsin Entertainment Inc., 45 percent-owned by the Nationalist Party, planned to start broadcasting throughout China, Taiwan and Southeast Asia in October 1994. It signed an agreement with the China-controlled APT Satellite Co. for space on the Apstar-1 satellite which was scheduled to be launched in summer 1994. (IHT 03-02-94)

Chinese re-broadcasting of foreign programs

The Chinese Ministry for Radio, Film and Television and China's main television organization Central China TV signed agreements with the Australian Broadcasting Company, opening the way for transmission of Australian Television programs on Chinese domestic channels. (IHT 10-02-94)

BBC news broadcasts to China

The Chinese government advised STAR TV, the Asian satellite broadcaster controlled by the Australian-owned News Corp., to drop the BBC World Service from its network. The News Corp. chairman responded on 15 February 1994 that the BBC channel would be replaced because of allegations of bias made against the BBC by China and India. Although the BBC program was replaced in broadcasts to China, Hong Kong and Taiwan, it would continue to be broadcast to South Asia by STAR TV under the current contract until 1996. (IHT 17-02-94, 14-06-94)

In late March 1994 it was reported that Warf Cable, another television company in Hong Kong launched in October 1993, had offered the BBC to provide programs on its channel. (IHT 30-03-94)

Censorship on news reports

The Malaysian Television had cut several scenes from a BBC news report about labour riots in Indonesia. As a result the BBC had threatened to stop providing news to the Malaysian state television service. Defending the censorship, the Information Ministry said that the Southeast Asian countries had agreed among themselves to refrain from broadcasting news that might be sensitive to their neighbours. Malaysia decided to cancel the BBC news service. (IHT 29-04, 05-05-94)

CAMBODIA

Establishment of a new government

The 120-member constituent assembly approved a coalition government and voted to maintain the laws of the former Phnom Penh government. The co-prime minister and former prime minister of the Phnom Penh government said that the existing laws had already been approved by the UNTAC while the other co-prime minister, head of the royalist party, agreed to accept the laws on condition that they could be changed by a joint review body. (IHT 02-07-93)

Government-Khmer Rouge relationship

Contrary to their attitude before the elections in May 1993 Khmer Rouge commanders offered to merge their forces (10,000 men) with the army of the newly elected government and said they would open areas under their control to the UN peacekeeping force if their group was given a position of permanent adviser to the newly elected government. (IHT 01 and 15-07-93) Further, Khmer Rouge envoys met the then Prince NORODOM SIHANOUK and the UN commander on 1 July 1993, after a 10-week self-imposed exile, raising hopes of a return by the group to the peace process. Their spokesmen said they had come to discuss opening up the 20 percent of the country they controlled to the newly elected government. (IHT 02-07-93) Meanwhile, however, the group captured the Preah Vihear temple on 7 July 1993. (IHT 13-07-93)

The US vowed to withhold aid if the Khmer Rouge were given a role in the government. One of the co-chairmen of the interim government indicated that the government was prepared to risk losing foreign aid by accepting the Khmer Rouge proposal. "Most important now is that Cambodia should reunite; it should not allow foreign countries to use their economic influence to divide Cambodia." (IHT 15-07-93) Under pressure from France and the US, however, one day later the co-chairmen ruled out any early ministerial role for the Khmer Rouge in a unified government and made it clear that they were only being offered a role as advisers at present. (IHT 16-07-93) This retreat was followed by a statement from the head of state abandoning his planned talks with the Khmer Rouge. Meanwhile the Prince said that "incessant" American warnings were making him (even more) ill and driving him toward "a mental asylum". (IHT 21-07-93)

At their meeting in July 1993 the ASEAN foreign ministers in a joint statement on Cambodia expressed their hope that "all Cambodians set aside factional interests and

work toward national reconciliation". The statement made no direct mention of the Khmer Rouge or of US or French misgivings about the guerrilla group. (IHT 24/25-07-93; ASEAN Documents Series 1992-1994 p. 91) During the ASEAN post-ministerial conference consultations, however, a senior US official said that the US government had not ruled out giving financial assistance to a new Cambodian government including the Khmer Rouge, but would seek ways in which the aid might be reconciled with the strong hostility to the Khmer Rouge in the US. (IHT 26-07-93)

The following weeks were characterized by, on the one hand, increased attacks and acts of sabotage by the Khmer Rouge combined with simultaneous insistence on inclusion in the government, and, on the other hand, offers of peace and cooperation by the government on condition of ceasing of violence, incorporation of the Khmer Rouge forces into the national army, and access to Khmer Rouge-held territory. (IHT 27-07-93, 03-08, 04-08, 05-08, 7/8-08, 23-08-93)

By the middle of August the government ordered the army to retaliate against continued Khmer Rouge attacks, resulting in the biggest government attack, in northwestern Cambodia, since the beginning of the UN peace-keeping mission. (IHT 13-08, 19-08, 20-08-93) On 20 August government forces seized Phum Chat, a major Khmer Rouge arms and logistics centre. (IHT 21/22-08-93; FEER 02-09-93 p. 12)

In November 1993 the King proposed a peace plan with the purpose of drawing the Khmer Rouge into the new government. The peace offer reportedly was withdrawn in late November because the prime minister considered it unconstitutional. The constitution requires senior government officials to be members of parties represented in the National Assembly. Yet on 4 December the prime minister declared to be prepared to invite the Khmer Rouge to integrate their armed forces into the national army provided an immediate cease-fire was implemented. An earlier demand, notably the handing over of Khmer Rouge-controlled territory was dropped by making it the object of later negotiations. (IHT 23-11-93; FEER 16-12-93 p. 18)

On 4 January 1994 the Cambodian armed forces warned the Khmer Rouge of an imminent attack aimed at the capture of the Khmer Rouge headquarters in western Pailin Province. The warning was preceded by a demand from the two co-prime ministers for the guerrillas to join in national reconciliation. (IHT 05-01-94) The Khmer Rouge northern headquarters at Anlong Veng was captured by government forces on 5 February but the base was recaptured by the Khmer Rouge on 24 February. (IHT 02-03-94) In March 1994 government forces captured the Khmer Rouge capital of Pailin. (IHT 23-03-94) In this connection the Cambodian government accused Thailand of having helped POL POT, the Khmer Rouge leader, to flee into Thailand in the face of advancing Cambodian forces. (IHT 07-04-94) Pailin was, however, later recaptured by the Khmer Rouge on 19 April 1994 who then almost captured Battambang, Cambodia's second-largest city. (IHT 20-04-94; FEER 19-05-94 p. 16)

After an appeal from the King, the government and the Khmer Rouge finally agreed to hold peace talks on 27 May 1994 in Pyongyang but neither side appeared ready to negotiate seriously and the talks accordingly ended in failure. (FEER 02-06-94 p. 14, 09-06-94 p. 13)

Ethnic Vietnamese

(see also: 3 AsYIL 354, and *infra*: Inter-state relations, Refugees)

The Khmer Rouge rejected an appeal from the head of the UN peacekeeping mission to stop inciting violence against ethnic Vietnamese. It said it had to address the problem of the Vietnamese because the UN mission had failed to do so. The attacks on Vietnamese had stepped up in March and April 1993 causing an exodus of tens of thousands of ethnic Vietnamese across the border into Vietnam. (IHT 14/15-08-93)

The UNTAC had appealed to allow as many as 30,000 ethnic Vietnamese to return from the Cambodian-Vietnamese border where they had fled from the Khmer Rouge, but it was reported that the interim government was dragging its feet. (FEER 26-08-93 p. 13)

Completion of UN mission

The UN Transitional Authority in Cambodia terminated its 18-month mandate on 26 September 1993 as the head of the mission bade farewell to the newly reconstituted Kingdom of Cambodia. (IHT 27-09-93)

Refugees in Thailand

Avoiding the renewed fighting between government and Khmer Rouge forces and resulting from the capture of Pailin by government forces on 19 March a flow of refugees had crossed the northwestern border into Thailand. Thailand had been sending these refugees, around 25,000, back over the border into Khmer Rouge-held territory by way of voluntary repatriation, despite encountering resistance from some of the refugees.

The Cambodian foreign minister protested the "forced repatriation" and asked Thailand to allow access to the ICRC and the UNHCR to determine if the refugees wanted to return to areas controlled by the Cambodian government. The UNHCR also filed a protest, saying that the return "was conducted in a manner contrary to internationally accepted humanitarian principles and practices". (IHT 28 and 29-03-94)

CIVIL WAR

Afghanistan

(see also: 3 AsYIL 342)

Fighting erupted on New Year's Day between presidential forces and fighters led by General ABDUL RASHID DOSTAM who joined forces with the prime minister GULBUDDIN HEKMATYAR, another adversary of the president. (IHT 03-01, 06-01, 14-01-94)

According to the Islamabad Accord of March 1993 (see 3 AsYIL 342) the president's mandate would expire on 28 June 1994. Under the Accord he should have organized a *loya jirga* (tribal council) and elections. Instead the ethnic Tajik president

wanted to call his own *shoora* (council) to choose a new president. Pakistan tried to broker a second Islamabad Accord but the Afghan president is hostile toward Pakistan and it proved to be difficult to achieve consensus among the foreign backers of the various factions while the neighbouring Central Asian republics complicated the picture further. Turkmenistan backed ISMAEL KHAN, the warlord of western Afghanistan and president RABBANI's ally, but not the president. Uzbekistan backed General DOSTAM who is ethnically Uzbek. Tajikistan supported the president but was hostile to the equally Tajik General MASUD and to the Pashtun prime minister as both of them supported the Islamic rebel movement in Tajikistan. (FEER 30-06-94 p. 24)

Tajikistan

(see also: 3 AsYIL 359 and *supra*: Borders)

The opposition to the government of President RAKHMANOV consisted of four separate parties: the Islamic Renaissance Party headed by MOHAMMAD SHARIF HIMMATZADA, the Democrat Party of SHADAN YOUSAF, the National Front led by ABDUL JABBAR TAHIR and the Lale Badakhshan group under AMIR BEG. All four groups demanded the withdrawal of foreign troops and free elections under a neutral caretaker government. On the other side Russian, Uzbek and Kirgiz troops were stationed in Tajikistan under the common defence arrangement of the Commonwealth of Independent States. The Tajik government had signed an agreement with Russia in May 1993 to continue the Russian presence till 1999. (FEER 12-08-93 p. 12)

Iran and Russia reached agreement to cooperate on finding a peaceful settlement to the conflict in Tajikistan. The agreement was reached in talks between the Iranian and Russian deputy foreign ministers. (IHT 08-03-94)

COMMUNICATIONS

Communication among Mekong littoral states

The first bridge to span the Mekong River, the Mitraphab (Friendship) Bridge, was built by Australia and opened on 8 April 1994 to cross the river between Tha Naleng, near Vientiane, Laos, and Nong Kai in Thailand. (IHT 11-11-93, 12-04-94)

Malaysia-Singapore Second Crossing Project

On 22 April 1994 Malaysia and Singapore signed an agreement for the construction of a multi-million ringgit second carriageway linking the two countries. The project would comprise a 2-km bridge over the Straits of Johor. Ninety per cent or a length of 1.6 km to 1.7 km of the bridge would be built by Malaysia and the remainder by Singapore. The project would cost Malaysia about RM 1.6 billion and Singapore RM 680 million. The Malaysian part of the project was privatized while the Singapore government would undertake its part of the project. The bridge should be completed by November 1997. (NST and STAR 23-04-94)

COMPENSATION

See also: Inter-state relations: South Korea-Russia

Shooting down of Korean aircraft over Sakhalin

South Korea said that it would appeal again to Moscow for compensation for the shooting down of the Korean passenger plane on 1 September 1983, despite Russia's claim that the [former] Soviet Union bore no guilt in the incident. According to the Russian side the blame was to be laid on pilot error and a series of fateful coincidences: the Soviet air defence forces firmly believed they were intercepting an enemy spy plane when they shot down the airliner. (IHT 01-09-93)

Yin He incident

As a consequence of the unproven US accusations of the carriage of nerve gas ingredients by a Chinese freighter (*see infra*: High seas) China demanded a formal apology from the US and \$13 million in damages. The demands were rejected by the US. (FEER 16-09-93 p. 14)

CULTURAL PROPERTY**Korean ancient books in French possession**

During his visit to Seoul in September 1993 the French president suggested the return of a 300-volume collection of ancient Korean books which were plundered from Korean royal archives in 1866. However, France seemed to have reconsidered the return when the French foreign ministry said that the books could only be an item for exhibition in Seoul in exchange of cultural material from Korea of equal value for exhibition in France. (FEER 19-05-94 p. 14)

DEBTS**Rescheduling of Iranian debts**

Iran and Germany reached agreement on rescheduling 4.5 billion D-marks in Iranian debt owed to German companies. The agreement gives Iran six years in which to pay overdue commitments. It was said that the agreement had been reached despite fierce US opposition. The US had urged Germany to isolate Iran on grounds that it sponsors terrorism. Iran's foreign debts were estimated to amount to \$30 billion. (IHT 28-02-94)

Repayment of Russian debts to South Korea

It was reported that the two countries would renegotiate the repayment terms on \$1.5 billion in loans extended to the Soviet Union, and that an extension of the loans with another \$1.5 billion as called for under the original loan accord would not take place. South Korea rejected a Russian offer of military equipment in exchange for debt repayment and new loans. (FEER 09-09-93 p. 67)

Rescheduling of Vietnamese debts

See also: Economic cooperation and assistance

The Paris Club of Western creditor states agreed on 13-14 December 1993 to reschedule Vietnam's \$4.5 billion hard-currency debt. Eleven countries were prepared to cancel up to half of the debts owed to them. (FEER 30-12-93/06-01-94 p. 87)

DEVELOPMENT AID**US Peace Corps in China**

The first 18 American Peace Corps volunteers to serve in China started teaching English in Sichuan Province. A decision on the continuation of the program was to be taken in the summer of 1994. The program originally was to start in 1989 but as a result of the incidents of that year both sides decided to postpone the start indefinitely. The volunteers are called "US-China friendship volunteers". (IHT 19-04-94)

DIPLOMATIC AND CONSULAR INVIOABILITY**Freeing of hostages in Afghan embassy building**

Pakistani commandos stormed the Afghan embassy in Islamabad on 21 February 1994 in order to free schoolchildren and a teacher who had been held hostage in the building by Afghan gunmen. The three Afghans were killed. (IHT 22-02-94)

Attack on Pakistan embassy

On 23 February 1994 a mob of Afghan demonstrators attacked the Pakistan embassy in Kabul, wounding staff members, smashing windows and furniture and burning the Pakistani flag. Security forces were reported to be slow in responding to the demonstration protesting against the killing of Afghan gunmen at the Afghan embassy at Islamabad. (IHT 24-02-94)

DIPLOMATIC AND CONSULAR PROTECTION

Protection of Vietnamese-Americans

See: Diplomatic and consular relations

Thai workers in Libya

The US urged Thailand to withdraw Thai citizens working in chemical and nuclear facilities in Libya. About 25,000 Thais worked in Libya. Earlier in the year the US had warned third countries that it could not guarantee the safety of their workers if the US would take military action against Libya. (IHT 02-09-93) The Thai government accordingly set up a plan for repatriation of Thai citizens in case of an American attack on Libya. (IHT 05-10-93)

DIPLOMATIC AND CONSULAR RELATIONS

See also: Inter-state relations

Vietnam - Israel

On the occasion of a visit of the Vietnamese deputy foreign minister to Israel, the two countries agreed on 12 July 1993 to establish diplomatic relations. (NRC 13-07-93)

Vietnam - US

In 1993, before the lifting of US sanctions, Vietnam and the US agreed in principle to station three US diplomats in Hanoi "on a temporary basis" to handle consular matters. The US denied that the diplomats would be "preparing the ground for normalization". The diplomats might not enjoy full diplomatic status.

Under an agreement reached a decade ago the US had regularly sent consular officers to process Vietnamese emigrating to the US and in 1991 the US set up an office in Hanoi for the investigation of so-called MIA cases. (IHT 19-07-93; NRC 19-07-93)

After the lifting of the US sanctions in February 1994 the US proposed to set up liaison offices in each other's capital cities. Final arrangements were agreed on 20 May 1994. The offices would be staffed by at least 10 diplomats and would carry out some of the functions of embassies until diplomatic relations were established. (IHT 26-05-94)

Vietnamese-US consular agreement and dual nationality

Problems had arisen in preparing a consular agreement as a basis for the establishment of mutual liaison offices. There was disagreement over the implementation of a provision requiring the Vietnamese to contact US authorities within 72 hours should a US citizen be detained in Vietnam. Under Vietnamese law, Vietnamese nationality can only be relinquished with permission of the government. Since this

practically never occurs, US citizens of Vietnamese origin remain Vietnamese nationals who would be treated as such by the Vietnamese government. (FEER 05-05-94 p. 32) Later agreement was reached on representation and protection of Vietnamese-Americans on Vietnamese territory. (IHT 26-05-94)

Establishment of diplomatic relations with South Africa

India and South Africa restored diplomatic relations on 22 November 1993 after a 39-year freeze. (IHT 23-11-93, FEER 02-12-93 p. 15) In November 1993 Malaysia announced the establishment of diplomatic relations with South Africa (NST 08-11-93), followed some time later by Indonesia. (BLD 1994 No.17)

North Korean-Australian diplomatic relations

After having closed its embassy without explanation in 1975, North Korea asked Australia whether it could re-open the mission. (FEER 27-01-94 p. 9)

Sino-Indian consular relations

India turned down a Chinese request to open a consulate in Calcutta and offered Bombay instead. The state of West Bengal, where Calcutta is located, is the only Indian state ruled by Communists. (FEER 17-02-94 p.12)

Closure of Pakistani consulate in Bombay

Pakistan decided to close its consulate in Bombay, after a leading hotel had refused to have Pakistan Day celebrations on 23 March held on its premises. The Pakistani consul-general said that the consulate had been operating from a rented office and that he had searched for 19 months to find a suitable place for a permanent consulate without success or help from the Indian government. (IHT 22-03-94) The Indian government revoked a promise to let the mission occupy the former residence of MOHAMMAD ALI JINNAH, the founder of Pakistan. (FEER 31-03-94 p. 13)

Expulsion of Iranian diplomat

Norway announced the expulsion of a consul at the Iranian embassy on 25 March 1994 for activities not in keeping with his diplomatic status. The Norwegian ministry did not elaborate on the activities that warranted the expulsion, but emphasized that the expulsion was not related to the attack on the Norwegian publisher of a Norwegian edition of SALMAN RUSHDIE's book. In retaliation Iran expelled the Norwegian consul in Tehran on 27 March for "acts incompatible with diplomatic norms". (IHT 26/27 and 28-03-94)

Malaysia - Tunisia

On the occasion of the signing of an agreement on economic and technical cooperation in May 1994, Tunisia suggested that Malaysia set up a Malaysian External Trade Development Corporation (Matrade) office in Tunisia to promote bilateral trade and to pave the way for the establishment of a Malaysian embassy. Currently, the Malaysian embassy in Rome covers Tunisia while the Tunisian embassy in Jakarta handles dealings with Malaysia. (NST and STAR 27-05-94)

DISARMAMENT AND ARMS CONTROL

See: Weapons

DISPUTE SETTLEMENT**Preventive diplomacy on the South China Sea**

(*see:* 3 AsYIL 363)

A fifth workshop on the subject, particularly on resource assessment and development, was held in Jakarta in early July 1993. Officials from 10 Asian countries participated in their personal capacity. Agreement was reached on 4 possible areas of cooperation, among which fishery stock assessment under the coordination of Thailand and study of matters relating to non-hydrocarbon, non-living resources. (AALCCQB Jan-Apr. 93 p. 52)

DIVIDED STATES: CHINA**Invitation for Taiwan official to visit the mainland**

China's semi-official Association for Relations Across the Taiwan Strait extended an invitation to the secretary-general of Taiwan's Straits Exchange Foundation, the first such an invitation since the rival governments held official talks in Singapore in April 1993. (IHT 20-07-93)

Increasing trade deficit of the mainland vis-à-vis Taiwan

China was reported to be concerned about the increasing trade deficit with Taiwan. Taiwan exports mainly industrial raw materials and spare parts and imports Chinese medicinal herbs and farm goods. The trade is conducted through Hong Kong on an unofficial basis. (IHT 09-08-93)

Chinese policy paper on Taiwan

On 31 August 1993 China issued a major policy paper ("white paper") on Taiwan (*The Taiwan Question and Reunification of China*), repeating its offer of peaceful reunification but also threatening that military force may be used if necessary to retake the island. The white paper underscored Beijing's opposition to UN membership for Taiwan, for which a campaign was on the way in Taiwan. These efforts were described by the paper as "an attempt to split state sovereignty". (IHT 01-09-93, FEER 16-09-93 p. 10, BR 1993 No.36)

Mainland-Taiwan talks

The first regular talks under the 1993 Joint Agreement (*see* 3 AsYIL 366) took place in late August 1993 and had on the agenda, *inter alia*, the repatriation of illegal Chinese immigrants and the harmonization of the two legal systems.

The talks broke down on 1 September without results. According to the Taiwanese side it pulled out of the talks because the Chinese side refused to negotiate in good faith, wanted to change the agenda and demanded the return of some Chinese hijackers who had recently commandeered civil aircraft to Taiwan. (IHT 02-09-93)

Further talks took place in November 1993 but again ended without formal agreements on how to handle the increasing problems of illegal immigration, fishing disputes and hijackings. With regard to hijacking Taiwan insisted to have the right to refuse repatriation in case of hijacking for political or religious reasons, in deviation of an existing agreement on repatriating criminals. With regard to fishing disputes, no agreement was reached on the setting up of mediation bodies because of Chinese fears that this would amount to recognizing Taiwanese sovereignty. As to repatriation of illegal immigrants from the mainland, the mainland side demanded that its officials be allowed to visit the emigrants before their repatriation, which the Taiwanese considered unnecessary. (IHT 08-11 and 20-12-93)

A new round of talks took place from 18 till 22 December 1993. The two sides agreed that hijackers be repatriated under the principles of humanitarianism, safety and convenience, but they remained divided on who should put hijackers on trial. The mainland side insisted that hijackers be returned within 15 days except in certain "special cases". (IHT 23-12-93) As to investment protection political obstacles appeared insurmountable since the Chinese government was unwilling to acknowledge the separate status of the government at Taiwan. But meanwhile China had unilaterally prepared new "special domestic investment rules" including specific guarantee and protection provisions for Taiwanese investments. (FEER 30-12-93/06-01-94 p. 14, 17-03-94 p. 15)

A new set of five days of high-level talks began on 31 January 1994. The agenda included renewed discussions on the hijacking issue as well as Taiwan's worries over an influx of undocumented immigrants seeking construction and household work on the island, and also the issue of a stronger legal framework for Taiwanese investments on the mainland. (IHT 01-02-94) As to the issue of putting hijackers on trial, the problem seemed to be the Chinese refusal to endorse any formal acknowledgement of the Taiwanese exercising criminal jurisdiction apart from Chinese jurisdiction.

Another round of talks took place in March 1994 without results. (FEER 14-04-94 p.18)

German refusal to sell arms to Taiwan

China thanked Germany on 11 November 1993 for curbing arms sales to Taiwan and virtually assured a reward in the form of contracts. (IHT 12-11-93)

Deportation of hijackers

(*see also*: Hijacking of aircraft)

The Taiwan authorities decided on 18 November 1993 that henceforth Chinese airline hijackers would be deported after they were convicted or after they had finished their jail terms. So far hijackers could stay in Taiwan after they had served their prison terms. (IHT 19-11-93)

Diplomatic/consular relations with Latvia

Latvia first established diplomatic relations with China in September 1991. Some months later it established consular relations with Taiwan. In a departure from its usual practice China continued to maintain its diplomatic relations. It appeared that from the Latvian side some disillusionment with Taiwan developed because of unfulfilled economic promises, while on the other hand China had become Latvia's leading trading partner in Asia. (FEER 13-01-94 p. 27)

Diplomatic relations with Burkina Faso

China suspended diplomatic relations with Burkina Faso in retaliation for the latter's resumption of ties with Taiwan after a 20-year break. Taiwan subsequently promised economic and technical assistance. (FEER 17-02-94 p. 13)

Taiwanese "vacation diplomacy"

Under the guise of a golfing holiday the Taiwanese president visited the Philippines, Indonesia and Thailand in February 1994. He met and held talks with the presidents of the Philippines and Indonesia in their "private capacity" and with one of the Thai deputy prime ministers. The talks concerned mostly economic and investment matters.

Both the Philippine president and the Thai prime minister reaffirmed adherence to a "one China" policy. China officially protested with the three countries against the visits, charging that the Taiwanese were trying to create "two Chinas" by establishing "substantive relations" under the guise of taking a holiday. (FEER 24-02-94 p. 18)

The death of 24 Taiwanese tourists

A tourist boat taking Taiwanese tourists in Zhejiang Province burst into flames on 31 March 1994. The disaster killed 24 tourists. In response Taiwan would not hold further talks with the Chinese side before it received full details of the event, demanded compensation from China for relatives of the victims (IHT 12-04-94) and said it would suspend cultural and educational exchanges and also China tours.

After some denials China acknowledged that the fire could have been caused by criminal acts and later three men were arrested, suspected of robbing and killing the 24 Taiwanese tourists and eight Chinese crewmen. As a result Taiwan decided to gradually resume the economic links with the mainland. (IHT 13,14,18 and 27-04-94) China explicitly ruled out army involvement in the murder of the tourists, contrary to suspicions from the Taiwan side. (IHT 11-05-94) The three men were convicted to the death sentence. (IHT 13-06-94)

DIVIDED STATES: KOREA

North-South talks

(*see also*: Nuclear capacity)

On 1 September 1993 North Korea proposed urgent talks with the South. It called for an exchange of special envoys to solve the nuclear issue. Previous negotiations had broken down in January 1993 over a dispute about nuclear inspections and the joint US-South Korea military exercises. In talks between North Korea and the US there had been tentative agreement on US assistance in the conversion of North Korean nuclear reactors for exclusively civilian use, but this, as well as further talks, was made conditional upon a resumption of North-South dialogue. (IHT 02-09-93)

The North Korean proposal was accepted by South Korea on 2 September 1993 (IHT 03-09-93) but the talks did not take place as the two sides could not agree on the date of meeting. (IHT 07-09-93) A breakthrough was achieved on 2 October when North Korea dropped several conditions, including a promise by the South to halt its joint military exercises with the US and a demand that South Korea pledge not to seek an alliance with the US and other countries to put pressure over the nuclear dispute. South Korea said it would propose to halt the war manoeuvres with the US if the nuclear dispute with North Korea could be solved and to exchange special presidential envoys. (IHT 04-10-93) The talks started on 5 October but ended inconclusively. It was then agreed to resume talking on 15 October. (FEER 14-10-93 p. 15)

Asylum for North Korean loggers from Siberia

North Korea threatened to retaliate against South Korea for offering political asylum to North Korean loggers who escaped from their work camps in Siberia. (FEER 26-05-94 p. 13)

EAST ASIA ECONOMIC CAUCUS (EAEC)

Status of EAEC in view of APEC

The invitation by the US president for a summit meeting of APEC government leaders in Seattle in November 1993 and Malaysia's reluctance to accept the invitation brought about a compromise within ASEAN, brokered by Singapore, to proceed with the East Asian Economic Caucus within the structure of APEC. It was subsequently reported that American concern about the EAEC had been "greatly eased" by the decision. Nevertheless, Japan and South Korea had declined an invitation to join the caucus and preferred to wait further clarification about its objectives and operating procedures.

The ASEAN foreign ministers in their joint communique following their meeting in July 1993 considered that the Caucus should get "support and direction" from the ASEAN economic ministers, "taking into account that the prospective members of EAEC are also members of APEC". Consequently "the Foreign Ministers agreed that the EAEC is a caucus within APEC". (IHT 28-07-93; ASEAN Documents Series 1992-1994 p. 12)

ECONOMIC COOPERATION AND ASSISTANCE

Development aid to India

Leading industrial countries associated in the India Consortium pledged \$7.4 billion in aid to India which was \$200 million more than last year. The increase came about as Japan unexpectedly raised its aid commitment. The decision showed the strong support given to India's moves towards a liberal economy. (IHT 3/4-07-93)

Japanese aid to Vietnam

Japan announced it would grant significant financial aid to Vietnam for public works before the end of 1993. (IHT 23-07-93)

Japan - Singapore

The two countries issued a joint statement announcing the establishment of a "Japan-Singapore Partnership Programme" (JSSP) starting in April 1994. Under the Programme the two states agreed to jointly provide resources and expertise to assist developing countries by increasing the number of joint training programmes to be conducted in Singapore and by other forms of collaboration. (A/49/71)

Clearing of Vietnam's arrears with the IMF

(*see also*: Debts)

France, Japan and 13 other states, calling themselves the "Friends of Vietnam", announced a financial package on 27 September 1993 to clear Vietnam's arrears with the IMF. This would pave the way for the Fund's executive board to consider loans to Vietnam. (IHT 29-09-93)

Japanese economic aid to Vietnam

After the US gave its approval to the World Bank and the ADB in July 1993 to extend credits to Vietnam, Japan pledged 60 billion yen in aid, consisting of 52 billion yen in loans, 6 billion in grants and 2 billion in technical assistance. (IHT 03-02-94)

Economic aid to Cambodia

The International Committee on the Reconstruction of Cambodia (ICORC) held a meeting in Tokyo on 10-11 March 1994. On the basis of an economic blueprint presented by the Cambodian government the 25 donor states and 10 international organizations pledged \$490 million for 1994 and a further \$271 million for 1995. (FEER 24-03-94 p. 47)

G-15 meeting

Seven out of the 15 heads of state and government of the so-called G-15 group of developing states, formed in 1989 on the initiative of the late Indian prime minister RAJIV GANDHI, met in New Delhi in late March 1994. The group includes India, Indonesia, Malaysia, Zimbabwe, Nigeria, Senegal, Argentina, Algeria, Brazil, Egypt, Jamaica, Mexico, Peru, Venezuela and Yugoslavia. A closing communique demanded the restructuring of the UN Security Council, the World Bank and the IMF in order to give an increased voice to developing states, and denounced efforts by Western states to use "environmental and social concerns" such as human rights pressures and condemnation of child labour to limit trading opportunities for poorer nations. (IHT 29-03-94, 01-04-94)

EMBARGO

See also: Sanctions

US export restrictions of advanced telecommunications gear to China

The US declined to lift COCOM restrictions in respect of the sale of high-speed telephone transmission switches by AT&T to China. The high-speed switch is able to handle four times as many conversations through a single fibre-optic cable than the older ones that can handle 2000 conversations simultaneously. Some industry officials speculated that the reason of the restrictions was that the new model would make it

more difficult for US intelligence to monitor Chinese military communications. (IHT 07/08-08-93, FEER 02-09-93 p. 9)

Dissolution of COCOM

The 17 COCOM (Coordinating Committee for Multilateral Export Controls, comprising all NATO member states except Iceland, Australia and Japan) participant states met on 16 November 1993 in the Netherlands to agree on the dissolution of the organization which was established during the Cold War to prevent the export of high technology to the Communist bloc. But the member states agreed to consult each other and restrict technology exports to areas of potential conflict. It was expected that the system would be replaced with a new one aiming at preventing the transfer of militarily useful technology to "countries of concern". The successor body was expected to include Austria, Finland, Ireland, New Zealand and Switzerland as well as a number of countries once on COCOM's list of target states. The Committee was actually abolished on 1 April 1994. (IHT 13/14-11-93, 5/6-03-94, 01-04-94)

With the disbanding of COCOM most US export controls on telecom and computer equipment were eliminated. Export would still be prohibited to countries classified as supporting terrorism. (FEER 14-04-94 p. 15)

Japanese enforcement of COCOM embargo against North Korea

The Japanese police raided companies searching for evidence of shipments of high-technology (electronic) instruments to North Korea. The equipment being investigated was considered "dual use" but one of the items, spectrum analyzers, which could be used to guide ballistic missiles, was alleged to be on the COCOM list of restricted technology. (IHT 15/16-01-94) North Korea, however, denied the purchase. (IHT 20-01-94)

In March 1994 it was reported that Japanese police had arrested two executives on suspicion of violating the Foreign Exchange and Foreign Trade Control Law (and COCOM rules) by exporting image-intensifier tubes containing strategic technology to China. The image-enhancers reportedly might be re-exported to North Korea. (IHT 29-03-94)

US embargo on Jordanian sale of F-5 fighter planes to Indonesia

The US refused to allow Jordan to transfer several US-made F-5 fighter aircraft to Indonesia. "The combination of a number of sensitive issues in this case made approval impossible." These included human rights in Indonesia, particularly in East Timor as well as certain Jordanian practices. (IHT 09-08-93; FEER 26-08-93 p. 24)

US embargo on Indonesian sale of helicopters and warships to Iran

It was reported that the Indonesian Minister for Research and Technology had offered Indonesian-made helicopters under French licence for sale to Iran although he was allegedly bound by an agreement not to show some of the equipment involved. The

US president raised concerns about these reports when he met the Indonesian president on 7 July 1993 in Tokyo. (FEER 26-08-94 p. 24)

ENVIRONMENTAL POLLUTION AND PROTECTION

Fund for compensation of compliance with measures concerning the depletion of the ozone layer

At a conference held at Kuala Lumpur in July 1993 it was observed that the developed states had only contributed half of the targeted \$240 million to an international fund set up in 1990 under the 1987 Montreal Protocol [on Substances that Deplete the Ozone Layer] to help developing states phase out the use of ozone depleting substances. (IHT 21-07-93)

Protected forest area in Malaysia for ITTO study

The Malaysian state of Pahang decided to declare a 437,000 hectare forest area in Rompin a protected area for the next 50 years in order to enable the International Tropical Timber Organisation (ITTO) to carry out a study on better forest management system for timber-producing countries. The study would be jointly undertaken by ITTO and the Malaysian government. (NST 09-09-93)

Trade in endangered species

The US had decided that China and Taiwan were violating the international ban on trade in rhinoceros horn and tiger bones. Under the so-called Pelly Amendment the government had 60 days to notify the US Congress whether trade sanctions would be applied. The Pelly Amendment is a wildlife-protection provision in US law targeting states which are violating international conservation programs. China denied accusations about its violations of the ban, but, responding to international pressures, both China and Taiwan announced new measures against illicit wildlife dealers.

The Standing Committee of the UN Convention on International Trade in Endangered Species of Wild Flora and Fauna called on states to consider stricter measures in the case of violation by China and Taiwan, including "trade sanctions in world wildlife products" and was scheduled to meet again in March 1994 to take a final decision. (FEER 30-09-93 p. 28) In March 1994 the Standing Committee commended China for progress demonstrated in meeting minimum requirements for controlling the illicit trade in tiger products, contrary to the US initiative to impose trade sanctions on China for allowing such trade. (IHT 26/27-03-94)

Dumping of radioactive waste in the Sea of Japan

In the joint declaration issued on the occasion of the visit by the Russian prime minister to Japan in October 1993, the Russian president and the Japanese prime

minister agreed that "the ocean-dumping of radioactive wastes raises a grave concern on a global scale."

A week later it was reported that a Russian navy ship had been dumping nearly 2,000 tons (other reports mentioned 900 tons, 31,000 cubic feet, 900 cubic meters, 1,200 cubic yards) of low-level radioactive waste in the Sea of Japan in October 1993.

According to Russian officials the liquid residue from cleaning and deactivating nuclear submarines contained radiation measured at only 2 curies. They added that international authorities were informed about the dumping two weeks previously. (IHT 18-10-93) According to later reports one (IAEA) of three international nuclear monitoring organizations (including the 1972 London Dumping Convention and the IMO) was informed; Japan denied having had advance notice and filed an official protest with the Russian ambassador, as did South Korea. On the other hand, Russia said it would keep dumping and announced that an additional 28,000 cubic feet would be dumped by 15 November. (IHT 19-10-93)

Yielding to protests from various sides Russia announced on 21 October 1993 that it had suspended plans to dump a second cargo. The announcement was, however, coupled with an appeal for financial help to speed construction of a nuclear waste-processing plant. If it took more than 18 months to build one, the navy might be forced to resume disposal of the waste at sea. (IHT 22-10-93) Russian officials said they had to store about 20,000 cubic meters of nuclear waste aboard aging ships for a year because the building of onshore storage sites was suspended in the 1960s. (IHT 20-10-93)

While it was disclosed by Russian officials that the former Soviet Navy had dumped 18 decommissioned nuclear reactors and more than 13,000 containers of radioactive waste between 1978 and mid-1993, Japanese officials admitted that Tokyo Electric Power Company was dumping ten times more radio-active waste each year into the Sea of Japan than the amount that the Russians got rid of in October 1993. (IHT 31-12/1-2-01-94)

Meanwhile a ban on the dumping of radioactive waste at sea under the London Convention came into force on 21 February 1994. (IHT 22-02-94)

Pollution by nuclear tests

Kazakhstan had appealed to China for joint efforts to clean up the area of Kazakhstan adjacent to the Lop Nor nuclear testing site in Western China. However, China disclaimed any responsibility on the grounds that Lop Nor was downwind of Kazakhstan. (FEER 16-09-93 p. 14)

Prosecution of tanker owner for sludge-dumping

Malaysia would prosecute Global Maritime Services Ltd. of London, the owner of the Liberia-registered tanker *Arabian Sea*, and the Singaporean cleaning contractor under its Environment Quality Act on charges of sludge-dumping, and under the Merchant Shipping Act and the Light Dues Act for not having obtained clearance to enter Malaysian ports and for not having paid light dues.

The tanker had been detained off Tanjung Piai, Johor, since 17 January 1994, for allegedly dumping between 600 to 800 tonnes of sludge into the Straits of Malacca en route to Singapore. The next day the Malaysian officials found 300,000 bags containing some 900,000 tonnes of sludge on board. Subsequently, nine navy divers discovered plastic bags of sludge scattered on the sea-bed around the detained tanker and traces of sludge were also found along the Johor coast. The tanker was released in late February after the tanker owner put up a RM500,000 bond and Singapore's Ministry of Environment consented to undertake the proper disposal of the sludge found on board in accordance with the provisions of the Basel Convention on the Transboundary Movement of Hazardous Waste to which both Malaysia and Singapore are parties. (NST 19 and 26-01-94, 05-02-94; STAR 19-01, 20-01, 26-01, 10-02 and 26-02-94)

ASEAN memorandum on oil spills

A Memorandum of Understanding on the ASEAN Oil Spill Response Action Plan (AOSRAP) to strengthen efforts to combat oil spills in the region was agreed and signed by most ASEAN member countries in May 1993 and in January 1994 by Malaysia. The Plan was made under the Japanese Oil Spills Preparedness and Response Project (OSPAR) and was in line with efforts of IMO to draw up an international convention on oil pollution preparedness, response and cooperation. (NST and STAR 06-01-94)

Danish eco-fund for Malaysia and Thailand

Denmark, the fifth largest investor in Malaysia amongst European Community states, set up a \$25 million fund for pilot environment projects in Malaysia and Thailand. (STAR 20-01-94)

Asia as toxic waste dump

According to a report by Greenpeace, "The Waste Invasion of Asia", Australia, Canada, Germany, Britain and the US had shipped more than 5.4 million tons of toxic waste to Asia from 1990 to 1993, under the guise of recycling. The report said that waste traders had proposed to ship more than five million more tons to Bangladesh, Cambodia, China, India and Vietnam. (IHT 02-02-94)

Ecological wonder of the world

Bhutan, that largely lacked roads, electricity, hospitals, schools and a postal system until 1962, was labeled by the World Wildlife Fund as "one of the ecological wonders of the world", with 5,000 species of plants, 160 species of mammals and more than 770 types of birds, but the people of Bhutan suffered some of the highest poverty, infant mortality and illiteracy rates in the world. (IHT 06-04-94)

Class action on grounds of mining waste disposal

6,000 Papua New Guinean villagers filed a class action suit against Broken Hill Pty. (Australia) at the Supreme Court of the State of Victoria in Melbourne. The claim was 4 billion Australian dollars (\$2.85 billion) based on the destruction of the villagers' way of life by the dumping of up to 100,000 tons of waste every day from the Ok Tedi gold and copper mine into the Ok Tedi River which resulted in an environmental catastrophe. (IHT 04-05-94)

Foreign waste disposal in Indonesia

After Indonesia had imposed an import ban on virtually all forms of hazardous and toxic waste the government was stuck with 260 unclaimed containers of waste in various ports in the country, with the countries where the containers originated from showing little inclination to take them back.

The Netherlands were the only country thus far to respond to an Indonesian request to consider taking the containers back by sending a mission to carry out an inspection. From the great number of containers that arrived from Rotterdam, only four were said to originate from Dutch companies, while the other containers were transshipments. (JP 14-05-94)

Japan's attitude toward a whale sanctuary

The International Whaling Commission decided on 27 May 1994 to create a whale sanctuary in Antarctica, permanently barring commercial hunting irrespective of an eventual lifting of the existing moratorium on whaling. Japan was the only country that voted against the measure. The sanctuary would not eliminate the exemption allowing Japan to catch a limited number of minke whales for scientific purposes. (IHT 28/29-05-94)

FINANCIAL CLAIMS

See also: Compensation

Compensation of Bhopal victims

It was reported that special claims courts, established as late as 1992 to distribute the \$470 million damage settlement of 1989 (*see* 3 AsYIL 377), have so far only paid out \$3.1 million. (IHT 14-09-93)

Settlement of Vietnam-US war claims

Vietnam and the US agreed to hold talks aimed at settling financial claims stemming from the Vietnam War. It was estimated that US claims against Vietnam would amount to about \$250 million, mostly related to US investments in South Vietnam which were seized when the Saigon regime was defeated in 1975. Occidental

Petroleum Corp. was believed to be one of the largest claimants. The negotiations would also deal with the status of US government buildings seized after the war, including the American embassy, and Vietnamese assets frozen in the US currently valued at \$290 million. (IHT 21-01-94, 03-03-94; FEER 03-02-94 p. 15)

Philippines-Westinghouse settlement
(see 3 AsYIL 377)

The Philippine president approved "in principle" an out-of-court settlement with Westinghouse Electric, under which Westinghouse would provide two 100-megawatt turbine generators worth a total of \$49.5 million. (FEER 14-10-93 p. 75)

FISHERIES

Taiwanese driftnet-fishing

Despite a UN moratorium on driftnet fishing on the high seas Taiwanese fishermen were reported to be continuing to operate in the North Pacific and Indian oceans. Since Taiwan had banned driftnet fishing they frequently flew Chinese flags and operated from Chinese ports. (FEER 08-07-93 p. 22)

Sino-US driftnet agreement

China and the US signed an accord on joint inspection of boats suspected of using banned drift nets to fish in international waters. The agreement was intended to enforce the UN ban on certain types of driftnet fishing. (IHT 20-01-94)

Fishing by Vietnamese in Malaysian EEZ

The Malaysian Fisheries Department detained ten Vietnamese fishermen and seized their boat which was 20 nautical miles from Bachok in Kelantan on 4 April 1994 for intruding in the country's exclusive economic zone. The fishermen were remanded before being produced before the court. (NST 06-04-94)

FOREIGN INVESTMENT AND TRANSNATIONAL CONTRACTS

See also: Joint development and joint ventures, Territorial claims and disputes

Investment by Brunei in Vietnam

An agreement was signed in Brunei by a Brunei company and officials from the Vietnam State Committee for Cooperation and Investment on investment of \$9 billion in Vietnam. (IHT 04-08-93)

Bidding for exploration of Indian oil and gas fields

In 1992 India decided to invite private-sector bids to develop 43 oil and gas fields. The US Enron power company was one of the applicants in a partnership with the Reliance Group of India. As regards the offshore fields, a consortium of Hyundai of Korea and the Indian steel and shipping group Essar Gujarat was considered to rank first with regard to two neighbouring oil fields: Mukta and Panna. For the Mid-Tapti and South-Tapti gas fields in the Gulf of Cambay (north of Bombay) the top bidder was believed to be BHP Petroleum (Australia). As to the Ravva oil field on the Bay of Bengal coast a subsidiary of Malaysia's state oil company Petronas, Carigali, was top bidder. (FEER 09-12-93 p. 66)

Singapore investments

The prime minister said that under a new strategy Singapore would probably invest 30 to 35 percent of its reserves, currently worth about \$46 billion, in the emerging economies of the Asia-Pacific region over the next 10 to 15 years. Until recently, Singapore policy was to invest its national reserves in relatively safe investments and bonds in developed countries. (IHT 31-01-94)

Exploration of Chinese inland oil fields

In early 1993 five blocs in the Tarim basin in Xinjiang Province, Northwestern China, covering 72,000 square kilometres, were offered for foreign exploration. On 20 December 1993 Exxon Corp. of the US, Sumitomo Corp. of Japan and Indonesia Petroleum Ltd. (a Japanese company) signed a contract covering 14,475 square kilometres, 1,600 kilometres west of Beijing. Exploration was to begin in 1994, but oil production was not expected until the turn of the century. The basin had been excluded for foreign oil companies until 1993. (IHT 22-12-93, FEER 30-12-93/06-01-94 p. 87)

On 8 February 1994 another contract was signed with a consortium led by Agip SpA of Italy and consisting of Agip, Elf Hydrocarbures Chine, Japan Petroleum Exploration Co., Japan Energy Co. and Texaco China. On discovery of a commercial field the China National Petroleum Co. would be entitled to participate in developing the bloc up to 51 percent. (IHT 09-02-94) In March 1994 it was reported that a third bloc, measuring 15,000 square kilometres, would be awarded to an exploration joint venture led by British Petroleum. (IHT 16-03-94)

Exploration of East China Sea deposits

Esso China Ltd., a subsidiary of Exxon, entered into a contract with China National Offshore Oil Corp. to explore a 2,120 square-kilometre area east of Zhejiang province. (FEER 16-12-93 p. 59)

Malaysian-German joint venture in aircraft manufacturing

Dornier of Germany entered into a joint venture with Malaysian investors under the name of Dornier Seastar, for the manufacturing of seaplanes, holding 25 % of the venture. (FEER 16-12-93 p. 59)

Exploration of Vietnamese offshore oil fields

A consortium of Mobil Corp. of the US, Nissho Iwai Corp. of Japan, Japan Exploration Co. and Indonesia Petroleum Ltd. were granted a 72.5 percent interest in exploring a block containing the Thanh Long structure that, according to some industry specialists, may contain more than 700 million barrels of oil. The Thanh Long field is near a disputed area in the South China Sea that China awarded last year to the Crestone Energy Corp. (IHT 22-12-93, FEER 02-09-93 p. 67)

Two weeks after the US lifted its trade embargo Kerr-McGee of the US obtained exploration rights off the coast by buying 35 % of a block previously awarded to Cairn Energy of the UK and Secab of Sweden. (FEER 03-03-94 p. 57)

South Korean investment in Chinese refinery

It was reported that Ssangyong Oil Refining from South Korea and Saudi Aramco (which was owner of 35 % of Ssangyong) were finalising an agreement with the Chinese government to build an oil refinery in the town of Qingdao. The project would involve \$2 billion and be the largest South Korean investment in China so far. (FEER 27-01-94 p. 9)

Foreign investment in Vietnam

In the six years between 1987 and 1993 the State Committee for Cooperation and Investment licensed 863 foreign investment projects with a total approved capital of nearly \$7.46 billion. (IHT 24-01-94)

Chinese participation in mining in Bangladesh

Bangladesh and China agreed to jointly mine coal in northwestern Bangladesh. (FEER 24-02-94 p. 83)

Railway contract in Korea

The Franco-British engineering joint venture GEC Alsthom and the Korean High-Speed Rail Construction Authority signed a letter of intent for a contract of \$2.05 billion on the equipment of a line of 270 miles between Seoul and Pusan. South Korean companies would receive orders accounting for at least half of the contract. (IHT 19-04-94)

General Electric investment in China

It was reported that General Electric intended to invest \$500 million in China over the next three to five years, including the establishment of up to 7 major new enterprises. (IHT 10-05-94)

Transfer of technology

Although still keen to attract foreign investment, China is clearly beginning to demand greater technology transfer from industrialized countries. (IHT 14/15-05-94)

GENERAL AGREEMENT ON TARIFFS AND TRADE

Chinese participation

In March 1994 China announced that it would remove all quota and licensing barriers on imports by 1997. Earlier it had promised to cut by two-thirds its list of more than 50 import items subject to quotas and licenses. (IHT 31-03-94)

A senior US official said on 12 April 1994 that China would be unlikely to meet the conditions set by the US for it to join the GATT in 1994 although the US was not seeking to hold up China's application because of human rights considerations (but this was questioned by others). Although formally, for China to join GATT, it would have to satisfy requirements set by a working party of GATT members, in practice it would be up to the US to decide on China's application.

The American conditions were: (1) more complete disclosure of quotas, procedures and other trade regulations; (2) reform of the foreign exchange system to make the Chinese currency freely convertible; (3) guarantees that China would be able to enforce GATT regulations throughout China, not just at the central government level; (4) assurances that foreign companies operating in China will receive the same treatment as domestic businesses.

Besides, Europe and the US demanded special safeguards against a surge in imports from China after its entry into GATT. This would in fact restrict Chinese exports to Europe and the US, meaning a negation of GATT's perceived benefits. Another objection was concerned with Chinese retaliation against companies from particular countries.

China took the view that it is a developing country and that it should not be required to undertake more obligations than those commensurate with the status of a developing country. The GATT allows for such distinctions but it was said that Chinese practices did not even match those of the average developing states. Besides China's rising importance in world trade made it more difficult to plead for special exemptions. (IHT 13-04-94, 14/15-05-94; FEER 17-09-94 p. 43)

Compromise on linkage of trade with labour issues

A compromise was reached between the US and developing countries on the former's and French demand to link labour rights with trade issues, thus enabling the signature of the Final Act of the Uruguay Round of GATT to proceed in April 1994. France and the US see the advantages for countries that export cheap goods thanks to poor working conditions as unfair advantages. According to countries with developing export economies the issue was an excuse for protectionism. The US Trade Representative said: "Enforcement of international labour standards helps to maintain support for trade liberalization in developed countries by assuring them that they do not have to compete with exploited workers and by assuring them of expanding markets abroad." (IHT 08-04-94)

HIGH SEAS

See also: Immigration and Emigration, Piracy

The "Yin He" incident

US warships and military aircraft obstructed the Chinese cargo ship *Yin He* which had departed from a Chinese port on 15 July 1993 and was bound for the Middle East, on suspicion that it was transporting chemicals which were ingredients of mustard gas and nerve gas, to Iran. According to US officials the ship dropped anchor in international waters near Iran "under nearly continuous US air and naval surveillance". The US had been trying for two weeks to verify the cargo. Since 23 July the US, on the basis of intelligence reports, made several representations with China, accusing the ship of carrying two chemicals as chemical weapon precursors bound for Iran and demanding that the ship be recalled to its port of departure. China denied the export of the chemicals in question and said that the ship had only paper goods, hardware and machine parts on board. Most of the 2,500 containers on the ship were not bound for Iran. About 560 were destined for unloading in Dubai and some of these were for transshipment to Iran. China filed a strong protest with the US embassy on 7 August 1993 and on 11 August accused the US of shadowing and hampering the ship which was compelled to stay adrift on the high seas for more than 20 days and allegedly got into distress. The US, however, denied that it had detained or threatened the ship. It asked China to prevent the ship from reaching Iran and to order it to submit to inspection in a port with US participation, but was unable to persuade any of several Arab countries to allow the ship to dock for inspection. The Chinese proposed that the *Yin He* be allowed to dock at its first port of call and that officials from China and that country jointly inspect the cargo to see if there are chemicals. (IHT 09, 11, 12, 17 and 18-08-93, FEER 26-08-93 p. 10; UN doc. A/48/477) Although the US initially insisted that the vessel be searched by the US navy, an agreement was finally reached under which the ship on 24 August headed for the port of Dammam in Saudi Arabia (IHT 25-08-93) to be inspected by a Chinese-Saudi team, with US officials as advisers to the Saudi side. The inspection of the cargo took place from 26 August till 4 September 1993, but the two suspected chemicals thiodiglycol and thionyl chloride were not found.

The inspection report of 4 September which was signed by the representatives of the three states, *inter alia*, read:

"2. The complete inspection of all the containers aboard the 'Yin He' showed conclusively that the two chemicals thiodiglycol and thionyl chloride were not among the ship's cargo.

3. The Government of the United States undertakes to inform the Governments of the countries on which the Chinese ship 'Yin He' had been scheduled to call of the results of this inspection and to seek to ensure the smooth entry of the ship into the ports concerned to unload its cargo." (UN doc. A/48/477; IHT 03 and 07-09-93)

Interference with shipping in the South China Sea

The International Maritime Bureau, a division of the International Chamber of Commerce, reported about the seizure of vessels and confiscation of their cargoes because of alleged smuggling by uniformed Chinese on what apparently were Chinese naval vessels. From May to December 1993 42 attacks had been reported and in 1994, until early March, already about twenty such attacks had occurred.

There were suspicions that the moves against ships in international waters were government-inspired and linked with the territorial dispute over the Spratly Islands or that it was a matter of the Chinese government being powerless to stop an upsurge of lawlessness in the coastal regions, but many questions remained. Chinese customs authorities were not involved and no judicial action had been taken against the owners or captains of any of the captured ships. While captains had reported having to pay fines for the release of their vessels, the IMB ascertained that receipts for the fines were not official Chinese documents.

According to the chairman of the IMO Safety Committee, China had denied the reports about involvement of official Chinese agencies. On 14 April 1994, however, China announced that its off-shore patrols would open fire on any ship suspected of smuggling which refused to let its cargo be examined or tried to escape. This right to inspect ships was said to be claimed not only in the Chinese national waters, but also in undefined "adjacent zones". (IHT 11-01-94, 10-03, 17-3, 18-03-94, 15-04-94; FEER 16-06-94 p. 22)

HIJACKING OF AIRCRAFT

Chinese aircraft hijacked to Taiwan

In the period from April 1993 till March 1994 there had been eleven cases of hijacking of Chinese aircraft to Taiwan. In all these cases the plane with passengers resumed its flight while the hijackers were arrested and brought to trial. On 6 April 1994 one of the hijackers was sentenced in Taiwan to ten years in prison, in an attempt to end the spate of hijackings. Yet the court showed leniency because the man had surrendered to the Taiwan authorities. (IHT 11-08-93, 6/7-11-93, 09-11-93, 13/14-11-93, 13-12-93, 07-04-94)

HONG KONG

The Preparatory Work Committee of the Hong Kong Special Administrative Region

Chinese officials promised on 1 July 1993 that the Committee which was formed by the Chinese government has the sole task of preparing a smooth transfer of power in 1997 and would not interfere with British administration of the colony before that time. The Committee is made up of 57 Chinese and Hongkong public figures under the chairmanship of the Chinese Foreign Minister and held a session in Hongkong for the first time in May 1994. (IHT 02-07, 10-12-93, 06-05-94)

Preparation of Chinese forces for Hong Kong

For the first time the Chinese government disclosed its military plans for Hong Kong in 1997. It was reported by a senior Chinese military official that specially trained units would be deployed. (IHT 17/18-07-93)

Sino-British talks on democratic reform

After many rounds of talks without progress the Chinese side said that “if an agreement can not be reached there will be no ‘through train’”, referring to the continuation of existing political institutions beyond 1997. (IHT 27-09-93) Despite Chinese warnings that unilateral changes were unacceptable, the Hong Kong government decided to end the eight-month deadlock in negotiations and to introduce the bill in the legislature later in December. (IHT 01 and 03-12-93) The bill was expected to comprise a limited package of reforms, leaving the door open for negotiations on more sensitive aspects. (IHT 02-12-93) China responded by stating that any election reform enacted by Hong Kong’s legislature without its approval would be overturned after the colony’s reversion to Chinese sovereignty in 1997. (IHT 4/5-12-93)

The “Democratic Reform Bill”, a stripped-down version of the original proposals, included the lowering of the voting age to 18, abolition of government-appointed local council members, establishment of a system of one legislator per constituency for the 20 seats to be chosen by direct election, and allowing local members of China’s parliament to run in Hongkong elections. It was approved by the Legislative Council on 24 February 1994.

A second bill, much more controversial, was introduced on 25 February and went to the legislature on 9 March 1994. It dealt with the size of nine new functional constituencies, electorates organized along professional and trade group lines that cover most workers, and the composition of an electoral committee that would select ten legislators in the 1995 elections. The bill was endorsed by the Legislative Council on 29 June 1994.

On 24 February 1994 a British government report was released, containing the British version of the dispute with China and the breakdown of the negotiations in November 1993, but the Chinese side accused Britain of concealing details of the talks.

(IHT 11/12-12, 16-12-93, 21-02, 23-02, 24-02, 25-02, 26/27-02, 28-02, 10-03, and 30-06-94)

The airport issue

(see AsYIL Vol. 1 p. 303, Vol. 2 p. 321, Vol. 3 p. 383)

Under a pact of September 1991 Britain had agreed to seek approval from China for financing the projected complex of a new airport, seaport and commuter railway. As discussions had since derailed the Hongkong government asked the Legislative Council for the disbursement of an amount of more than 200 million US\$ to keep construction going for another few months.

China responded strongly, saying that all the [government] contracts associated with the new airport project and approved by the Hong Kong British authorities without the consent of the Chinese side will not be valid after 1 July 1997. The statement said that the current financial plan would leave the post-1997 government with a debt of more than \$5.8 billion, which was nine times the total debt limit China and Britain had set in 1991. The Chinese side took the reference to "government debt" in the September 1991 agreement to include debt to be raised by two independent - but government-owned - Hongkong corporations. (IHT 14, 26 and 29/30-01-94)

In March 1994 China said that the cost increases on the project violated the Sino-British Memorandum of Understanding of 1991 on the matter, but the British side announced on 2 March that it would leave behind fiscal reserves of \$15.5 billion, nearly five times the amount promised in the 1991 memorandum. (IHT 18-03-94) Both parties announced on 24 June 1994 that they had begun drafting an agreement that would end their dispute over the funding of the airport. (IHT 25/26-06-94)

Emigration flow

The flow of emigration to Canada was declining as indicated by a reduction in the rate of new visa applications. This rate fell ten percent in 1993. Since 1987, about half of all Hongkong emigrants have gone to Canada. (IHT 23-02-94)

Issue of banknotes

On 2 May 1994 the Bank of China in Hong Kong started to issue Hong Kong dollar banknotes. Until then banknotes had only been issued by the (British) Hongkong and Shanghai Banking Corp. and the Standard Chartered Bank. The Bank of China would initially issue 3 billion Hongkong dollars (\$385 million) in 1994, or 4 percent of the banknotes in circulation. (IHT 03-05-94)

HUMAN RIGHTS

See also: Aliens, Labour, Sanctions

China's view on regional arrangements for the promotion and protection of human rights

In its reply of 23 July 1993 on a request by the UN Centre for Human Rights, the Chinese government observed, *inter alia*:

"(a) There is no fixed model for each regional human rights machinery. In proceeding [with] international human rights cooperation and making regional arrangements for the respect and protection of human rights, the reality of the region should be considered and practices of other regions should not be followed blindly. The Asian and Pacific region has huge populations and vast territories. The historical and cultural background, the social system, values and levels of economic development in each of the countries have their own characteristics. Only by taking proper measures based on the regional situations and demands of all peoples can it be truly conducive to the enhancement of the level of human rights enjoyment in the region.

(b) The establishment of the regional human rights machinery should fully respect the wills of all the countries in the region and be decided by all the Governments through consultation. In this process, the practice of imposing outside pressures or forcing one's own will on others can only produce negative impacts.

(c) The establishment of the regional human rights machinery should have a long-term and full preparation and be accomplished progressively without any unnecessary haste. In the Asian and Pacific region, all the countries may continue to strengthen the exchange and cooperation among them on the basis of mutual respect and full equality, and create conditions for regional human rights protection through contacts with countries both outside the region and related United Nations organs as well." (UN doc. E/CN.4/1994/40)

ASEAN stand on human rights

In the joint communique following the 26th Ministerial Meeting in July 1993 the ASEAN foreign ministers stressed that human rights are interrelated and indivisible, comprising civil, political, economic, social and cultural rights, that they are of equal importance, and that they should be addressed in a balanced and integrated manner. The communique emphasized that human rights should be "protected and promoted with due regard for specific cultural, social, economic and political circumstances" and that the promotion and protection should not be politicized.

Further, the foreign ministers noted in the communique that the UN Charter had placed the question of universal observance and promotion of human rights within the context of international cooperation, and stressed that the use of human rights as a conditionality for economic cooperation and development assistance is detrimental to international cooperation and could undermine an international consensus on human rights. It was emphasized that the protection and promotion of human rights in the international community should take cognizance of the principles of respect for national sovereignty, territorial integrity and non-interference in the internal affairs of states.

The ministers gave expression of their conviction that freedom, progress and national stability are promoted by a balance between the rights of the individual and those of the community, through which many individual rights are realized.

While the considerable and continuing progress of ASEAN in freeing its peoples from fear and want, thus enabling them to live in dignity, was reviewed with satisfaction, the ministers stressed that the violation of basic human rights must be redressed and should not be tolerated under any pretext. (ASEAN Documents Series 1992-1994 p. 12)

Singapore rejects US standards of human rights

During his visit to Singapore for the ASEAN Post-Ministerial Meeting in July 1993, the US Secretary of State said, *inter alia*: "Some have argued that democracy is somehow unsuited for Asia and that our emphasis on human rights is a mask for Western cultural imperialism. They could not be more wrong. The yearnings for freedom are not a Western export; they are a human instinct." In a memo directed to the US charge d'affaires which was not considered a formal protest Singapore rejected the US call and said that the US stance on human rights was deluded. (IHT 06-08-93)

UN resolutions on human rights in Iran and Myanmar

By initiative of the UN Commission on Human Rights the UN General Assembly expressed itself about the human rights situation in Iran (res. 48/145) and Myanmar (res. 48/150). In the first case the General Assembly, *inter alia*, expressed deep concern at continuing reports of violations of human rights and the continued excessive use of the death penalty. It urged the Iranian government to refrain from activities against members of the Iranian opposition living abroad. In the case of Myanmar the General Assembly, *inter alia*, deplored the continued violations of human rights, urged the Myanmar government to "take all necessary steps towards the restoration of democracy in accordance with the will of the people as expressed in the democratis elections held in 1990", and strongly urged that government to release unconditionally and immediately AUNG SAN SUU KYI. (UN doc. A/RES/48/145 and A/RES/48/150)

Red Cross access to Chinese prisoners

China announced on 9 November 1993 that it was ready to discuss allowing the International Committee of the Red Cross access to the more than 3,000 political prisoners. On 15 October 1993 the Chinese minister of justice had stated that of the 1.2 million inmates in Chinese prisons, 0.3 percent, or about 3,600, had been convicted of "counterrevolutionary" offences. (IHT 10-11-93) The Red Cross responded by saying that it planned to contact China on its offer. (IHT 12-11-93) In January 1994 a first round of talks took place. (IHT 17 and 21-01-94)

Vietnam - US dialogue

Vietnam agreed to begin a dialogue with the US over allegations of human rights abuses in Vietnam. (IHT 11-01-94)

IMMIGRATION AND EMIGRATION**Illegal Chinese immigrants to the US**

Three ships off the Mexican coast with 659 Chinese nationals trying to enter the US were detained by the US Coast Guard in international waters in July 1993 to prevent them from reaching US territory where they could seek political asylum. On request of the US Mexico later accepted the US-bound ships in its port, out of humanitarian concern. The Chinese foreign ministry said that it was arranging their repatriation in consultation with Mexico. According to news reports the US would pay the costs. (IHT 16 and 19-07-93) Meanwhile officers of the US Immigration and Naturalization Service interviewed the migrants and were to take to the US those who would seem to have legitimate claims as political refugees. (IHT 17/18-07-93)

It was reported in November 1993 that illegal Chinese immigration had all but dried up, despite tougher immigration measures in the US and cooperation of the Chinese government by way of intercepting ships, imprisonment of smuggling ring leaders, the publicizing of the problems facing the immigrants upon arrival in the US and putting up government posters warning of the dangers of the voyage. China agreed to broadcast television programs, made by the US Information Agency, showing recent Chinese arrivals being jailed. China had also agreed to take back those who were deported. It was said by an American official that China's attitude on immigration may be "the one bright spot" in the relations between the two countries. (IHT 02-11-93)

In March 1994 there were again reports of a freighter that had unloaded more than 100 illegal immigrants from China off the coast of Virginia. (IHT 08-04-94) In April 1994 the US Coast Guard intercepted a fishing trawler headed for California with more than 100 illegal Chinese immigrants aboard. This time too the ship was taken in custody while on the high seas. The Coast Guard boarded the ship, investigated allegations that the ship was operated by a Chinese smuggling ring and were prepared to arrest crew members and remove them from the ship before it would enter the territorial waters of Guatemala, which had agreed to let the ship land in order to have most of the passengers sent home. (IHT 30-04-94)

Migrants from Myanmar and Indochina in Thailand

It was reported that by the end of 1993 there were some 400,000 foreign settlers from Myanmar and Indochina in Thailand, constituting a dilemma for the government.

According to a report by the Internal Security Operations Command the first flood consisted of 48,000 Vietnamese who arrived around 1945-46 from North Vietnam (followed by another inflow in 1954) and who settled in northeastern Thailand. They

play a substantial part in the agricultural economy and some 4,000 have already been given Thai nationality.

Since the end of the Vietnam War until September 1993 a total of 757,531 displaced persons arrived from the three Indochinese countries. Most were resettled in third countries, but others were returned to their countries of origin. A separate group were the 370,000 Cambodians who crossed the border in the years following the Vietnamese invasion of Cambodia, most of whom were repatriated in 1992-1993. Currently remaining in Thailand were some 32,000 immigrants from Laos among whom were 28,000 hill tribe people, some 11,600 Vietnamese and 115 Cambodians.

At Thailand's western border there were over 340,000 illegal Myanmarese immigrants: some 47,000 who crossed the border for political reasons before 1976, 33,000 who came for economic reasons after 1976, 60,000 who fled border fighting between government forces and ethnic minority rebel groups since 1984, 200,000 illegal workers and 2,500 students seeking political sanctuary. (FEER 16-12-93 p. 27)

Illegal immigrants in Malaysia

The Malaysian Marine Police announced on 11 January 1994 that henceforth boats bringing in illegal immigrants would be stopped at sea and ordered to return to their port of origin. (NST 12-01-94)

INSURGENTS

See also: Civil war, Specific territories within a state

Muslim separatists in Southern Thailand

It was reported that Thai Muslim guerillas had been active again in August 1993 in Narathiwat Province in Southern Thailand, bordering on Kelantan State, Malaysia. A separatist movement, the Pattani United Liberation Organization, has been in existence for the past two decades. Its goal is independence for Thailand's four Muslim-majority southern provinces. Although the Malaysian government has never condoned Muslim activism in southern Thailand, the opposition Islamic Party, which controls Kelantan, has long been suspected by the Thais of supporting the radical Thai Muslims. (FEER 02-09-93 p. 20, 16-09-93 p. 12)

Thai-Malaysian arrangement for Malaysian insurgents

Under an accord of December 1989 between Communist Party of Malaysia insurgents and the Malaysian and Thai authorities the insurgents agreed to lay down their arms and to become Thai citizens. They were provided several living compounds in the southern Yala province of Thailand. (FEER 30-09-93 p. 30)

Talks between Philippine government and insurgents

The Philippine government and the Moro National Liberation Front (MNLF) which strives for autonomy in the southern island of Mindanao, held their first formal talks since the 1970s in Jakarta from 25 October till 7 November 1993 and reached agreement on some issues. Among them was an interim cease-fire agreement. (IHT 08-11-93, FEER 04-11-93 p. 15) A second round of talks took place in the town of Patikul in the Muslim-dominated Sulu island on 20 December 1993. On 26 January 1994 a cease-fire agreement was signed in Manila. (IHT 27-01-94; FEER 30-12-93/06-01-94 p. 15, 10-02-94 p. 13)

Later talks in the spring of 1994 failed to produce any concrete results. The MNLF stuck to the so-called Tripoli agreement, which was entered into by the government of the late president MARCOS and the MNLF in 1976 and under which the government had committed itself to undertake steps that would give autonomy to 13 predominantly Muslim provinces in Mindanao. (FEER 26-05-94 p. 12)

Vietnam agreed to host peace talks in Ho Chi Minh City between the Philippine government and the National Democratic Front, whose armed wing had been waging war for more than two decades. (FEER 23-09-93 p. 14)

End of civil war between Myanmar government and rebels

Peace talks had begun in late 1991 between the government and the Kachin rebels and were suspended in the summer of 1993 to persuade other groups (Karen and Mon) in the ethnic umbrella organization, the Democratic Alliance of Burma, to join the talks. (FEER 26-08-93 p. 9) As the other groups set conditions for talks that were unacceptable to the government, however, an agreement was finally reached between the government and the Kachin rebels (Kachin Independence Army), the strongest insurgent force, in October 1993. A final peace agreement was signed on 24 February 1994. (IHT 08-04-94; FEER 19-05-94 p. 28)

Apart from the Karen rebels and a few scattered bands of dissident students and other opponents of the government, only the Karennis and the Mon rebels in the south would be the remaining challengers of the government. (FEER 21-10-93 p. 32) Preliminary peace talks between the government and the Karen rebels started in the Karen state capital Pa-an. The Karens claimed to act on behalf of the Democratic Alliance of Burma, but the government insisted to make separate deals with individual ethnic rebel groups. (FEER 20-01-94 p. 15)

Under Thai pressure the Mons were the first group along the Thai border to strike a deal with the government in December 1993, followed by government negotiations with the Karenni Nationalities People's Liberation Front on 9 February 1994 near the Karenni state capital of Loikaw.

Various components of the defunct Communist Party, mainly Wa and Kokang Chinese, had made peace with the government in 1989, and later rebel groups from the Shan, Palaung and Pa-O national minorities also concluded cease-fire agreements. (FEER 17-03-94 p. 14)

The Democratic Alliance of Burma basically advocates a modified version of the federal system that existed before the first military coup in 1962. The government, on

the other hand, wants a system similar to the Chinese one: let the minorities do what they like within their respective areas as long as they do not interfere with national politics. (FEER 27-01-94 p. 20)

It was reported in January 1994 that the Myanmar army had launched a major offensive against the Mong Tai Army (MTA) of KHUN SA, who controls the drug production and trade in the so-called Golden Triangle area. The MTA is based in the Shan state in Myanmar along the Thai border. (FEER 20-01-94 p. 22)

Indonesian-East Timorese talks

The Indonesian government held its first reconciliation talks with East Timorese who are opposed to Indonesian rule in mid-December 1993. The talks took place near London. (FEER 30-12-93/06-01-94 p. 15)

Bangladesh

The government of Bangladesh and the Shanti Bahini tribal guerilla movement which demands autonomy for the Chittagong Hill Tracts held a seventh round of peace talks on 5 May 1994. (FEER 12-05-94 p. 13)

INTELLECTUAL PROPERTY

New Thai legislation

In an effort to convince the US of Thai sincerity about protection of intellectual property the Thai government approved amendments to the country's copyright law to cover computer software, rental rights and performers' rights. The US had long been considering Thailand as one of the biggest violators of intellectual property rights. (IHT 15-07-93)

Pierre Cardin and Levi Strauss sued by counterfeiters

An Indonesian company which had been making copies of Cardin and Strauss products and had registered these and other trade marks was able under a new law to claim that after registering the trademark first it was entitled to sole use. Pierre Cardin and Levi Strauss & Co. were sued in two Indonesian court cases in September 1993. (IHT 01-10-93)

Violation of US intellectual property rights in China

It was estimated that US entertainment companies were losing about \$800 million each year as a result of Chinese pirating of recordings and computer software. The US was considering to designate China as a "priority" violator of intellectual property rights which would lead to sanctions under the so-called Super 301 provision (*see* 2 AsYIL 334) in the form of restrictions on selected Chinese exports to the US. (IHT 29-

04-94) Finally, however, the US decided to delay action till 1 July, well after the decision on China's MFN-status. (IHT 02-05-94) In view of this deadline China published a white paper on 16 June 1994 defending its intellectual property safeguards. (IHT 17-06-94; FEER 30-06-94 p. 13) Although China implemented a copyright law in 1991 the law was not enforced effectively. (IHT 27-06-94)

INTER-STATE RELATIONS: GENERAL ASPECTS

North Korea - US

On 12 July 1993 North Korea handed over to US officials the remains of 17 American soldiers killed in the Korean War. It was the largest such return since the end of the 1950-53 war and was seen as a goodwill gesture to the US on the eve of the scheduled resumption of US-North Korean talks on the nuclear weapons question. (IHT 13-07-93) The gesture was repeated on 26 November 1993 when it was announced that the remains of 33 American soldiers would be handed over. (IHT 27/28-11-93)

Calls for economic sanctions against North Korea in case of its defiance to demands concerning its nuclear program had led to North Korean threats to suspend the Korean armistice. In view of the North Korean military capabilities the senior American commander in Korea, with the support of the US Defense Department, had requested the dispatch of Patriot anti-missile batteries to South Korea.

Besides there were reports of new US approaches in the event of a North Korean attack on the South. Rather than simply driving the North's troops from South Korea, the new plan provides for a fierce counteroffensive intended to seize the capital Pyongyang in the hope of toppling the government. (IHT 26-01, 07-02-94, 03-03-94)

Japan - United States/Russia

In a speech on the occasion of the anniversary of the founding of the Japanese ministry of foreign affairs the Japanese foreign minister expressed his feeling that the US and Russia had started to gang up on Japan after the end of the Cold War. He emphasized the necessity of Japan establishing independent diplomacy. (IHT 13-07-93)

Pakistan - US

The US decided not to place Pakistan on the American list of countries sponsoring international terrorism. The decision was based on Pakistan's response to US concerns about reported Pakistani support for Kashmiri militants. (IHT 16-07-93) The two countries held talks in November 1993 but little progress was made on the subject of nuclear non-proliferation. Pakistan refuses to sign the NPT unless India also does so. Another subject of discussion was the Indo-Pakistani dispute over Kashmir. (IHT 09-11-93)

North Korea - Israel

Contacts with Israel began in early 1993 and up to August there had been three meetings between officials of the two countries. Israel said it had agreed to the talks in the hope of persuading North Korea not to sell Rodong-I ballistic missiles to Iran. North Korea had proposed Israeli investment in a gold mine project and later expressed interest in more general economic cooperation.

The US had urged Israel not to establish diplomatic relations with North Korea. In August it was reported that the US had conveyed fresh reservations to Israel about Israeli talks with North Korea, warning that such contacts could help ease the international pressure on North Korea to stop building a nuclear weapon. In light of the US complaint Israel decided to suspend the contacts and leave it to the US to press North Korea to halt missile sales. (IHT 16 and 17-08-93)

China - Vatican

The Chinese News Agency quoted a Foreign Ministry spokesman who said that China was willing to improve links with the Vatican provided the latter cut its diplomatic ties with Taiwan and refrain from interfering in China's internal affairs. Formal relations were broken off in 1950 when the Vatican maintained ties with the Taipei government.

The existence of indirect contacts was confirmed by the Vatican. (IHT 21/22-08-93) In September 1993 a cardinal *cum* senior diplomat of 70 years was delegated to China at the invitation of the organizers of the Chinese National Athletic Games, but there would also be meetings with "government personalities". (IHT 03 and 4/5-09-93, FEER 16-09-93 p. 15)

China - India

The Indian prime minister paid an official visit to China in September 1993. During the visit four agreements were signed: on an interim border arrangement, increased cooperation on the environment (trade in endangered species), exchange of radio and television programs, and on border trade, including the opening of a second border crossing point.

In the "peace and tranquility" agreement on the Sino-Indian border the two countries agreed to respect the line that divided their forces along their disputed frontier. A newly formed bilateral team of experts would delineate that line. The agreement represented a milestone on the way to an eventual boundary settlement. China claims nearly 90,000 square kilometres on the eastern sector of the border and claims and controls some 33,000 square kilometres of the western sector in the Indian state of Jammu and Kashmir, and had long proposed a straightforward swap. The two parties also agreed to reduce their forces along the border but it remained to be determined whether the reduction would be a one-for-one cutback or an adjusted ratio.

The Indian prime minister reiterated that India regards Tibet as an integral part of China and that sanctuary was granted to the Dalai Lama on humanitarian, not political grounds. He raised the topic of Chinese arms flowing into Myanmar and the build-up

of naval facilities there. He also voiced concerns about Chinese sales of missiles and nuclear technology to Pakistan.

"Points of convergence" discussed included environmental concerns, human rights, non-discriminatory access to technology and a new world order responsive to the needs of developing countries. (IHT 08-09-93, FEER 16-09-93 p. 13)

Cambodia - Vietnam

The co-prime ministers of the provisional Cambodian government visited Vietnam in late August 1993 and the talks were concluded by a joint communique on 25 August 1993. The two sides decided not to discuss divisive issues. One such issue was the fate of some 30,000 ethnic Vietnamese who had fled to Vietnam earlier in the year after the massacre of a number of them. (3 AsYIL 354) The Cambodian side said that a technical committee would be set up to study the problem, and that security inside Cambodia had to be provided before the return of the Vietnamese could be considered.

Another contentious issue was that of the land and sea borders. Here again the two sides would establish technical committees. Cambodia believed that Vietnam had moved border markers in their favour during the 10-year occupation of Cambodia, and wished to restore the border as it existed as a result of the Cambodian-Vietnamese agreement of 1967 which pledged to use a French map of 1954. During the Vietnamese occupation the government at Phnom Penh concluded two further agreements with Vietnam in 1982/83 and 1985, but according to Vietnamese experts the 1983 agreement was also based on the 1954 map. (FEER 09-09-93 p. 13, 03-03-94 p. 13)

Thailand - Myanmar

It was announced that three border trading passes along the Thai-Myanmar border would be opened soon. (FEER 30-09-93 p. 14)

South Korea - Russia

The economic and political cooperation which was hoped for when diplomatic relations were restored in 1989 failed to materialize. The two main issues impeding progress were the suspension of Korean aid as a response to Russian tardiness in its payment of interest on previous loans and Russia's refusal to pay compensation for the victims of the Korean Air Lines plane shot down by the Soviet Union in 1983.

As an incentive for the opening of diplomatic relations South Korea had arranged \$1 billion in bank loans. Of about \$52.5 million in interest payment outstanding, only \$12.5 million was settled by a delivery of aluminium ingots, causing South Korea to have to service the debt on behalf of Russia at a relatively high interest of 1.375 percentage points above the London interbank official rate (LIBOR). Russia had neither been forthcoming in interest payment on trade credits, being \$15 million in arrears.

As to the Korean Air Lines incident, Russia had refused to say officially whether any bodies were recovered and stuck to its official position that it bore no responsibility as the KAL aircraft failed to respond to warning signals.

Another sticking point was the Russian demand that South Korea would pay compensation for the former Imperial Russian consulate land taken over in 1970. The Korean government agreed to pay the equivalent price of the old consulate site. The cost of providing a new Russian embassy site was estimated to be around \$370 million. (FEER 07-10-93 p. 30)

Japan - Russia

The visit by the Russian president to Japan from 11 till 13 October 1993 brought the worsening of relations between the two countries to a halt. As regards the islands dispute, the President admitted that the "the issue exists and must be resolved some day." He apologized for the Soviet Union's "inhumane" treatment of 600,000 Japanese prisoners of war who were kept in Siberian labour camps after the end of World War II. On the other side any linkage between territorial questions and the extension of aid was rejected and instead a "parallel development" of political and economic relations was pursued. The two sides also agreed to have a regular six-monthly meeting of foreign ministers and to put new emphasis on a working party which had been discussing a peace treaty. No mention was made in the "Tokyo Declaration" of the implementation of a 1956 agreement in which the Soviet Union promised the eventual return of two smaller islands in the four island group. (FEER 21-10-93 p. 13)

Iran - India - China

In September 1993, the Iranian president launched the idea of an India-Iran-China alignment, mainly based on the assumed negative relationships with the West. The India-Iran equation harks back to the days of the Shah, when then prime minister INDIRA GANDHI persuaded the Shah of the virtues of political cooperation between two countries rich in potential which occupied strategic locations. (IHT 27-09-93, 21-10-93)

China - US

(*see also*: Immigration)

In order to halt the deterioration of the relations between the two countries, the US in September 1993 adopted a new and less confrontational policy towards China. The new strategy was set out in a classified presidential "action memorandum" and included the end of a freeze on high-level exchanges with China. As part of the diplomatic campaign the US Assistant Secretary of State for human rights and humanitarian affairs conducted talks in China in October 1993 on such issues as the release of political prisoners, Chinese policy in Tibet, the use of prison labour in goods for export, forced abortions and mandatory sterilization. In the same month the Secretary of Agriculture held talks in China, largely focusing on US demands that China lower tariffs and remove remaining trade barriers, including a ban on wheat imports from seven US states because of a fungus, commonly known as TCK. There were also visits by the Treasury Secretary and the Assistant Secretary of Defense. (IHT 13-10-93, 21-10-93) In late October 1993 the US announced a visit by the Assistant Secretary of Defense and the topics to be discussed. These included regional security problems, international

peacekeeping, US concerns about Chinese weapons exports, and the conversion of military factories to civilian production. (IHT 30/31-10-93, 01-11-93)

On 11 March the US Secretary of State came to China for his first visit, to prepare his assessment of whether China had fulfilled American conditions for the extension of MFN status. The visit took place in a frosty atmosphere because of recent arrests of dissidents. (IHT 12/13-03-94) Trying to avoid an open conflict the Secretary of State offered China routine extension of MFN status if China were forthcoming at all. He said that future conditions on the trading status could be set in general, rather than specific terms. Before 1989 MFN-status was granted without debate, although China's repressive practices were, if anything, tougher than now. The Secretary alluded to the importance of the 1989 crackdown which "put the Congress and the American people in quite a different frame of mind about China". (IHT 12/13-03-94)

The US demand for improvement of China's human rights performance was, however, dismissed as meddling in China's internal affairs. (IHT 14-03-94) Yet on the accounting for political prisoners the American side received much information on 235 specific cases presented by the US in 1993 and China pledged to provide detailed information about 106 Tibetan prisoners. The two sides also reaffirmed their agreement reached in January on allowing US customs officers into Chinese prisons to ensure that their factories were not making products for export to the US. China also promised to investigate reports about jamming of the Voice of America and to start technical talks soon with the ICRC on inspections of Chinese prisons. (IHT 15-03-94)

On 28 April 1994 the US Congress passed the Foreign Relations Appropriations Act which ended the 1982 commitment vis-a-vis China to reduce arms sales to Taiwan, provided for a US Information Agency in Tibet, called on the State Department to list Tibet as a separate state, and created a Radio Free Asia to broadcast US programs to China, Tibet, North Korea and Indochina. China filed an official protest. (IHT 06-05-94)

Indonesia - Israel

The Indonesian president and the Israeli prime minister met for the first time on 15 October 1993 during a stop-over by the latter in Jakarta on his way home from China. Formally the Indonesian president received his Israeli guest in his capacity of chairman of the Non-Aligned Movement. (FEER 28-10-93 p. 28)

India - US

India accused the US of abandoning its evenhanded policy on South Asia to favour Pakistan in the dispute over Kashmir. This accusation was caused by remarks by a senior official in Washington which were quoted as follows: "We view Kashmir as a disputed territory and that means that we do not recognize that Instrument of Accession as meaning that Kashmir is forever more an integral part of India." The last time that India accused the US of favouring Pakistan was before the last of the three Indian-Pakistani wars, which led to Bangladeshi independence in 1971. (IHT 01-11-93)

Early April 1994 the US Deputy Secretary of State visited India to eliminate existing tensions and to boost economic ties. It was widely known that US concerns

about nuclear developments at the subcontinent would be taken up in the discussions with India and with Pakistan (*see infra*: Nuclear capacity) which was also on the itinerary. (IHT 04 and 07-04-94)

Laos - Thailand

Relations between the two countries improved lately due to a combination of much-needed Thai investment, a Thai foreign aid scheme and the genuine hand of friendship offered by the Thai King and Royal Family. The relations had been soured by centuries of distrust, the closure of borders a decade ago and bloody border clashes in 1988.

A concrete Thai move to dispel Lao distrust had been the periodic arrest and deportation over the past two years of US-based, anti-government Lao groups organizing armed incursions into Laos from Thailand. The groups operated with assistance of some of the 35,000 Lao refugees still in Thailand, and, prior to 1991, with Thai military support. (FEER 04-11-93 p. 33)

Iran - US

The US criticized the European Community in late 1993 for allowing some of its members to break ranks and reopen trade and diplomatic ties with Iran. In the view of the US, Iran must remain quarantined until it changed its policies. In May 1994 the US Assistant Secretary of State for Near Eastern Affairs said that the US was using economic pressure to persuade Iran to change its policies, mentioning the blocking of Iran's debt-rescheduling efforts and its attempts to get new credits.

On the other hand Iran celebrated the 14th anniversary of the seizure of the US embassy in 1979. On that occasion the highest religious leader ruled out any chance of improving relations with the US and the parliamentary speaker said negotiations with Washington were "out of the question". (IHT 05-11-93, 09-05-94)

The president of Iran accused the US of reneging on secret assurances that Iranian assets frozen by the US in 1979 would be freed in exchange for Iranian mediation to gain the release of American hostages in Lebanon in 1991. According to the Iranian president the deal was reached by the intermediary of the UN Secretary General. Iran claims that more than \$11 billion of its assets had been frozen by the US. The facts were that militant Lebanese groups released 10 Western hostages in late 1991, while in November 1991 the US and Iran reached agreement under which the US returned \$278 million for military claims by Iran. (*see* AsYIL Vol. 1 p. 297, Vol. 2 p. 313) Moreover, the US government at that time issued a statement clearing Iran of involvement in the destruction of the Pan American aircraft over Scotland in 1989. (IHT 09-06-94)

Vietnam - China

The president of Vietnam made an official visit to China in November 1993, the first by a Vietnamese head of state since the one by HO CHI MINH in 1959. The Chinese prime minister said that the two countries should be friends, even though they had fought a border war and still had territorial disputes. These disputes concern the

land border, the boundary demarcation in the Gulf of Tonkin and conflicting claims over the Spratly Islands. (IHT 11-11-93)

China - Germany

It was expected that as a consequence of Chinese appreciation for the German refusal to sell arms to Taiwan, the German delegation that visited China with the German Chancellor in November 1993 would be rewarded with contracts estimated at a total value of 6 billion D-marks. In accordance with these expectations several large contracts, such as the building of an underground rail system in Guangzhou and the purchase of six Airbus aircraft, were indeed signed during the visit. (IHT 12-11, 17-11-93)

India - Pakistan

(see also: Specific territories within a state: Kashmir)

The foreign ministries of the two countries held a new round of talks in early January 1994, spurred on by US State Department officials and the first since August 1992 when an 18-month period of six meetings was ended. (IHT 25-11-93, 12-01-94, FEER 09-12-93 p. 30)

It was reported that India offered a series of six proposals on confidence-building measures, including a pledge of non-first use of nuclear weapons. (IHT 26-01-94)

In February 1994 Pakistan submitted a draft resolution to the UN Commission on Human Rights condemning India for human rights abuses in Kashmir, but dropped it on 9 March 1994 after a joint appeal by China and Iran which was later supported by other Islamic, Asian and other developing states. (IHT 10-03-94, FEER 17-03-94 p. 15)

China - Russia

On the occasion of a visit by the Russian Defence Minister in November 1993 China, after earlier refusals of Russian overtures, committed itself to sign an agreement with Russia aimed at preventing inadvertent or dangerous military confrontations between their forces. Until such signature the two countries agreed to establish a communications channel between the commander of the Russian Far Eastern district and the Chinese northeastern military commander in Liaoning Province. The two sides also agreed to inform each other of plans for military manoeuvres in border districts and to exchange information on military doctrine and experience. The five-year, renewable agreement was reported to provide for detailed annual military cooperation plans to be drawn up bilaterally each December. (IHT 06-12-93; FEER 26-05-94 p. 24)

When the Russian prime minister visited China in May 1994 agreements were signed on 27 May on cooperation in managing the mutual borders and in trade, agriculture and environmental protection. (IHT 28/29-05-94)

Iran - Germany

The German government on 5 January 1994 warned Iran of further isolation from the West if a death sentence against a German national convicted of spying for Iraq would be carried out. A Foreign Ministry spokesman said that "Germany is the only Western industrialized nation that hasn't isolated Iran, and they are perfectly aware that it would not be in their interests to carry out this sentence."

In another case five men - an Iranian and four pro-Iranian Lebanese Shiite Muslims - had gone on trial in December 1993 in Berlin, charged with the assassination of a Kurdish leader and three others. According to the German authorities the Iranian defendant was an Iranian intelligence agent. (IHT 06-01-94)

Iran - France

Switzerland demanded the extradition from France of two Iranians, suspected of being involved in the assassination of an Iranian dissident leader near Geneva in 1990 and apprehended in France. Yet France decided to send the two persons back to Iran, as the French prime minister said, in the interests of France. (IHT 06-01-94)

China - France

After a year-long dispute over French sales of jet fighter planes to Taiwan, France and China announced in a joint statement on 12 January 1994 that they would restore friendly relations on the basis of a commitment from France to ban any further arms sales to Taiwan. The statement read, *inter alia*: "[The] Chinese side reaffirms that the sale of any type of arms will bring harm to China's sovereignty, security and reunification and the Chinese government firmly opposes it. To take account of the Chinese side's concern the French government pledges not to authorize French enterprises to participate in the arming of Taiwan in the future." It added that France "recognizes the government of the People's Republic of China as the sole legal government of China and Taiwan as an integral part of the Chinese territory." (IHT 13-01-94) It was estimated that France lost more than \$1 billion of business with China in 1993 because of the rift with China. (IHT 17-01-94; FEER 27-01-94 p. 13)

The French prime minister came to China on an official visit in early April 1994. According to Chinese sources he gave an assurance on that occasion that France would not interfere in China's internal affairs, including the human rights issue. He said that France's goal was to raise its profile in Asia, and that increased trade with China is a central element. He argued that the issue of human rights "should not be played down, but it should not define our entire foreign policy We are not going to give lessons to the whole world while others who invoke moral values are doing business behind our back." (IHT 08, 9/10 and 12-04-94)

South Korea - Japan

South Korea decided to maintain a decades-old ban on Japanese shows and films. It reaffirmed that South Korea needed to block an influx of Japanese culture, which had

been barred as unsavory and alien as a result of the 1910-1945 colonial occupation. South Korea allows Japanese cartoons and stage productions, but still bans musicals, movies, videotapes, discs and Japanese-language television broadcasts. Japanese singers and musicians are also barred. South Korea wants Japan to transfer sophisticated technology, but in return Japan demands the lift of the cultural ban. (IHT 03-02-94)

Malaysia - Philippines

The first official visit by a Malaysian prime minister to the Philippines since the two countries established diplomatic ties in 1964 took place in early February 1994. The visit reciprocated the official visit by the Philippine president to Malaysia a year ago and was to give further impetus to the new phase in relations between the two countries which had been strained due to the Filipino claim on Sabah. (NST 03-02-94, 04-02-94, 07-02-94)

Central Asia

In spite of the fact that Uzbekistan is a major supporter of factions in Afghanistan (General DOSTAM, *see supra*: Civil War) and the current government in Tajikistan, and although Turkmenistan is also supporting factions in Afghanistan (ISMAEL KHAN of Western Afghanistan, supporting President RABBANI), both agreed on a peace initiative for the whole region. Uzbekistan called for a regional peace conference on Tajikistan under UN auspices and including Russia, Pakistan, Iran, Afghanistan and the five Central Asian states. Both Uzbekistan and Turkmenistan insisted on negotiations between the Tajik government and opposition. (*see* 3 AsYIL 359) Uzbekistan's turnaround was prompted by growing tensions with Russia while Turkmenistan had already agreed to various Russian demands. (*see infra*) (FEER 03-02-94 p. 17)

Central Asia - Russia

Despite bids by neighbouring Muslim countries to influence the Central Asian republics, the policies of these countries remained very much determined by Russian power and leverage based on, *inter alia*, demographic, economic and military factors.

In Tajikistan Russian forces supported the Uzbek-endorsed government in its fight against the Islamic opposition. Turkmenistan had succumbed to Russian pressure and rejoined the CIS.

Russia had been insisting on the grant of local nationality to the huge Russian populations in the Central Asian republics in addition to retention of Russian nationality, resulting in dual nationality. In Kazakhstan Russians constitute 39 percent of the population, in Turkmenistan 12.6 percent, in Kirgyzstan 20 percent, in Uzbekistan 10 percent. Since the republics achieved independence there had been Russian complaints about discrimination in favour of those of indigenous ethnic origin. Rejection of the Russian demands could result in a massive emigration with disastrous consequences for the economy and the administration of the country. So far Uzbekistan and Kazakhstan had rejected the demand, but Turkmenistan concluded an agreement

on 23 December 1993 meeting the Russian wishes, allowing migrating Russians to transfer all their possessions to Russia.

Other Russian pressures concerned the introduction of local currencies which would alleviate the monetary burden for Russia. In November 1993 it forced Uzbekistan to adopt its own currency by blocking the supply of roubles.

Economically, Russia remained the largest market and the main supplier of essential goods. It also insists that the countries concerned consult Russia before entering deals to build pipelines through other countries like Iran and Turkey (*see infra*: Oil). Militarily, Russia adopted a new doctrine in October 1993, asserting that its strategic domain included Central Asia. The December 1993 agreement with Turkmenistan legitimized the presence of Russian forces at the Iran-Turkmenistan and Afghanistan-Turkmenistan borders and allows Russia to intervene militarily in CIS states when its interests, including those of Russian minorities, are threatened. Similar agreements with other Central Asian republics were said to be not unlikely in view of the fact that only 6% of the army officers in Kazakhstan and 10% of those in Uzbekistan are of local stock, while the air forces of all the republics are manned almost exclusively by Russians. (FEER 03-02-94 p.17, 24-02-94 p. 22)

Malaysia - United Kingdom

Relations between Malaysia and the UK suffered a setback when the Malaysian government announced on 25 February 1994 a ban on the award of new contracts by the Malaysian government and government agencies to British firms following a series of unsubstantiated reports in the British media alleging pay-offs to Malaysian political leaders by British firms to gain contracts in Malaysia. The straw that broke the camel's back was a report in *The Sunday Times* of London of 20 February 1994 alleging that a British construction firm had approved a \$500,000 (RM 1.35 million) pay-off to the Malaysian prime minister to secure a contract to build a billion ringgit aluminium smelter (an allegation denied by the British firm and the Malaysian government which pointed out that at no time was there a proposal to build an aluminium smelter in Malaysia). (NST 26-02-94, 02-03-94, 06-03-94)

China - Central Asia

The Chinese prime minister visited the Central-Asian republics of Turkmenistan, Uzbekistan, Kazakhstan and Kirgyzstan in April 1994. These republics wanted to make economic deals with China and in return they promised to help turn the tide of Islamic fundamentalism. A border accord was concluded with Kazakhstan. Of the 1,700 kilometre frontier, about 70 kilometres had been in dispute between China and the Soviet Union. Kazakhstan scrapped all its restrictions on cross-border transport. In Turkmenistan an agreement was reached on feasibility studies for a new railway across Central Asia and a pipeline across China. In Uzbekistan the Chinese guest promised that border disputes with the region would be settled exclusively by negotiations. The Chinese prime minister called for a "new Silk Road" establishing closer trade links between China and Central Asia and pledged fresh economic assistance. On the occasion the two countries concluded economic and trade agreements. There exists a

Chinese claim to a large tract of land in Gorno Badaskhsan in Tajikistan. (IHT 20 and 27-04-94; FEER 12-05-94 p. 30)

Myanmar - India

India was reported to have been changing its policy toward Myanmar. Previously India emphasized the release of *Aung San Suu Kyi* and the handing over of power to her party which had won the 1990 elections, and supported moves to isolate the Myanmar government, *inter alia*, by vetoing the latter's bid to join the Non-Aligned Movement at the Jakarta Summit in August 1992. The switch in India's position was considered to have started late 1992 after a visit by a Myanmar foreign ministry official, followed, in March 1993, by a visit by the Indian foreign minister to Yangon. At the end of January 1994 the Deputy Foreign Minister of Myanmar visited India and signed several agreements which clearly showed a change in the relationship.

One of the agreements regularized and intended to promote the informal trade across the land border into India's northeastern states. The most significant agreement, however, provided for cooperation between civilian authorities to crack down on "illegal and negative cross-border activities", possibly paving the way for cross-border pursuit of rebels and criminals in the future. India would want to deny rebels from Assam, Nagaland and Manipur sanctuary on the Myanmar side of the 1,643-kilometre border, while the Myanmar government would want India to keep the several hundred Myanmar students and civilian politicians who took refuge in India after 1989 under control. (FEER 03-02-94 p. 14)

Vietnam - US

The US Assistant Secretary of State told the Congress that Vietnam's human rights performance would affect its relationship with the US. On the other side, Vietnam announced that preconditions to normalization of relations and interference in its internal affairs were not acceptable. (FEER 24-02-94 p. 15)

European attitude toward China

The European Parliament passed a unanimous resolution calling for a multiparty system in China and protection of the human rights of Tibetans. The resolution urged the European Union not to upgrade trade links with China unless China abolishes its labour camps and frees political prisoners. (FEER 24-02-94 p. 15)

Myanmar - ASEAN

Rejecting pressure from the US and Europe for measures to isolate the Myanmar military government, ASEAN stepped up a policy of "constructive engagement" and quiet diplomacy by expanding political and economic ties with Myanmar. It agreed to allow Myanmar to attend the annual conference of ASEAN foreign ministers in Bangkok in July 1994 as a guest of the host state. (IHT 11-03-94)

The prime minister of Singapore arrived in Myanmar on 28 March 1994 for an official visit. He was the second head of government to visit Myanmar since 1988, after the Laotian prime minister. (FEER 07-04-94 p. 13)

Japan - China

In anticipation of the visit by the Japanese prime minister to China in March 1994 Japanese officials said that the prime minister would only make passing and vague references to China's treatment of dissidents, in sharp contrast with the tense confrontation entered into by the US Secretary of State a week before. (*see supra*: China - US) Japanese two-way trade with China nearly doubled in five years, making Japan China's biggest trading partner in 1993. Japan is by far the largest provider of foreign aid to China, and Japanese direct investment was vastly increasing after years of hesitation.

On the North Korean nuclear issue China was not prepared to promise any substantial help; it considered itself to have no more than "a small role to play" in North Korea. China also refused to make any promise regarding the Japanese request for "transparency" in China's military build-up. China asserted that the steep rise in defence appropriations in the latest budget amounted to no real increase in light of inflation and currency depreciation. In dollar terms China's total defence outlays were said to stand at no more than one eighth of those of Japan. (IHT 19/20 and 21-03-94; FEER 31-03-94 p. 21)

Myanmar - US

A new, tougher, US policy towards Myanmar emerged at a high-level meeting of a US inter-agency committee, giving top priority to human rights and democracy. The committee agreed that closer consultations with Asian governments on Myanmar were needed, especially concerning arms sales and Myanmar's participation in regional forums. There was disappointment regarding ASEAN's "constructive engagement" policy.

The new policy was being greeted with concern in Southeast Asian circles and could create a serious policy rift between ASEAN and the US. (FEER 31-03-94 p. 31)

Singapore - US

On 9 May 1994 the US trade representative opposed the idea of holding the first ministerial meeting of the new World Trade Organization in Singapore, linking this stance to the caning of a US citizen for vandalism. (*see supra*: Aliens) However, two days later the US State Department disavowed the statement, clarifying that the US had not yet taken a position on the Singapore proposal. (IHT 11 and 12-05-94)

South East Asia - China

In a speech closing an international conference on relations between Southeast Asia and China the Senior Minister of Singapore on 18 May 1994 cautioned China not to

misread the mood of the region. He referred to the Chinese comment on recent anti-Chinese riots in Indonesia which had “revived old fears that China has not abandoned its claim to the loyalties of all ethnic Chinese.” He also said China should take steps to “reduce anxieties over its intentions in the South China Sea”. Speaking at the same conference the Chinese deputy prime minister gave an assurance that “China doesn’t seek hegemony, nor will it seek hegemony and expansion when its economy is well developed in the future.” (IHT 20-05-94)

Indonesia - Malaysia

The Malaysia-Indonesia Joint Commission was set up to discuss and review all aspects of bilateral cooperation. It held its first meeting in 1991. At its third meeting in May 1994 it discussed, *inter alia*, the influx of illegal Indonesian immigrants in Malaysia, exchange of information on nationals arrested and convicted, land border demarcation, co-operation in the fields of trade, investment, tourism, agriculture, education, science and technology, the need for another joint hydrographic survey of the Straits of Malacca to improve navigational safety, and for the delimitation of the exclusive economic zone in the straits. (NST and STAR 27-05-94)

Vietnam - Russia

Vietnam and Russia signed a new friendship treaty on 16 June 1994. The signing was being held up by a dispute over the financial terms for the continued use of the Cam Ranh Bay naval base by Russia. According to earlier reports the terms for the repayment of a \$9 billion Vietnamese debt to Russia were also delaying the agreement. (IHT 17-06-94)

(NON-)INTERFERENCE

(see also: Aliens, Broadcasting, Inter-state relations)

Thai involvement in Libyan construction work

The US warned Thailand that Thai companies were the principal foreign contractors for the construction of what US intelligence agencies had concluded to be chemical weapons plants in Libya. According to US officials Thai companies had taken over the projects from German and Japanese contractors who were forced to withdraw in the 1980s under pressure of their governments to end ties with the government of Colonel GADHAFI. It was said that involvement of Thai companies in building a chemical weapons plant would be a violation of an existing UN arms embargo against Lybia and of the Chemical Weapons Treaty. However, Thailand has signed the treaty but has yet to ratify it, and Lybia is no signatory at all.

Prompted by the US the Thai government moved against the contractor, arresting its owner and charging him with sending Thai workers abroad without government permission. The man was, however, almost immediately released again. It was reported that Thailand had long resisted American pressure to prevent Thai companies from

operating in Libya, the reasons being mostly economic: nearly 25,000 Thais work in Libya, sending tens of millions of dollars back home annually. (IHT 05-10-93, 26-10-93. *See also*: IHT 04-11-93, 10-11-93, 24-11-93; FEER 16-09-93 p. 27, 04-11-93 p. 15)

Dalai Lama's meeting with French and US presidents

China denounced the meeting of the French president with the Dalai Lama on 16 November 1993 during the latter's visit to France, calling it an interference in Chinese internal affairs. The French foreign ministry responded by emphasizing the "pastoral and private nature" of the visit, saying that the French "have reminded [the Chinese authorities] of the conditions under which the Dalai Lama came to France and under which he had meetings with French officials." (IHT 26-11-93)

China also sharply criticized the meeting of the US president with the Dalai Lama on 29 April 1994. A statement of the Chinese foreign ministry read, *inter alia*: "We demand that the US side live up to its commitments on recognizing Tibet as part of China's territory, abide by the basic norms governing international relations, set store by the overall interests of Sino-US relations and refrain from taking actions interfering in China's internal affairs and hurting the feelings of the Chinese people." (IHT 30-04-94)

US attitude toward handling of Myanmar dissident

The US expressed dismay about pronouncements by Myanmar ruling out early talks with DAW AUNG SAN SUU KYI, the imprisoned leader of the National League of Democracy. It was suggested that the US might step up sanctions against Myanmar because of the government's failure to open a dialogue. The US had already suspended all economic and military aid, imposed an arms embargo, abolished low tariffs, and blocked the IMF and World Bank from making loans to the country. (IHT 09-03-94)

Manila Conference on East Timor

When the scheduled date of 31 May 1994 approached for a privately organized "Asia-Pacific Conference on East Timor" in Manila, which had been in preparation since January 1993, Indonesia forcefully expressed its opposition. It was reported that initially it was the Indonesian foreign minister who informed the Philippine government in October 1993 of the plans for the conference. Indonesia opposed the alleged use of Philippine territory to threaten its territorial integrity. The Indonesian foreign minister expressed hope for cancellation of the conference planned under the auspices of the University of the Philippines in Manila and warned the Philippines not to underestimate the Indonesian depth of feeling on the issue. (IHT 17-05-94; FEER 02-06-94 p. 17, 16-06-94 p. 18)

The Indonesian dissatisfaction was also expressed by the withdrawal from participation in an East Asean Growth Area (EAGA) business conference in the Philippines including the cancellation of 12 joint ventures worth \$300 million (*see infra*: Joint development), and by statements by Indonesian officials that they were considering the

withdrawal of Indonesia's support as a host and intermediary for long-running peace talks between the Philippine government and Islamic insurgents in the southern part of the Philippines (*see supra*: Insurgents). Besides the permissive attitude of Indonesian authorities towards Filipino fishermen in Indonesian waters changed drastically; about 25 small boats were impounded by the Indonesians in the space of a week. (IHT 31-05-94, 01-06-94; FEER 16-06-94 p. 18)

In response to these pressures the Philippine president declared that the Philippine government would not prohibit the conference because that would violate the freedom of speech guaranteed by the Philippine Constitution. But in the national interest and in order to prevent non-Filipinos from making use of Philippine soil to seek to undermine the territorial integrity of a friendly neighbouring state he issued an order barring a number of East Timorese participants from the country and instructing the Bureau of Immigration to deny entry to other foreign participants in the conference. A special envoy was sent to Jakarta to explain that it was constitutionally impossible to forbid the conference from proceeding. The Indonesian foreign minister expressed Indonesian disappointment and claimed that the Philippine government had pledged to ban the seminar when it was first announced in 1993 but withdrew its promise in March 1994: "Although we can fully understand their constitutional constraints, there is also something else in the relations between countries, and that is called national interest." Filipino officials said that the Indonesian government was told in 1993 that it was not possible to ban the meeting but that the Philippine government would mobilize the democratic forces to ensure that the Philippines would not be used to embarrass Indonesia.

On 27 May the Quezon City Regional Trial Court issued a temporary restraining order at the request of the Philippines-Indonesia Friendship Society (PHILINDO) *et al.*, four days before the conference was to begin. (IHT 28/29-05 and 31-05-94, 01-06-94; JP 17-05-94; FEER 02-06-94 p. 17, 16-06-94 p. 18) The order was in its turn restrained on 31 May by the Supreme Court which, however, upheld the Philippine government's exclusion of foreigners from entering the country to take part. (FEER 09-06-94 p. 13)

Chinese statement on Indonesian riots

(*see also infra*: Minorities)

When labour unrest in and around the city of Medan degenerated into ethnic riots the Chinese foreign ministry issued a statement calling on Indonesia to act speedily to overcome the riots. The Indonesian Justice Minister responded by saying that the statement created the impression of interfering in the internal affairs of Indonesia and that "China had better mind its own internal affairs". The deputy chairman of the Chinese parliament, visiting Indonesia at the time, denied any interfering nature of the Chinese statement, quoting the saying "Do not force onto others what you do not want others to force on you". (JP 27-04-94; IHT 20-05-94)

Malaysian NGO forum on East Timor

The Malaysian government rejected the plans of the Malaysian Action Front, a group comprising 30 NGOs, to hold a forum to discuss alleged human rights violations by Indonesian authorities in East Timor. The foreign minister said on 26 June 1994 that the holding of such forums would strain Indonesian-Malaysian relations. (IHT 27-06-94)

INTERNATIONAL TRADE

See also: Air traffic, Asia-Pacific Economic Cooperation

Japanese - US trade negotiations

The negotiations about the American wish to narrow the US-Japanese trade imbalance continued during the G-7 meeting in Tokyo in July 1993. The aim was to reach agreement on a framework approach to reducing the trade surplus, particularly referring to increase of Japanese imports of American-made automobiles and auto parts, telecommunications, deregulation in insurance services and government procurement of medical technology, as well as to settle conflicts over intellectual property. Agreement was finally reached on 10 July 1993 with the US dropping its insistence on numerical targets on threat of US retaliation for lack of progress, and instead accepting a compromise proposal offered by the Japanese prime minister on 2 July 1993. According to this proposal the two sides would agree on indicators ("objective criteria") to be applied as measurements of progress on trade matters but would not set specific targets to meet (*see* for text, Joint Statement on the Framework for a New Economic Partnership, 10 July 1993, 32 ILM (1993) 1414). The objective criteria as part of the compromise had yet to be agreed on. The criteria referred to were likely to include changes in market share, the number of foreign companies bidding for government contracts and the number of cases in which Japanese officials intervene to stop exclusionary business practices. The accord also called for negotiations on a variety of sectors of trade.

The agreement, such as Japan's pledge to "significantly reduce" its trade surplus, was susceptible to different interpretations. Moreover, both parties expressed their intention to prepare side letters which could undermine the agreement. Japan would affirm its right to opt out of sectoral talks if the US takes unilateral retaliatory action, and the US would emphasize its right to apply the "Super 301" clause of its 1988 Trade Act to sectors covered in the framework agreement. (IHT 07, 08, 09, 10/11 and 12-07-93, 15/16-01-94) A few days after the agreement was reached conflicts were already rising about the scope and meaning of various provisions, particularly about the question whether the agreement contained a numerical target for the reduction of the Japanese trade surplus and on 12 July 1993 the two sides already exchanged letters that underscored these differences of interpretation. (IHT 14-07-93)

In late September 1993 the new Japanese prime minister met the US president and reiterated Japan's opposition to the setting of numerical targets to cut Japan's surplus in its current account (IHT 27-09-93) while the US accused the Japanese of foot-dragging in failing to follow through on the agreement of summer 1993 to establish a

new “results-oriented” framework for trade negotiations. (IHT 01-10-93) Subsequent talks did not achieve agreement and it was reported in January 1994 that the US government had begun to talk directly to Japanese companies, urging them to buy more foreign products. (IHT 19-01-94)

During a summit meeting on 11 February 1994 Japan and the US also failed to settle their trade differences in any of the four key areas. (IHT 12/13-02-94) Expressing the idea that the two countries should deal with each other as equals, the Japanese prime minister said that the US-Japanese relationship had become “a mature relationship, a relationship between adults”. (IHT 14-02-94)

As to possible US trade retaliation (*see infra*) the Japanese deputy foreign minister for economic affairs said that such action by the US would be unjustified because “there is no breach of agreement, no violation of international rules” by Japan. (IHT 15-02-94) For its part the US announced in early March the re-activation of the so-called Super 301 provision in the US Omnibus Trade Act. (*see note infra*) It was said that in 1989 the threat of Super 301 had proved effective to extract promises from Japan to buy more from the US. (IHT 04-03-94)

On 10 March 1994 the US Secretary of State said in a meeting with Japanese leaders in Tokyo that Japan had failed to live up to its promises to the US president in July 1993 on market openings and told them that “great nations keep their commitments”. (IHT 11-03-94) On 29 March 1994 Japan announced a package of market-opening measures aimed at placating the US and averting a trade war. Reference may be made to the “Outline of External Economic Reform Measures” and the 1994 “Government Actions for Import Promotion”. The package included a continuation of an income-tax cut for a few more years and the raising of the projected level of spending on public works in the current decade. (IHT 29-03-94, 21-04-94)

On 24 May 1994 the two countries reached agreement on how to measure access to Japanese markets and thus on a clearer definition of the phrase “objective criteria”. It appeared that the two sides had agreed to keep a range of statistics on Japanese markets as a basis for assessment whether market access had improved, instead of any single criterion. Having reached this agreement, the two parties resumed the framework trade negotiations which were broken off in February. (IHT 25-05-94; FEER 02-06-94 p. 61)

According to the US annual review of world trade barriers (National Trade Estimate) which was made public on 31 March 1994 the US deficit with Japan totaled \$60.4 billion in 1993, \$10 billion more than in 1992. The review singled out Japan for trade barriers exceeding those of any other major industrialized country, placing “an unacceptable burden on the global trading system”. For its part, the Japanese “Annual Report on Unfair Trade Policies by Major Trading Partners” charged the US with violations in 9 of 13 categories, and the European Union with violations of 4 categories. (IHT 01 and 2/3-04-94)

Note: The “Super 301” provision in the US Omnibus Trade Act (*see* 2 AsYIL 334) was adopted by the US (Democrats-controlled) Congress in 1988 and accepted by President REAGAN on condition that its validity be limited to two years. It allows the government to identify countries considered to have erected trade barriers which are considered most damaging to the US, and sets a timetable for negotiations for the dismantling of

the barriers. Failure of such negotiations could constitute grounds for the imposition of substantially higher tariffs (under other laws) by way of retaliation.

Japanese car imports to the EC

(see 3 AsYIL 408)

While Japan tacitly agreed on a further reduction of imports in 1993 because of the depressed EC market, the Japanese stressed the need to agree on ground rules for revising import targets in general before agreeing to any specific figures in order to prevent repeated talks on import levels. While acknowledging that the drop in overall European car sales in 1993 would be more than the 6.5 percent forecast which was used as the basis for the previous agreement of April 1993, Japan disagreed with the EC prediction of a decline of up to 16 percent for the full year. (IHT 15-07-93) Finally an agreement was reached on 4 September 1993 on a limitation to 980,000 units, 18.5 per cent lower than the 1992 level and sharply below the 9.4 percent cut that had been agreed in April. While the result might prove irrelevant in a market with a plummeting demand the lower agreed figure could make it more difficult for Japan to raise the ceiling next year should the demand increase. (IHT 4/5-09-93, 06-09-93)

US MFN-status for China

The US House of Representatives on 21 July 1993 rejected a resolution denying China MFN-status, thereby endorsing the president's policy. (IHT 22-07-93)

It was reported in March 1994 that the US government was studying ways to avoid an "all or nothing" decision if it were to decide to curtail China's MFN-status over human rights issues, such as the possibility of withdrawing MFN-status from certain goods or industries only (although the concept of limited withdrawal of MFN-status from state-owned enterprises had already been incorporated in a bill passed in 1992 but vetoed by the former President). The goal would be to maximize the economic impact on the Chinese government, while sparing sectors of the economy not deemed responsible for human rights abuses. Voices advocating this approach in the US became increasingly stronger so as to have a broader foundation for US-Chinese relations than that of the granting of MFN-status on purely human rights grounds. (IHT 19/20 and 30-03-94) China exported goods to the US in 1993 worth around \$30 billion or about 30 percent of its exports, while some 2 percent of the US exports went to China. (IHT 13-05-94)

As the moment for the US decision was approaching, both sides tried to reach some common ground. China told the US that it was willing to take further steps to improve its human rights record in order to build more constructive relations between the two countries, but asked for understanding on the need to clamp down on dissent and preserve social stability. The fundamental appeal was: the stable growth of China would contribute to world peace in the next century and an unstable China could be a disaster for Asian security, the international economy and the global environment. The US for its part was dispatching several envoys prompting an extensive high-level dialogue. The US president reminded that the MFN decision was "of great moment": not only economic interests were involved, but also human right interests, national

security interests and “international security considerations for a long time to come”. (IHT 20-05-94)

In preparing his official report the US Secretary of State told the president on 24 May that China had complied with the two mandatory requirements (under the so-called Jackson-Vanik amendment dating from the 1970s, on freedom of emigration and prevention of export to the US of prison-made goods) for extension of its MFN-status but had not reached “overall, significant progress” in the 5 other areas. (*see* 3 AsYIL 407) although it formally adhered to the UDHR and produced lists of political prisoners, held talks with the ICRC on prison inspections, and had discussed the jamming of the Voice of America. He suggested that these failures could be addressed with measures short of revoking the MFN-status, such as targeted sanctions. The advice was designed to break the link between trade status and human rights. (IHT 25-05-94)

Finally, the US president announced his decision to extend MFN-status to China on 26 May 1994, without attaching conditions as to future human rights performance by China. The executive order coupled the extension to a ban on the importation of Chinese guns and ammunition. (IHT 27 and 28/29-05-94) The decision did not imply the granting of permanent MFN status. This would require modification of the so-called Jackson-Vanik amendment to US trade law, stipulating that “non-market economies” must undergo an annual test in order to be granted the status. (FEER 03-02-94 p. 52)

Easing of South Korean trade restrictions against Japan

South Korea decided to phase out discriminatory trade restrictions in a reversal of economic policy that had been mixed with politics. The number of banned Japanese goods would be cut in half over the next five years. Japanese intellectual property rights would be protected in line with the progress of Japan’s transfer of technology to South Korea. (IHT 11-08-93)

Japanese and Korean rice import

In view of its worst harvest in decades Japan would exceptionally allow “emergency imports” of rice. It was announced that in 1993 200,000 metric tons would be imported. The government stressed that it did not signify a change in its general policy of self-sufficiency and of not allowing commercial rice imports. (IHT 30-09, 01-10-93)

Later the US and Japan reached basic agreement to convert Japan’s virtual ban on rice imports to a system of tariffs after 6 years, and to raise the minimum access to the Japanese rice market from an initial 4 percent to 8 percent during these six years from 1995. The Japanese decision was officially announced on 14 December 1993. (IHT 15-11-93, 22-11-93, 29-11-93, 08-12-93; FEER 23-12-93 p. 14)

South Korea accepted a similar arrangement, as announced in a statement made by Japan and the South Korean government 9 December 1993. (IHT 10-12-93)

EC-Japanese trade imbalance

The European Community was prepared to launch talks with Japan on its growing trade imbalance. The talks would be parallel to the US-Japanese “trade framework”

negotiations and would be called "trade-assessment-mechanism" talks. These would include groups of Japanese and Europeans who review the flow of trade in about 30 product areas to see where problems may lie. In an attempt to keep the talks out of publicity the parties agreed to a virtual information stop as regards their contents. The European Union would have preferred to cooperate with the US but it was said that the US had failed to share information about its contacts with Japan.

Japan accounts for 10 percent of the European Union's total trade, a significantly lower percentage than the 15 percent of US trade. The cumulative deficit of Europe with Japan had reached \$142 billion, compared with the combined European-US deficit of \$384.5 billion over the past five years. Japanese direct investment in the twelve EU states was 15 times the level of European investment in Japan. (IHT 08-10-93, 07-04-94)

Public construction contracts

The US Trade Representative threatened to impose trade sanctions on Japan beginning 1 November 1993 if Japan would still refuse to allow foreign companies to bid on government construction contracts. Its implementation was, however, postponed in view of a broad pledge by Japan on 26 October 1993 to introduce open, competitive bidding. On 18 January 1994 Japan adopted an action plan to open its market. In the new plan Japan would award contracts based on open bidding for projects worth a certain minimum amount, with different minimum values for different kinds of projects or services. Under the plan, any company that meets certain, open and objective, qualifications will be able to bid, and experience outside Japan would be considered in evaluating foreign companies. (IHT 21-10-93, 18-01, 19-01-94)

Japanese-US semiconductor trade agreement

(see ASYIL Vol.1 p.321, Vol.2 p.339, Vol.3 p.411)

The market share of US-made computer chips in Japan fell to 18.1 percent during the third quarter of 1993 after having reached the desired level of above 20 percent at the end of 1992. Since the foreign chip sales had risen 26 percent compared with the year before, the US Trade Representative announced the need of "emergency" talks on the matter. (IHT 29-12-93)

US textile imports from China

Textile negotiations between the two countries broke off in December 1993, after four sessions in the preceding nine months, when China turned down American demands for tougher controls and penalties on transshipments in which goods move to a third nation, receive new labels and thus escape the US import quota.

In view of the expiration of a 1993 Sino-US import quota agreement on 31 December 1993 and wary of waiting for China to make concessions on its textile exports the US announced that it would cut by up to one-third the number of Chinese textile and apparel products allowed into the US in 1994. (IHT 07-01-94) The two sides

decided, however, to resume negotiations and agreement was reached on 17 January 1994.

China accepted a number of concessions, including slowing the growth of its textile exports to the US, allowing quota on its silk exports and setting up a tougher enforcement of quota, including joint inspections of Chinese factories and penalties for cheating. Under the agreement, if US enforcement officials find more than two cases of "clear evidence" that Chinese firms are continuing to mislabel or transship textiles in violation of the agreement, the US would be allowed to reduce China's quota by three times the value of the offending shipments. Under the terms of the three-year pact the rate of growth of Chinese exports to the US will be slowed, with no growth allowed in 1994 and about one percent growth per year thereafter. (IHT 12-01 and 18-01-94)

Re-instatement of Sino-US Joint Economic Committee

During his visit to China the US Treasury Secretary reinstated the Joint Economic Committee that had not met since 1987. The committee is meant to provide a forum to discuss China's efforts to reform its economy and US concerns about Chinese trade practices. (IHT 20-01-94)

Indonesian-US trade

During his visit to Indonesia in January 1994 the US Secretary of the Treasury sought to defuse a potential dispute over the revocation of US trade benefits because of alleged Indonesian labour right abuses. (*see* Labour) In 1993 the US imported about \$4.8 billion worth of goods from Indonesia and exported around \$3.2 billion. Of those totals, \$580 million were Indonesian products exported to the US duty-free under the GSP trade provision. (IHT 18-01-94)

Sino-US agreement on prevention of export to the US of prison-made products

China and the US reached a renewed agreement in January 1994 to allow US customs officers to regularly visit five Chinese prisons to ensure that the prison-factories were not making products for export to the US. In 1992 agreement was already reached allowing US inspectors to visit Chinese prisons suspected of producing products for export to the American market. Under this agreement China allowed inspections of two prisons in spring 1993. It was reported in November 1993 that agreement on greater access would depend on the lifting of restrictions on the import in the US of two products previously suspected of having been made in jails. (IHT 17-11-93, 21-01-94)

US trade sanctions against Japan in the field of cellular phones

By way of retaliation for the failure of the trade talks in February 1994 (*see supra*) the US announced on 15 February 1994 that it was to impose sanctions on selected products. Acting under US law the government could impose 100 percent tariffs on selected Japanese products. The next step after the announcement was (in 100 days) for

the US government to publish a list of Japanese products that would be hit with the penalty duties. (IHT 16-02-94)

Among other things it was said that Japan had failed to comply with a 1989 agreement that was to assure Motorola Inc. of "comparable market access" to the cellular phone market. Japan said that it might submit the dispute to the GATT but in March 1994 an agreement was reached that would vastly accelerate access for American-made equipment. The agreement would have the Japanese company already operating in a certain region to build a system of base stations using the Motorola technology according to a fixed timetable. (IHT 16-02-94, 5/6, 11 and 14-03-94; FEER 24-03-94 p. 56)

Sino-Japanese trade

Trade between the two countries increased by 54 percent to \$39 billion in 1993, allowing Japan to surpass Hongkong as China's biggest trading partner and putting China second to the US as Japan's biggest trading partner. Japanese investment, however, remained relatively restrained. (IHT 25-02-94)

South Korea - US

South Korea rejected US demands to reduce tariffs on vehicle imports, saying its rates were already lower than those of the European Union. The South Korean rate was 10 percent, against EU tariff rates of 11 to 22 percent. The US had a 2.5 percent tariff, but imposed 25 percent on imports of commercial vehicles. Among the alleged invisible barriers on foreign car sales in Korea were mentioned the restrictions on expanding sales outlets. (IHT 12/13-03-94)

South Korea - European Union

The European Union decided to stop granting preferential treatment to exports from South Korea under the Generalized System of Preferences for developing countries. The decision was based, *inter alia*, on South Korea's decision to join the OECD in 1996. (IHT 17-03-94)

Japanese car exports to the US

Japan announced on 29 March 1994 that it would terminate its voluntary restraints on exports of automobiles to the US at the end of the current fiscal year. The voluntary restraint began in 1981 when American carmakers suffered heavily from Japanese competition, while they were recently increasing their share of the market again. The export restraints had little actual impact during the past seven years because the exports had dropped below the limits set as Japanese companies shifted production to factories in the US. The abolition of the restraints would be in conformity with the call by the Uruguay Round agreements for phasing out programs such as voluntary export restraints. (IHT 30-03-94)

Japan's trade surplus

Japan's trade surplus reached \$121.99 billion in the fiscal year ending 31 March 1994, compared to \$110.89 billion for the fiscal year 1992-1993. Measured in yen, the surplus narrowed by 10 percent. The trade surplus with the US increased to \$51.14 billion in 1993-1994, and that with Asia came to \$55.95 billion. (IHT 19-04-94)

INTERVENTION**Iranian manoeuvres near Armenia**

After warning that it would not tolerate an Armenian offensive in Azerbaijan, Iranian troops conducted manoeuvres near the Armenian border. (IHT 01-09-93) Iran also demanded a security zone for Azeri refugees. (IHT 03-09-93) Russia responded by warning that Iranian incursions into Azerbaijan would risk spreading the conflict. (11/12-09-93)

Alleged Iranian involvement in Northern Ireland

The British government accused Iran of helping the Irish Republican Army in its armed campaign against British rule in Northern Ireland but refused to specify the assistance allegedly provided by Iran. The Iranian chargé d'affaires in London denied the accusations. (IHT 29-04-94)

Pakistani support for Kashmiri militants

According to Pakistani military sources Pakistan had resumed arming, training and providing logistical support to Muslim militants in the (Indian) state of Kashmir. Pakistan suspended active support in 1993 and funneled it through non-governmental organizations when the US threatened to add Pakistan to the list of countries sponsoring terrorism which would result in the severing of US-Pakistan aid and business ties.

Pakistani political and government officials denied any active Pakistani role in arming or training militants, saying that their support was limited to aiding the insurgents through political and diplomatic initiatives. A senior official of the foreign ministry said that it was impossible for the army to halt all smuggling of weapons from Pakistan to Indian Kashmir by private groups. (IHT 17-05-94)

IRAQ - KUWAIT WAR**Return of Iraqi soldiers from Iran**

When Iran returned a group of what it called Iraqi "prisoners of war" on 22 April 1993 the assumption was that the 200 men had been among those captured in the 1980-88 Iran-Iraq war. As it turned out, the group was part of Iraqi troops who entered Iran

during the 1991 Gulf War and the subsequent uprisings against the Iraqi government. (IHT 02-07-93)

ISLAM

The Islamic factor in the Bosnian crisis

During the ASEAN post-ministerial conference with the so-called dialogue-partners ASEAN ministers criticized the European Community for its failure to protect the Bosnian Muslims and pointed out that dismemberment of a UN member state was a dangerous precedent for other states with a multi-ethnic make-up. (IHT 28-07-93)

JAPAN'S MILITARY ROLE

US embargo on supply of military transport planes to Japan

Reportedly the US blocked the purchase by Japan of big C-17 military transport aircraft which are capable of reaching a distance of 8,300 kilometers. According to the news reports the measure was taken by the US to prevent the rebuilding of Japanese military power. (NRC 19-07-93)

Record of Japanese peace-keeping forces in Cambodia

The 600 members of an engineering battalion and 75 civilian police officers deployed in Cambodia were the first Japanese ground forces posted abroad since World War Two. There was some criticism about the privileges the Japanese forces allegedly had asked for and usually received in exchange for their participation in the peace-keeping operation and in order to avoid violations of the restrictions imposed by the Japanese "Law concerning cooperation for United Nations Peace-keeping Operations". (see 2 AsYIL 341 and 32 ILM (1993) 215) First, as the Law bars Japanese soldiers from involvement in hostile action, most of the Japanese force were sent to one of the safest areas of Cambodia far from the camps of the Khmer Rouge. Second, there was the allegation that the Japanese forces began pulling out relatively early while they had arrived rather late. There were also reports of instances of Japanese abandoning their posts apparently out of fear for their safety. (IHT 25-10-93)

JOINT DEVELOPMENT AND JOINT VENTURES

Malaysia-Namibia joint ventures

Malaysia and Namibia engaged in a joint venture to set up a cement plant capable of producing between 250,000 and 300,000 tonnes of cement a year. Malaysia was to have a 50 per cent stake. The memorandum of understanding for the project and five

other MOUs were signed on 10 August 1993. The other MOUs were on technical cooperation and other projects. In November 1993 an agreement was signed for a joint venture for the building of low-cost houses. It was the first construction project entered into by a Malaysian company in Namibia. At the same time other MOUs were signed covering various projects. (NST 11-08-93, 23-11-93; STAR 23-11-93)

Taiwan-British Aerospace joint venture

In January 1993 British Aerospace (BAe) and the 29 per cent government-owned Taiwan Aerospace Corporation (TAC) signed an agreement for a 50-50 venture to produce the RJ passenger jet aircraft (to be assembled in Taiwan and Britain), and to develop an advanced new aircraft, the RJX, a year later. Completion of the deal was, however, delayed by disagreement over the transfer of technology and obstacles to the financing of the respective contributions. Agreement on financing was finally reached on 27 August 1993. (IHT 21/22 and 28/29-08-93, 07-10-93, FEER 02-09-93 p. 66, 09-09-93 p. 49) As completion of the agreement appeared to stall due to British reluctance to pass on technology, the French company Dassault Aviation SA made overtures by saying to the Taiwanese Central News Agency that it would be prepared to transfer knowledge to a partner in Taiwan. (IHT 9/10-10-93) In November 1993 TAC proposed to BAe to cancel plans for co-production of the so-called RJ aircraft because of worries about weak market demand, and to limit the joint venture to the development of the new RJX passenger jet. (IHT 6/7-11-93)

Tumen River development area

(see: AsYIL Vol.1 p.329, Vol.2 p.342, Vol.3 p.417)

As a result of a meeting in May 1993 there were some signs that the project would be pushed forward. A private-sector corporation, the Tumen River Area Development Corp. was established, and North Korea appealed for investments in its Rajin-Sonbong free economic and trade zone, located in the north-east corner of the country and being its contribution to the project. (FEER 30-09-93 p. 72) The Tumen River Project, which was to be the centrepiece of plans for a Sea of Japan economic zone, would open the economic potential of the northeast Chinese provinces of Heilongjiang and Jilin whose only access to the sea at present is through Dalian in Liaoning Province. An alternative to building a new port at the mouth of the Tumen River could be the natural harbour at the Sarubino Bay, between Vladivostok and Tumen. (FEER 21-10-93 p. 21)

Asian aviation consortium

The Korean Daewoo Heavy Industries Ltd. in October 1993 announced the setting up of a four-member consortium for the building of mid-size passenger jets in Asia. The four companies mentioned as participants were Singapore Aerospace, Aviation Industries of China, Hindustan Aeronautics Ltd. and Daewoo, but Singapore Aerospace later denied its participation. (IHT 16/17-10-93, 23-02-94)

Indonesian-British Aerospace joint venture

The Indonesian state-run aircraft manufacturer IPTN (*Industri Pesawat Terbang Nusantara*) was reported to be in the final stage of talks with British Aerospace on planned cooperation in aircraft marketing, especially of the IPTN's N-250 aircraft. (IHT 23/24-10-93) It was reported on 25 November 1993 that the two sides reached agreement on exploring the idea of a joint venture to design, develop and manufacture regional turboprop airplanes. (IHT 26-11-93)

Hyundai-Yakovlev joint venture

The Hyundai Precision & Industry Co. and the Russian aircraft manufacturer Yakovlev set up a joint venture to develop passenger aircraft with Hyundai holding 51 percent equity stake. Yakovlev would undertake design and development, while Hyundai would provide capital investment, set up a sales network and build and operate an assembly plant. (IHT 6/7-11-93)

Mekong basin

A conference took place in Manila on 30-31 August 1993 where the six Mekong littoral states (China, Myanmar, Thailand, Laos, Cambodia and Vietnam) discussed ways to improve the links between them. As a first step the six countries agreed that the ADB should start feasibility studies on four road projects. A second agreed list for study and discussion included a Chinese proposal to make the Mekong navigable for heavy commercial traffic, electricity-sharing and "soft" links such as human-resources development and environmental protection.

Thai and Chinese interests have mostly focused on a section of the Mekong region known as the "Golden Quadrangle" or "Economic Quadrangle" - comprising northern Thailand, southern Yunnan, northwestern Laos and eastern Myanmar - where prospects for early economic benefits appear greatest. The two states had urged and obtained the agreement of Myanmar and Laos to allow the area to be opened to tourism and commerce. The area is home to the Dai minority in China - part of the Thai race which also includes the Shan tribe in Myanmar and the people of northern Thailand. (FEER 16-09-93 pp. 68-72)

Malaysia-Philippines joint fishing ventures

Malaysia and the Philippines have agreed to engage in joint aqua-culture and sleep-sea fishing ventures in a small zone in the contested Spratly Islands area. (NSTY 10-12-93)

Sino-Russian free-trade zone

Heihe and Blagoveshchensk, the largest twin cities on the Sino-Russian border, would set up a 20-square kilometre export-oriented trade zone spanning the Amur River, which separates Manchuria from Siberia. (FEER 20-01-94 p. 59)

East Asean Growth Area

It was reported that in March 1994 preparatory discussions were held on launching a growth area encompassing the Southern Philippines, the East Malaysian states of Sabah and Serawak, Brunei and the Indonesian islands of Sulawesi and the Moluccas. (FEER 31-03-94 p.12) A draft air-service agreement allowing regular flights between the key cities of the area was to be presented to the four governments. (FEER 28-04-94 p.12)

A conference of government officials and business representatives was organized and held in Davao City on 26-28 May 1994 but Indonesia and Indonesian business withdrew from participation in protest against the holding of a conference on East Timor in Manila (*see supra*: Non-interference).

Thai-Malaysian joint development area

Thailand and Malaysia agreed in 1971 to form a joint development area of 7,250 square-kilometres of their overlapping continental shelf areas which are part of the coastal waters north-east of their border. The commercial and legal aspects were finalized in April 1994. Both countries on 21 April 1994 signed a Malaysia-Thailand Production Sharing Contract to jointly explore and exploit oil and gas. The Malaysian prime minister said the contract reflected the foresight of past leaders, the late Malaysian prime minister TUN HUSSEIN ONN and Thai prime minister General KRIANGSAK CHOMANAN who, in trying to resolve the overlapping claims in the Gulf of Thailand, came out with the novel idea of establishing a joint authority.

In 1979 the two countries decided to establish a Malaysia-Thailand Joint Authority (MTJA) which was formally set up in 1990 (*see* 1 AsYIL 160, 2 AsYIL 343). The MTJA would administer three separate production-sharing contracts, each relating to a different part of the area. A Thai-based subsidiary of the US Triton Oil and a subsidiary (Petronas Carigali) of the Malaysian state-owned Petronas would conclude a production-sharing contract, while two other contracts would be concluded between Petronas Carigali and PTTEP International (an extension of the Petroleum Authority of Thailand).

Taking the MTJA as a model for other maritime areas, Malaysia agreed with Vietnam and the Philippines to cooperate in any disputed area. (FEER 21-04-94 p. 80; NST 16-09-93, 08-04-94, 22-04-94)

JUDICIAL ASSISTANCE

Bhopal gas disaster

The Indian government sought the extradition of the former chairman of the US Union Carbide Company, to face criminal charges in connection with the Bhopal gas disaster. (FEER 14-04-94 p. 15)

Extradition without treaty

The Superior Court of Macau on 14 April 1994 reversed its own decision and agreed to extradite two ethnic Chinese to the mainland, where they were wanted for murder and fraud. The Court granted China's request although no extradition treaty existed between Portugal and China. Macau authorities persuaded China to send a written guarantee to the Macau Superior Court promising that the two men would not face the death penalty if convicted of crimes in China. (FEER 28-04-94 p. 15)

JURISDICTION

See: High seas, Immigration and emigration

LABOUR**US threats concerning Asian labour conditions**

(*see also:* Sanctions)

Under American law a country that violates internationally recognized labour rights can, *inter alia*, have its benefits under the US Generalized System of Preferences for developing countries suspended. In response to complaints from American labour and human rights groups a US government team carried out investigations in Indonesia on working conditions and enforcement of labour regulations. Improvements were found in areas as wage levels, child labour, restrictions on trade unions and the role of the military in industrial relations. Indonesia responded by revoking a 1986 law that gave employers the right to use the security forces to break up strikes, and by raising legal minimum wage levels as of 1 January 1994. It also authorized the formation of 14 new trade unions but insisted that they remained under the supervision of the state-run labour federation. A Ministry of Manpower decree for the first time allowed collective bargaining at the plant level. Such investigations also took place in seventeen other countries. Indonesia had faced similar US investigations in 1987, 1988 and 1989. On each occasion the US concluded that Indonesia was taking steps toward internationally accepted standards. The US issued a warning on 25 June 1993 that unless six countries, including Indonesia and Thailand, would improve workers' conditions their tariff advantages would be in jeopardy. Indonesia was allowed to improve its laws on labour conditions before mid-February 1994 before measures were going to be taken under the above law.

The US had three choices: it could revoke GSP benefits on the grounds that progress toward protection of labour rights had been insufficient; it could renew those benefits unconditionally on the basis that Indonesia had made a good-faith effort and that eight months was too short a time to expect anything more, or it could maintain the pressure for another five months by keeping Indonesian labour practices under review and postponing a decision on revocation. The US finally decided to suspend its review of Indonesia's worker rights to give Jakarta more time to implement the recently

adopted regulations. (IHT 23-09-93, 17 and 18-01-94, 14-02-94; FEER 08-07-93 p. 14, 03-03-94 p. 57)

ASEAN bloc on trade-labour link

Members of ASEAN decided to act as a bloc to oppose attempts by the US and European countries to include a "social clause" linking trade and labour standards in future international trading rules. The decision reflected the deep suspicion among virtually all developing countries in Asia about the motives of Western states in pressing for such a link. In setting up the World Trade Organization US and French officials had agreed on such a connection. (IHT 04-04-94)

A conference of labour ministers of ASEAN criticized the efforts to establish a trade-labour link and urged the ILO to take into account "special circumstances" in the labour market of the developing world. The communique adopted by the conference said that the ministers were committed to improving the well-being of the workers in their countries, but observed that some countries "are concerned with the rigid imposition of labour standards and the use of rigid standards to stifle trade and economic development, which constitutes a new form of protectionism". (IHT 18-05-94)

LOANS

Issue of dragon bonds

On 14 October 1993 China started issuing 10-year dragon bonds, the first ones issued by a non-Japanese Asian country. Dragon bonds are denominated in currencies other than the issuer's – usually US dollars – and issued in Asian financial centres outside of Japan. They were issued for the first time in 1992. (IHT 15-10-93)

MIGRANT WORKERS

See also: (Non-)Interference

South Korea to admit foreign workers

South Korea said it would admit 20,000 foreigners to fill unskilled jobs. The workers would be permitted to stay for up to two years. Small business groups had lobbied for the relaxation of the ban on migrant labour. Workers from the Philippines, Pakistan, Bangladesh and China are flocking to South Korea. The South Korean government also announced the extension of a limited amnesty for illegal guest workers for six months. About 15,000 of an estimated 60,000 illegal foreign workers had registered for the amnesty. (IHT 25-11-93)

Malaysian needs

Malaysian government sources said that the country may need about a million foreign workers, a number equal to more than ten percent of its labour force, if its rapid economic growth is to continue. Malaysia ended a short-lived ban on recruitment of foreign labour in June 1993 when the government bowed to pressure from employers who warned that their operations would be crippled without more workers. Manufacturers became free to recruit skilled and semi-skilled foreigners who are urgently needed to staff new factories and were allowed to hire unskilled foreign workers from the large pool already in the country.

In 1992 nearly 320,000 foreigners - most of them from Indonesia, with smaller numbers from India, Pakistan, Burma, Bangladesh and Sri Lanka - were given work permits under an amnesty program after they had entered the country illegally. (*see* 3 AsYIL 420) (IHT 17-12-93)

MILITARY COOPERATION

Chinese military links with Western states

From the side of the Chinese defence ministry it was said that China wished to see positive steps from the West to restore military ties that were disrupted after the 1989 Tiananmen incident. (IHT 30-07-93)

The US ended the freeze in November 1993 and in January 1994 the President of the US National Defense University visited China. (IHT 19-01-94) In March 1994 the US was reported to prepare the upgrading of its defence ties with China by way of confidence-building measures. Besides, the US Defence Department was envisioning the creation of a Joint Commission on Defense Conversion to discuss how to transform Chinese and US defence industries from military to civilian use. (IHT 08-03-94)

Sino-Russian military cooperation

Three Russian naval vessels called at Qingdao, Shandong Province in late August 1993 the first Russian visit to a Chinese port since Tsarist times. (FEER 02-09-93 p. 9)

During a visit by the Russian defence minister to China, the two countries signed a military cooperation agreement on 9 November 1993. The agreement was expected to broaden the transfer of military technologies to China. (IHT 09 an 10-11-93)

Russian-South Korean joint naval exercises

During a visit by the chairman of the South Korean joint chiefs of staff Russia had proposed holding joint naval exercises to bolster military ties. The South Korean government would make a final decision and if approved the exercises would not take place before late 1994. (IHT 14-09-93)

US-Japan anti-missile plan

Out of concern for North Korea's recent tests of a new generation of missiles that could strike Japan, the US and Japan started discussions on building an anti-missile defence system for Japan that would be known as a Theater Missile Defense System (TMD), being a scaled-down version of the Strategic Defence Initiative. (IHT 20-09-93) The US had invited South Korea to take part in the project, but the latter had not yet taken a firm decision. (IHT 15-10-93) The US proposed to assist Japan in building the defence system in exchange for access to advanced commercial technologies that could help correct the imbalance in the US technological trade with Japan. (IHT 24-09-93) Japanese concerns about this idea were later allayed by the US Defense Secretary who emphasized that Japan need not get involved in technology exchange. (IHT 03-11-93)

Note: In 1989 the US and Japan considered the joint development of a Japanese next-generation fighter aircraft code-named FSX. The Japanese had given up domestic development of the new aircraft for joint development but the venture did little more than stimulate efforts to promote one's own technological capacity. The main criticism from American side was that the US was giving away military technology to Japan too cheaply and that Japan was not reciprocating with "dual-use" technology. (FEER 14-10-93 p. 22)

French-Cambodian cooperation

The Cambodian co-prime minister asked for French assistance in training the Cambodian army to combat guerrillas. France and Cambodia concluded a military cooperation accord in July 1993 and a more detailed agreement was expected to be signed soon after. (IHT 21-10-93)

Naval exercises by India with South East Asian states

Indonesia proposed a joint naval exercise with India early 1994 to be held near the Indian Andaman and Nicobar Islands. Indonesia would be the second ASEAN member to hold naval manoeuvres with India, after Singapore. (FEER 25-11-93 p. 11) At the end of February 1994 corvettes of the Singapore navy again held exercises with frigates of the Indian navy. (FEER 10-03-94 p. 15)

Malaysia-Albania cooperation

On 2 May 1994 Malaysia and Albania signed a landmark memorandum of understanding under which Malaysia would train Albanian soldiers and assist in the development of the Albanian armed forces. For the latter purpose Malaysia had approved a special fund of RM2.6 million. Malaysia and Albania would also hold exchange programmes and joint exercises, co-operate in the fields of science and technology and embark on business cooperation in the defence industry. (NST and STAR 03-05-94)

Malaysia-Philippines cooperation

Malaysia and the Philippines have agreed in principle to step up military cooperation, including joint patrols off Sabah to combat piracy. A formal agreement was expected to be signed in September 1994. (NST 25-05-94)

MINORITIES

See also: Civil war, Insurgents

Anti-Chinese riots in Indonesia

As a by-product of labour unrest ethnically charged rioting took place in April 1994 in the city of Medan, Indonesia, but police and the military were on alert. One Chinese businessman was killed. (IHT 19-04, 25-04-94)

Harassment of Koreans in Japan

It was reported that children in the Korean community in Japan were increasingly suffering attacks and harassment as North Korea's suspected nuclear program gained more attention. There are about 700,000 Korean residents in Japan, descendants of people who had come, or were brought by force, to work in Japan during the period of Japanese rule from 1910 and 1945. About one-third are believed to owe political allegiance to North Korea. (IHT 17-06-94)

MISSILE TECHNOLOGY**Russian supply of missile technology to India**

(*see* 2 AsYIL 350; 3 AsYIL 426)

The US and Russia nearly reached a compromise in July 1993 in their dispute over a proposed Russian sale of rocket engines and associated technology to India. Under the expected compromise the US would allow Russia to fulfil its contract with India to sell rocket engines without the transfer of some associated technology. This technology was meant to give India the capability to make its own ballistic missile engines which could be used for military or commercial space launch vehicles. The US had argued that a viable Indian missile capability could one day pose a security threat to Russia itself, and that Russian strict adherence to the MTCR (*see* 1 AsYIL 270) would improve its stature and result in new trade with the West. On the other hand, without a settlement satisfactory to the US, American agencies and private companies would not collaborate with the Russian space station program, or conclude contracts for the launching of US satellites on Russian rockets. The economic sanctions scheduled against two Russian companies involved in the transaction would take effect on 15 July unless a deal was reached. (FEER 08-07-93 p. 14; IHT 15-07-93)

Russia finally succumbed to US pressure and decided not to fulfill its agreement with India on the sale of cryogenic - low-temperature fuel - engines and technology that would help India manufacture engines fueled by liquid hydrogen. An Indian official said India regretted the Russian decision but was not surprised. "We have been long aware that the US has been bringing to bear on Russia and India to prevent the transfer of technology." (IHT 19-07-93, FEER 26-08-93 p. 14)

Alleged Chinese supply of missiles to Pakistan in violation of MTCR

See: Sanctions

China and the Missile Technology Control Regime

In response to sanctions imposed by the US for alleged violation of the MTCR the Chinese deputy foreign minister said, *inter alia*: "Now that the US side has resumed (*see* 2 ASYIL 350) these sanctions, the Chinese government has been left with no alternatives but to reconsider its commitment to the Missile Technology Control Regime." (IHT 28/29-08-93)

China was never really asked to become a full "member" to the MTCR. The US was reluctant to let China enter as a full participant, because as a member China would be entitled to join in the determination of the rules and would have to be provided with technical information about developments in the missile technology field. (FEER 09-09-93 p. 10) The MTCR was concluded in 1987 by the Western industrial states and Japan; China and the Soviet Union were excluded. Membership expanded to 25 countries. (IHT 27-09-94)

New Indian rocket

India test-fired its *Agni-3* rocket in early January 1994 despite objections of the US, and again on 19 February. The rocket has an intended range of 2,500 kilometres but its deployment is not yet in sight in the near future. In addition there is the shorter-range *Prithvi* missile (250 kilometres) which is closer to deployment. In early May 1994 a test-launching was postponed at the request of the Indian prime minister in view of his coming meeting with the US president that month. The launching took place a month later. India claimed to need missiles for air defence and to counter the threat posed by Chinese-made M-11 missiles deployed by Pakistan. (IHT 12-01-94, 09-05-94, 06-06-94; FEER 03-03-94 p. 13, 05-05-94 p. 13, 26-05-94 p. 14, 16-06-94 p. 13)

Japan's H-2 rocket

Japan launched its first major rocket built without reliance on US technology, the *H-2*, on 4 February 1994. The *H-2* can deliver a 2,000 kilogram satellite into geosynchronous orbit, 36,152 kilometers above the equator, or a 10,000 kilogram payload into low Earth orbit, 250 kilometres from the earth surface. It will serve as the mainstay of Japan's space program for the next two decades. It has an inter-continental reach and could be adapted to carry a weapon. One of the main functions of the *H-2*

is expected to be to launch the *Hope*, a small unmanned shuttle that would deliver supplies to a space station and then return to earth. (IHT 26-01, 5/6-02-94)

NATIONALITY

Vietnamese-US double nationality

See: Diplomatic protection

Dual nationality for Russians in Central Asia

See: Inter-state relations

NON-ALIGNED MOVEMENT

Hearing at the G-7 summit meeting

In his capacity of president of the country which was the current chairman of the NAM the president of Indonesia had requested to be given an opportunity to address the G-7 leaders during their meeting in Tokyo in July, 1993. His efforts were not entirely successful, but instead he visited Japan just before the beginning of the G-7 meeting, from 4 till 6 July 1993, and was able to pass on his message to the Japanese prime minister as the host and chairman of the G-7 meeting. The Japanese prime minister promised that the interests of the developing countries would win a hearing at the summit meeting.

The NAM urged the G-7 states not to link development aid with the question of human rights. The 10-page NAM message, entitled "Invitation to dialogue", expressed the NAM's concern about the increasing flow of aid to Eastern Europe at the expense of the developing countries. The Indonesian president emphasized the debt problem of the developing countries and the importance of the current Uruguay Round of trade negotiations. (IHT 06-07-93; FEER 08-07-93 p. 14; NRC 06-07-93)

NUCLEAR CAPABILITY

See also: Environmental pollution and protection, Weapons

Suspension of French supply of nuclear fuel to India

France suspended its contractual supply to the Tarapur plant, India's oldest nuclear plant, pending inspection by the IAEA. However, India is not a party to the NPT and had so far refused to allow such inspection, although it had allowed IAEA inspectors to visit the plant. (NRC 08-07-93)

North Korea (Democratic People's Republic of Korea)

The US Secretary of State on 4 July 1993 delivered a warning to North Korea that any effort to build a nuclear bomb would not be tolerated by the US. During his visit

to South Korea the US president said on 11 July 1993 that it would be “pointless” for North Korea to build nuclear weapons because “if they ever use them it will be the end of their country”. North Korea reacted by characterizing the statement as a provocation.

Meanwhile the negotiations between the US and North Korea which had started in June (*see* 3 AsYIL 431) were resumed in Geneva on 14 July 1993. The negotiations were aimed at persuading North Korea to permit inspections by the IAEA of its nuclear research facilities. (IHT 05, 12 and 13-07-93) This second round of negotiations resulted in a compromise on 19 July. Emphasizing that “full and impartial application” of international safeguards was “essential”, the joint statement said that North Korea was prepared to begin consultations with the IAEA. In return the US pledged to help North Korea switch its nuclear power program to one that would be less easy to convert to nuclear weapons uses. (IHT 17/18 and 20-07-93)

On 3 August 1993 North Korea readmitted IAEA inspectors (IHT 04-08-93) who stayed a week in North Korea where they were only allowed to carry out maintenance work on monitoring equipment (“maintaining continuity safeguards”) including the renewal of films and batteries of the inspection cameras and confirm the seals at the plants at Yongbyon. (IHT 14/15-08-93; UN doc. S/26456) An overall inspection was considered by North Korea to be identical to a full return to the NPT which would not be in accordance with the “suspension of the effectuation” of the North Korean withdrawal. (*see* 3 AsYIL 431) (UN doc. A/48/594, S/26733)

The IAEA and North Korea resumed discussions on opening the latter’s atomic sites to inspection (IHT 19-08-93) on 31 August (IHT 26-08-93) but the first round of talks in Pyongyang was unsuccessful. The IAEA rejected North Korean proposals for a resumption of technical visits by IAEA to exclusively check its surveillance equipment. (IHT 17-09-93)

When no agreement was reached on 23 September the IAEA Board of Governors decided to pass the matter to the General Conference. (IHT 25/26-09-93) The proposal to put the North Korean issue on the agenda was adopted with 69 votes for, one against and 10 abstentions. (IHT 29-09-93) The resulting resolution fell short of an ultimatum, expressing grave concern about the fact that inspections had not been allowed and urging North Korea “to cooperate immediately”. The resolution was adopted by 72 votes to 2 (North Korea and Libya) and 11 abstentions (among which China, India and Pakistan). (IHT 01 and 2/3-10-93)

On 12 October North Korea announced that it would halt talks with the IAEA and would discuss the issue of North Korea’s nuclear program only with the US. (IHT 14-10-93) It was reported on 24 October 1993 that some agreement in principle on a comprehensive settlement was reached between the US and North Korea during secret talks in New York. According to these news reports a third round of high-level talks would take place in November or December. (IHT 25 and 28-10-93)

On a report from the IAEA the UN General Assembly adopted a resolution on 1 November 1993, urging North Korea to cooperate with the IAEA in carrying out the Non-Proliferation Treaty. In his report to the UN General Assembly, the Director-General of the IAEA had stopped short of declaring that the agency no longer had any control over what North Korea did at the nuclear site that it had put under international safeguard (failure of the “continuity” of the inspections). Doing so would be tanta-

mount to saying that North Korea had abandoned the NPT and would probably prompt a US demand for Security Council sanctions. (IHT 03-11-93)

In early November 1993 the US Defense Department started to express concern about the possibility of a North Korean military attack, to the surprise of the State Department which said that concentration of North Korean forces had been going on for years and that there were no unusual troop movements or deployments recently. (IHT 6/7-11-93) The Defense Department's statements were followed up by a statement by the US president that North Korea "cannot be allowed to develop a nuclear weapon" and that a North Korean invasion of the South would be taken as an attack on the US. He declined to answer when asked whether he would consider a preemptive military attack on the North Korean atomic sites which were declared to be peaceful research facilities by North Korea. (IHT 08-11-93) On the other hand, North Korea accused the US president of making bellicose statements and said it had no plans either to develop nuclear weapons or to invade the South. (IHT 10-11-93)

The attitude of the Asian states differed greatly from that of the US. China and Japan, separately, said on 9 November 1993 that they favoured dialogue rather than pressure in dealing with the North Korean issue. The Chinese foreign minister called for continued talks between North Korea and the US, South Korea and the IAEA, and urged the parties involved to be patient. The Chinese stand was later articulated by the prime minister to the UN Secretary-General when the latter visited China in December 1993: China opposed using sanctions to force North Korea to accept nuclear inspections. China hoped for denuclearization of the Korean Peninsula, but this should be achieved through dialogue. The Japanese foreign minister said that it was important for Japan to "continue dialogue" with North Korea "rather than drive them into a corner" while the prime minister emphasized that Japan should not hastily impose sanctions against North Korea. (IHT 10-11-93, 27-12-93) Finally, according to South Korean news reports of 16 November 1993, China and South Korea held secret talks, at the request of China, on the issue of inspections of North Korean nuclear sites. (IHT 17-11-93)

On 11 November 1993 North Korea called on the US to agree to a "package solution" of simultaneous compromises to resolve their dispute over North Korean nuclear activities. A North Korean statement recalled that the proposal for a package solution proceeded from the presumption that the nuclear problem lay in the lack of trust between the countries concerned. (UN doc. A/48/594 - S/26733) US officials said on 15 November that they were considering the offer (IHT 12 and 17-11-93) and after reports about disagreements among US agencies as to the question whether or not to accept the offer (IHT 16-11-93) the US announced a "comprehensive approach to all the differences", considering a package deal with North Korea. (IHT 18-11-93, FEER 16-12-93 p. 16) What was then called the US proposal would have as its goal the gradual opening of the nuclear sites to the IAEA and resumption of North-South talks on denuclearization. In return, the US would suspend joint military exercises with South Korea and hold a third round of talks with North Korea. (IHT 22-11-93) This approach was reaffirmed after consultations between the US and South Korean presidents on 23 November 1993. (IHT 24-11-93, FEER 16-12-93 p. 16) A meeting of North Korean and US officials took place at New York on 24 November after which

the North Korean ambassador said that he was optimistic. (IHT 26-11-93, FEER 13-01-94 p. 14)

On 3 December North Korea presented new proposals in the context of the North Korean-US negotiations in New York which would work as follows: IAEA inspectors would be given unlimited access to five of the seven declared nuclear installations. As to the nuclear reactor and the nuclear processing plant the international monitors would be allowed to replace the film and batteries in the surveillance cameras (which were expected to have run out of film and batteries by November; IHT 16/17-10-93) but would not be allowed to conduct inspections. The proposals included willingness to negotiate over greater access to the reactor and reprocessing sites without offering anything specific. Such proposals were, however, already rejected earlier by the IAEA Director-General who had said that the inspectors must have the freedom to roam and seek evidence of diversions of nuclear material to weapons projects.

The North Korean offer also specified a series of steps to be taken by the US, South Korea, North Korea and the IAEA: the arrival of the inspectors was to be linked with a joint US-South Korean announcement concerning the cancellation of the Team Spirit exercise, and a joint US-North Korean announcement setting a day for a new round of high-level deliberations on broader diplomatic and economic relations, including the possibility of diplomatic recognition of the DPRK by the US. After these announcements North Korea would take steps to exchange envoys with South Korea but the proposals included no certainty about any actual realization of such exchange. Finally the proposal contained the condition that South Korea stop "international pressure efforts". (IHT 03 and 06-12-93, FEER 16-12-93 p. 16)

The North Korean proposal was rejected. (IHT 09-12-93) On 10 December the US presented a (counter-) proposal that differed little from its previous proposal made in November 1993. It did include the cancellation of the major military exercise in South Korea and the prospect of talks over economic aid and diplomatic recognition if North Korea allowed full inspection of its nuclear facilities and began an active, continuous dialogue with South Korea. The offer was meant to be final, and if rejected sanctions would be sought in the UN Security Council. It was denounced without being outright rejected by North Korea on 17 December. (IHT 13 and 18/19-12-93)

Nevertheless US officials reported progress in the latest round of US-North Korean talks (IHT 22-12-93) and in the following period these reports were repeated several times. In his New Year's message the North Korean president said that his country had agreed to a "joint statement" with the US, paving the way for the nuclear dispute to be "settled fairly", although warning at the same time that any effort to press North Korea to make broader concessions "may invite catastrophe". The North Korean foreign ministry said that under the agreement international inspectors would be permitted into the country's seven declared nuclear sites for a one-time inspection.

On 30 December 1993 the US State Department announced that the two sides had reached some kind of preliminary agreement on the inspection issue. If the inspections went ahead smoothly the two sides would meet in Geneva (in a third round of senior-level talks) to discuss a "package deal" of economic incentives in return for broader inspection rights, including those regarding "special inspections" of two nuclear waste dumps that might reveal how much plutonium had been produced in the past (*see* 3 AsYIL 430) (IHT 03 and 05-01-94). US officials said there were just some details of

inspection procedures to be worked out by the IAEA and North Korea. Once the inspection team would arrive in North Korea the US would announce the cancellation of the annual joint military exercises with South Korea and set a timetable for the talks. (IHT 04-01-94, FEER 13-01-94 p. 14)

Meanwhile there was a growing perception in US circles that the US had made unjustified concessions and that the expected accord might fall well short of what the US had previously demanded from North Korea (IHT 05 and 12-01-94). Thus the US State Department found it necessary to defend the policy behind the negotiations: the number and scope of inspections required to maintain continuity of safeguards was a matter for the IAEA to decide; the package distinguished interim measures from a final solution, the former aiming at ensuring that no more fissile material be diverted. (IHT 06, 07 and 28-01-94)

In December 1993 there were reports about further contradictory analyses on the usefulness of continued efforts to reach a negotiated settlement by different US agencies. (IHT 4/5-12-93) These contradictory analyses also concerned the current stage of the alleged North Korean nuclear weapons program and forecasts as to future North Korean abilities in the area. (IHT 27-12-93) There were also contradictory statements about US objectives. While the Secretary of Defense appeared to suggest that the US might be able to live indefinitely with North Korea's nuclear program at its current, early stage of development, the Secretary of State indicated that his government not only intended to stop the development of North Korea "still-primitive nuclear weapons program", but also to roll back whatever progress it had made so far. (IHT 20-12-93) The disagreements related not only to the analysis of North Korea's scientific and technical abilities but also involved a fundamental dispute over North Korea's intentions. (IHT 27-12-93)

In January 1994 the US president said: "Intelligence reports are divided on the question of how far North Koreans have gone in developing nuclear weapons. But everybody knows they are trying to." He then said that the US would "continue to work very hard and be very firm about not wanting Korea to join the family of nuclear states." (IHT 22/23-01-94)

The South Korean view was expressed by the South Korean president on 28 December 1993 when he said that "North Korea has strong intentions to develop nuclear weapons" but added that "I cannot say North Korea possesses any nuclear arms at the moment", emphasizing "We have accurate information about that." (IHT 29-12-93)

The IAEA-North Korean meetings started on 7 January 1994 (IHT 8/9-01-94). North Korea rejected an eight-page document listing the sites that the IAEA wanted to inspect (IHT 21-01-94). The North Korean foreign ministry stated on 21 January 1994 that IAEA inspectors would be allowed to check monitoring equipment previously set up (provide "the continuation of [the] safeguard [system]"), but would not be allowed to resume regular inspections or enter undeclared sites until a separate deal with the US was reached. (IHT 22/23-01-94; UN doc. S/1994/254)

The resulting situation led to new threats by the US and South Korea that if an agreement with the IAEA was not reached by the time of the IAEA Board meeting on 20 February they would ask for sanctions by the UN Security Council. (IHT 29/30-01-94) Besides the US Senate passed a resolution in early February urging the government

to prepare to return tactical nuclear weapons to South Korea if talks with North Korea remained at an impasse (IHT 04-02-94) and there were reports of new US military preparations (*see* Inter-state relations: North Korea-US, *supra* p. xxx) (IHT 08-02-94). Amid the increasing tension the South Korean president issued conciliatory messages saying that dialogue would be maintained as long as possible, and the South Korean government came with a new strategy to persuade the North to relent on inspections, such as not discussing the Patriot anti-missile issue. Both South Korean and Japanese officials expressed concern about announcements from the US which could create an atmosphere in which North Korea would feel it could not back down. (IHT 09 and 14-02-94)

On 15 February 1994, some days before the meeting of the IAEA Board was to take place, agreement was reached covering the inspection of the seven declared sites [including the main nuclear reactor and the fuel reprocessing plant]. The IAEA statement said that the aim of the inspection was “to verify that nuclear material in these facilities ha[d] not been diverted since earlier inspections [summer 1993].” (IHT 16-02-94) A later North Korean memorandum, however, cited the agreement as stating that the inspectors were “not to perform routine and ad hoc inspections under the Safeguards Agreement” and consequently did not include verification of the completeness of the initial inventory of nuclear material. (UN doc. S/1994/337)

The implementation of the agreement met with some difficulties when North Korea linked it to its negotiations with the US, whereas the latter was not prepared to set a date for resuming the talks until the inspections had begun (IHT 22-02-94). During “working-level” talks in New York the following days North Korea offered to allow inspections to begin on 1 March if the US accepted a small “package deal” calling for setting a date for the “high-level” talks. The deal would include the cancellation of the “Team Spirit” military exercises and “consideration” by North Korea of exchanging presidential envoys with South Korea (IHT 25-02-94). Agreement was finally reached and North Korean assent for inspection was accordingly given on 25 February, just before the February 28 deadline set by the IAEA Board, with the US agreeing to suspend the annual military exercises with South Korea. The US also committed itself to holding a third round of high-level talks although, as stressed by a State Department spokesman, “based on the premise that the IAEA inspections will be fully implemented and the North-South dialogue will resume.” For its part South Korea would resume talks with North Korea, which took place on 1 March 1994 (IHT 28-02-94). On 3 March the suspension of the military manoeuvres was announced (on condition of the successful completion of the inspection) and so was the resumption of the high-level US-North Korean talks scheduled for 21 March (IHT 04-03-94).

The IAEA inspectors arrived in North Korea on 1 March 1994 and reported that they had found the IAEA seals, put on to the entry to the most critical room of the Yongbyon reprocessing plant by them in August 1993, broken. The room or “hot cell” was the place where plutonium is separated from the irradiated spent fuel taken out of a reactor of the Yongbyon reprocessing plant in August 1993. Monitoring of unauthorized activity by surveillance cameras had not worked since the batteries and film had run out and were never renewed.

North Korea prevented the inspectors from conducting two significant investigations. First, they were not allowed to take samples of radio-active material from the so-

called “glove box” (an enclosed area in front of the hot cell in which mechanical gloves are used to handle radioactive material) for tests that could reveal whether any new quantity of spent reactor fuel had been handled by the gloves. Analysis of the swab samples would have revealed the time any such reprocessing had taken place. Over time plutonium decays into americium, and since the decay proceeds at a fixed rate the current level of decay could indicate whether any plutonium had been processed since North Korea had accepted safeguards. North Korean officials argued that the IAEA had never before tried to gather a so-called glove-box sample and that the agreement for inspection did not cover any new procedures. The North Korean side also prevented the inspectors from conducting so-called “gamma-mapping” in which ultra-sensitive equipment is used to pick up traces of gamma rays emitted by nuclear material that may have passed through an area. Such scanning would have indicated whether fresh nuclear material had been present in the plant since the previous inspection. These procedures would fall in the “category of the verification of correctness and completeness of the initial report on nuclear material” (North Korean memorandum of 20 April 1994, UN doc. S/1994/484). [The deadlock lasted till May 1994 when a compromise was found and a loose arrangement was reached under which inspectors were permitted to finish substantially all of the testing and sampling that they were prevented from carrying out in March. On 25 May the IAEA finally announced that its experts had been allowed to complete their inspection after taking samples.]

The interruption and incompleteness of the inspection scuttled the North Korean-US talks scheduled to be resumed on 21 March which the US side had made contingent on a “successful inspection”, and on 19 March 1994 the talks between North and South Korea also broke down. As a result the US started threatening again with trade sanctions and endorsed proceeding with military exercises with South Korea and sending Patriot anti-missile batteries for the defence of US military bases near Seoul (but, according to North Korea, the purpose of which can be changed by the kind of warhead used). The US later announced sending other sophisticated weapons to South Korea as a precaution against an attack by the North and urged South Korea to buy additional Patriot systems (from the US) to protect major cities south of Seoul. A hardening of the US position was particularly apparent from a blunt warning from the Defense Secretary on 30 March that the US intended to stop North Korea from developing a substantial arsenal of nuclear weapons even at the potential cost of another war on the Korean peninsula.

As a result of the deadlock in the inspections the IAEA Board decided by resolution of 21 March 1994 to refer the Korean issue to the UN, stating that it “remain[ed] unable to verify that there ha[d] been no diversion of nuclear material” (IHT 02, 15, 16, 17, 21, 22, 26/27 and 29-03-94, 01-04-94, 03, 12, 13 and 26-05-94; FEER 31-03-94 p. 14). North Korea responded by issuing a statement on 24 March 1994 (UN doc. S/1994/344) in which the position was taken that “... we are in a special status with the temporary suspension of the effectuation of the Democratic People’s Republic of Korea’s declared withdrawal from the Non-Proliferation Treaty. So, we are not under obligation to accept routine and ad hoc inspections under the Safeguards Agreement. What we can allow at this moment is only an inspection for the maintenance of the continuity of safeguards.”

This position was repeated in a Memorandum of 20 April 1994 (UN doc. S/1994/484) in which North Korea started from its "unique status based on its temporary suspension of the effectuation of its announced withdrawal from [the] Non Proliferation Treaty" which was taken "unilaterally on the premise that the negotiations between the DPRK and the US would continue". "As far as the Safeguards Agreement is concerned, the Agreement was concluded pursuant to paragraph 4 of Article III of [the] Non Proliferation Treaty, and therefore the legal validity of the Agreement has been as good as suspended since 12 June 1993, when the Democratic People's Republic of Korea's withdrawal from the Treaty was to come into force in the absence of any subsequent particular agreement thereon between the Democratic People's Republic of Korea and the International Atomic Energy Agency Any inspections under the Safeguards Agreement will never be allowed, as long as the current situation continues with the DPRK's unique status based on its temporary suspension of the effectuation of its declared withdrawal from Non-Proliferation Treaty."

In an interview on 31 March 1994 the spokesman of the North Korean foreign ministry also referred to the agreement of December 1993 between the US and North Korea on renewed inspection in which "the [two] sides promised that it should be a strictly limited inspection for the maintenance of the continuity of safeguards, not a routine or ad hoc inspection pursuant to the Safeguards Agreement. At that time, the United States side asked the Democratic People's Republic of Korea not to announce to the world that it would be a limited inspection to save its face". (UN doc. S/1994/381)

Meanwhile Russia on 24 March 1994 proposed an international conference on the nuclear issue. On the same day the US presented the Security Council with a draft resolution calling on North Korea to permit new inspections within a month and reserving the possibility for the Security Council to "consider further action if necessary", but due to South Korean and Chinese efforts the UN Security Council only issued a Presidential statement on 31 March calling on North Korea to allow completion of the inspections and setting a deadline of about six weeks for the IAEA to report back. The Council committed itself to "further consideration" of the issue if necessary "to achieve full implementation" of the agreements concerned. (IHT 28 and 29-03-94, 01 and 2/3-04-94)

The response of North Korea of 4 April 1994 was negative, announcing "normalization" of its nuclear activities which had been frozen during the negotiations with the US. Resumption of the activities might include proceeding with unloading spent nuclear fuel rods from its reactor, giving access to additional plutonium. (IHT 05-04-94)

While rejecting the UN call North Korea proposed fresh inspections if the US agreed to resume negotiations and stopped pressuring it to exchange envoys with South Korea. This was rejected by the South as it would effectively cut South Korea out of all negotiations on the nuclear issue. Yet on 15 April it withdrew its demand for an exchange of envoys. This was followed by a written response by the North Korean president to questions submitted by the Japanese television network, emphasizing that direct talks with the US were the only way to resolve the dispute over North Korea's nuclear program. (IHT 07, 16/17 and 19-04-94) For its part South Korea announced on 20 April 1994 that the US-South Korean military exercises would be deferred until

later in 1994 and could be cancelled altogether as a gesture of good will. (IHT 21-04-94)

On 8 April 1994 the Russian deputy foreign minister said that Russia had informed North Korea, South Korea and the US that Russia is carrying obligations from Soviet treaties and that, accordingly, Russia would help North Korea if it were unprovokedly attacked. He repeated the earlier Russian proposal (*supra*) of an international conference of six countries (North and South Korea, US, Russia, Japan and China) and representatives of IAEA and the UN to find a way out. (IHT 9/10-04-94)

In the middle of April 1994 North Korea informed the IAEA of its plan to proceed with the renewal of the nuclear fuel of its five-megawatt experimental reactor in early May and offered to allow international inspectors to witness the extraction and refueling, giving the IAEA 10 days to accept the offer. The IAEA responded favourably, emphasizing monitoring of the refueling was necessary "to verify that there has been no diversion of nuclear materials." In a press-interview of 3 May 1994 the North Korean foreign ministry emphasized that the fuel renewal was placed under the surveillance of IAEA, allowing the inspectors to observe and verify the non-diversion of nuclear material to non-peaceful purposes, but that this did not include selecting, preserving and measuring of fuel rods as demanded by the IAEA, since this would mean routine and *ad hoc* inspections and would be contrary to the "unique status" of North Korea in respect to the obligations under the Safeguards Agreement (*see supra*). Placement of the replaced fuel under the control of IAEA and allowing its measurement would take place when the nuclear issue is resolved in a package deal with the US. (UN doc. S/1994/540)

Fuel renewals take place once every few years and used fuel rods can be reprocessed into plutonium. After operating for several years the North Korean reactor was shut down for 100 days in 1989, giving rise to suspicions that North Korea had used the time to replace the nuclear core and reprocess the spent rods to produce plutonium. However, North Korea has always claimed that it had only withdrawn a small portion of the fuel and that it had turned over to the IAEA all the plutonium it had reprocessed at that time. Now certain tests could be conducted during the fuel-extraction operation which could indicate whether the removed rods had been installed when the reactor began operating in 1986 or after the 1989 shutdown. In that way one could also deduce how much plutonium North Korea might already have accumulated. (IHT 22 and 29-04-94, 03-05-94; FEER 12-05-94 p. 14)

On 14 May North Korea announced that for safety reasons it had already begun to remove spent fuel rods from the reactor although the inspectors had not yet arrived and, consequently, were not in a position to monitor the removal process. This in itself was a violation of the safeguard agreement. North Korean officials emphasized, however, that the IAEA had had plenty of notice of the start of the refueling on 14 May and that the inspectors could have arrived in time. North Korea denied any default on its part and said that, moreover, the withdrawal process would be recorded by the cameras installed by the IAEA at the reactor site. (IHT 16, 17 and 21/22-05-94)

Upon starting inspection the IAEA team determined that the North Koreans were still at the early stage of the withdrawal process, which was expected to take roughly two months. On 20 May the team also reported that they were confident that the Koreans had not diverted the spent nuclear fuel. (IHT 19, 20 and 21/22-05-94) North

Korea subsequently agreed on 21 May to receive another IAEA team and hold talks about the handling of the removed fuel rods on condition that the US was prepared to resume its talks with North Korea. (IHT 23-05-94) These efforts failed to produce results, apparently over the same issue as during the March inspection, namely the taking of samples. The failure was reported by the IAEA to the UN Security Council and the IAEA negotiation team (but not the monitors of the removal process) returned to Vienna on 29 May 1994. (IHT 30-05-94)

On 30 May 1994 the UN Security Council issued a statement observing the seriousness of the situation. (UN doc. S/1994/SR.3383) The following day North Korea announced that it was keeping aside the fuel rods which it had removed from its reactor for eventual inspection by the IAEA, but continued the withdrawal of fuel rods from its nuclear reactor. The resulting concern led to renewed discussions in the US and South Korea on economic sanctions against North Korea, either inside or outside the UN context. (IHT 01, 02, 03-06-94) Meanwhile China continued to resist the idea of sanctions and the Russian president said on 2 June 1994 that Russia would not support sanctions until a Russian-proposed international conference (*see supra*) on the question could be convened. On the same day the Russian and South Korean presidents signed a mutual declaration urging North Korea to observe the IAEA control agreements. (IHT 03-06-94) On 10 June the US finally won support from Russia for sanctions after promising to back a Russian-proposed conference as part of a sanctions resolution. (IHT 08 and 11/12-06-94)

The US started consultations about plans for sanctions in phases which won support from Japan. The draft resolution called for a mandatory arms embargo, a cut-off of UN assistance, a ban on scientific and technological cooperation and the reduction of diplomatic ties. There would be a 30-day grace period after the measures were adopted and before they took effect. (IHT 13 and 17-06-94; FEER 23-06-94 p. 14)

In his report to the Board of Governors of the IAEA the Director General stated that since North Korea was preventing the IAEA from inspecting the removed fuel rods it had become even more important to get access to the two undeclared waste sites (*see supra*). The North Korean authorities declared that they would never allow this access. The Board then adopted a resolution on 10 June, condemning North Korea and suspending the technical aid to North Korea (China, India, Lebanon and Syria abstained from voting, Libya voted against), to which the North Koreans responded by saying that they could no longer guarantee that the monitoring equipment installed by the IAEA at the reactor site would remain intact. (IHT 08 and 11/12-06-94)

Meanwhile it was reported that the North Korean president had made a conciliatory gesture by offering the suspension of the plutonium processing in exchange for US diplomatic recognition and assistance in building less dangerous forms of nuclear power plants (a light water reactor at an estimated cost of \$2 billion to \$3 billion instead of the present graphite-based reactors). The offer was made through the director of the East Asian arms control program of the Carnegie Endowment for International Peace. The offer included a two-phase deal. The first phase would include diplomatic recognition by the US and North Korea's return to the NPT. During the second phase North Korea would freeze its nuclear development program which would be linked to a financial commitment and a delivery schedule for a light-water reactor. When this reactor would go into operation the existing reactor and reprocessing plants would be

"discarded altogether". The US, Japan and South Korea could collectively pay for a Russian light water reactor. Special inspections of two undeclared waste sites could only be negotiated after "the end of our hostile relationship". (IHT 13 and 17-06-94; FEER 23-06-94 p. 14; see also the statement of the head of the North Korean delegation to the DPRK-US talks, 3 June 1994, UN doc. S/1994/669)

On 14 June North Korea informed the US that it was withdrawing from the IAEA but at the same time it allowed the IAEA inspectors who had stayed behind to carry out routine monitoring of its nuclear plant, making sure that no reprocessing of the removed fuel rods would take place. (IHT 15 and 16-06-94; FEER 16-06-94 p. 15)

On 15 June 1994 the former US president CARTER arrived in North Korea at the invitation of the North Korean president for a three-day visit and had discussions with the president and other officials (IHT 16-06-94). It was affirmed that North Korea would allow the IAEA inspectors who were still there to remain and that the surveillance instruments were being kept in working order (IHT 17-06-94). There would be a resumption of high-level talks with the US and a freeze of the North Korean nuclear program so long as the negotiations are under way, i.e. a halt in the operations of the nuclear fuel reprocessing plant, a cancelation of the reloading of the nuclear reactor with fresh fuel and permission for normal inspections. North Korea also proposed a summit meeting between the presidents of South and North Korea which was accepted by the South. The US then dropped its condition of inspections about past nuclear fuel reprocessing before talks would be resumed, although defence officials proceeded with preparations of a military package in case of possible war. (IHT 18/19, 20, 22 and 24-06-94)

The US and North Korea agreed to meet in Geneva on 8 July to resume the third-round dialogue which was broken off earlier in the year (IHT 24-06-94). Some of the key issues were: a permanent freeze of the North Korean nuclear program in its present form, the investigation of North Korea's past efforts to divert plutonium, the US counter-offers of light-water reactors and who should provide and pay them, the North Korean demand for a pledge of non-use of nuclear weapons by the US. The talks would be open-ended and would include US political relations and security on the Korean Peninsula. (It had been reported in December 1993 already that US nuclear experts were considering to offer North Korea an idle US-built light-water nuclear reactor in the Philippines. FEER 09-12-93 p. 9)

Meanwhile the fuel rods that had been removed from the reactor had been put in a cooling pond. The magnesium oxide sheathing cover deteriorates over time, about six months, so that at some time the rods would have to be taken to their reprocessing plant for safety reasons. Such reprocessing and the resulting production of plutonium are allowed under the NPT, provided it is done under international control. (IHT 25/26, 27 and 28-06-94)

Kazakhstan

The president of Kazakhstan told a US envoy that Kazakhstan would approve the Nuclear Nonproliferation Treaty in 1993. Kazakhstan had approved the START-I treaty but refused to accede to the NPT until its security concerns were met. (IHT 13-09-93) Kazakhstan pledged on 24 October 1993 to ratify by the end of the year an agreement

with the US on dismantling its nuclear weapons. In a joint statement it was said that the US would pay \$80 million for the dismantling program. Besides, it would provide \$140 million in economic aid, and technical and financial help in cleaning up the environment. (IHT 25 and 26-10-93)

Pakistan and India

The prime minister of Pakistan announced that Pakistan had halted its nuclear programme, and emphasized that the country was not working on making nuclear weapons of any kind. (IHT 25/26-09-93) Yet in November 1993 she said that Pakistan would not give up its nuclear programme despite pressure from the US. The foreign minister, on 5 December 1993, said that Pakistan would continue with its nuclear program until threats of war with India no longer existed: "Pakistan will roll back the program the soonest India signs the Nuclear Nonproliferation Treaty." He also said: "We have acquired the know-how to build nuclear weapons, but have time and again assured the world that we will not make a bomb for use against any country." (IHT 06-12-93, 14-03-94, 11-04-94)

At the end of March 1994 the US launched new efforts to revive nuclear arms control talks between India and Pakistan. Under a new proposal designed to overcome Indian objections to a nuclear arms regime restricted to South Asia, the earlier idea of five-power talks (India, Pakistan, US, Russia and China) that dated from 1991 was replaced by a broader participation of nuclear powers and non-nuclear ones (Britain, France, Japan, Germany) in order to give the talks a more "global" character. On the other hand Pakistan would be offered the release of the 38 F-16 fighter planes which it had bought and paid (*see infra*: Sanctions) but would have to agree to the freezing of its uranium enrichment process and the inspection of its nuclear facilities. The important difference with previous US demands was that the requirement of a "roll-back" of its nuclear program had been dropped. Pakistan, however, had so far linked its nuclear program with that of India, and would demand the simultaneous solution of the Kashmir issue. It would also demand the delivery of the entire package of 72 F-16s it originally ordered. It would, further, allow inspections only if India does the same.

India, for its part, responded negatively to the US attempts to prevent a nuclear arms race between India and Pakistan, and said it would not accept the halting of the production and deployment of nuclear weapons if the agreement were limited to India and Pakistan and did not include the major nuclear powers. It was also unlikely to cede on Kashmir and to agree to be equated with Pakistan over the nuclear issue. It would reject the idea of Pakistan obtaining the fighter planes and not being required to 'roll back'. (IHT 28-03-94; FEER 07-04-94 p. 14; 21-04-94 p. 22)

Meanwhile, at an academic conference in Shanghai on the subject, with participants from China, India, Pakistan and the US, Indian as well as Pakistani experts agreed that there was no likelihood of a nuclear conflict between the two countries. The Chinese experts shared this view and did not see any possibility either of a nuclear conflict between China and either India or Pakistan. One of the proposals discussed which received most support (though not from the US experts) was a No First Use Convention that would serve as a confidence-building measure enabling the various

states to agree to a program to eliminate nuclear weapons by a given time. (FEER 21-04-94 p. 29)

US plutonium policy

In a policy statement the US, while calling for an end of plutonium production for weapons, stipulated that “the US does not encourage the civil use of plutonium” but would “maintain its existing commitments”, permitting Japan and several European countries to turn nuclear waste into plutonium fuel. The decision sidestepped a confrontation with Japan over energy and non-proliferation policy. (IHT 04-10-93)

Iran

Responding to pressure from the US the Czech Republic promised to stop a Czech engineering company from exporting nuclear technology to Iran. US officials argued that a civilian power program would give Iran spent nuclear fuel that could be reprocessed into plutonium, a main ingredient of atomic weapons. (IHT 17-12-93)

Japan

According to a British newspaper report the British Ministry of Defence warned that North Korea’s nuclear program may force Japan to abandon its non-nuclear stance. The report was denied as groundless by the Japanese deputy foreign minister who said that Japan maintained its three-point policy of not producing, possessing or bringing in nuclear weapons. A later statement from the government said that even if North Korea developed a nuclear bomb “there is no nuclear option for Japan”. (IHT 31-01-94, 01 and 02-02-94)

However, it was reported that Japan had decided (but yet to be announced formally) to postpone for twenty years its nuclear program (*see* AsYIL Vol. 2 p. 357, Vol. 3 p. 428) in spite of official denials. This would be motivated by international pressure but also by fears that the policy of creating a “nuclear fuel cycle” was quickly becoming a financial fiasco. (IHT 23-02-94) The first of the two projected reprocessing plants would be in use by 2002, but the second plant that was to start operations in 2010 would now not be ready till 2030. (FEER 03-03-94 p. 21)

On 5 April 1994 sustained nuclear reaction was started in an experimental plutonium-fueled power plant at Monju, the first of a series of projected breeder reactors. Mindful of criticism of the Japanese plans for the development of nuclear energy, officials started stressing another aspect of the breeder-reactor concept: with some design changes the reactors would remain to be plutonium-fueled but would no more breed new fuel. (IHT 06-04-94)

IAEA safeguards for Indian plants

The IAEA and India agreed on the application of IAEA safeguards to the Tarapur nuclear energy plant near Bombay. India hoped that the arrangement would convince foreign suppliers of enriched uranium fuel to the plant that no spent fuel would be

diverted to weapons programs. However, the US and France insisted on “full-scope” safeguards covering the entire Indian nuclear industry before they would supply uranium. (FEER 10-03-94 p. 15)

Chinese nuclear plants

The first international inspection of China’s two nuclear power plants took place in early May 1994. The Daya Bay plant is located in southern Guangdong Province and the Qinshan unit in Zhejiang Province. The IAEA inspection lasted 2 weeks and concluded that the plants met world safety standards while it helped China recognize some weak points in its management. (IHT 12-05-94)

OIL AND GAS

See also: Foreign investment, Territorial claims

OPEC general limits on production

OPEC reached agreement on 27 September 1993 on a limitation of the group’s total output to 24.5 million barrels a day over the next three months. That implied a production at or slightly below current levels which were about 1 million barrels a day more than the official limit of 23.6 million barrels a day for the third quarter. Agreement on the apportionment of the production quota was reached a day later. Kuwait, which had insisted on a higher quota to recoup oil revenue lost during the Gulf War was granted an increase of 400,000 barrels a day, and Iran received a new quota of 3.6 million barrels a day, up from the previous 3.3 million. Saudi Arabia reiterated, as always, that it would be free to pump more oil than its official quota if the new OPEC ceiling was not respected by all members. The best reason for believing in the accord was the fact that it represented about all the oil OPEC could currently produce, with the exception of Saudi Arabia which could increase its output by at least 1 million barrels a day. (IHT 28 and 30-09-93)

As the arrangement did not lead to higher prices the Iranian oil minister said on 31 October 1993 that OPEC would have to re-examine its September output agreement and cut its ceiling. (IHT 01-11-93) The member states met in late November but failed to agree on even a token cut in output, while the price of oil fell to lowest level since November 1988. In fact current prices, allowing for inflation, were weaker than at any time since before the 1973 oil embargo. The communique issued at the end of the meeting said, *inter alia*, “The conference does not consider that OPEC alone should continue to bear the burden of balancing supply and demand and believes that all producers should join in this effort.” This raised the impression that OPEC was abandoning its pricing role and returning to a fight for market share. (IHT 26-11-93)

In late March 1994 the best OPEC could do was again freezing the current output quotas at a total of 24.52 million barrels a day until the end of the year. The biggest exporter, Saudi Arabia, refused to cut oil production despite opposition of Iran and other members who wanted one million barrels taken off the market. (IHT 28-03-94)

New incentives for oil exploration in Indonesia

Indonesia announced new incentives for oil exploration in remote and high-risk areas such as Irian Jaya. They principally consisted of an immediate increase to 35 percent (from 20 percent) in the oil output share for contractors working under the umbrella of Pertamina, the state-run oil company. (IHT 04-01-94)

Export routes for oil and gas from Turkmenistan

The Amu Darya river basin in Turkmenistan holds an estimated 8 trillion cubic metres of gas and 700 million tons of oil. Foreign involvement has been limited so far. Exploration and oil-extraction joint ventures have been set up with Bridas (Argentina), Larmag (Netherlands), Eastpak (US) and Tecnologie Progetti Lavori (Italy). The US company Occidental Petroleum won a tender to explore the Burun field in Western Turkmenistan and a US-Turkish venture won exploration rights for an offshore bloc. At present exports take place through the former Soviet pipeline system, owned by the Russian state gas concern, Gazprom. The gas flows to Russia, where a portion is exported to Europe, the Caucasus republics and some Central Asian states.

Two options for alternative export facilities exist. First, a 845-kilometre pipeline through Iran and Turkey to serve Europe, for which a memorandum of understanding has been signed with both countries. A second option is a 1,800-kilometre pipeline through western Afghanistan to the Pakistani port of Karachi, providing access to East Asia. This option would coincide with existing plans by Turkmenistan, Afghanistan and Pakistan for road improvements between Herat and Quetta (Pakistan) and plans for a railway along the same route. (FEER 24-02-94 p. 71)

Asian demand for oil

A study by the East-West Center in Honolulu showed that Asia's projected demand for oil would rise from 14.7 million barrels a day in 1993 to nearly 20 million barrels by the year 2000. The region overtook Europe as the No. 2 market in 1990 and will surpass the US as the top oil consumer by the end of the decade. China would become a net importer for the first time in 1994 and Indonesia by the end of the decade.

East, South East and South Asian countries account for only 4.5 percent of the world's proven reserves of 1 trillion barrels. Most of the Asian oil imports would have to come from the Gulf area. Consequently Middle East oil companies such as National Iranian Oil Company, Kuwait Petroleum Corp. and Saudi Aramco were looking for investment projects in Asia. (IHT 21 and 24-06-94)

PASSPORTS AND VISAS

Confiscation of passport

On 28 July 1994 the Malaysian cabinet decided that the passport of a prominent businessman, who is the brother to the current Paramount Ruler ("King"), be

impounded for visiting Israel and having discussions with the Israeli prime minister. Malaysia does not recognize Israel. (NST 29-12-93, 29-07-94)

PIRACY

See also: High seas, Military cooperation

Piracy declines in Straits of Malacca

Piracy in the Straits of Malacca showed a decline in 1993 owing to stringent enforcement and joint operations by Malaysian and Indonesian authorities. The Regional Piracy Centre (RPC), operated by the International Maritime Bureau (IMB) received five reports of pirate attacks in the Straits between January and August 1993. One was reported to have occurred in Malaysian waters, the remainder in Indonesian waters. (NST 04-10-93)

Piracy at Asian seas

The International Maritime Bureau, set up by the International Chamber of Commerce to monitor piracy, recorded more than 90 pirate attacks in 1993 by November 20. Recorded attacks totalled 106 in 1992 and 107 in 1991, 33 in 1990 and just 3 in 1989. Among the attacks investigated by the Maritime Bureau from January through August 1993 forty-nine occurred in the South China Sea and North Asia, and only 10 outside Asia. (IHT 30-11-93)

REFUGEES

See also: Immigration

Cessation of flow of refugees from Indo-China

In 1992 there were practically no more clandestine departures from Vietnam or Laos. The trend in the numbers of Vietnamese asylum-seekers arriving by boat in other countries has been as follows: 1989: 71,364; 1990: 30,936; 1991: 22,422; 1992: 55 and 58 during the first six months of 1993.

The first instance refugee status procedures were completed in early 1992 in the Philippines and in early 1993 in Malaysia and Indonesia, and were expected to be completed before the end of 1993 in Thailand and Hongkong. It was also foreseen that the appeals level procedures would be completed before the end of 1993 in Indonesia, Malaysia and the Philippines, in early 1994 in Thailand, and before the end of 1994 in Hongkong.

As to voluntary returns to Vietnam, the numbers are as follows: 1989: 916; 1990: 6,304; 1991: 12,109; 1992: 16,952 and during the first six months of 1993: 6,794. (UNdoc. A/AC.96/808 (Part II) pp. 5-6.)

From 1975 till 1993, some 1,810,000 Vietnamese, 650,000 Cambodians and 365,000 Lao had left their countries. By the end of 1993 some 2,375,000 of them were

either resettled, repatriated or integrated locally, and the numbers of those for whom durable solutions had yet to be secured were 58,107 Vietnamese in camps in Hongkong and South East Asia, 23,860 Lao in Thailand and 5,629 Cambodians. (UN doc. E/1994/41)

Repatriation of Sri Lankan refugees

A second phase of repatriation commenced in early 1992 under a bilateral Indo-Sri Lankan agreement (2 AsYIL 365). In July 1992 India and UNHCR reached an agreement on UNHCR verification of the voluntary nature of the repatriation. Some 29,000 refugees returned in the course of 1992, leaving about 80,000 in 131 camps and an estimated 30,000 outside camps in the Indian state of Tamil Nadu. (UNdoc. A/AC.96/808 (Part Two) p. 9) During 1993 another 10,501 persons have returned.

On 12 January 1994 Sri Lanka and Switzerland signed an agreement on the repatriation of rejected Sri Lankan asylum seekers. (UN doc. E/1994/41)

Repatriation of Myanmar refugees in Bangladesh

At the end of May, 1993, there were 224,942 refugees in twenty camps in the districts of Cox's Bazar and Bandarban of Chittagong Division. On 28 April 1992 the two countries signed an agreement on the voluntary repatriation of the refugees but UNHCR received reports of coercion being applied in the repatriation of about 17,000 persons between September 1992 and January 1993. (UN doc. A/AC.96/808 (Part Two) p. 13) A further agreement on voluntary repatriation was reached in two Memoranda of Understanding of 12 May 1993 (Dhaka) and 5 November 1993 (Yangon) and organized return movements were expected to commence in 1994 (UN doc. E/1994/41) and to be completed by the end of 1995. (FEER 26-05-94 p. 13)

Other refugees in Asian countries

As of 31 December 1992 China hosted a refugee population of 288,123 persons, comprised of 285,543 Vietnamese, 2,548 Lao, 32 Cambodians and 18 non-Indo-Chinese from Afghanistan, Iran, Iraq, Liberia, Palestine and Sri Lanka. The Vietnamese were settled in 194 state farms and production sites in various provinces. There is a bilateral agreement of April 1991 governing the repatriation of Lao refugees in China. (UN doc. A/AC.96/808 (Part Two) p. 30)

During 1992 a total of 9 Vietnamese asylum-seekers arrived in Hongkong, which represented a dramatic decrease compared to 20,208 arrivals in 1991. At the end of April 1993, the total Vietnamese camp population stood at 42,515 of whom 2,442 were recognized refugees and 31,218 had been determined not to be refugees. The remainder were asylum-seekers awaiting refugee-status determination. (Loc. cit. p. 36)

At 31 December 1992 Indonesia hosted 15,585 refugees and asylum-seekers, comprising 14,990 Vietnamese, 576 Cambodians and 19 refugees from other countries, including Afghanistan, Ethiopia, Somalia, Sri Lanka and former Yugoslavia. The Vietnamese and the Cambodians reside in a camp on Galang Island. In December 1992 the Indonesian government stated its intention to close the Galang camp at the end of

1993 in connection with the implementation of a comprehensive industrial development plan for the island. Rejected asylum-seekers should, therefore, opt to return to Vietnam. (Loc. cit. p. 44)

At the end of 1992, a total of 15,065 asylum-seekers and refugees were living in Malaysia including 10,359 Vietnamese, 42 Cambodians and 4,664 persons from other countries, such as Afghanistan, Bosnia-Herzegovina, China, Indonesia, Myanmar, Pakistan, Somalia, Sri Lanka and Sudan. (Loc. cit. p. 52)

At 31 December 1992 Nepal hosted 75,441 refugees and asylum-seekers originating from Bhutan, 65,000 of them having arrived in the course of 1992. They are mainly Hindus of Nepalese extraction claiming to originate from southern Bhutan. (Loc. cit. p. 61) A joint ministerial committee of the two governments, established in July 1993, grouped the refugees in four categories but no decisions were yet taken with regard to each of the categories. (UN doc. E/1994/41)

On 31 December 1992, 5,807 refugees and asylum-seekers were registered with UNHCR in the Philippines, most of whom were Vietnamese. The Indo-Chinese asylum-seekers and refugees were living in separate camps. (UN doc. A/AC.96/808 (Part Two) p. 67)

At the end of 1992 the total number of Indo-Chinese refugees and asylum-seekers in Thailand who were assisted by UNHCR stood at 63,625, most of them Lao. The voluntary repatriation of 378,906 Cambodians who were present in the country at the beginning of 1992 was completed during the first quarter of 1993. (Loc. cit. p. 79)

In Vietnam there were 16,263 Cambodian refugees at the end of 1992. (Loc. cit. p. 91)

Besides the Sri Lankan refugees referred to above India hosted 11,002 Afghans, 295 Iranians and 511 refugees of other nationalities, mainly Somalis, in New Delhi at the end of 1992, and, according to government estimates of March 1993, some 53,000 Chakma refugees from Bangladesh. There was an increase of some 25,000 by the end of May 1993 due to a large influx of Hindu and Sikh Afghans, owing to events in Afghanistan. (Loc. cit. p. 98)

The total number of Indo-Chinese refugees and asylum-seekers in Japan at the end of 1992 was 8,707, in South Korea 149 and in Singapore 92. (Loc. cit. p. 99, 102, 105)

Papua New Guinea hosted some 6,300 refugees from Irian Jaya at 31 December 1992. (Loc. cit. p. 102)

Repatriation of Vietnamese from Indonesia

Because of the Indonesian government's plans for the development of a group of islands in the Riau archipelago, Galang Island which had served to provide accommodation for Vietnamese refugees for the past 14 years, was to be closed. Of the some 123,000 refugees who had landed in Indonesia since 1979 most had found resettlement in third countries while some 10,000 had been screened out. For the latter repatriation appeared to be the only option. Since most of them did not want to return to Vietnam the solution would have to be found in some sort of "orderly return", to be distinguished from "forced return". This refers to people who "don't volunteer to go home, but have no objection to being sent home."

The option met with the general approval of Vietnam which was formulated as follows by the Vietnamese ambassador to Indonesia: "The Vietnamese government, in sympathy with those Vietnamese migrants who are denied resettlement in third countries, is ready to receive them back on the basis of orderly and safe repatriation, respect for their dignity and necessary financial assistance from the international community. ... Such a separation should be carried out step by step, not *en masse*." (FEER 19-08-93 p. 15)

Repatriation of Vietnamese to China

In early September 1993 Hongkong would start repatriating to China some 2,400 ethnic Vietnamese who recently entered Hongkong illegally. The persons had fled from several Chinese provinces. (FEER 02-09-93 p. 14)

Repatriation of Bhutanese refugees

(see 2 AsYIL 349)

Nepal and Bhutan set up a joint ministerial committee to tackle the inflow of refugees from Bhutan into Nepal by facilitating repatriation. About 63,000 Bhutanese entered Nepal in the past three years. (FEER 23-09-93 p. 14) UNHCR officials said that arrivals in the refugee camps in the southeastern corner of Nepal peaked in April-July 1992, but more recently Bhutan seemed to have softened its policies and the numbers had since fallen to a trickle. Both Bhutan and Nepal had come under strong pressure from India to solve the refugee issue bilaterally. (IHT 11-11-93)

Azeri refugees to Iran

(see also *supra*: Intervention)

Iran rejected up to 20,000 Azerbaijanis who fled from Armenian attacks to Iran. Iran already had more than 2 million Afghan and Iraqi refugees. The new refugees were being sent back into Azerbaijan to a tent camp in the Imishli region, set up and run by Iran. (IHT 27-10-93)

Chinese refugees in Australia

Australia granted permanent residency to 19,000 Chinese students who were in Australia at the time of the 1989 riots and who were given temporary asylum. (IHT 02-11-93)

Vietnamese Cambodian refugees

(see also: Inter-state relations)

In early 1993 some 35,000 ethnic Vietnamese Cambodians escaped ethnic persecution and were granted refuge in Vietnam. By the end of 1993 some 6,000 persons remained stranded along the Cambodian-Vietnamese border. (UN doc.E/1994/41)

Achenese refugees in Malaysia

In February 1994 the Malaysian authorities finalized a solution for the issue of some 180 refugees from Aceh, Indonesia. Attempts were made to legalize their status in Malaysia. (UNdoc. E/1994/41)

Chakmas in India

The Chakmas belong to the tribal people from the Chittagong Hill Tracts in Bangladesh and constituted most of those who crossed into the Indian state of Tripura in the early 1980s when being caught in the crossfire between tribal guerillas of the Shanti Bahini and the Bangladesh army. Under an agreement between India, Bangladesh and tribal leaders, batches of several hundreds of them were repatriated to Bangladesh in February 1994 and would receive a sum of money with which to buy bullocks, free rations for six months and home-rebuilding materials. (FEER 17-02-94 p. 13, 03-03-94 p. 19)

Cambodian refugees in Thailand

See supra: Cambodia

REGIONAL SECURITY

ASEAN Regional Forum

(*see* 3 AsYIL 439)

In accordance with earlier plans the annual ASEAN foreign ministers meeting on 23-24 July 1993 at Singapore was followed by an informal gathering of the ASEAN states with ten other states (Australia, Canada, China, Japan, Laos, New Zealand, Papua New Guinea, Russia, South Korea, United States and Vietnam) and the EC to discuss political and security issues in the region. It was the first such gathering and could pave the way for regular annual meetings on problems and sources of regional instability. The new security dialogue was to be called "ASEAN Regional Forum". (IHT 19 and 26-07-93)

At a meeting in Pattaya in the last week of April 1994 procedural matters relating to the projected ARF were discussed. It was decided, *inter alia*, to apply the ASEAN formula of action by consensus to ARF, not to try to secure agreement on any issue, and to close the meeting without issuing a joint communique. The forum itself would be launched on 25 July 1994, following the ASEAN summit meeting. (FEER 12-05-94 p. 38)

Curbing the spread of weapons of mass destruction

It was reported that during the dialogue of ASEAN and other Asia-Pacific countries in July 1993 the US stressed that Asian participation in international agreements, including export controls, to curb the spread of weapons of mass destruction, such as

chemical and biological weapons and the missiles that can deliver them, was “absolutely essential”. The US was reported also to seek tighter controls in Asia on the export of so-called dual-use equipment, components and technology. (IHT 27-07-93)

US involvement

Concerned about the reduction of US armed forces, the president of the Philippines on 5 November called on the US to continue its military involvement in Asia. Since the 1950s the US has active defence treaties with five Asia-Pacific states: the Philippines, Australia, Thailand, Japan and South Korea. (IHT 6/7-11-93)

Trilateral Forum on North Pacific Security

The first two-day meeting of the Trilateral Forum on North Pacific Security, including officials, military officers and researchers from the US, Japan and Russia, took place in early February 1994 in Japan. The meeting could result in the holding of joint military manoeuvres by the US and Russia as part of efforts to build mutual trust.

The forum was designed to facilitate an exchange of views on possible policy recommendations to the three governments. A next round was to be held in Russia in the fall of 1994. (IHT 03-02-94)

SANCTIONS

US economic sanctions against Vietnam

(*see also*: 2 AsYIL 368)

The US had announced in late June 1993 that it would stop blocking international loans to Vietnam. As a result a French-led initiative of lending Vietnam \$140 million to pay its arrears to the IMF could go ahead, after which the IMF and the World Bank could grant new loans. The IMF planned to extend \$300 million in loans, the World Bank \$350 million and the Asian Development Bank \$250 million. (IHT 07-07-93)

On 13 September 1993 the US president decided to relax sanctions by allowing US companies to bid on Vietnamese projects financed by international lenders such as the World Bank. This was the third time in less than a year that the US had modified the sanctions against Vietnam in an attempt to reward Vietnam for its help on the so-called MIA-issue while keeping up the pressure to do more. The Vietnamese ministry of foreign affairs expressed its regret that the US continued its embargo policy and described the embargo as a violation of Vietnam's right to develop. (IHT 15-09-93, FEER 23-09-93 p. 14)

On 27 January 1994 the US Senate voted by a wide margin for a resolution urging the President to lift the embargo on trade with Vietnam. In a broader sense, the debate was about whether the war was finally over. The resolution, attached to the State Department Authorization Bill, did not call for establishing diplomatic relations with Vietnam or sending an ambassador. (IHT 28-01-94) The US president decided to lift the trade embargo on 3 February 1994, but remarked that the decision was not “irre-

versible" and that the embargo could be reimposed if Vietnam fell short in helping to account for Americans missing from the Vietnam War. The Vietnamese Deputy Foreign Minister said that the embargo "a policy of power" and "not consistent with international law".

The two countries agreed to the establishment of liaison offices in Washington and Hanoi "as a transitional step toward full diplomatic relations." (IHT 04 and 5/6-02-94)

US sanctions against China for violation of MTCR

(see also 3 AsYIL 428)

In 1991 the US Congress passed the Arms Control Export Act which prescribed, *inter alia*, that if a state sells missile technology in violation of the Missile Technology Control Regime (see 1 AsYIL 270) US firms would be banned from selling certain high technology equipment to that state for two years. The US imposed economic sanctions on China on 25 August 1993 after concluding that China had violated the MTCR by selling advanced missile technology to Pakistan (see 3 AsYIL 425). At issue was the Chinese export of M-11 missile technology in December 1992, a few months after the US government had decided to allow the sale of F-16 fighter jets to Taiwan. (see 3 AsYIL 346) According to both China and Pakistan the missiles fell outside the scope of the MTCR and US officials admitted that technically speaking the missiles allegedly supplied by China were not covered by the MTCR. Besides, China was not a party to the MTCR although it had, along with several other countries, like Israel and Argentina, declared its intention to observe the "guidelines and parameters" of the MTCR in 1991 (2 AsYIL 350). The pledge was repeated on 21 July 1993. (IHT 22-07-93, 26 and 27-08-93; FEER 26-08-93 p. 11)

A consensus had emerged in the US that the technology would enable Pakistan to assemble M-11 missiles which were believed to be capable of carrying a 1,100 pound nuclear warhead up to 300 kilometres (IHT 25-08-93). The sanctions came into effect on 27 August 1993 and would lead to a two-year ban on the sale of sensitive US technology, amounting to a yearly value of four to five hundred million dollars. The ban did not include the satellites themselves which are, moreover, not sold to China but to Asian telecommunications groups, but referred to the "kick motors" which are installed on the satellites to steer them into orbit. The sanctions were denounced by China as a "naked hegemonic act".

In October 1993 US satellite producers were intensively lobbying the US government to have the sanctions on sales of communications satellites lifted as they would cause thousands of US workers to be laid off (IHT 21-10-93). Shortly afterwards it was reported that the US had offered to cancel the sanctions if China would promise anew, in somewhat greater detail and with more legal force, that missiles of the kind concerned and related components would not be exported. The waiver of the sanctions would allow at least seven US commercial satellites to be launched by Chinese rockets, a deal from which both countries would benefit. (IHT 12-11-93)

During the APEC ministerial meeting in Seattle in November 1993 the US decided to agree on the sale of a supercomputer to China and to lift the ban on generators and other components for nuclear power plants, decisions that would benefit Cray Research Inc. and General Electric Co. There had never been a statutory ban on the

supercomputer sale, but it was postponed in December 1992 after intelligence reports showed that China had exported missile technology to Pakistan. The US Secretary of State also offered US willingness to interpret the law in such a way as to allow the export of two of the seven American-made satellites which was banned by the sanctions, if China were prepared to open formal talks on the sanctions and the missile sales. (IHT 20/21-11-93) [The US government announced on 6 January 1994 that commercial satellites under the jurisdiction of the US Commerce Department were not covered by the sanctions and that export licenses for them could be approved.] It was reported in January 1994 that China had indicated its willingness to meet and discuss the matter, and that the US Commerce Department was authorized to approve the sale of three US satellites destined for launching on Chinese rockets on the condition that the discussions on the missile-export issue be "successful". Subsequently the Asia Satellite Telecommunications Co. of Hongkong (jointly owned by British, Hongkong and Chinese interests) said a license was granted for the export of the Martin Marietta Astro Space-built AsiaSat-2 satellite. However, difficulties were expected in getting final export approval for the Hughes Space and Communications-built APSTAR-2, and especially its kick-motor rocket, ordered by APT Satellite Co. of Hongkong which has Chinese military-controlled companies among its shareholders. (IHT 8/9-01, 14-01 and 15/16-01-94)

US sanctions against Indonesia

(*see also*: Labour)

A proposed US Senate amendment to ban arms sales because of Indonesia's human rights record in East Timor was dropped on 27 September 1993. The proposal called for the ban unless Indonesia allowed international human rights groups unrestricted access to East Timor. (IHT 28-09-93; FEER 07-10-93 p. 15)

Lifting of US sanctions against Pakistan

(*see* AsYIL Vol. 1 p. 271, Vol. 2 p. 286)

In September 1989 the US decided to supply Pakistan with 71 F-16 aircraft for which Pakistan made advance payments in instalments under an agreed schedule. In 1991 the US applied the so-called PRESSLER Amendment to Pakistan. According to this Amendment the US law linked arms sales and economic aid to US concerns over nuclear non-proliferation goals. When Pakistan ceased further payments (having already paid \$600 million of the \$1.4 billion it owed) in July 1993 the US sent a negotiating team in early August with a four-alternatives plan to break the impasse: first, work on the aircraft would be halted; second, Pakistan would pay for the aircraft currently being built which could be sold to a third country; third, Pakistan would immediately pay for the aircraft already built; fourth, Pakistan would stick to the payment schedule of all instalments and await either the lifting of the US embargo or the sale of all the aircraft to a third country. (FEER 26-08-93 p. 20, 09-12-93 p. 31)

According to an assessment by the US State Department, economic and military sanctions would not halt Pakistan's nuclear arms race with India and the administration might ask Congress to consider lifting the sanctions that were imposed in October

1990. (IHT 27/28-11-93) These plans were elaborated in March 1994 when the US government proposed to Congress to lift the ban on military aid in return for a verifiable Pakistani commitment to halt production of nuclear weapons materials. Besides Pakistan would be allowed to take possession of the F-16 fighters which it had already paid for. When the US made the proposal in April 1994 key aspects of it were rejected, but discussions were to be continued and a counter-proposal was made. (IHT 14-03-94, 11-04-94)

Lifting of sanctions against South Africa

The Commonwealth Heads of Government Meeting (CHOGM) in Harare in October 1991 decided on the lifting of sanctions against South Africa. Acting accordingly, Malaysia announced the lifting of sanctions on 23 September 1993. It was the first ASEAN country to do so. (NST 25-09-93)

Suspension of gas supplies by Turkmenistan

Turkmenistan announced on 21 February 1994 that it was cutting off natural gas supplies to Ukraine because of unpaid debts. Gas supplies from Turkmenistan represent 25 percent of Ukraine's needs. (IHT 22-02-94)

SEABED EXPLORATION AND EXPLOITATION

See also: Foreign investment, Oil and gas

Exploitation of sub-marine areas

The Republic of Korea applied for registration as a pioneer investor under resolution II of the Third UN Conference of the Law of the Sea. (UN doc. LOS/PCN/134, 20 Jan. 94)

SETTLEMENT OF DISPUTES

See: Borders

SPACE ACTIVITIES

Indian satellite launch

India announced that it was to launch a one-ton remote sensing satellite with a locally built rocket, the Polar Satellite Launch Vehicle. (IHT 04-08-93) Meanwhile its second geostationary satellite in the Insat-2 series was launched on 22 July 1993 by a European Arianespace rocket. (FEER 12-08-93 p. 79)

Developments in Indonesian satellite activities

A new generation of Indonesian satellites, the Palapa C, was about to be introduced by the Indonesian Satelindo company. The first one, Palapa C1, would be launched in 1995 by Arianespace. The Palapa B1 satellite, originally owned by the state-run Telkom and acquired by a private company in 1991, would cease functioning soon (Three B-series satellites would remain operational, with retirements due between 1995 and 2001) and would be replaced by the C1. The latter is twice as big, will carry 34 transponders and will have a footprint stretching from the Middle East to New Zealand and as far north as Japan. (FEER 07-10-93 p. 83)

Thai communications satellite

The first, US-made, Thai communications satellite was to be launched on 17 December 1993 on a European Space Agency rocket. It is owned by Shinawatra Satellite Co. A second, twin one was planned to be put in orbit in May 1994. The satellites would have a footprint covering most of East Asia, from Japan to Indonesia. (IHT 17-12-93)

Chinese launching of satellites

China Great Wall Industry Corp. signed a contract on 22 February 1994 to launch two broadcast satellites for the US EchoStar Satellite Corp. The launchings would take place in late 1995 and mid-1996. (IHT 23-02-94) Later it was reported that Hughes Communications of the US and Great Wall had signed a contract for the launching of the Optus B3 telecoms satellite in 1994 and that an additional 10 Hughes satellites would be launched by Chinese rockets during the next 12 years. (FEER 17-03-94 p. 54) On 10 May 1994 Chinese officials disclosed that China would launch 30 foreign-owned satellites over the next seven years, a figure that was much higher than previously estimated. (IHT 11-05-94)

Malaysian plans

A Malaysian company had bought a number of satellites from the former Soviet Union in 1991 and was planning to put them in orbit in 1996. The main customers would be in Afghanistan, India and Indochina, where the Soviet Union had built earth stations compatible with the satellites. (IHT 7/8-05-94)

SPECIFIC TERRITORIES WITHIN A STATE: EAST TIMOR

Intra-Timorese talks

The Indonesian government said on 20 July 1993 that it was willing to allow and take part in talks between pro-Indonesian figures in East Timor and exiles who oppose Indonesia's presence in the territory. It was stressed that such talks, proposed by

Timorese exiles, would be informal and would not include Indonesia's sovereignty over the territory. (IHT 21-07-93)

Reduction of sentence

The Indonesian president decided to reduce the sentence on JOSÉ ALEXANDRE GUSMAO, leader of the separatist movement, from life imprisonment to 20 years. (IHT 14/15-08-93)

SPECIFIC TERRITORIES WITHIN A STATE: KASHMIR

New Indo-Pakistani talks

After 14 months India and Pakistan met again to address the Kashmir issue in Islamabad on 1-3 January 1994. They failed to make any progress. Since 1990 the foreign ministers had held seven rounds of talks, but the current talks were the first at which India agreed to discuss the Kashmir issue.

Pakistan's position remained based on the 1948 UN Resolution on Kashmir, which called for a plebiscite among Kashmiris on whether they want to join India or Pakistan, and the Simla Accord of 1972. This accord prescribed that the two countries must settle the dispute bilaterally, and that a meeting of heads of state convene to find a final settlement. India has always rejected the UN resolution.

Both parties oppose a "third option" involving some form of independence for Kashmir after a transition period under UN supervision. India claims the whole former princely state, and for Pakistan an independent Kashmir would mean losing the part it now controls which provides a strategic corridor with China.

Independence is the publicly declared policy of the Pakistan-based militant Jammu and Kashmir Liberation Front (JKLF). The Al-Hurreyat Conference, an umbrella group of 33 militant Kashmiri groups, rejects the idea of independence and aims at accession to Pakistan.

The present *de facto* border is the Line of Control in Kashmir established after the 1970 war. India raised the issue of recognition of the LOC as the international border but Pakistan rejected such recognition.

As to future talks India unveiled proposals including redeployment of forces in the Siachen glacier, demarcation of a disputed maritime boundary and stabilizing the line of control in Kashmir, as well as additional measures covering general confidence building, nuclear non-proliferation, sharing of river waters and economic cooperation. (FEER 23-12-93 p. 18, 23; 13-01-94 p. 12)

Chinese position on Kashmir

It was reported that China is opposed to the idea of independence for Kashmir, as it fears that an independent Kashmir would become a pro-American surrogate on its southern border. With three ongoing armed conflicts in the region - Afghanistan, Tajikistan and Kashmir - where the main protagonists are Islamic fundamentalists,

China was said to be deeply concerned about the spread of Islamic radicalism in Xinjiang. (FEER 13-01-94 p. 12)

SPECIFIC TERRITORIES WITHIN A STATE: TIBET

Chinese offer rejected by the Dalai Lama

The Chinese government extended an invitation to the Dalai Lama to return to China and said that doors for negotiation were open on all matters except the issue of Tibetan independence. The Dalai Lama's chief representative said on 25 August 1993 that the invitation could only be considered if the precondition was dropped. On the other hand, not long before the Dalai Lama had renewed an offer to drop his demand for independence in exchange for autonomy except in the fields of foreign affairs and defence. (IHT 26-08-93)

TERRITORIAL CLAIMS AND DISPUTES

See also: Inter-state relations

Russo - Japanese dispute

During his visit to the G-7 meeting in Tokyo early July 1993 the Russian president acknowledged the dispute over the four islands and said that the problem should be discussed at the time of his official visit. (IHT 09-07-93) However, during a visit to the chain of islands the Russian Prime Minister said on 17 August 1993 that Russia would "never" return the four disputed islands to Japan. The four islands were given by Russia to Japan in 1875 in exchange for Sakhalin Island and were occupied by the Soviet Union at the end of World War II. (IHT 18-08-93)

During his visit to Japan in October 1993, taking place just a few days after he had forcefully crushed the Russian opposition, the Russian president carefully avoided to get involved in concrete discussions on the issue. As to the question whether he would explicitly recognize the 1956 treaty between the two countries which called for the return of two of the four disputed islands the Russian president said that as "the successor state" to the Soviet Union, Russia would "execute the agreements and treaties that were concluded between Japan and the Soviet Union with respect to any issue." (IHT 13-10-93)

Shooting and detention of Japanese trawler

In late November 1993 the Russian Coast Guard opened fire at a small Japanese trawler and detained it and its crew off Cape Nosappu on the eastern tip of the Island of Hokkaido, about two miles from the nearest Russian-held island. According to the Russian news agency the incident occurred inside Russian waters. It was the first case where Russian border guards fired at Japanese fishermen to stop their boats. The normal procedure for coast guard cutters challenging intruding vessels is to fire shots

across the bow before aiming directly at the vessel, but it was not clear whether such warning shots had been fired. In the course of 1993 13 Japanese ships were detained by Russian authorities. (IHT 01-12-93)

Another incident of a Russian ship firing warning shots at six Japanese fishing vessels occurred on 4 June 1994 in the Kunashiri Straits, near the disputed islands. (FEER 16-06-94 p. 13)

Cambodian territorial claims

It was reported that Cambodia will demand that Vietnam and Thailand return large areas of Cambodian territory annexed by the two states in the 1980s. During 1993 King NORODOM SIHANOUK sent several private communiques to Vietnam accusing Vietnam of moving border posts and demanding the return of territory and the respect of maps based on agreements set in the early 1960s (*see supra*: Inter-state relations). He also accused Vietnam or the French colonial government of severing huge areas from Cambodia at the turn of the century. It was said that the UN, which conducted mapping surveys ahead of the elections in May 1993, agreed that Vietnam and, to a lesser extent, Thailand are in illegal possession of Cambodian territory. (FEER 28-10-93 p. 32)

Spratly Islands

The Indonesian foreign minister suggested that countries around the rim of the South China Sea should meet in more formal government-to-government settings to discuss the status of the disputed Spratly Islands. But a Chinese official attending an informal workshop (*see also* 3 AsYIL 449) on the question in Surabaya, Indonesia, rejected the proposal. (FEER 02-09-93 p. 14)

At a meeting of senior officials of ASEAN and other countries in Manila on 5 December 1993 the Deputy Prime Minister of Vietnam as well as the President of the Philippines emphasized the need for peaceful settlement of the different claims in respect of the Spratly Islands (IHT 06-12-93).

During a visit to Vietnam in late March 1994 the Philippine president pleaded for demilitarization of the area and called for confidence-building measures like marine research, environmental protection and joint development programs for oil, gas, fisheries and other resources (FEER 31-03-94 p. 30).

In an apparent attempt to increase Vietnamese presence on the islands, Vietnam introduced a three-year tax holiday for companies and individuals willing to exploit and export sea products from the archipelago (FEER 16-09-93 p. 14).

Meanwhile it was reported that China had announced extension of its administrative control by setting up "an independent oceanographic body" to supervise the disputed islands (IHT 30-03-94; FEER 07-04-94 p. 13). There were also reports that China Petroleum of Taiwan, China National Offshore Oil of China and Chevron of the US had agreed to form a joint venture for oil exploration in the East China and South China Seas. (FEER 31-03-94 p. 30)

In 1992 China granted exploration rights to the US company Crestone Energy Corp. for an area of the South China Sea near the Spratly Archipelago (*see* 2 AsYIL

378). In April 1994 the company announced that it had begun its search for oil, to which the Vietnamese foreign ministry responded by saying that "No other country or company is allowed to carry out exploration and exploitation of resources on the continental shelf and [in] the special economic zone of Vietnam without the permission of the Vietnamese government." Vietnam maintained that it had been exercising its right to sovereignty over its continental shelf, including the Crestone contract area, for years by offering exploration blocs for bids. It also said that it had scientific and oil-services facilities, including a sea lighting system and a meteorology station, in the area. The area to which Crestone has access under the contract, about 25,000 square kilometre, is the largest area ever included in a prospecting contract in Southeast Asia. It was said that the exploration area has an estimated 1 billion barrels of oil.

A few hours after Crestone's announcement Vietnam signed contracts with Mobil Corp., Russian and Japanese companies, for exploration of the Thanh Long [Blue Dragon] field, lying west of the Crestone concession and within China's territorial claim (IHT 21-04-94; FEER 05-05-94 p. 13). On 12 May China called the contract illegal because, as the spokesman of the Chinese ministry of foreign affairs put it, the area "belongs to the adjacent waters". On the other hand a Vietnamese foreign ministry statement said that the Blue Dragon field was "entirely under Vietnam's sovereignty". (IHT 13-05-94) In June 1994 an exchange of protests between China and Vietnam took place, accusing of encroaching on each other's territory (FEER 30-06-94 p. 20).

It was reported on 22 June 1994 that Vietnam had sent a drilling rig to work on the Vanguard Bank which forms part of the area awarded by China to Crestone. Vietnam calls the area in which the Crestone block is located the Tu Chinh region and asserts that it is an integral part of Vietnam's exclusive economic zone and continental shelf. (IHT 23-06-94)

Reflecting growing US interest in the South China Sea following the lifting of the US economic embargo against Vietnam, Occidental Petroleum Corp. had bought a 45 percent stake in an exploration block 300 kilometres off the coast of southern Vietnam which was held by PT Astra of Indonesia. Earlier, Atlantic Richfield Co. had bought 50 percent of an adjacent block held by British Gas PLC. Both blocks are just north of Blue Dragon and Big Bear, the latter being operated by the Australian company Broken Hill Pty in partnership with Malaysian, Vietnamese, Japanese and French companies. All four blocks were also claimed by China. Exploration of blocks closer to the Vietnamese coast had not led to the finding of commercial deposits. Other large offshore petroleum projects which are also inside the Chinese claim include the Natuna gas field, awarded by Indonesia to Exxon Corp. and the Indonesian state oil company Pertamina, and the Jintan gas field, awarded by Malaysia to Occidental Petroleum Corp., Nippon Oil Co. and the Malaysian state oil company Petronas. (IHT 06-06-94) On 8 May 1994 the Philippines granted an oil exploration permit to Vaalco Energy of the US and its Philippine subsidiary, Alcorn Petroleum and Minerals. The permit covered the so-called Recto Bank (Nanshan for the Chinese), including the Patag, Lawak and Parola islands, a portion of the disputed Spratly Islands, 400 kilometres west of Palawan Island. The Chinese foreign ministry issued a statement reaffirming China's sovereignty over the area and a protest was lodged with the Philippine foreign ministry. In reply the latter said that the Philippines "meant no harm nor offence" as

the area was within Philippine territory. A decree by the then president MARCOS had declared the area off Palawan to be a Philippine municipality. (FEER 30-06-94 p. 21)

East China Sea

China opened to bidding by foreign oil companies parts of the East China Sea which slightly overlap a line equidistant with South Korea and Japan. The northern bloc overlaps South Korea's claimed shelf in two areas, the southern bloc apparently overlaps with an area held by JAPEX, the Japanese state oil exploration company. Besides there is a major overlap of both Chinese blocs with Taiwan's concession system. (M.J.Valencia, IHT 03-02-94)

Sipadan and Ligitan

(see 1 AsYIL 348, 2 AsYIL 379, 3 AsYIL 451)

At their working summit meeting in Langkawi in July 1993 the Indonesian president and the Malaysian prime minister reached a mutual understanding that the territorial dispute would be resolved through peaceful means and should not be overplayed as to become a hindrance to cordial and productive relations. The two parties affirmed their resolve to settle their dispute over the two islands in accordance with international law after their talks in January 1994. Further talks on 26-28 May 1994, however, did not result in an agreement either. (NST 18-07-93, 29-01-94, 01-02-94; FEER 10-02-94 p. 13, 09-06-94 p. 13) The Joint Working Group of the Malaysia-Indonesia Joint Commission would meet again in September 1994.

Malaysian tourism development on the island of Sipadan seemed to irritate the Indonesian side. Indonesia cited a verbal agreement of 1969 between the two sides to maintain the status quo until the dispute was resolved, but Malaysia denied the existence of such an agreement. The Indonesian claims were first asserted when the two countries began drawing up their maritime boundaries in the late 1960s. Malaysia bases its claim to Sipadan and Ligitan on the historic colonial administration of the area. A 1916 document in the Sabah state archives confirming turtle egg collection rights for local families under the British North Borneo government and signed by a British colonial official seems to be one of the sources of the Malaysian claim. An exchange of documents between the British authorities and the US government demarcating territory in the Sulu Sea is another basis of the Malaysian claim. Indonesia bases its claim on a 1891 Anglo-Dutch boundary agreement. One of its provisions reads: "The boundary between Netherlands possessions in Borneo and those of British protected states in the same island shall start from 4 degrees 10' north latitude on the east coast of Borneo." Sipadan lies below this latitude and Ligitan falls just north of the line. The matter never became an issue in the colonial period as maritime boundaries only extended 3 miles. The breadth of the territorial sea has meanwhile become 12 nautical miles or 19.2 kilometres. (FEER 17-03-94 p. 32)

The Senkaku Islands

In view of Article 2 of the Chinese Law on the Territorial Sea and the Contiguous Zone which stipulates that the territory of China includes the Senkaku Islands (in Chinese: Diaoyu Islands), the Japanese Minister to China made a formal protest to the Chinese government to the effect that from a historical as well as international law perspective the Senkaku Islands are proper Japanese territory and effectively under the control of the Japanese government. It found the Chinese attitude regrettable and requested a correction. The Chinese responded that the protest was irrelevant as there was no doubt that the islands had been Chinese territory from ancient times.

Hitherto the Chinese government had proposed joint exploitation of the ocean floor resources around the Senkaku Islands while leaving the territorial question unsettled, but this idea has been rejected by the Japanese government which took the position that the Senkaku islands are Japanese territory and consequently there was no territorial question.

UNITED NATIONS

Attitudes toward Japanese permanent membership of Security Council

Japan formally declared its wish to be given a permanent seat in the UN Security Council in July 1993 but the US president said he did not intend to press the UN Security Council to extend permanent membership to Japan and Germany until issues of bilateral relationship had been settled. North Korea criticized Japan's bid as "impudent and indiscrete". (IHT 07-07-93, 16-07-93)

Views of Asian member states on the question of equitable representation on and increasing the membership of the Security Council

The *Chinese* reply read, *inter alia*:

"(2) ... It is the view of the Chinese government that there is a need to expand the membership of the Security Council in an appropriate manner when the time is ripe, so that the Council, in keeping pace with the changing situation both inside and outside the United Nations, will carry out its functions in an even more effective and vigorous way in international affairs. ...

(3) ... it is China's conviction that the proposed expansion of the Council should be instrumental in further promoting its efficacy ... It should not affect the Council's efficacious role or erode the existing effective mechanism. ...

(6) As the proposed restructuring of the Council has a direct bearing on the interests of all states members of the United Nations and may entail the revision of the Charter, this process will necessarily be a fairly long one involving complicated political, legal and procedural issues. China maintains that any measure aimed at restructuring the Council should therefore be considered in a prudent and cautious manner. Any proposal in this regard should be judged in light of extensive and comprehensive discussions

among various interested parties and sanctioned on the basis of broad consensus and universal acceptance of the member states.”

The reply of *North Korea* read, *inter alia*:

“(4) ... the reformation of the Security Council should be done on the principles of guaranteeing democracy and openness so that the views of all the member states ... are fully reflected in decision-making ...

(5) The efficiency and effectiveness of the Security Council could be improved and its role strengthened when the unanimous will and aspirations of the member states are correctly and fully viewed and reflected in any action or activity ...

(7) ... it is necessary to increase the membership of the Security Council with a view to keeping the balance between the membership of the Security Council and that of the Organization. ...

(9) The Democratic People's Republic of Korea holds the view that the relationship between the General Assembly and the Security Council should also be reviewed and dealt with according to the newly developed situation so as to improve decisively the role of the General Assembly and strengthen its function ... in preserving international peace and security.”

India was of the opinion that the Security Council should be expanded in view of the need to restructure the UN in order to adapt to changing circumstances. Its reply read, *inter alia*:

“(2) ... The ratio between the Security Council membership and the General Assembly membership has declined from 1:4.6 in 1945 to 1:12 today. ... there has been a particularly steep fall in the ratio between the number of permanent members [of the Security Council] and the General Assembly membership, which has declined from 1:10 in 1945 to 1:36 today. ... India is of the view that the number of permanent members of the Security Council should be increased to 10 or 11 and the non-permanent members to 12 or 14. ...

(5) India is of the view that the review in question should be undertaken on the basis of equitable regional representation, consistency in support for, and participation in, important political and economic activities and peace-keeping operations ... and consistency in fulfilling financial obligations towards the United Nations ... population, size of the economy and future potential of the countries concerned should also be taken into account.

(6) Population represents both an expression of the principle of democracy and an element of power. With increasing emphasis on the principle of democracy at the national level, there is a need for extending this principle to the international level also. The present permanent members of the Security Council have a combined population of less than 1.75 billion. This leaves two thirds of the world's population without representation in the permanent members' category. Population, combined with rising levels of literacy and growing industrialization, is also an element of power.

(7) Size of economy, its resilience and self-sufficiency in terms of raw material supply and markets are factors which have a bearing on a particular country's ability to exercise independence of judgement and action on international issues. ...

(8) ... Financial contribution and support to United Nations activities need also to be considered. Here, it is important to bear in mind not just the financial contribution in absolute terms, but also in relative terms. For a country with low per capita income, assessed contribution as per the United Nations scale may entail proportionately higher sacrifice. The record of timely payment should also be taken into account.

(9) ... It is ... essential to take into account both the present and future dimensions of power. Future potential as a criterion for inclusion among permanent members of the Security Council is not a new principle. This indeed has been an important consideration in making the choice of permanent members in the past.

(10) ... The principles of interdependence must be recognized and reflected in the composition of the Security Council by accommodating developing countries in the permanent members' category.

(11) The imperative necessity of reviewing the membership of the Security Council ... can be given effect by amending Articles 23, paragraph 1, and 27. ...

(12) ... The principle of rotation is already embodied in the non-permanent members' category ... Therefore, this principle need not be replicated with the introduction of permanent membership on a rotational basis. This would compromise the element of predictability in the decision-making ... and further accentuate the inequities of the present structure. ..."

Japan put forward that:

"(5) ... [in] view of [the Security Council's primary responsibility for the maintenance of international peace and security] as well as its authority to make decisions which legally bind Member States, the legitimacy and credibility of its actions will be enhanced to the extent they accurately reflect the general will of the member states.

(6) ... those countries that are clearly capable of assuming responsibility for the implementation of its resolutions, for example, by making financial contributions, should be more actively involved in the decision-making process so as to ensure that the resolutions ... are in fact implemented. ...

(9) ... [T]he Council should be enlarged to have around 20 members at most, by adding to the current permanent members a certain number of permanent and non-permanent seats in an appropriate ratio. In so doing, special consideration should be given to the question of equitable geographical distribution in relation to non-permanent membership.

(10) The efforts to enlarge the membership of the Council should be guided by the principle that underlies paragraph 1 of Article 23 of the Charter ...

(11) Further, a consultative process on an *ad hoc* basis involving major Member States not represented on the Security Council should be encouraged in conjunction with the Council's decision-making. Thus the transparency in the Council's decision-making would be enhanced. ..."

In its reply *Malaysia* put forward that:

"(2) ... [r]eform in the Council is necessary not only to reflect a more equitable geographical representation but also to contribute to the strengthening of the democratization process within the United Nations system ...

(5) ... the ratio of the total number of states [members of the United Nations] to the number of Council seats [has changed] from 5:1 in 1945 to 8:1 in 1963 ... to 12:1 now in 1993. In other words, only 8 per cent of the general membership is now represented by the Council compared to 20 per cent in 1945. ...

(7) The current membership structure of the Council is not consistent with Article 23, paragraph 1, of the Charter, which requires the Council to consider, *inter alia*, equitable geographical distribution in the elections of its non-permanent members which, as currently constituted, has too many from the European/Western groups, at the expense of other regions.

(8) ... [T]he ratio of the average number of countries in a region represented by one [non-]permanent seat in the Council reveals that currently the ratio is 24:1 for Asia; 17:1 for Africa and Latin America; 12:1 for Western Europe and others; and 11:1 for Eastern Europe. ...

(9) In addition, the European/Western group of countries is overrepresented in the Council, holding four out of five permanent memberships. All in all, the European/Western group of countries with 37 members has seven members in the Council, whereas the rest of the 133 members from Asia, Africa and Latin America have to share the remaining seven seats on the Council, excluding one permanent seat held by China.

(10) Therefore, ... the membership of the non-permanent members should be increased by an additional 10 seats, according to the following distribution: (a) Asia (47) 4 seats; (b) Africa (52) 4 seats; (c) Latin America (34) 2 seats.

(11) ... [T]here must be a redefinition of what constitutes eligibility for a permanent membership in the future...

(12) ... Malaysia has serious reservations about the idea of increasing the number of permanent members. However, we are prepared to consider the idea of establishing a third category of membership as semi-permanent members, electable for a period of five to six years, without the veto right.

(13) In the long term, consistent with many changes that are taking place around the world, a new mechanism that would abolish the vetoing power ... needs to be introduced. ...

(15) ... Since the inception of the United Nations in 1945, a total of 280 vetoes were exercised by the permanent members of the Security Council, as follows: USSR (Russian Federation) 124 (1); USA 82; UK 33; China 22; France 18. ...

(16) ... [I]deas such as the one suggested by the Netherlands should be closely examined. In order to restrict any abuse of the privilege of veto, the Netherlands suggested the adoption of a double veto, i.e. two negative votes by permanent members being required to veto a decision instead of one. ..."

Nepal replied, inter alia:

"(3) ... The provision of Article 24 ... is based on the understanding that in carrying out its tasks, the Council acts on behalf of the membership as a whole. This introduces the fundamental democratic principle of representativeness of the Council. ... The membership of the Council has not increased in 30 years while membership of the

Organization, during the same period, has grown by almost 60 per cent. A limited increase in membership of the Council would, therefore, reflect the increased membership of the United Nations ...”

The reply from *Pakistan* also emphasized that increase in the UN membership from 52 to 183 states is not effectively reflected in the Security Council and that the change in geographical composition of member states and the larger number of small and medium states requires particular reflection in the Council's composition. In consonance with the position of the non-aligned countries, particularly paragraph 30 of chapter II of the Final Documents [of the 10th Summit Conference at Jakarta] any decision on the question of equitable representation on and increase in the membership of the Council should conform to a number of criteria, such as (a) the Council's representative character, (b) the enhancement of its ability to discharge its responsibilities under the Charter, (c) greater democratization, (d) preventing any enlargement of existing inequalities in the rights and privileges of UN members, (e) compatibility with the overall measures to restructure and strengthen the UN, and (f) the decision should be achieved through consensus and agreement among the UN members. Finally reference was made to the need for greater transparency in the work of the Council in order to ensure the broadest possible support for its decisions.

The Philippines listed three reasons necessitating serious reflection on and consideration of the issues of membership of the Security Council, *viz.* the increase in membership of the UN, the increasing interdependence of present-day peace and development issues and the need to consider them in a comprehensive manner, and the emergence of a more multipolar balance of interests, including greater involvement of regional arrangements. It then continues, *inter alia*:

“(6) The structure of the Security Council ... does not seem to have been affected by the developments mentioned above. ... It remains the least representative and democratic of all the formal United Nations bodies, due principally to its unequal geographic representation and the exercise ... of the veto privilege.

(7) The Philippines would thus welcome a comprehensive exchange of views on Security Council membership...

(8) ... [T]he Philippines recognizes that a thorough review would inevitably have substantive implications on other United Nations activities ... The Philippines therefore believes that ... the review of the Council's membership should be undertaken in the context of a wider Charter review under Article 109.”

Vietnam considers an increase of the Security Council's membership “a natural must with a view to bringing about a more equitable representation” while “redressing the imbalance in regional representation in the Council's permanent membership constitutes an objective demand”. “The re-examination and reform of the composition of the Security Council should “ensure respect for the principles of equal sovereignty, of democracy and transparency in its decision-making, and bringing about a more balanced and rational relationship between the Security Council and the General Assembly.” (UN doc. A/48/264 of 20-07-93)

Indonesia emphasized that, even though the membership of the Security Council was increased in 1965, it was felt that the Council was lacking representative character, and that despite the more than a quarter century that had elapsed and the increase in UN membership during that time there had been no comparable increase of Council membership. An expansion "... would strengthen the Council by making it more responsive and relevant to prevailing realities ...

(3) *Indonesia* is also firmly of the view that an increase in the membership of the Security Council should accommodate new members which, if they are not to be given veto powers, should at least serve as permanent members. They should join the Council on the basis of ... criteria that would adequately reflect the political, economic and demographic realities of the world today, including in Asia, Africa and Latin America. The Council should include countries which were on the losing side of the Second World War but which subsequently have begun to play an increasing important role in the global economy. They are not less important in the context of the changing concept of security which now emphasizes the economic and social aspects as much as the military. It is also axiomatic that international security and prosperity can be promoted effectively and equitably by according recognition to the political and economic weight of the developing countries, particularly those with the largest populations. ...

(4) ... The veto powers, which ensure an exclusive and dominant role for the permanent members of the Council, are incompatible with the ongoing endeavours aimed at reforming and improving certain structures and procedures of the United Nations ...

(5) Finally, the procedures and practices of the Security Council also call for an urgent review. ... The General Assembly should be kept informed at regular intervals of the outcome of informal consultations ..." (UN doc. A/48/264/Add.1)

The reply from *Singapore* read, *inter alia*:

"(4) There are a few basic problems which need to be addressed. The first is to decide the current configuration of international power and how that should be reflected in the distribution of permanent seats. ...

(5) The second problem relates to the international as opposed to the supranational nature of the United Nations. The United Nations was created by sovereign states and can do nothing without their assent. At the same time the permanent members have a more than proportionate say through their veto. ...

(6) The Government of Singapore is of the view that to progress, there is no alternative but to shape a consensus gradually ... At this preliminary stage ... we deem it most useful to try to identify and build consensus on objective general criteria for a general review of the Security Council ...

(7) In this regard, the Government of Singapore believes that the following considerations need to be borne in mind:

(a) There should be a level playing-field with regard to all present and future members of a possibly expanded Security Council;

(b) Anachronistic reference to "enemy States" in Articles 53, 77 and 107 of the Charter should be removed;

- (c) Suggestions that there could be different classes of permanent members without the veto are also impractical;
- (d) It is not practical or even desirable to do away with the veto. ... It is a safety-valve that prevents the United Nations from undertaking commitments that it lacks the power to fulfil. However, to minimize the misuse of the veto, if permanent membership is expanded, there should be at least two vetoes to block a draft resolution;
- (e) Privilege must be paid for. ... A permanent member should therefore carry a larger portion of the financial burden of the United Nations. Each permanent member should pay at least 9 per cent of the operating expenses of the United Nations, as well as 11 per cent of the United Nations peace-keeping operations, which are the average percentages of the permanent five's current collective percentage of these budgets. ...
- (f) ... All permanent members should be prepared to give effect to Article 43 of the Charter and be ready to place their military forces at the disposal of the United Nations ...
- (g) ... [P]ermanent members must also have the requisite moral authority to assume their exclusive positions. They must have a good record of adhering to the purposes and principles contained in the Charter, and have been consistent and active in their efforts to maintain international peace and security. ... " (UN doc. A/48/264/Add.7 of 09-02-94)

Response to Muslim offer for UN force

Seven Islamic countries, among which Iran, on 13 July 1993 pledged more than 17,000 troops to the UN peacekeeping forces in Bosnia but said the soldiers would not take part in any plan to partition the country. The countries were among 16 states attending a special two-day session of the Organization of Islamic Conference. According to a US State Department official the US would oppose the sending of Iranian troops into Bosnia, but the US would defer on the issue to the UN Secretary General. The other countries offering troops were Pakistan, Bangladesh, Malaysia, Tunisia, Palestine and Turkey. (IHT 14 and 15-07-93) France also expressed reservations about Muslim troops from certain countries, implicitly Iran, but stressed that its reservations were only preferences for countries that already have experience of the kind of missions led by the UN. (IHT 16-07-93) When in Singapore in July 1993 to attend the post-ASEAN ministerial conference, the Russian foreign minister said that both the US and Russia supported the offer from Malaysia which he described as a moderate Muslim country that "sticks to the peacekeeping concept rather than jihad." (IHT 28-07-93)

Most of the 9,000 UN troops in Bosnia were from Western countries, although there was an Egyptian and a Jordanian battalion in Croatia. (IHT 16-07-93)

Malaysian participation in peace-keeping

1,400 Malaysian troops would serve in the UN peace-keeping force in Bosnia. The first detachment left to take up duties at the end of September 1993. (FEER 14-10-93 p. 15)

UNRECOGNIZED ENTITIES

South Korea-Taiwan relations

It was announced on 27 July 1993 that the two countries would establish some sort of unofficial relations. Under the agreement which was negotiated in Japan the two sides would open missions in their respective capitals to coordinate trade and cultural relations. The missions would be “unofficial, civilian” but their officials would be accorded privileges which resemble diplomatic privileges to a great extent. Visas would be issued in the names of consulates outside Taiwan or Korea. The agreement enabled Taiwan to have an additional, pseudo-consular presence in the city of Pusan.

The validity of agreements and treaties dating from the time that the Taipei government was still recognized by South Korea was reaffirmed, enabling the resumption of air and shipping links between the two countries.

The negotiations leading to the agreement included the Taiwanese claim to non-diplomatic property in Korea. Since Korean law restricts foreign ownership of land some of the Taiwanese property had been registered under the embassy’s name in the past although in fact being owned by the overseas Chinese community in Korea. The issue was not settled by the agreement. The Korean attitude was that it was to be settled between the governments of Beijing and Taipei and that South Korea would respect whatever conclusion was reached. (FEER 12-08-93 p. 26)

WEAPONS

Japan’s attitude toward extension of the NPT

During the G-7 meeting in Tokyo in early July 1993 Japan opposed an immediate and indefinite extension of the Non-Proliferation Treaty. The Japanese foreign ministry said Japan would like to extend the treaty as long as possible but “need further argument to have a consensus” before 1995 when the treaty expires and a formal extension will be necessary. Later in the month the Japanese foreign minister said that Japan was inclined toward supporting an indefinite extension. (IHT 13 and 29-07-93) But at the same time he said that Japan must have the will to build nuclear weapons if necessary in the event of a North Korean nuclear threat: “If North Korea develops nuclear weapons and that becomes a threat to Japan, first, there is the nuclear umbrella of the US upon which we can rely. But if it comes down to a crunch, possessing the

will that “we can do it” is important.” He reminded that opposition to the NPT existed in Japan because of sentiment that the accord favours nuclear powers and discriminates against non-nuclear states. (IHT 30-07-93)

ASEAN nuclear-free zone

During the post-ASEAN ministerial conference in July 1993 the US under-secretary of defence said that the US was reviewing a longstanding US policy of refusing to endorse regional agreements banning the possession or storage of nuclear weapons. Under this policy the US had refused to sign the protocol to a 1985 treaty establishing a nuclear weapons-free zone covering the South Pacific. The argument was that such a treaty could weaken global nuclear deterrence and, in particular, impede the freedom of navigation for the US navy [carrying nuclear weapons]. Accordingly the US had opposed a plan among ASEAN countries to create a nuclear-free zone that would cover sea and air lanes used by US military forces in the Pacific to reach the Indian Ocean and the Gulf. (IHT 29-07-93)

Legitimacy of nuclear weapons

The Japanese government proposed a formal statement declaring the use of nuclear weapons lawful but felt compelled to retreat under strong public criticism. The minister for foreign affairs and his ministry officials insisted, however, that Japan believed the use of such weapons not to be violative of international law. The affair stemmed from the invitation from the International Court of Justice for state opinions in the context of a request by the WHO for an advisory opinion on the matter. The draft of the Japanese reply read: “The use of nuclear weapons does not necessarily constitute a violation of international law, but their use must never be allowed.” (IHT 10-06-94)

Chinese H-bomb test

Up to 1993 China had conducted 38 tests, the last one on 25 September 1992. This compares with 942 tests conducted by the US and 969 tests by Russia, France and Britain combined.

When US reconnaissance satellite photographs indicated that China was about to conduct an underground nuclear test, the US president expressed the hope that China would not go ahead with the test as “[t]here is no reasonable threat to China”, but he had said previously that in case of a test being conducted by another state “I will direct the Department of Energy to conduct additional tests...” [and thereby canceling the 18-month extension of the unilateral US suspension of nuclear testing as announced in July 1993]. (IHT 18/19-09-93) China reacted by saying that it had taken note of the president’s remarks and that “[i]t is known to all that China has all along exercised great restraint on nuclear testing.” (IHT 21-09-93)

On 5 October 1993 China conducted an underground nuclear test. On that occasion the Chinese government issued a statement which reads, *inter alia*:

“... On the very day it became a nuclear-weapon state in 1964, the Chinese government solemnly declared that at no time and under no circumstances would China be the first to use nuclear weapons. It has also undertaken not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-free zones....[I]t has signed and ratified the relevant Additional Protocols of the Treaty for the Prohibition of Nuclear Weapons in Latin America and the South Pacific Nuclear-Free Zone Treaty.

China has all along stood for the complete prohibition and thorough destruction of nuclear weapons and a comprehensive nuclear test ban... China has always exercised utmost restraint on nuclear testing and the number of the nuclear tests it has conducted is extremely limited.

...

China will ... work together with other states to conclude [a comprehensive test-ban treaty] no later than 1996. At the same time, China believes that a pledge by all nuclear-weapon states not to use nuclear weapons at all is of even greater significance as it is a more effective step towards the non-proliferation goal To this end, China strongly calls for a parallel negotiation by all nuclear-weapon states aimed at concluding an international convention on unconditional non-first-use of nuclear weapons and non-use and non-threat of use of nuclear weapons against non-nuclear-weapon states and nuclear-free zones.

After a comprehensive test ban treaty is concluded and comes into effect, China will ... carry out no more nuclear tests”(UN doc.A/C.1/48/3)

China carried out another underground nuclear test on 10 June 1994 as part of a series designed to modernize its nuclear capability before current negotiations would result in a comprehensive ban in 1996. Its previous underground tests took place in 1990 (two), 1992 (two) and on 5 October 1993. It was China's 40th test since it first exploded a fission bomb on 16 October 1964. China's modernization program was based on a retaliatory doctrine and the upgrading was called logical and predictable by Western analysts. (IHT 11/12-06-94; FEER 23-06-94 p. 13) In a meeting in Beijing with his Chinese counterpart the Japanese minister of foreign affairs urged China to refrain from nuclear tests, suggesting that failure to do so could affect Japan's aid program. Japan is the biggest donor of long-term aid to China (IHT 14-06-94).

WORLD WAR II

“Comfort women”

(see 2 AsYIL 383, 3 AsYIL 453)

The Japanese government acknowledged on 4 August 1993 that after a one-and-a-half year study it had determined that the Japanese military had forced Asian and European women into serving as prostitutes for its soldiers during World War II, and it offered its first full apologies. However, officials refused to say whether compensa-

tion would be offered. The statement read, *inter alia*, “We shall face squarely the historical facts... instead of evading them, and take them to heart as lessons of history. We hereby reiterate our firm determination never to make the same mistake by forever engraving such issues in our memories through the study and teaching of history.” (IHT 05-08-93)

Japanese apologies

The new Japanese prime minister MORIHIRO HOSOKAWA made his first policy speech on 23 August 1993. He went further than any other Japanese leader since the end of the War in expressing his government’s “profound remorse and apologies” for brutal Japanese behaviour in neighbouring Asian countries between 1910 and 1945, “including aggression and colonial rule”. Asian analysts said that the remarks appeared to mark a turning point in Japan’s efforts to forge closer political, cultural and security ties with other Asian countries. (IHT 24-08-93) However, the Japanese prime minister ruled out any further compensation for war victims, arguing that Japan had fulfilled all the requirements for reparation under the 1951 Peace Treaty and bilateral agreements (IHT 26-08-93).

Denial of the “Rape of Nanking”

A newly appointed Japanese Justice Minister denied the occurrence of the 1937 massacre of Chinese by Japanese troops in Nanjing. China reacted angrily and filed a protest. It said it took note of a statement by the Japanese prime minister rejecting the remarks of the Justice minister. There were also strong reactions from Taiwan, South Korea and Vietnam. The Japanese minister later resigned after having served a little more than a week and after having made his apologies. (IHT 06 and 09-05-94)

Chinese forced labour

On 22 June 1994 Japan acknowledged for the first time that it had forced tens of thousands of Chinese to work in Japan during the war. The admission followed a foreign ministry investigation begun in 1993. (IHT 23-06-94)