

# The Chinese puzzle

*Meeting the Chinese challenge calls for a strategy that offsets the advantage that the communist state provides to its exporters, says Narendar Pani*

THE threat of a flood of imports from China has deeply divided what was till recently a cohesive lobby for economic reforms. The industrialists among the reformers are now quite keen on using anti-dumping duties to counter what they believe are unfair Chinese trade practices. Those whose interest in the reforms is intellectual rather than material, on the other hand, believe that anti-dumping duties will sooner or later degenerate into protectionism. But both these approaches could prove ineffective, particularly because they do not address the real advantage of Chinese imports.

The anti-dumping approach does get righteous support from industrialists when they find China producing goods at a fraction of the cost of the Indian equivalent. But those who have visited the communist giant point out that the prices of several of these products are low within China as well. Since dumping is defined in terms of the export price being significantly lower than the price charged at home, the case for dumping will be difficult to prove. And once China enters the WTO it will be able to challenge these duties. The protection granted by anti-dumping duties is then, at best, a short term relief.

This has contributed to the more ideological of the reformers demanding that nothing should be done to curb imports from China. The lower prices will benefit the consumers. And while the more inefficient Indian producers will die out, the more efficient ones will sooner or later be able to compete at Chinese prices. The assumption here is that the lower prices of imports from China are entirely, or at least primarily, due to the efficiency of the manufacturers in that country.

This assumption itself can be traced to a tendency to let ideology rule over facts. When China opened up its economy to foreign investors and simultaneously provided a more prominent place for exports in its growth strategy, it was assumed that the country had adopted an open market economy in its entirety. In reality though, the Chinese, as is their wont, mixed the free market with a very effective system of state initiatives. The state created Special Economic Zones that were given preferential treatment, including the

right to formulate their own labour laws. More important, the state also created an export network. Firms participating in that network were guaranteed, among other things, electric power and raw materials at attractive purchase prices. In other words, the state was using its resources, including its right to formulate labour laws, to ensure that the costs paid by individual manufacturers and exporters remained low. It is these state sponsored lower prices that Indian manufacturers are now being forced to compete against. And it will be no surprise if even the most efficient Indian companies find it difficult to survive when faced with so substantial a handicap.

This balance of power in favour

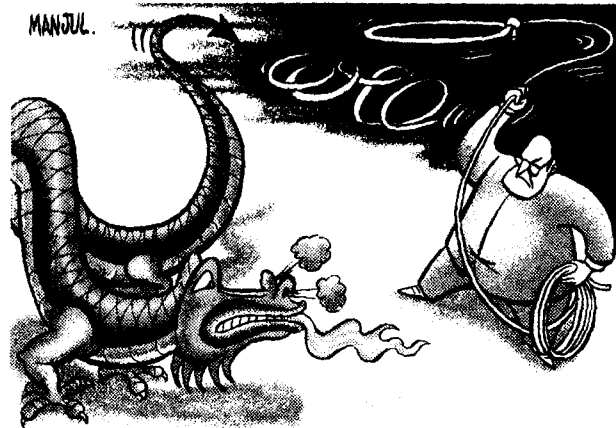
in this area would attract foreign capital. And if this results in the area growing at a rate similar to the Guangdong province in China, the revenue generated due to the higher growth rates will more than make up for the lower rates of taxation. And once an area no longer needs state support, the government can shift its attention to other such areas.

But implementing this strategy in the Indian context may not be easy. It is much easier in a communist country to pour resources into one developed area and ignore the other less developed ones. It is unlikely that India's state governments would watch quietly while the Centre invested in creating differences of the kind that exist

between the coastal areas and the inland in China. In addition, India's long history of trade unionism and democracy would make it very difficult to provide the kind of labour conditions that a totalitarian regime can offer. State support for Indian manufacturers would then have to be necessarily broad-based and spread out across the country. It could then be targeted at the industries

which are most threatened by subsidised imports from China. But such support, spread thin over a large area, will not be enough to offset the entire advantage of state support that Chinese goods get.

It is thus essential that India moves towards getting the WTO to offset some of the structural inequalities it faces in trade with China. India could insist that the difference in labour standards between countries should be factored into trade. It could even go a step further and demand a similar benefit for its democracy. The flood of cheap Chinese imports could be used to show that the absence of adequate labour standards and democracy are indeed trade distorting. But the chances of India adopting such a position must be considered remote. Indian policy makers remain committed to ideological positions against linking labour standards to trade and in favour of developing country alliances. It is unlikely that this ideological commitment will be shaken merely because several Indian industries and thousands of workers could sink under the weight of imports from China.



of Chinese goods is unlikely to change even after China enters the WTO. On the contrary, it could get worse. India's anti-dumping duties will come under WTO scrutiny. At the same time much of the support China provides its industries could turn out to be WTO compatible. To the extent that this support is not specific to individual enterprises, it will not be affected by the WTO agreement. That agreement only targets specific subsidies. And China could also be exempted from the prohibition of export subsidies, if it is treated on par with other developing countries having a per capita GNP of less than US \$1000.

Meeting the Chinese challenge thus calls for a strategy that offsets the advantage that the communist state provides that country's exporters. One response could be to offer similar support to Indian manufacturers. The obvious argument against such a response is the pressure on the fiscal deficit. But a long term economic argument can be made out for such a strategy. To begin with, the tax concessions and other support can be offered in a limited geographical area. The lower costs

# China joins cheap-goods fight

11/12  
Beijing, Dec. 10 (PTI): China has said it is ready to cooperate with India to curb smuggling of Chinese products, which has triggered anti-dumping measures against low-cost goods from that country.

"We are ready to cooperate with India to stop smuggling of Chinese goods, which has harmed the interests of legitimate Chinese exports to India," deputy division chief of the department of treaty and law of the ministry of foreign trade and economic cooperation, Wang Xin, said.

"Smuggling is different from dumping. If smuggling exists, we can cooperate to combat this problem," Xin said, while pointing to the Chinese government's nationwide drive against smuggling, which led to the arrest and conviction of senior provincial officials

in recent months.

"The Chinese government has always opposed dumping in international trade. It has severely dealt with those enterprises which indulged in dumping," Xin said.

Xin's remarks are significant in the wake of comments by minister of state for commerce and industry Omar Abdullah who said on Wednesday that India would take steps to check illegal entry of cheap Chinese goods into India.

"We would take all steps to check illegal trade from China. But we can't prevent entry of low-cost Chinese goods if they are coming through proper channels," Abdullah said.

China's official media on Thursday reported that the government was winning its war against smuggling, which was reflected in figures showing cus-

toms revenue figures ahead of last year's record intake.

The ruling Communist Party newspaper, *People's Daily*, said customs revenue rose by 38.9 per cent to 201 billion yuan (US \$ 24.28 billion) in the first 11 months of this year. Smuggling cases involving 7.36 billion yuan were cracked between January and October, the newspaper said.

Xin said China believes that India does not know much about the "earth-shaking changes" that have occurred in China after more than two decades of reforms.

"The government is no longer in charge of production management in enterprises. It no longer decides what the enterprises produce," Xin said. Chinese firms were operating under market conditions, the official added.

"They are self-managed and re-

sponsible to themselves with independent accountability," he said.

Thus, India is not justified in imposing anti-dumping measures against China, Xin said. He also objected to India's description of China as a "non-market economy state" and the price of Chinese products as the price of a "surrogate country".

"Such remarks are discriminatory," another official, Xiong Dongmei, said, adding Beijing was against "artificially creating friction between China and India."

"The comparative superiority of Chinese goods should be studied and commented upon in a just and objective manner," she said.

Dongmei said the European Union has removed China from the list of "non-market economy countries".

THE TELEGRAPH

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## China tests its second ICBM

PRESS TRUST OF INDIA

WASHINGTON, Dec. 23. — China has flight-tested its second intercontinental ballistic missile with a maximum range of 5,000-mile yesterday, the *Washington Post* reported.

The DF-31 road-mobile, single-warhead ICBM blasted off from the Wushai Space and Missile Centre in China, proceeded westward and landed in a remote area, it said.

The test was tracked by US Intelligence ships, aircraft and spacecraft, the report quoted the US Intelligence officials.

They claimed that ICBM incorporated latest US warhead technology.

China tested the first ICBM in November this year. Beijing is also developing an 8,000-mile ICBM known as the DF-41 and is building a new class of ballistic missile submarines.

### Border warning system

China has established a computer-based early warning border defence system that allows Generals in Beijing to monitor frontier areas thousands of km away, the state media reported. "Through computer networks, Generals in Beijing can see clearly what is going on in frontier areas thousands of kilometres away," *Xinhua* reported yesterday.

THE STATESMAN

24 DEC 2000

China accepts Taiwan's plan

# Beijing opens Taipei door

FROM ANDREW BROWNE

Beijing, Dec. 28 (Reuters): Beijing opened the door to historic direct links with Taiwan today by grudgingly accepting Taipei's plan for limited exchanges between its offshore islands and the mainland.

Taipei welcomed the news, which represents a rare sign of progress in ties across the Taiwan Strait that have been mired in acrimony and suspicion since the election this year of Taiwan President Chen Shui-bian.

Beijing has been pressing for full trade, transport and postal exchanges — the so-called "three links".

China's state news agency quoted an official in coastal Fujian province as saying the Taiwan plan did not go far enough and "indicates that the Taiwan authorities lack sincerity and goodwill in realising direct services".

Nevertheless, the official with the Fujian Taiwan Affairs Office said "the mainland is willing to help". A Chinese foreign ministry official confirmed that the Xinhua report expressed Beijing's official position.

Taiwan's cabinet this month approved regulations dropping a ban lasting more than five decades on direct contacts with China. Taiwan now requires all exchanges to go through third countries, although smugglers from both sides do a roaring trade in the Taiwan Strait, and Taiwan fishermen regularly put ashore on the mainland.

In that sense, the Taiwan move is largely symbolic since it simply

legalises exchanges that are already flourishing. The Taiwan cabinet sanctioned what has been dubbed "mini three links" between the heavily-fortified islands of Quemoy and Matsu, and Fujian.

It approved a plan by Quemoy county commissioner Chen Shui-tsai to lead a group of 192 officials and reporters to Xiamen on January 1. The group hopes to accompany back former Quemoy residents stranded on the mainland since 1949. On the same day, a group of Taiwan pilgrims is due to sail from Matsu to Fuzhou to visit a temple.

The new Taiwan rules will also allow up to 700 Chinese residents to apply to visit Quemoy and Matsu at any one time and to stay for up to seven days. The deputy chairman of Taiwan's Mainland Affairs Council, John Deng, reacting to the Xinhua report, said: "If this is true, of course we think it's a very good development."

## Ministers expelled

China replaced its disgraced justice minister today and expelled three members of parliament for corruption and absenteeism, moves that come during an intensifying anti-graft drive.

The official Xinhua news agency reported that China's parliament approved a successor to Justice Minister Gao Changli, who was abruptly removed from office last month and is believed to be under investigation for multiple misdeeds.

Zhang Fusen, deputy general secretary of Beijing's Communist Party, was appointed to replace Gao, Xinhua said confirming statements by Chinese officials.

THE TELEGRAPH

7.3.1988

# China distances itself from Khmer Rouge regime

**PHNOM PENH, Nov. 13.** China on Monday sought to distance itself from its past association with the brutal Khmer Rouge regime, saying it never supported the radical group's "wrong" policies.

"During the KR period the policies were made by the Khmer Rouge leadership and we never supported the wrong policies," a Chinese Foreign Ministry spokesman, Mr. Zhu Bang Zoa, told reporters. Mr. Zhu is part of the Chinese delegation accompanying the Chinese President, Mr. Jiang Zemin, who arrived here on Monday on a two-day visit. The most senior Chinese leader to visit Cambodia. Mr. Jiang's tour is part of China's efforts to increase its influence in the region. He was in Laos on Sunday and will go to Brunei on Tuesday.

The Khmer Rouge question has dogged Mr. Jiang's trips with protesters demanding an apology from China for supporting a regime that was responsible for the deaths of some 1.7 million Cambodians during its 1975-79 rule. Many people were executed as enemies of the state or died of starvation, overwork and diseases while the ultra-radical Khmer Rouge tried to build an agrarian utopia in Cambodia. China was Khmer Rouge's most important ally, providing it arms and agricultural equipment and stationing 600-700 trainers alongside Khmer Rouge cadre.

Mr. Zhu's statement was the strongest China has made in recent years to disavow its support for the Khmer Rouge. Mr. Zhu said Mr. Jiang and Cambodian leaders did not discuss the Khmer Rouge issue. "I can tell you explicitly that the question was not covered. The reason it was not covered is because we believe the Khmer Rouge question is entirely the internal affairs

against humanity. China says any trial should be conducted by Cambodians without international involvement. Last week, a top former U.N. official, Mr. Thomas Hammarberg, said the Cambodian Prime Minister, Mr. Hun Sen told him that China was pressuring Cambodia to block the trial. Cambodian officials denied Mr. Hammarberg's claims on Sunday, and Mr. Zhu said the claim was incorrect. "China has exerted no pressure whatsoever. China will not exert any influence on any country ever, including Cambodia," he said.

Cambodia agreed in July to a U.N. plan to set up a tribunal with limited international presence. But the plan appears to be making no headway as it awaits approval of a reluctant National Assembly dominated by lawmakers loyal to Mr. Hun Sen, a former Khmer Rouge. Many other members of the Government also are former Khmer Rouge who defected before its ouster in 1979 by invading Vietnamese army. Earlier on Monday, China and Cambodia signed seven agreements on trade, crime and agriculture. Among the deals signed is a trade and cooperation initiative worth some \$12 million, Mr. Sry Thamarong, an adviser to Mr. Hun Sen, said.

Other agreements will bring agricultural experts to Cambodia, set up a joint commission to improve trade relations, formally ratify an extradition treaty, and set out the basis for general bilateral cooperation, Cambodian officials said. China will also provide \$240,000 for the victims of Cambodia's worst flooding in decades, which started in July. Mr. Jiang is accompanied by a 100-strong delegation. — AP



**The Chinese President, Mr. Jiang Zemin (left) and Cambodia's King Norodom Sihanouk, perform the traditional Cambodian greeting on the former's arrival at Phnom Penh's Pochentong Airport on Monday. — Reuters.**

of Cambodia. The Cambodian people and their leaders are capable of handling it themselves," he said. China has also been criticised for opposing an international tribunal to try the former Khmer Rouge for crimes

## China to halt missile exports

BEIJING, NOV. 22. China has made its strongest commitment to date not to sell nuclear missile technology abroad, winning an immediate promise from Washington of waiver of sanctions and boosting of commercial space cooperation.

However, the U.S. State Department spokesman, Mr. Richard Boucher, yesterday said new sanctions would be imposed on Iranian and Pakistani military and civilian groups for receiving ballistic missile technology from China.

Mr. Boucher said that for two years all new U.S. government contracts would be denied to the Pakistani Ministry of Defence, and the Space and Upper-Atmo-

sphere Research Commission, and there would be no imports of their products into the U.S.

Minutes after China made its pledge late Tuesday in Beijing, the State Department praised the move as helping to "achieve our common objective of preventing the spread of ballistic missiles that threaten regional and international security." Both sides reap immediate benefits. China wins a reprieve from the U.S. sanctions against Chinese companies suspected of transferring dangerous missile technology. It also gains a promise from Washington to begin processing licences for commercial space cooperation, including the launching of U.S. satellites by

China. For its part, the U.S. is freed from imposing sanctions which could undermine fragile ties with Beijing and wins assurances that Pakistan, Iran and North Korea will not benefit from new Chinese missile technology.

Under the agreement, China would for the first time publish a list of restricted missile-related and dual-use items. Controls to stop unlicensed transfers of missile technology would be improved and transfers to countries developing nuclear-capable missiles subject to special scrutiny even if export of the technology was not banned outright, the Chinese Foreign Ministry spokesman, Mr. Sun Yuxi, said. — AP

'Transfer continues': Page 13

THE HINDU

23 NOV 2000

# China warns Taiwan on eve of National Day

Beijing, Sept. 30 (Reuters): China curtly told Taiwan today, the eve of its National Day, not to procrastinate on reunification talks and said it was determined to check separatism.

"The question of Taiwan cannot be put off indefinitely," Prime Minister Zhu Rongji said in a speech marking the October 1 anniversary of 51 years of Communist rule.

"New leaders of the Taiwan authorities should size up the situation, follow the historical trend, abandon their separatist proposition and embark on the bright road of peaceful reunification."

China has regarded Taiwan as a renegade province since nationalist troops fled there after defeat by Communist forces in 1949. Beijing has threatened to attack if the island declares independence or delays reunification talks indefinitely. Ties have been at a virtual stalemate since Beijing angrily froze semi-official talks with Taipei in July 1999 after then President Lee Teng-hui called for political parity.



Jiang Zemin (left) toasts Zhu Rongji during the National Day dinner at the Great Hall of the People in Beijing on Saturday. (AFP)

Taiwan's new President Chen Shui-bian has repeatedly offered reconciliation but Beijing has ignored his overtures because he refuses to embrace its "one China" principle which would commit the island to reunification.

"We also have strong determination and have made the necessary preparations to check resolutely activities for Taiwan independence and all other separatist

activities," Zhu said.

China is also confronting independence movements in its restive western regions of Tibet and Xinjiang. Chen's victory in presidential elections in March alarmed Beijing because he belongs to the pro-independence Democratic Progressive Party. He has since mellowed his pro-independence stand, but Beijing remains deeply suspicious.

THE TELEGRAPH

1 OCT 2000

# China turns Milosevic son back from Beijing airport

REUTERS  
BEIJING/BELGRADE, OCT 9

THE reviled son of deposed Yugoslav President Slobodan Milosevic was turned back at Beijing's airport on Monday after arriving on a flight from Moscow, an official with Russian airline Aeroflot said.

Marko Milosevic arrived from the Russian capital on Monday morning on an Aeroflot flight holding a diplomatic passport but boarded a flight back to Moscow about two hours later due to "visa problems", the official said. It was unclear whether the removal of Milosevic from power this week had affected the passport's validity.

He had talked his way through Moscow immigration after arriving there from Belgrade without a visa with the help of his uncle Borislav, the Yugoslav ambassador, the Yugoslav Beta news agency reported on Sunday. "He's already gone back to Russia," said the Aeroflot official, who declined to be identified.

Meanwhile, the burden of international sanctions imposed on Yugoslavia will start to lift on Monday. European Union foreign ministers plan to meet in Luxembourg to consider peeling off some of the economic restrictions imposed last year over Milosevic's policy in Kosovo. The United States said lifting sanctions was a priority.

Kostunica, sworn in as Yugoslav President at the weekend — is due to attend a meeting of the Serb Parliament in Belgrade — that continues to be dominated by his predecessor's allies. His supporters, however, want to see Interior Minister Vlastko Stojiljkovic sacked, the Parliament dissolved and fresh elections called.

It is presumed that such a move could only have come from Serb President Milan Milutinovic who had been indicated for war crimes by the Hague Tribunal.

Complications generated from the ambiguous and disputed changes to the Constitution have sought to preserve fractions of government though nothing much remains of the old Yugoslavia except Serbia and the tiny coastal republic of Montenegro.

## European Union ministers plan to meet to consider lifting the burden of international sanctions against Yugoslavia

Supporters of the new federal administration have threatened to throw people back on the streets if the Serb law-makers attempted to maintain control of state institutions.

Western countries are eager to help the new administration, but at the same time are anxious not to do anything that might benefit Milosevic, who stepped down as President on Friday but plans to carry on playing an active role in politics.

"We should remove those economic sanctions directed against the people but at the same time keep in place the sanctions against Milosevic and his cronies," US Defence Secretary William Cohen said during a visit to Greece on Sunday.

The first tangible sign of change

will come from the EU on Monday when it is expected to lift an embargo imposed in protest at the Serb persecution of ethnic Albanians in Kosovo, normalise diplomatic ties and offer aid for the winter.

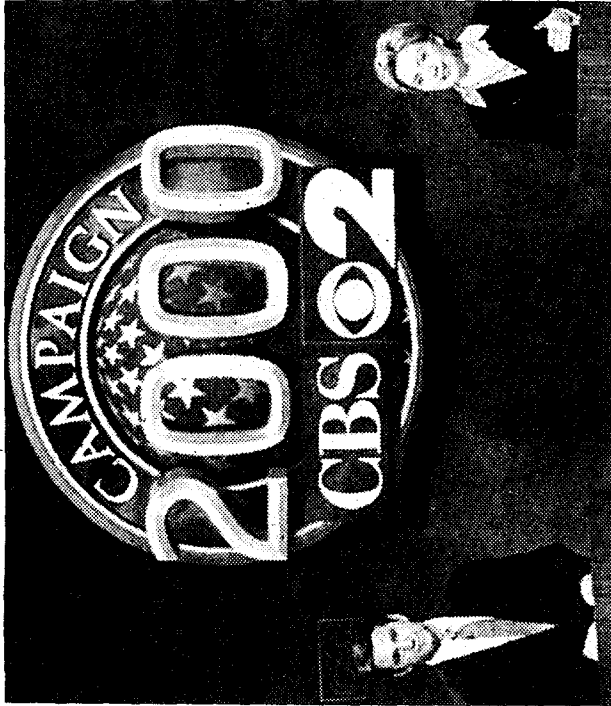
The foreign relief will be welcomed by a nation of 11 million impoverished by a decade of misrule, but a full removal of sanctions will have to wait until the West is satisfied that Milosevic no longer poses a threat to the region.

It will also wait to see if Kostunica does anything to stir up trouble in Kosovo, now under UN administration. On Saturday he said Yugoslavia needed to strengthen its sovereignty over the province, infuriating the ethnic Albanian majority there. "Each and every thing must come in its own time. We must first ensure that Kostunica is firmly in control and that Milosevic is no longer in a position to harm this new Serbia," Vedrine said in an interview.

Meanwhile, the mayor of a small town in Yugoslavia said on Sunday that he led a crack unit against the parliament building and state television in Belgrade in order to tip the scales of the popular uprising against former leader Slobodan Milosevic.

Velimir Ilic, the mayor of Cacak, a small town about 80 kms (50 miles) south of Belgrade, said he timed the assault by about 2,000 men to coincide with the arrival of thousands of people in front of the parliament building. "Our action had been planned in advance. Among my men were former parachutists, Army and police officers and members of the special forces," Ilic said. "Several of us wore bulletproof vests and carried weapons," he added.

# Hillary Clinton, Lazio meet in second debate



ASSOCIATED PRESS  
NEW YORK, OCT 9

HILLARY Rodham Clinton, locked in a battle for the critical Jewish vote, broke with her husband's administration on the Mideast policy during her second debate with Senate rival Rick Lazio.

The First Lady said the United States should have vetoed a UN Security Council resolution condemning the Middle East violence and criticising Israel. The resolution passed on Saturday with 14 votes and the United States abstaining.

"I believe that it was a wrong move not to have vetoed it, that it was inaccurate and one-sided," Hillary said during the hour-long debate yesterday. Democrat Clinton and Republican Lazio, who also criticised the United States on the UN vote, sparred on a wide range of issues, including campaign finance, abortion and a domed stadium in Manhattan.

The debate came with just 30 days left in their high-profile and expensive Senate race. A poll out last week from the Quinnipiac University Polling Institute had Clinton leading Lazio, 50 per cent to 43 per cent. The poll had a margin of error of plus or minus 3.5 percentage points.

Hillary took Lazio to task for what she called a violation of their agreement to ban outside money from the race. "Last month, Lazio said this was an issue of trust and character. He was right," Hillary said. "And, if New Yorkers can't trust him to keep his word for 10 days, how can they trust him for six years?" Lazio, who insists he has not violated the agreement, blasted her back, raising the issue of whether the Clintons have used sleepovers at the White House and Camp David to generate campaign contributions.

Later, Hillary was asked to explain her decision to stay with her husband after his affair with Monica Lewinsky became public.



# China sees threat from all sides

REUTERS & PTI

BEIJING, Oct. 16. — China offered a doom-laden assessment of ties with Taiwan in a defence paper released today, and justified a stronger military by pointing in part to growing US might.

A "white paper" issued by the state council, or Cabinet, served as a snapshot of China's view of global security and its place in the world. It revealed a China which sees threats and challenges on all sides to its rise as an Asian superpower.

The biggest threat is the USA, identified through terms such as "hegemonism" and "power politics". Japan was portrayed as a willing partner in the US efforts to thwart

## WHITE PAPER MUM ON BORDER ROW

BEIJING, Oct. 16. — The white paper remained silent on the Sino-Indian border dispute which is plaguing bilateral ties since the 1962, but said China favoured settling unresolved border and maritime demarcation issues through negotiations. India says China is "illegally" occupying 43,180 sq-km of Jammu and Kashmir, including 5,180 sq-km illegally ceded to Beijing by Pakistan in 1963. China, on the other hand, claims India has occupied about 90,000 sq-km of Chinese territory. — PTI

Beijing.

The prospect of Taiwan making a grab for independence was clearly the number one concern of Chinese policy-makers. The paper said tension caused by pro-independence agitation in Taiwan and US military sales to Taipei are threatening peace in the

region. It hits out at Taiwan's new leadership for an "evasive and obscure" stand on Beijing's key one-China principle, although it didn't mention the President, Mr Chen Shui-bian by name.

Mr Chen has offered repeatedly to meet Beijing leaders for peace talks since his election in

March, but the document offered no direct response. It, instead, repeated China's long-standing threat to use "drastic force" to prevent Taiwan breaking away.

The paper, titled "China's national defence in 2000", insisted China was a peace-loving nation with a small and well-guarded nuclear force that "spares no effort to avoid and curb war". "However, in view of the fact that hegemonism and power politics still exist and are further developing, and in particular, the basis for the country's peaceful reunification is seriously imperiled, China will have to enhance its capability to defend its sovereignty and security by military means," the document said.

THE HINDU

17 OCT 2000

# Now, China defines its defence scapegoat

40-21 By F.J. Khergamvala 18/10  
TOKYO, OCT. 17. For quite a few years, the U.S. and its principal allies in East Asia have pointed their finger in public at North Korea as the common military adversary while the actual planning was directed foremost to contain a growing China.

China has now done likewise with a twist, in its defence white paper. On Monday, Beijing drew attention to a U.S. backed Taiwan as the main justification "to enhance its capability to defend its sovereignty and security by military means." The document, "China's National Defence in 2000," implicitly identifies the U.S. by usage of familiar terms like "hegemonism and power politics," as the bulwark that encourages a trend towards independence for Taiwan.

China's leaders know that the U.S. has not encouraged any moves towards Taiwan's independence, but as in most countries the defence establishment's official report is more hawkish than the foreign policy making apparatus would like to see. Japan's Defence Agency too points to North Korea and China as the two principal sources that influence the need for vigilance.

The timing of the release of the white paper may be awkward for the Chinese Premier, Mr

Zhu Rongji, who has just ended a visit to Japan where he had to defend to China's largest aid donor his country's double digit percentage increases in year on year defence spending over the past 12 years.

Many Japanese legislators question why tax papers' money should be given to such high defence spenders.

Beijing's explanation that the spending is just \$14.6 billions, or five per cent of the U.S.'s is scarcely believed, either in Japan or elsewhere. Reputable think-tanks in India, Japan, U.S., Britain and Sweden estimate China's annual spending at close to \$85 billions. In a hint that China's real worry is also a Japan adding its growing military weight and expanding the scope of its alliance with the U.S. is contained in the paper.

Taiwan is just one cause that the white paper pegs its threat perception upon. The situation "is complicated and grim." It adds, China will "adopt all drastic measures possible, including the use of force," if Taiwan splits from China in any form, if foreign forces invade the island, or if Taiwan's government refuses indefinitely to discuss reunification with Beijing, the paper said.

The release of the document came within a few days of the largest exhibition of Chinese

military might in 36 years. China conducted a joint armed forces exercise last week, intended to show the shift towards a high tech military that had slashed its manpower by half a million in three years.

The People's Liberation Army (PLA) has lost few opportunities to justify its own spending as a consequence of what it sees as reemerging Japanese militarism and its moves to launch satellites to assist the budding TMD. In spring, the PLA daily looked askance at Japan "deciding to organise an 'island- protection unit', so as to cope with the activities of China's naval vessels in the surrounding sea areas of Japan" and scoffed at Japan's defence white paper which said that Japan should be alert to China's military movements.

The army daily said "Japan's media reports say that its plan for the research and development of reconnaissance satellites was started in November 1998 on the grounds of "Korea's launch of missiles," but overseas opinion contends that Japan's real aim is to reconnoiter the military trends of neighboring countries, particularly the situation about the deployment of missiles, in order to enhance the quick reaction capabilities of Japan's military forces, and effectively cope with the so-called situation in surrounding areas.

THE HINDU

18 OCT 2000

**F**OR the first time in six years, the Nobel Prize for Literature has gone to a non-European. And for the first time in its 99-year history, it has gone to a Chinese writer.

On Thursday, 60-year-old Gao Xingjian was named the laureate "for an oeuvre of universal validity, bitter insights and linguistic ingenuity, which has opened new paths for the Chinese novel and drama". The academy, in its citation, singled out Gao's novel *Soul Mountain* for praise, noting that "through its polyphony, its blend of genres and the scrutiny that the act of writing subjects itself to, the book recalls German Romanticism's magnificent concept of a universal poetry".

The China-born writer and painter won 7.9 million Swedish crowns (S\$1.37 million) along with instant world-

## Pen mightier than politics

45-7 18/10  
Is awarding the Nobel Prize for Literature to Gao Xingjian politically motivated?  
**ONG SOR FERN reports**

wide literary fame.

But Gao's win has to be a Pyrrhic victory for Beijing, which complained in 1997 that the Nobel Prize For Literature ignored Asians, registering its disapproval that no Chinese writer had ever won the prize. China's Nobel committee had nominated 98-year-old author Ba Jin in 2000. China has protested against the Swedish Academy's choice of Gao, who settled in France as a political refugee in 1986. The author has been *persona non grata* in Beijing since the 1993 publication of his novel *Fugitives*, which took the Tiananmen massacre as a backdrop. His works have been banned in China since 1986.

China's foreign ministry issued a statement last Friday saying the choice "shows again the Nobel Literature Prize has been used for ulterior political motives, and it is not worth commenting on".

But Mr Horace Engdahl, the academy's permanent secretary, said at last Thursday's press conference: "We have no geographical or political concerns. It is only the quality of the writing that counts." So is the choice politically motivated? Considering the prize's high profile, giving it to an exiled dissident over China's own nominee could be seen as a political message. In choosing Gao, the Swedish Academy could be seen as silencing the accusations of racism. Gao's dissident status allows them to escape the perception of endorsing China's politics. The prize has always been dogged by accusation of politics.

The crowning of Güenter Grass in 1999, for example. It was the first time in 27 years that a German had won, and it came after the publication of Grass's controversial novel *Ein weites Feld* (A Distant Field)

about Germany's re-unification. The prize was perceived by some to be a nod of approval for the Leftist politics of Grass. But assistant professor of Chinese Literature at the Nanyang Technological University, Quah Sy Ren, who wrote his doctoral thesis on Gao's works, believes that the literary merits of Gao's writing justifies the Academy's choice: "I wouldn't say it's driven by politics. I don't think anybody is as good as Gao Xingjian."

"He is an artiste who is courageous and bold and dares to experiment with new themes and new forms. He writes novels and plays, he's also a director and a painter. The amount of work he has done is more than that of any other contemporary author."

Professor Wong Yoon Wah, who heads the Chinese Studies department at the National University of Singapore, believes too, that "the choice is not political." He thinks Gao deserves the win not only because of his creativity, but also because he has a global perspective which is lacking in China's writers. Prof. Wong explains: "As famous American Sinologist Xia Jiqing once noted, the Chinese writers in the modern age, from the beginning, they have an obsession with the China problem. But the greatest writers write about the problems of the world."

But China-born Grant Shen, lecturer in Theatre Studies at the department of English Language and Literature at the National University of Singapore, who taught Chinese classics before switching to theatre, questions the qualifications of Gao's critics: "Western critics do not understand Chinese culture. They are judging based on translations." Prof. Wong agreed that Chinese writers have a bigger hurdle to overcome because of the language barrier: "Gao Xingjian has an advantage there. He is a playwright so people can see it performed." And with a degree in French and several French works under his belt, Gao is also accessible through a European language. Dr Shen also concedes that Gao is, in the final analysis, a good choice: "Based on what the academy has said, the reasoning seems justifiable."

— The Straits Times/Asia News Network

THE STATESMAN

18 OCT 2000

# China obtained missile secrets: paper

WASHINGTON, Oct. 19. China has obtained a huge amount of U.S. missile secrets in addition to America's innermost nuclear weapon classified information, including those relating to the building of the W-88, the most modern nuclear weapon in the U.S. armoury, a media report today said.

"There is no denying that China stole nuclear secrets. However, the belated new review of Chinese military documents provided by a Chinese defector as early as 1995, has led U.S. intelligence agents to conclude that Chinese espionage has gathered more American missile technology than nuclear weapons secrets", senior U.S. officials told the *Washington Post*.

The new conclusion about the success of Chinese espionage in obtaining America's missile secrets as well as secrets of weapons like the W-88, was reached only this year because the CIA and other intelligence agency linguists did not fully translate the huge pile of secret Chinese documents,

totalling 13,000 pages, until four years after the agency obtained them, according to a senior law enforcement official, who described the delay as "a major blunder."

The belated translation and analysis, said the paper, has prompted a major reorientation of the FBI's investigation into Chinese espionage. From 1996 until late last year, the FBI probe centred on the suspected loss of U.S. nuclear warhead data, and quickly narrowed into an investigation of Mr. Wen Ho Lee, an ethnic Chinese from Taiwan.

Now, however, the FBI, which never found evidence that Mr. Lee spied for China, has shifted its focus to the Defence Department and its private contractors.

The documents were provided by a "walk-in" defector, who at that time was suspected to be a double agent because he had sent some of the documents by an American multinational courier, DHL, and brought other documents personally.

They show that during the 1980s, Beijing had gathered a large amount of classified information about U.S. ballistic missiles and reentry vehicles.

The new conclusion is that the missile secrets are far more likely to have come from U.S. defence officials or U.S. missile builders than from the U.S. nuclear laboratories at Los Alamos and other nuclear weapon labs, the paper said.

The documents brought by the Chinese defector, said a former intelligence official who has reviewed much of the translated material, appeared to be a five-year "strategic plan" for the development of China's new generation of missiles. Another intelligence expert familiar with the material described it as "an embarrassment of riches."

When the walk-in defector from China first delivered the documents, a former U.S. official said, the CIA read and translated the titles of each major portion, then ordered a full translation of a 76-

page section dealing with "nuclear" information — "data on U.S. warheads, including the most advanced weapon in the U.S. arsenal, the W-88."

One nuclear weapons official familiar with the process said the CIA had Chinese linguists read the documents for 'intelligence purposes,' to see whether they contained valuable information about Chinese missiles and warheads, and decided (wrongly) that they did not. The CIA did not perform the normal "counter-intelligence review" to determine whether they contained classified information about U.S. missiles and warheads, the official said.

Because of the CIA's belief that the walk-in was a double agent, a full translation of the documents seemed less pressing. "He failed in an agency polygraph," the intelligence official explained defensively. The CIA's suspicions about the informant also slowed the FBI's already limited investigation at Los Alamos of Wen Ho Lee. — PTI

THE HINDU

20 OCT 2000

# China forces Asem to drop weapons clause

AGENCE FRANCE-PRESSE

BEIJING, Oct. 20. — China is making its presence felt at the Asia-Europe summit as it stakes its claim to be Asia's main power despite a threat to its position from the Korean thaw, analysts said.

China scored a diplomatic victory ahead of today's opening of the Asia-Europe meeting (Asem) by getting a reference to "weapons of mass destruction" removed from a key summit declaration on Korean peace.

The "Seoul Declaration," adopted today, is one of three major policy statements to be approved by the 26-nation forum which ends tomorrow.

European nations, joined by Japan, had wanted reassurances that the Stalinist state would ease its military threat and sought a statement saying weapons of mass destruction in the Korean peninsula would be reduced.

The document instead contains a vague phrase about peace in the region.

China's move is partly due to its sensitivity towards events surrounding North Korea as it warms ties with the rival South.

It is trying to demonstrate it is a force with Asian and European powers even though it can see its influence waning with the thaw in inter-Korean relations, analysts said.

"Whatever happens with the Korean negotiations, they want to show they have a bigger say



Protesters against the Asem (Asia-Europe meeting) clash with police in Seoul on Friday. — AP/PTI

than Europe," said an analyst with the Center for French Studies on Contemporary China.

China is increasingly concerned about losing influence as North Korea moves closer to the South and establishes diplomatic relations with Western countries.

**Missile secrets:** China today strongly refuted a report that it stole the USA's ballistic missile technology, including the W-88, the most modern nuclear weapon in the US arsenal, reports PTI.

"The report is absolutely fabricated," the Chinese foreign ministry spokesman, Mr Zhu Bangzao, said here.

## Focus on N Korea ties

SEOUL, Oct. 20. — Asem leaders pledged to support improved relations between the Koreas and underlined the importance of improving relations between Asem states and North Korea. They mentioned talks, people-to-people exchanges and economic links with North Korea.

The "Seoul Declaration" said the leaders encouraged both sides to continue building on the success of the Korean summit in June.

The European Union, which is set to hold political dialogue with North Korea in Pyongyang next month, also announced new aid plans, including a \$ 23.4 million package to assist the North in improving its farming sector. Despite the generally reconciliatory mood, some Asem members expressed reservations about improved relations with the North. Japan's spokesman mentioned the need to resolve some pending issues, including North Korea's alleged abduction of Japanese citizens, before it normalises ties with Pyongyang. — Korea Herald/ANN.

THE STATESMAN

20 OCT 1990

## BSE victims to get ex-gratia

By Hasan Suroor

**LONDON, OCT. 23.** In one of the biggest compensation packages, the British Government is to give out million of pounds to the victims of the mad cow disease which has so far claimed 74 lives. Eleven, including children, are living with the consequences of the disease which erupted over a decade ago because of contaminated beef. Each family is likely to get a five-figure amount described as ex-gratia, which is independent of the compensation that they might be granted by courts in legal suits. The decision coincides with fears that a particular brand of oral polio vaccination drops may have been contaminated by the mad cow disease. Hundreds and thousands of doses of the vaccine have been withdrawn creating panic among parents whose children have already been vaccinated.

Meanwhile, the report of an inquiry into the outbreak of the mad cow disease (BSE) has criticised the Conservative Government of Mr. John Major for its handling of the BSE crisis. The report, to be released formally on Thursday, is stated to have come down particularly hard on the Ministry of Agriculture, Fisheries and Food for trying to conceal facts from the public. Media leaks indicate that individual Ministers have been named for continuing to assure the people that beef was safe even after the disease had broken out.

The then Tory Government has been accused of a "culture of secrecy" as it tried to hide the full extent of the crisis.

## China will honour WTO terms: Zhu

**BEIJING, OCT. 23.** The Chinese Premier, Mr. Zhu Rongji, today assured the international community that China would honour all the commitments it had made to members of the World Trade Organisation (WTO), the state media reported.

24/10 180-19  
"China will absolutely not step back from any of the commitments it made in bilateral negotiations with the European Union (E.U.) or other members of the WTO," Mr. Zhu was quoted as saying at the third China-E.U. business dialogue which opened here.

Mr. Zhu made the remarks during a formal meeting with the French President, Mr. Jacques Chirac, the current chair-nation of the E.U., and the President of the European Commission (E.C.), Mr. Romano Prodi, Xinhua news agency said.

Mr. Zhu assured them that China would honour its commitments and in the meantime hoped the WTO members would not add new requirements in the multilateral negotiation process. He stressed China can only join the WTO with the status of a developing country, Xinhua said.

Mr. Zhu said he hoped that during the current Sino- E.U. summit, both sides would consider China's WTO entry from a strategic perspective and reach consensus, so as to help complete the multilateral negotiations as early as possible.

Mr. Chirac said the E.U. would energetically promote the process, and hoped that, through joint efforts from China and the E.U., the negotiations on China's entry into the WTO would be concluded in the "coming few weeks."

China and the E.U. signed a bilateral deal in May this year. So far, China has completed bilateral talks with 36 WTO members out of the 37, including India, who asked for bilateral talks.

Earlier, prior to the talks, senior E.C. leaders expressed fear that China's entry into the 138-member WTO that sets rules for global trade may be delayed into next year. — P11

## Malaysia to allow fewer foreign workers

By Amit Baruah

**SINGAPORE, OCT. 23.** Malaysia has decided to reduce the intake of foreign workers to 1,50,000 from 3,20,000 last year. The Finance Ministry Parliamentary Secretary, Mr. Hashim Ismail, was quoted as saying that the decision had been taken as Malaysian ringitt 500 millions (US \$131.6 millions) had been going out of the country through workers' remittances. "As foreign workers are still needed for the country's economic growth, the Government has taken measures to reduce their numbers to the minimum."

According to him, foreign workers were only allowed to work in sectors like construction, plantations and manufacturing — slots which could not be filled by Malaysians themselves.

To further reduce the number of foreign workers, the Government was promoting investments in capital-intensive industries capable of producing value-added products.

THE HINDU

24 OCT 2000

TOKYO, Sept. 23. — The Japanese Prime Minister, Mr Yoshiro Mori and the South Korean President, Mr Kim Dae Jung, agreed today to continue three-way cooperation with the USA in dealing with North Korea.

At a meeting in Atami in Shizuoka Prefecture, Mr Mori and Mr Kim agreed to boost bilateral ties, especially in the field of information technology, the two leaders said.

"We agreed to continue close consultations so that progress in relations between the two Koreas and ties between Japan and North Korea will affect each other positively," Mr Kim said.

Today's meeting was the first full-fledged discussion between Mr Mori and Mr Kim since the historic summit between North



Mr Yoshiro Mori

and South Korea in June in Pyongyang.

On the economic front, Mr Mori and Mr Kim adopted a joint initiative on IT aimed at sharing IT skills and promoting bilateral cooperation in specific IT projects.

The two also agreed to accel-

erate by the end of the year and to set up a new forum of experts to discuss a bilateral free-trade agreement.

Mr Kim urged Mr Mori to make efforts to enact by the end of the year a Bill giving permanent foreign residents in Japan the right to vote in local polls. The Bill is expected to be discussed during a 72-day extraordinary parliament session that opened on Thursday. The issue is set to be controversial with several deputies from Mr Mori's Liberal Democratic Party against the reforms.

Mr Mori and Mr Kim reaffirmed their plan to expand cultural ties between the two countries before they co-host the 2002 World Cup football finals.

## Chen stresses talks with China

REUTERS

TAIPEI, Sept. 23. — Taiwan and China must conduct government-to-government talks to normalise relations, the Taiwan President has said. Beijing, however, is likely to ignore Mr Chen Shui-Bian's latest bid to break a 14-month deadlock.

In an interview to CNN today, Mr Chen shrugged off Beijing's efforts to woo Taiwan Opposition and business leaders while ignoring his government.

Mr Chen said any breakthrough would be difficult without government-to-government talks. Ultimately, they must return to the mechanism of the government in order to normalise cross-strait relations.

"By working only with a single party or certain sector while ignoring the government, it will make achieving breakthroughs and progress very difficult and almost impossible," the President said.

"We know that currently they are applying all

5/17 29/9 means to divide us. But as long as we maintain confidence, as long as we are unified among ourselves, ultimately the two sides will return to the origin of the issue which is the leaders and the government(s) of both sides must be able to sit down and talk to each other," Mr Chen said.

There was no immediate response from China.

Mr Chen, since assuming office in May, has repeatedly offered Beijing reconciliation. But Beijing has ignored his overtures because he has refused to embrace China's cherished 'one-China' principle which would commit the island to reunification.

Bilateral ties have reached a virtual stalemate since Beijing froze semi-official talks with Taipei in July 1999 after then President, Mr Lee Teng-hui, called for political parity by redefining bilateral ties as "special state-to-state" relations.

Mr Chen has mellowed his pro-independence stand, but China, which regards Taiwan as a breakaway province that must eventually be reunified with the motherland, remains deeply suspicious.

THE STATESMAN

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# Beijing's Indo-Pak mission

Beijing, July 3 (PTI): Chinese foreign minister Tang Jiaxuan will visit India later this month for talks to push forward Sino-Indian ties.

While no dates have been announced, Tang is expected to visit some time in the third week of July, official sources said. He will also visit Pakistan.

Tang's visit would come amid US intelligence reports of continued Chinese assistance to Pakistan in its long-range missile programme. India has repeatedly expressed serious concern over the issue.

India was informed of Tang's intended visit by Chinese President Jiang Zemin when he met President K.R. Narayanan here

in May this year. Tang would also visit Islamabad, Pakistan ambassador to China Riaz Khokhar said. Terming it a "normal visit", the diplomat said Tang had been invited to Pakistan by General Pervez Musharraf when he visited Beijing in January.

Foreign minister Jaswant Singh and Tang would review bilateral relations, regional and international issues of common concern, sources said. The Chinese minister would also meet Prime Minister A.B. Vajpayee.

Speeding up of negotiations on the border issue is expected to figure prominently on the agenda. The two sides have declared their intention to take up the matter in earnest.

Chinese Premier Zhu Rongji's proposed visit to India later this year is also expected to be discussed, an official source said.

The Chinese side has accepted the Indian invitation to Rongji but no formal discussions have taken place, he added. Tang would be the seniormost Chinese official to visit India since Pokhran II. Relations between the two countries nosedived after India cited the security threat from China as the main reason for conducting the tests. A steady stream of Indian leaders, including President K.R. Narayanan have visited Beijing since bilateral relations were normalised with the visit of Singh in June 1999.

THE TELEGRAPH



## Games China Plays

If reports from Washington are to be believed, the Clinton administration now has evidence from its own intelligence agencies that China is continuing to help Pakistan build nuclear-capable long range missiles. Latest US intelligence reports disclose that China had stepped up the shipments of special steels, guidance systems and technical expertise to Pakistan. And these reports seem credible because Washington has reacted by sending a high power delegation to make one more effort to persuade China to stop missile proliferation. Convincing Beijing is also important for Mr Bill Clinton: The president has been pushing for permanent normal trade relations with China and the latest findings could make it difficult for him to get support from the Senate. The intelligence reports are also important for India for they would affect the issue of building a national consensus on the Comprehensive Test Ban Treaty. They reinforce the Indian government's view that China is playing a smart nuclear game — Beijing has been professing peace with India while transferring nuclear weapons to Pakistan and using it as a convenient instrument to intimidate us. The United State's attitude to Chinese proliferation to Pakistan is of signal importance to our stand on CTBT, and this might have been discussed during numerous meetings between Jaswant Singh and Strobe Talbott. The reports are also bound to be discussed when the Chinese foreign minister, Mr Tang Jiaxuan, visits New Delhi later this month.

In these circumstances it would be better if the prime minister does not bring up the CTBT issue in the coming monsoon session of Parliament. A nuclear-armed Pakistan affects not only India's security concerns but also poses threats to US interests in West Asia. The US should remember that an important part of Chinese proliferation in the '80s was selling long range missiles to Saudi Arabia. After the Gulf war when the American dominance over Saudi Arabia and the Gulf states was firmly established, China stepped up its proliferation of missile technology to Pakistan. But the US turned a blind eye to China's nuclear romance with Pakistan, because it wanted the latter's support during the Afghan Mujahedin war. Confident of US benevolence, China has gone ahead with its peculiar nuclear commercialism. Indeed, the non-aligned nations in their draft final document in the NPT review conference had expressed concern that certain countries, who are not party to the treaty, will continue to have access to nuclear know-how and fissile material. They called for total and complete prohibition of such transfers. There is little doubt that this was a reference to the China-Pakistan proliferation relationship. But, unfortunately, in the final document this reference was omitted presumably under pressure from the nuclear weapon powers. In these circumstances, China feels that its continuing its nuclear and missile proliferation would have no penalties whatsoever. It is also possible that China's increased proliferation to Pakistan is part of their carefully calibrated response to US supply of arms to Taiwan and the US proposals to deploy a theatre missile defence in East Asia and its National Missile Defence programme. Whatever be the Chinese motivation, there can be no two views that it has adverse consequences for Indian security. In the face of such grave uncertainties surrounding CTBT a national consensus on the treaty had better wait.

**CHANCE TO FLAUNT ECONOMIC MUSCLE GOES ABEGGING**

## China denies India opportunity to hobnob with G-8 countries

Indrani Bagchi  
NEW DELHI 5 JULY

**C**HINA ROBBED India of an opportunity to hobnob with the best and the brightest of the developed world at an informal post-G8 summit at the end of July.

The forthcoming G8 summit at Okinawa, Japan, could have seen a post summit informal meeting between the G8 leaders and leaders of four key Asian economies — China, India, Indonesia and South Korea. It was a first-of-its kind initiative taken at the behest of Japan, the host country.

But China refused to be part of this summit. And since the invitation was on an all-or-nothing basis, India automatically had to stay out.

For India it would have been a feather in the cap, an endorsement of its economic reforms and an acknowledgement of the achievements of its New Economy industries. For China, however, a presence at the post-summit would have been ruinous for their image vis-à-vis the World Trade Organisation (WTO). Therefore, its refusal was

ruled more by their economic future rather than a desire to keep India out of the action, though it will be difficult to convince many of that.

China is negotiating for a membership of the WTO — not as a developed country but as a developing one. In fact, experts argue that this is the biggest sticking point for other countries giving China the go-ahead for WTO. The US and EU in particular have been giving China a hard time regarding its entry status. China's insistence on developing country status is to get the built-in concessions that accrue, which countries like India automatically enjoy.

To be seen as an economy large and powerful enough to be rubbing shoulders with the G8 would have been inconsistent with their projected image as a poor country. China, therefore, put a spanner in the works.

India has been biting back its disappointment, and more so for this government, anxious to secure a place at the global high table.

It is not clear whether the subject will be raised by India

during the forthcoming visit of the Chinese foreign minister, Mr Tang Jiaxuan, at the end of this month.

The disappointment is more acute in the background of India's lobbying efforts to be included in the Association of South-East Asian Nations (ASEAN)-plus-3 informal summits that started last year. India wants the meeting to be ASEAN-plus-4, using its hackneyed argument that no "Asian" summit can be complete without an Indian presence."

The ASEAN-plus-3 was started last year and is still searching for an agenda distinct from the annual ASEAN/ARF (Asean Regional Forum) meetings. It is India's way of attempting a foothold into the Asian economic-political bloc, since it is not a member of either Apec (Asia-Pacific Economic Cooperation) or Asem (Asia-Europe Meetings), both of which now have a moratorium on fresh membership.

India has already pitched for a place at the summit during foreign minister Jaswant Singh's talks with the Singapore leadership last month.

*The Economic Times*

6 JUL 2000

# How the die was cast against Taiwan

**WHEN** Presidents Chiang Kai-shek and Chiang Ching-kuo were in power, in Taiwan from 1949 to 1987, Beijing never suspected them of seeking Taiwan's independence.

Chairman Mao Zedong knew his old rival Chiang Kai-shek too well to think he wanted independence. In his view, the latter's resistance to the mainland was "because he is unwilling to confess being defeated".

The two Chiangs cracked down on independence advocates as harshly as on Communists in Taiwan. Beijing considered the two Taiwan Presidents to be patriotic.

Rather than being against reunification, their close alliance with the USA against Beijing were thought to be because of the need for survival and anti-Communism.

It is now widely known that in the 1950s and 1960s, General Chiang Kai-shek maintained secret channels with Beijing and, many times, he sent his men for secret talks on reunification with Beijing leaders.

From 1956 to 1965, Hong Kong journalist Cao Juren, who had close ties with leaders of both the Chinese Communist Party and the Kuomintang (KMT), made trips between the two sides that resulted in six mutually-agreed conditions for reunification. These were:

- Chiang Kai-shek and his comrades return to the mainland and settle in any province except Zhejiang. He will remain as the leader of Kuomintang.

- Chiang Ching-kuo will be governor of Taiwan province. Taiwan will retain what it has for 20 years but give up rights over diplomatic and military affairs.

- Taiwan will not receive any aid from the USA. Beijing will provide the aid.

- Taiwan's naval and air force will be reorganised into Beijing's control. Its infantry will be reduced to four divisions stationed in Jinmen, Xiamen and Taiwan island.

- Xiamen and Jinmen will be merged as one free city standing between Beijing and Taipei as a buffer and liaison zone.

- The official ranks and salaries of all civilian officials and military officers in Taiwan remain the same.

In a three-part essay on China-Taiwan relations, SHENG LIJUN examines the little-known evolution of Beijing's changing views on Taiwan's independence



Deng Xiaoping, who proposed in the early 1980s the one-country-two-systems formula and Chiang Kai-shek, who maintained secret channels with Beijing in the 1950s and 1960s for talks on reunification. — File photographs

reforms in Taiwan may not be conducted immediately — Taking Chiang Kai-shek's views into consideration.

- Each side should refrain from any behaviour harmful to the unity of the other side.

These proposals were the embryonic forms of the "one country, two systems" formula Deng Xiaoping proposed in the early 1980s.

With the Cultural Revolution of 1966-1976, contact between the two sides ceased. It started again when Deng resumed power of the CCP in the late 1970s. Later, Beijing took many initiatives towards Taiwan for peaceful reunification.

- Beijing will provide financial support to Taiwan's army, government and economy.
- Mainland-style socialist



as claimed by senior Chinese leader Qiao Shi, in a conversation with Professor Wang Chi of US Georgetown University.

Mr Qiao disclosed that Beijing and Taipei had discussed ways to reunify when Chiang Ching-kuo was alive. Chinese sources say Chiang Ching-kuo and Beijing kept secret and informal channels open for contacts for many years in the 1980s. In 1987, he initiated steps for beginning negotiation on reunification. But this process stopped almost as soon as it started. One reason is that he died early the next year.

Second, according to Chinese sources, the Americans intervened. Washington sent CIA officials to see Chiang Ching-kuo. After the CIA officials left, he said

to the people around: "We are still a colony." This American "concern", if it did not terminate the process, must have made him more cautious than before.

While he was trying to contact Beijing, he adopted many steps leading to a thaw in the cross-Strait relations. One of them was to allow people in Taiwan to go to the mainland to visit their relatives. Beijing saw him as doing his bit to prevent Taiwan's independence.

After his death in January 1988, Beijing put its hope on Lee Teng-hui to continue the process, as shown in the two telegrams to Taiwan by then CCP general-secretary Zhao Ziyang.

One hoped "the new Taiwanese leader would continue the recent favourable developments in the cross-strait relations". The second one was addressed to Mr Lee and reaffirmed the hope that he would make efforts at reunification.

China waited expectantly for Mr Lee to send a secret delegation for reunification talks. It never happened.

In mid-1991, the anxious Beijing made an open call for negotiation by issuing a three-point "June 7 Talk" — calling for earlier talks and direct links between the two sides.

At the end of that year, Taiwan informally told Beijing that the legislative and political changes in Taiwan in 1991 made such a secret deal out of the question because of the Democratic Progressive Party's victory in the National Assembly and its successful demand on transparency in the mainland policy and on any deals with Beijing.

It did not respond to the appeal of the "June 7 Talk" until two years later at the first Wang-Koo meeting in Singapore.

At a dinner, Mr Tang Shubei, vice-chairman and secretary-general of China's Association for Relations Across the Taiwan Strait (Arats), asked why Taiwan had not responded to the "June 7 Talk" call. His Strait Exchange Foundation counterpart, Qiu Jinyi, said the proposed talks was on party-to-party basis (CCP versus KMT instead of government versus government). So it could not be accepted. But by the end of 1991, Beijing felt uneasy about Taiwan's position on reunification.

Chinese President Yang Shangkun changed the wording in an internal document from "placing our hope on the government of Taiwan and placing our hope on the people in Taiwan", to "placing our hope on the government of Taiwan but more hope on the people in Taiwan".

Former Xinhua director Xu Jiatusun said he had discussions on the issue with Deng, then Prime Minister Zhao Ziyang and they concluded that Chiang Ching-kuo's rejection of Deng's "one country, two systems" was because of "the loss of face" that would result from Taiwan's government being downgraded to a local government after reunification.

There were no personal relations between Mr Lee and Chinese leaders like that between the two Chiangs and leaders in Beijing. Beijing, therefore, was not sure of his "true self" as it was sure of the Chiangs.

Second, Mr Lee was a native-born Taiwanese (though his ancestral home is in the mainland's Fujian province) and has never lived in the mainland. He may not have the strong personal feelings towards the mainland as the two Chiangs had.

Third, Mr Lee's coolness on reunification talks was mainly because of his anti-Communist ideology.

Fourth, some even thought that Mr Lee could not afford the political price to go too far on the reunification issue because he was still weak compared to other veteran KMT leaders.

Though Beijing was not sure of what Mr Lee would do once he consolidated his position in KMT, they did not want to make a premature judgment.

So Beijing did not try to influence the internal transitional politics of Taiwan in the early 1990s, in the belief that there was no fundamental difference between Mr Lee and Hao Paocun or other KMT leaders who were engaged in a fierce power struggle with Mr Lee for the KMT leadership.

It was seen as purely a power struggle, not a struggle between those who were for Taiwan's independence and those who were against it.

— *Strait Times / Asia News Network*  
(To be continued)

# N. Korean President Kim visits China secretly after 17 years

□ *Train journey suggests that the President has inherited father's fear of flying* *China*

By Harvey Stockwin  
The Times of India News Service

HONG KONG: While Indian President K.R. Narayanan got all the publicity as he visited Beijing this week, his Chinese hosts were almost certainly more worried about the visit of another neighbouring leader who, so far, has had no publicity at all.

For even as President Narayanan was meeting Chinese President Jiang Zemin on Monday, North Korean leader Kim Jong Il was arriving by train in the Chinese capital, the first visit he has made there since 1983. That visit 17 years ago was the last known time that Kim Jong Il ventured outside of North Korea.

The Chinese leadership well understands the reclusive and secretive preferences of the Kim Communist dynasty. While the Jiang-Narayanan meetings were the lead item in China's main TV news bulletin on Monday, Mr Kim's arrival was never mentioned.

Similarly on Wednesday night, while Mr Narayanan's meeting with Prime Minister Zhu Rongji was the second lead item on the news, Mr Kim's meetings with Mr Jiang, second-ranked leader Li Peng and with other members of

the politburo also went completely unreported.

But while China can control what news the Chinese people see or hear, it is less easy for them to completely control what foreign diplomats glean, or what ordinary Chinese tell foreign journalists.

So on Wednesday foreign correspondents, tipped off by a diplomatic leak to a South Korean newspaper, were busy trying to ascertain whether the mysterious Kim Jong Il really was in Beijing.

Some were able to confirm his presence from railway employees who admitted that a special train was proceeding through North-east China towards the Korean border. Reuters reported that there was heavy security on the platform at Shenyang railway station as a special train passed through at 3 a.m. on Wednesday.

Official Chinese spokesmen reluctantly confirmed Mr Kim's presence when they were asked to categorically deny that the North Korean leader was in China—and were unable to do so.

Nevertheless so far the Kim-Jiang summit has gone completely unreported in China and naturally in North Korea, too. Whether the Chinese will at least make some disclosures now that Mr Kim has

returned home—his special train reportedly crossed back into North Korea on Thursday morning—remains to be seen.

The Chinese effort to keep the Kim visit under wraps would have been easier if Mr Kim could have flown to some military airbase near Beijing.

But the one clear cut revelation to emerge from this incident so far is that Kim Jong Il shares with his father, now known as North Korea's Eternal President Kim Il Sung, the same fear of flying. Both Kim Jong Il and Kim Il Sung will only leave North Korea by train.

In the days when North Korea was closer to the Soviet Union than to China, this fact occasionally caused havoc on the Trans-Siberian Railway. On the few occasions that Kim Il Sung went to Moscow, no other train was allowed to pass Mr Kim's special train going in the opposite direction. Regular traffic had to be shunted into sidings.

Possibly the same problems of disruption arose this week as Mr Kim's train moved through North-east China.

But since the Chinese leadership has been trying for a long time to persuade Mr Kim to pay them a visit, the disruption was a price they were willing to pay for a diplomatic breakthrough, two weeks before the first ever summit between Kim Jong Il and South Korean President Kim Dae Jung.

THE TIMES OF INDIA

2 JUN 2000

# China's fresh warning to Hong Kong traders

Hong Kong, June 1

A HONG Kong-based Chinese Government official has warned local businessmen not to trade with firms that support independence for Taiwan, Hong Kong newspapers reported today.

He Zhiming, vice-director of the Central Government's liaison office's Taiwan affairs department, was quoted as saying that businesses that indulged in such trade were "taking a risk".

His comments marked the second time in less than two months that a member of the former Xinhua news agency had issued a warning to Hong Kong people over Taiwan, the Hong Kong I-mal-formerly the Hong Kong Standard-reported.

The official made the remarks in a speech to the Chinese chamber of commerce yesterday, media reports said. "Individual leading business figures have, on the one hand, openly supported Taiwan

independence on the island, and on the other, obtained advantages from their economic activities in the mainland," The South China Morning Post quoted he as saying.

"This is absolutely not permitted. I believe all of you, on listening to these remarks, will know how to choose when seeking Taiwan trading partners," He Zhiming said.

The Hong Kong Government said today that chief executive Tung Chee-Hwa had contacted the director of the central people government's liaison office regarding the matter.

The director had indicated to Tung that the liaison office would not interfere with Hong Kong's commercial activities, the government said in a statement.

"Hong Kong is a well established international financial and commercial centre," the statement said.

"Investors and businessmen operating in Hong Kong are free to choose their business partners," it said.

(Reuters)

THE HINDUSTAN TIMES

JUN 2 1989

## Kim Jong-Il's visit confirmed ✓

**TOKYO, JUNE 1.** North Korea's reclusive leader, Mr. Kim Jong-Il, had held warm meetings with the Chinese President, Mr. Jiang Zemin, this week and showed an "unshakeable will" to develop their friendship, the official Korean news agency said today.

It was Pyongyang's first acknowledgement that Mr. Kim, described as North Korea's "great leader," had paid a three-day visit to Beijing this week.

"Kim Jong-Il had a warm meeting with Jiang Zemin and had talks with him," the Korean Central News Agency said.

"At the talks and meetings, achievements and experience in socialist construction of the two parties and two countries were introduced and an unshakeable will was manifested to further consolidate and develop the traditional...friendship," it said.

"There was an earnest exchange of views on matters of mutual concern, including the international situation and a consensus of views was reached on all the matters discussed," it said.

Mr. Kim had supported a five-point proposal from Mr. Jiang, KCNA said, but gave no details.

The Chinese Government, belatedly confirming the North Korean leader's "secret visit" to Beijing this week, said, "The Chinese Foreign Ministry called in



**The Chinese President, Mr. Jiang Zemin (right), greets the North Korean leader, Mr. Kim Jong-Il, during their meeting in Beijing on Wednesday. — Reuters**

and briefed (South Korean) Ambassador to China, Kwon Byong-Hyun, on it today."

A Ministry official said Beijing officials had explained they were not able to confirm the visit earlier "because of a promise with North Korea" to keep it secret for a while.

"The Chinese Foreign Ministry plans to make an announcement on Kim's visit later this afternoon," he added. The Ministry spokesman did not say what else

was discussed at the briefing.

Mr. Kim reportedly arrived in Beijing by special train on Monday and held secret talks with Mr. Jiang Zemin on Tuesday. He returned to North Korea yesterday.

South Korea's *JoongAng Ilbo* daily, which broke the story of the visit, said that during the meeting Mr. Kim asked for Beijing's stance on the landmark June 12-14 inter-Korean summit to be held in Pyongyang. — Reuters, AFP

THE HINDU

# China provides no clear insights into exchanges with Kim

By Harvey Stokwin

The Times of India News Service

HONG KONG: No sooner did North Korean leader Kim Jong Il's special train return to Pyongyang after his "secret" visit to Beijing, and China set about keeping its promise to have a more transparent diplomacy, by belatedly providing some information about Kim's first journey to the Chinese capital since 1983.

But the big surprise came when the reclusive North Koreans, who had insisted that Kim's trip be clandestine while it was actually taking place, ended up revealing more political information of their communist allies.

Late Thursday and on Friday, Kim Jong Il was seen on China's television news bulletins, greeting President Jiang Zemin effusively in the Great Hall of The People. Pictures showed Kim, being seen by the wider world for the first time since he took over power after the death of his father Kim Il Sung in 1994, talking animatedly across a table at the formal consultation with Jiang. Kim was accompanied by some of his top advisers, from the Korean military and the Workers Party. North Korea's foreign minister did not accompany his leader.

Other pictures showed Kim,

dressed in a smart blue Mao-style tunic striding through the offices and factory of one of China's leading computer-makers. Officials of the company had denied that the visit had taken place only two days earlier. On Friday morning and coloured pictures of Kim shaking hands with Jiang were on the front page of many Chinese newspapers. The reports stressed Jiang's approval and support for the first-ever pan-Korean summit between Kim and South Korean President Kim Dae Jung in Pyongyang June 12 to 14. They also mentioned Kim's thanks for Chinese economic aid to North Korea.

Subsequently while no clear insights were provided into the political exchanges between the Chinese and their unpredictable ally, some interesting items were reported overseas from anonymous Chinese sources. Kim had evidently requested an earlier summit, provided it was completely secret, both during and after it took place. The Chinese turned this proposal down, agreeing only to secrecy while the trip was on.

Kim, long rumoured to have been something of a playboy in his younger days, was reported as telling Jiang Zemin that he has completely given up smoking, and now only drinks a little wine.

THE TIMES OF INDIA

8 JUN 2000

## 140-16 **China rejects Taiwan call** ref 6

**BEIJING, JUNE 20.** China ignored the Taiwan President, Mr. Chen Shui-Bian's call for a summit between the two Cold War rivals today, merely reiterating its longstanding demand that Taipei embrace its one-China policy. "We demand that Taiwan's leadership recognise the principle that there is one China and Taiwan is a part of China," the Foreign Ministry spokesman, Mr. Zhu Bangzao, said. "Under this precondition anything can be discussed," he said in answer to a question about Mr. Chen's summit proposal.

Mr. Chen, in a news conference marking his first month in office, called on the Chinese President, Mr. Jiang Zemin, to "rewrite history and create history" with a summit along the lines of last week's historic meeting between the leaders of North and South Korea. Mr. Zhu

repeated Beijing's insistence that Taiwan embrace the "one China" principle before frozen semi-official talks can be resumed. The principle states that there is only one China, of which Taiwan is an inseparable part.

Mr. Chen said the summit could be held in any form or place and should not be restricted by preconditions. Mr. Zhu also poured cold water on Mr. Chen's suggestion that there was room for more U.S. participation in improving Taiwan-China relations. "The Taiwan issue is entirely China's internal affair and China is fully capable of handling it without interference from outside," he said.

He repeated China's demand that the U.S. halt arms sales to Taiwan and refrain from official contacts with the island's Government. — Reuters



# China, Iran for more trade

PRESS TRUST OF INDIA

BEIJING, June 24. — China and Iran have called for enhancing their economic and trade ties to further improve relations between the two countries, the state media reported today.

The suggestion came up yesterday during talks between the Chinese Prime Minister, Mr Zhu Rongji, and the visiting Iranian President, Mr Seyyed Mohammad Khatami.

Mr Zhu said economic and trade relations between China and Iran have seen rapid development in recent years, and the sphere and scale of cooperation have expanded. "Iran has become an important trade partner for China in the

Gulf, and there are still broad prospects for further cooperation."

Mr Khatami, who is leading a 170-member team, said both Tehran and Beijing are now devoted to their national economic development. "The cooperation between the two countries in the economic and trade field have great potential along with broad prospects for cooperation in fields such as oil, natural gas and transportation."

Iran warmly welcomes Chinese enterprises to participate in its economic construction, he said.

On diplomatic ties between the two countries, Mr Zhu said: "The Sino-Iranian relations have witnessed consistent and steady development under the care of leaders of both countries."

THE STATESMAN

25 JUN 2000

# China seeks tough line on immigrants

China (W) 110-12 25/6

**BEIJING, JUNE 24.** China has called on Britain to mend "flaws" in its legal system which make it easy for illegal immigrants to apply for political asylum.

"Criminal gangs, taking advantage of flaws in certain countries' laws, often get would-be immigrants to apply for political asylum in their target countries, and often succeed," a Foreign Ministry spokesman told *The China Daily*.

Hong Kong's Beijing-friendly *Ming Pao* newspaper accused London of interpreting United Nations refugee covenants less strictly than any other E.U. member state.

It also claimed that Britain had still to establish a system for sending Chinese illegal immigrants directly home, while America and Canada had repatriated more than 1,000 Chinese migrants since last year.

"That is why the UK has become the Chinese illegal immigrants' first choice in Europe," the paper said in an editorial.

Last Sunday night, 58 Chinese illegal immigrants were found dead in the back of a lorry in the English Channel port of Dover after their air supply ran out. Two others survived.

The first ever British Government immigration fraud expert to be posted to Beijing, who arrived three months ago, said that migrants arriving in Europe were ve-

ry different from the boatloads of illegal Chinese seen reaching the shores of Australia and Canada in recent years.

"We have seen ships smuggling people out of China illegally to Canada and Australia. But it's much easier to make the first 4,000 mile leg by air to the old Iron Curtain bloc, on a genuine Chinese passport. The vast majority of migrants who reach Western Europe leave China perfectly legally."

The British official described the frustration of watching parties of 30 or more would-be migrants leaving Chinese airports, ostensibly bound for holidays in countries with easy visa regimes, notably Yugoslavia.

To reduce such abuses, China is on a special list of about 15 countries whose citizens need visas even to change planes in Britain, without leaving the airport. However, this only prevents the rare few trying to fly directly to Britain.

But the Home Office in London denied Britain was a "soft touch". A spokesman said 7,650 unsuccessful asylum applicants had been removed from the country last year. — ©Telegraph Group Limited, London, 2000

## 26 found in tanker

Twenty-six illegal Chinese immigrants were discovered in Croatia hiding inside a tanker truck, the Croatian press reported from Zagreb today.

25 JUN 2000

# China opposes anti-ballistic missile treaty amendment

BEIJING: China has warned the United States against seeking absolute military advantage over the rest of the world by attempting to amend the anti-ballistic missile (ABM) treaty of 1972, the official media reported on Friday.

Though the U.S. has said it wants to revise the ABM treaty to protect itself from "missile threats" of so-called rogue states, the real reason for the U.S. insistence is to seek an absolute military advantage over the rest of the world, China's top disarmament official Sha Zukang said.

Sha, director-general of the Chinese foreign ministry's department of disarmament and arms control told Xinhua news agency that China opposes any revision of the ABM treaty.

"It is a clear and steadfast stand," he stressed while accusing Washington of selfishness in pressing Russia to agree to amend the ABM treaty.

The U.S. plan to develop the missile defence system will greatly improve U.S. strategic nuclear facility capabilities in both offense and defence. The national missile defence (NMD) system would also serve as a kind of "amplifier" to the U.S. offensive forces and nullify the progress made in U.S.-Russia bilateral nuclear disarmament, Sha said.

If the U.S. succeeds in its attempt to revise the treaty, an arms race in space would be inevitable, Sha said, stressing that the U.S. views the missile defence system as an important part of its plan to control space.

Under the U.S. plan, part of its missile defence system will be deployed in space and be targeted at space objects; and the other part of the system will be based in space for providing target and navigational information for ground weapons systems, he said.

If the plan is carried out, space will become a new weapons base and battlefield, he said, stressing that other big powers will not sit and look on unconcerned.

Pointing out that the ABM treaty remains the cornerstone for global strategic balance and stability, Sha said revisions of treaty would undermine the global

strategic balance and stability, and seriously affect international peace and security.

He said the ABM treaty between the U.S. and Russia, which restricts development and deployment of any national ballistic missile defence system, safeguards the relative strategic balance and stability among the U.S., Russia and other nuclear weapons states.

Once the international strategic balance and stability is destroyed, the global strategic structure will definitely undergo major changes, Sha said.

As a result, Sha said, the unilateral bent and military daring of American foreign policy will become more prominent, and other big powers will act in response, creating an even more unpredictable international situation.

He noted that in the joint statement following the U.S.-Russia summit meeting days ago, said, both sides reconfirmed the treaty has played an indispensable role in the process of nuclear disarmament and should be observed. Any revision of the ABM treaty will seriously hinder nuclear disarmament, Sha said.

He said Russia has stated clearly that it would withdraw a series of arms control agreements if the U.S. breaks the ABM treaty.

Should that happen, he said, the success of U.S.-Russia bilateral nuclear disarmament will be ruined, and the multilateral nuclear disarmament process will be hobbled as well, Sha said.

On the U.S. theatre missile defence (TMD) system, Sha said the system jointly initiated by the U.S. and its allies in the Asia-Pacific region goes far beyond the legitimate defence needs of those countries.

He emphasised that China was adamantly opposed to attempts by any country to include Taiwan in the TMD system in any form. Inclusion of Taiwan into such a system seriously infringed on China's sovereignty and territorial integrity, and was a gross interference into China's internal affairs—something that the Chinese people would never allow, he said. (PTI)

# China maintains hawkish attitude on Taiwan: minister

TAIPEI: Taiwan's new defence minister on Tuesday said China's military had taken a hawkish stance towards Taiwan's president Chen Shui-bian and his pro-independence party, though its politicians were more rational.

"The Chinese Communist military has maintained a rather tense attitude during this period," minister of national defence Wu Shih-wen told reporters in his first press conference since taking office on May 20. "But people in political circles are relatively rational and want to resolve cross-strait issues through peaceful means," he said.

Mr Wu dismissed recent threats by China's military as old hat: "It has been their persistent position that they will attack if Taiwan declares independence."

A hard-line commentary in China's main army newspaper on Tuesday warned that separatists in Taiwan's new government would be "buried in a sea of fire", while a leading Beijing newspaper urged Taiwan to join the mainland and extolled the "10 merits of peaceful reunification".

By joining up with the Communist mainland, Taiwan could enjoy the prestige of a superpower, save money on defence and diplomacy and save itself from the predation of global imperialism, the *People's Daily* said in a signed commentary on Tuesday.

Taiwan's defence ministry said

the People's Liberation Army, which is conducting artillery drills off the south-eastern province of Fujian, did not conduct firing exercises in recent days.

The ministry has repeatedly said the week of exercises, scheduled to finish on May 31, were normal and posed no imminent threat.

Responding to a question about the likelihood of China taking Taiwan's small outlying islands of Quemoy — also known as Kimen — and Matsu, Mr Wu said the islands were heavily fortified and the Communist forces would pay a heavy price if they tried.

While Mr Wu said China's Dong Feng-9 and Dong Feng-11 missiles posed the biggest threat to Taiwan though "political considerations" were likely to reduce Taiwan's chances of joining the U.S. theatre missile defence, and anti-missile umbrella extended to Washington's Asian allies.

"We need to build our own anti-missile defence capability," he said.

Mr Wu did not directly confirm local media reports that Taiwan planned to test fire its U.S.-made Patriot surface-to-air missiles in September 2001, but indicated the initial U.S. response to Taiwan's testing plans was positive. Taiwan's military was less enthusiastic about the new administration's pledge to lift a decades-old ban on direct trade, transport and postal links with the mainland. (Reuters)

THE TIMES OF INDIA

3 MAY 2001

# China cautions Denmark on Tibet, Dalai Lama issues

PRESS TRUST OF INDIA  
BEIJING, MAY 9

CHINA today confirmed that Premier Zhu Rongji has asked visiting Danish Prime Minister Poul Nyrup Rasmussen to prudently handle the vexed Tibet issue which it said might affect bilateral ties between the two nations.

Briefing reporters on the talks between Zhu and Rasmussen here yesterday, Chinese foreign ministry spokesperson Zhang Qiyue said

the two leaders held candid exchange of views on a range of issues, including the Tibet issue and the question of Dalai Lama, with whom the Danish Prime Minister is scheduled to meet next week.

The Chinese side expounded its position on Tibet and the question of Dalai Lama, Zhang said at a ministry briefing here today without saying whether Rasmussen has agreed to cancel his meeting with the Dalai Lama.

She said that Premier Zhu hoped that the

Danish side would not do anything that would undermine Sino-Danish relations.

"The Chinese side expressed the hope that the Danish side would prudently and properly handle the Tibet issue so as to enable the normal development of Sino-Danish relations", she said. The Chinese foreign ministry had earlier asked the Danish government to cancel the proposed meeting between Rasmussen and Tibet's exiled spiritual leader, the Dalai Lama in Copenhagen on May 21.

INDIAN EXPRESS

10 MAY 2000

## *China opposed to outside intervention in Sri Lanka*

BEIJING: China has expressed concern over the developments in Sri Lanka and said it was against any outside intervention in the strife-torn island nation, Chinese foreign ministry said here on Wednesday.

Expressing concern over the battle in Jaffna between Sri Lankan government forces and the LTTE, Chinese foreign ministry spokeswoman Zhang Qiyue said China was of the view that Sri Lankans should handle the situation themselves.

"We are very much concerned about the situation in Sri Lanka and are confident that the government and people of the country have the capacity to handle their own questions properly," Zhang said.

She however did not comment when asked whether Sri Lanka had requested military and other assistance from China.

Diplomatic sources meanwhile said that Beijing was closely keeping a watch on India's response to the situation in Sri Lanka.

The state-run Chinese media also gave prominent coverage to India's decision not to send any troops to the strife-torn island. (PTI)

THE TIMES OF INDIA

11 MAY 2000

# China, Philippines accord on Spratlys

By P. S. Suryanarayana

**SINGAPORE, MAY 18.** The Philippines and China, entering into a framework agreement on bilateral cooperation in the 21st Century, have decided to settle their dispute over the Spratlys in a spirit of "good neighbourliness." This was disclosed by the Philippine President, Mr. Joseph Estrada, in Beijing on Wednesday during his current official visit to China.

According to Mr. Estrada, the Philippines and China would endeavour to settle the Spratlys question in accordance with the principles of international jurisprudence including the Law of the Sea. Manila has also reaffirmed its adherence to a one-China policy. While there is nothing new in the latest accord between the Philippines and Chi-

na, the real significance lies in the fact that Beijing has been enlarging the geopolitical scope of its network of new agreements with South East Asian countries for cooperation with each of them in the 21st Century. The first such agreements was signed more than a year ago.

For Manila, however, and more especially Mr. Estrada, a diplomatic equation for a new modus vivendi with Beijing, as indicated at present, will be an immensely important confidence-building measure. Mr. Estrada had, in the recent past, pointed to China as the bogeyman of the region while pushing his country back into the U.S.'s geostrategic embrace. Bilateral cooperation with China in spheres such as science and technology and the farm sector has also been agreed to now.

THE HINDU

19 MAY 2000

# China, E.U. reach trade deal

CELEBRATE  
110-16  
BEIJING, MAY 19. China and the European union today finally reached a market access deal that removes the last major hurdle to China's entry to the World Trade Organisation.

After five days of talks in Beijing in the fourth round of negotiations this year, the deal was signed by the E.U. Trade Commissioner, Mr. Pascal Lamy, and the Chinese Trade Minister, Mr. Shi Guangsheng. The two shared a champagne toast to celebrate the end of marathon negotiations that took China to the brink of success in its 14-year quest to join the body which sets global trade rules. Details of the agreement were not immediately available.

The champagne followed an intense day of negotiations and the personal intervention of the Premier, Mr. Zhu Rongji, long keen to open up China's potentially vast market of nearly 1.3 billion people to put competitive pressure on stagnant state industries to reform.

Mr. Zhu met Mr. Lamy for an hour at lunch time, then the E.U. chief negotiator went back for more talks with Mr. Shi which finally wrapped up a deal. Neither side has yet revealed where the difficulties lay, but one source close to the talks said on Thursday disputes remained on mobile telecommunications services, automobile joint ventures, life insurance, distribution and retail services and on China's state trading monopolies.

Progress in the talks appeared painstakingly slow, with Mr. Lamy determined to take home a better deal than the one Washing-

ton agreed with China in November and Beijing equally determined to go no further than it did with the United States.

The German business magazine *Wirtschafts Woche* quoted Mr. Lamy as saying Beijing would not concede that European firms be allowed to take majority stakes in Chinese mobile phone and car ventures. Mr. Shi was "like a wall" on the issue, Mr. Lamy was quoted as saying.

Mr. Lamy made plain he wanted to achieve a better deal than the U.S. won, an agreement which the E.U. says covered about 80 percent of its concerns. But Chinese negotiators, accused by some powerful Beijing Ministries of giving far too much away to the Americans, made equally plain they believe the U.S. deal was as far as they could go.

The success of the Sino-E.U. talks may help the U.S. administration of the President, Mr. Bill Clinton, as it feverishly tries to round up votes in Congress to approve permanent trade benefits for China.

The legislation, hotly opposed by many labour unions and some of Mr. Clinton's own Democrats who dislike China's human rights and labour records, faces a do-or-die vote in the House of Representatives next week.

The administration says Congress must give up its annual review of China's trade status — which provides an opportunity to lambast China over human rights and other issues — and permanently normalise trade to lock in the benefits of the November deal. — Reuters

INTERNATIONAL

20 MAY 2000



China

## CHINA AND THE WTO

H9-12  
08/15

WITH THE EUROPEAN Union clinching a trade agreement with China, the decks have been cleared for Beijing's entry into the World Trade Organisation (WTO), probably before the year-end. Only five out of the 136 WTO members have yet to wrap up a deal with China and endorse its entry into the rules-based world trade body. Though a couple of the hold-outs such as Switzerland and Mexico could cause some headache for Beijing, it is now almost certain that WTO membership will be only a formality. Late last year, the U.S. signed an agreement with China and signalled a breakthrough in protracted negotiations and opened the doors for China. The E.U. took five months of hard bargaining to sign up last week, removing a major obstacle in Beijing's bid to enter the WTO. It is an irony that the world's most populous country and one of the fastest-growing economies should be out of the WTO and hence not bound by any of its rules or agreements. Though it was in every country's interest to get Beijing on board, they all wanted to drive a hard bargain on a bilateral basis before finally endorsing China's membership of the Geneva-based WTO.

Though Beijing was keen on joining the WTO and prepared to make some extra concessions to the E.U. to clinch this deal, it can create problems on the domestic front. The pro-reforms Premier, Mr. Zhu Rongji, stepped in at the eleventh hour to sort out the hurdles with the E.U.'s Trade Commissioner, Mr. Pascal Lamy, in much the same way that he did with the U.S. negotiators. Mr. Zhu has already been criticised by conservatives within China's communist party for giving away too much to Washington and now to Brussels. What they have failed to realise is that entry into the WTO can be a mutually-beneficial arrangement for all its members. To become part of that apex trade body, every economy has to open up and loosen the controls. There has to be a time-bound trade liberalisation arrangement, ending state mo-

nopolies, cutting down on tariffs and non-tariff barriers and allowing foreign companies in all sectors. Accordingly, China had to open up its telecommunications and financial sectors, though in a phased manner. But once it joins the WTO, there can be no going back. The sensitive areas of insurance, internet, agriculture and automobiles too will have to be opened up to foreign investors with a cap on ownership. The U.S. House of Representatives has voted in favour of granting permanent MFN status to China, doing away with the 20-year-old annual review.

It is now a matter of time before China and Taiwan become members of the WTO, just as they are members of the Asia Pacific Economic Cooperation (APEC) forum. That should provide an interesting twist to the cross-straits relationship, which has entered a critical phase with the swearing-in of Mr. Chen Shui-bian as the new Taiwanese President. Though Taiwan may be granted only a 'Customs State' status in the WTO, it could open the way for increased interactions and ultimately establishing a suitable mechanism to open negotiations on possible integration in the medium or long term. By getting into the WTO, China will also be subject to the dispute settlement mechanism and all rules of the game. All Beijing's moves can be questioned. It is a sad reflection on the WTO not to have a 1.2-billion-strong nation, whose economy has grown at about 8 per cent for nearly a decade and which exports nearly \$ 200 billion worth of goods and services annually, as its member. East Asia has shown it may be wiser to engage and encourage China to play a responsible role on the global stage, instead of trying to contain or confront it. As China becomes an economic superpower over the next two decades, it must also grow into a responsible player in international relations. Joining the WTO will be part of that process.

31 MAY 2000

31 MAY 2000

# PLA renews threat to Taiwan

PRESS TRUST OF INDIA

BEIJING, April 4. — The People's Liberation Army has, after a lull of two weeks, resumed its threat to retake Taiwan by drastic means if the island declares independence.

The Taiwan issue cannot be dragged on indefinitely, General Zhang Wannian, Central Military Commission vice-chairman, said.

Restating the Chinese Army's resolve to retake Taiwan by force in case the island goes ahead on the road of independence, Gen Wannian said, the PLA would not allow Taiwan's separation in any form.

If a grave turn of events leads to Taiwan's separation from China, or if Taiwan is invaded and occupied by a foreign country, or if the Taiwan authorities refuse sine die the peaceful settlement of cross-straits reunification through negotiations, the Chinese government will be forced to adopt all drastic measures possible to smash any splittist attempt, he said.

China views Taiwan as a rebel province that must be reunified with the Mainland at an early date.

On pro-independence candi-

date Mr Chen Shui-Bian's victory in the 18 March presidential polls in Taiwan, Gen Zhang said, "no matter who has taken this position, he cannot change the historical fact that Taiwan is a part of Chinese territory, and cannot lead Taiwan to independence."

The Chinese government cannot allow "independence of Taiwan" in any form, and the "one-China" principle is unshakeable, he said.

"Peaceful reunification and one-China, two systems" are the Chinese government's basic guidelines for solving the Taiwan issue, Gen Zhang said, but China will not renounce the use of force.

Beijing will pay close attention to Mr Chen's inauguration speech on 20 May when he takes over the presidency of Taiwan. China wants to know whether the Democratic Progressive Party leader states clearly the "one-China principle" in his speech, Mr Chen Yunlin, director of Taiwan affairs, said.

China has asked all its diplomatic allies not to send representatives to Taipei for the inauguration speech.

THE STATESMAN

APR 7 1950

# China downplays spurt in military ties with Israel *China (1)*

PRESS TRUST OF INDIA  
BEIJING, APRIL 5 *9/2*

CHINA has refused to confirm purchase of advanced radar systems from Israel and downplayed the increasing Sino-Israeli military ties as normal.

Replying to a volley of questions on Sino-Israeli military relations, foreign ministry spokesman Sun Yuxi yesterday said the relations between the armed forces of the two countries were normal under state-to-state bilateral ties.

Asked specifically on China acquiring Israel's advanced radar systems, Yuxi side-stepped the ques-

*6/9*  
tion first and then told journalists he was not aware of specific details of any military deal between China and Israel. US Defence Secretary William Cohen has criticised Israel's sale of radar systems to China as 'counter-productive', particularly given the tensions between China and Taiwan. "The US does not support the sale of this type of technology to China because of the potential of changing the strategic balance in that region," Cohen said on Monday after meeting with Israeli Prime Minister Ehud Barak.

Meanwhile, Israeli Ambassador to China Ora Namir can-

celled her press conference scheduled for tomorrow citing unforeseen schedule changes.

Diplomatic sources said the cancellation may be due to the controversy over Israeli-Chinese military relations ahead of Chinese President Jiang Zemin's state visit to Israel later this month.

Commenting on Jiang's trip, Yuxi said "Friendly relations of cooperation between China and Israel are in the fundamental interests of both peoples, and conducive to regional peace as well."

Sun said Sino-Israeli relations of cooperation were based on the principles of mutual respect.

INDIAN EXPRESS

6 APR 2000

# China steps up heat on Taiwan's new leaders

REUTERS

BEIJING, April 8. -- China's state media today blasted Taiwan's vice president-elect as a separatist as Beijing intensified its condemnation campaign against the island's newly elected government.

A day after the Chinese Cabinet called Ms Annette Lu an "extremist" and "scum", the Xinhua news agency confirmed that Communist authorities have abandoned their wait-and-see stance towards Mr Chen Shui-Bian's incoming administration.

Ms Lu "exposed her true hideous face of a pro-Taiwan independence element" when she told Hong Kong media that Taiwan and the Mainland are geographically close but history has made them distant relatives, Xinhua news agency said. The state council's Taiwan affairs office yesterday described Ms Annette as an "extremist and typical Taiwan independence element".

(Ms Lu "has challenged the 'one-China policy' and provoked animosity between the people on both sides of the Taiwan straits," according to a joint statement issued by the state council's Taiwan affairs office and the Chinese Communist Party's oil Taiwan work office, adds PFI

("No matter who becomes the leader of Taiwan,

the fact that it is a part of China can never be changed," the statement said, "we will fight to the end against whoever sticks to the position of 'two states' and 'Taiwan independence'."

A spokesman of the Beijing-based Association for Relations across the Taiwan Straits -- which negotiates with Taiwan in the absence of direct bilateral diplomatic contacts -- also called Ms Lu "the disgraceful face" of Taiwan independence.)

The blunt attack against Mr Chen and his pro-independence Democratic Progressive Party, six weeks before its 20 May inauguration, ends a moderate stance that won China international praise since last month's polls in Taiwan. The harsh attacks provide fresh ammunition for critics of Beijing in the US Congress debate over whether China should be granted permanent Normal Trade Relations status as part of the country's accession to the WTO.

The *Liberation Army Daily* yesterday warned Mr Chen to "think carefully". "The one-China principle is not a 'topic' but a premise for the cross-straits talks and negotiations," the military newspaper said, dismissing Mr Chen's terms of contact between Taiwan and China.

Beijing demands that Mr Chen embrace the "one China" policy -- that Taiwan and the Mainland are parts of a united China -- as a precondition for cross-straits ties.

THE STATESMAN

APR 9 1996

# China flexes muscles on world stage as Jiang visits five states

AGENCE FRANCE PRESSE  
BEIJING, APRIL 11

CHINESE President Jiang Zemin sets off on a five nation tour Wednesday taking in the Middle East, Europe and Africa to push China's attempts to counter Western control of world affairs.

Jiang starts his latest foray with the first ever visit to Israel by a Chinese leader between April 12 and 16 just as the United States is voicing deep concern about Chinese-Israeli military cooperation. During the stay, he will also make a brief trip to the Palestinian territories and hop across the border to Egypt for a summit with President Hosni Mubarak in the Port of Alexandria.

From the Middle East, Jiang will head to Turkey and then Greece between April 21 and 24,

before making the first ever trip by a Chinese President to South Africa between April 24 and 27.

Professor Lau Siu-kai, a foreign policy expert at the Chinese University in Hong Kong, said the trip could be seen as part of China's ongoing efforts to build consensus against Western domination. China was unnerved by NATO's military action in Kosovo last year in the name of human rights, bypassing the veto of Russia and China in the United Nations Security Council, he said.

Jiang's trip to South Africa follows former South African President Nelson Mandela's visit to Beijing last year, and precedes a meeting of African ministers in Beijing in the autumn. The October meeting of African foreign and economic ministers is seen as an attempt by Beijing to boost Sino-

African economic and political cooperation and cement China's leading position among developing nations.

"The foreign policy of China is simple, to try to build a multi-polar world free of domination by the United States and the West," Lau said. "On the one hand, he is trying to raise China's profile on the world stage following the end of the Cold War while at the same time, pushing respect for the medium of the United Nations," he added.

While Jiang's discussions in the Middle East will cover the region's troubled peace process, Lau said China did not have the clout to be a major player. In Israel, discussions are also set to cover the growing and secretive military relationship between the two countries worth billions of dollar.

INDIAN EXPRESS

11 APR 2000

# US pressure clouds Jiang's Israel visit

1-4 14/4  
Jerusalem, April 13 (AP): Cementing ties forged in secret nearly two decades ago, Chinese President Jiang Zemin is touring Israel on a historic visit overshadowed by US pressure to cancel a lucrative Israeli-Chinese arms deal.

The high-profile recognition of the Jewish state by one of the world's major powers has Israel caught between its strongest ally and a powerful new friend.

Prime Minister Ehud Barak welcomed Jiang less than 24 hours after meeting at the White House with US President Bill Clinton, who urged the Israeli leader to cancel the planned sale of a sophisticated airborne surveillance system to China.

Clinton expressed deep displeasure and warned that the deal, potentially worth \$2 billion, could undermine Israel's standing in the US, said an Israeli official who attended Tuesday's White House summit.

However, Israeli deputy defence minister Ephraim Sneh said Israel was committed to selling at least one surveillance plane to China, which reportedly has the option to order three to seven more.

Israeli officials have suggested that after the first plane is delivered, the deal could be frozen indefinitely to appease the US. Sneh



Jiang in Israel. (AFP)

scoffed at US complaints that the sale could upset the military balance in Asia and pose a threat to Taiwan.

Israel's arms sales to China date back to secret deals in the early 1980s, well before the two countries established diplomatic relations in 1992.

Jiang, who is on a six-day trip, is the first Chinese President to visit Israel. Jiang also plans to visit the Palestinian territories on Saturday and meet Yasser Arafat.

Today, he visited the Yad Vashem Holocaust Memorial and

paid tribute to the 6 million Jews who perished in the Nazi genocide in World War II. "In memory of the Jewish victims who suffered in the second World War," Jiang wrote in the Yad Vashem guest-book.

Wearing a black skullcap in deference to Jewish custom, he also laid a wreath of red and yellow flowers before an eternal flame in Yad Vashem's Hall of Remembrance, which has the names of death camps engraved in the floor.

The Chinese leader is particularly interested in Israeli agricultural technology and will tour farms in southern Israel. A planned visit to Israel Aircraft Industries, which is outfitting a Soviet transport plane with the new airborne surveillance system for China, has reportedly been cancelled to avoid drawing more attention to the deal.

Barak faces a difficult dilemma over the sale. He needs Clinton's goodwill at a critical stage in the peace talks with the Palestinians and for a planned Israeli withdrawal from Lebanon, due by July.

However, with unemployment at a high, Barak also has to protect Israel's defence industry, for which China has emerged as a major client.

THE TELEGRAPH

14 APR 2001

# Taiwan independence means war: PLA

Beijing, April 15

THE CHINESE Peoples Liberation Army (PLA) today warned Taiwan's new leadership that their attempt to gain independence would end in war and disaster for the Taiwanese people.

"Taiwan independence means war," PLA's mouthpiece *The Liberation Army Daily*, said warn-

ing the pro-independence Taiwan leaders, who won the March 18 polls in the island, which China views as a rebel province that must be reunified with the mainland at an early date.

"Annette Lu, Taiwan's Vice-President-elect, takes for granted that the Taiwan election can change the reality that Taiwan is a part of China, and yet she has

ignored the fact and is pursuing a road to Taiwan independence that leads to a dead end," the daily said.

Anyone who pays no heed to this important information from us and insists on Taiwan independence

will push Taiwan into the abyss of war and bring disaster to the Taiwan people, the daily warned.

"We warn anyone who advocates Taiwan independence, including

Lu, that the outgoing Taiwanese President Lee Teng-Hui's separatist stance will lead to a dead end," said the article in the daily refuting Lu's recent pro-Taiwan independence remarks.

It noted that Lu's fallacious remarks had the same aim as Hui's "state-to-state relations" remarks, both attempting to challenge the one-China principle. (PTI)

THE HINDUSTAN TIMES

APR 20 1996

5-1-8  
5/1/8  
NOT SO EASY  
Chinese pressure on Taipei

THE question on everyone's mind is whether there is going to be a radical reformulation of Sino-Taiwanese relations after President-elect Chen Shui Bian's inauguration in May. The verbal skirmishing which began immediately after former President Lee Teng-hui's unofficial visit to the US in 1996 continues, but also a distinct international status for Taiwan, if not complete independence, has begun to look like a serious proposition. The question is no longer situated within the realm of Chinese paranoia on sovereignty, even though the latest PLA reaction to Taiwan's Vice-President designate Annette Lu's remarks that Taiwan has "independent sovereignty", may look like knee-jerk rhetoric. Taiwan behaves as if it enjoys *de facto* independence, which it does. Immediately after his re-election, Chen said he was willing to talk to China about anything, including One China, without pre-condition. In other words, the terms of the dialogue have to be settled between bilaterally and freely which is what China refuses to recognise. Chen has also invited the Dalai Lama to attend his inauguration, symbolic solidarity with a country which does not wish to be ruled by Beijing. Chinese reaction was furious.

The PLA spews venom, but militarily things are quiet. That may be due to US pressure. There is a permanent normal trade relations bill, crucial for China's entry into WTO, held up in Congress that the Americans may be using, along with their fleet in the Pacific, to prevent Chinese bellicosity from getting out of hand. But, diplomatically, the Chinese are not twiddling their thumbs. All foreign ambassadors in Beijing were summoned and asked not to congratulate Chen, or to attend his inauguration or extend official invitations. Taiwan's resolve to maintain a quasi-independent posture is directly proportionate to hardline pressure from the mainland: the Chinese do not understand this. This, despite threats of war are being taken very seriously in Taipei. Each mainland manoeuvre to reinforce the "renegade province" status will elicit a Taiwanese counter-gesture aimed at asserting a separate identity. Taiwan forms a part of the Pacific Rim economic zone, along with South Korea and Japan, and its trading ties are more diversified and important than China's, even though volumes, in terms of trade and direct foreign investment, may be bigger for the mainland. Its strategic worth is incontestable and, therefore, a whole network of interests converge to guarantee its security. The Chinese talk tough, but they know that if they try to take Taiwan by force, all hell will break loose. Chen is likely to proceed on this assumption.

THE STATESMAN

25 APR 2000



# China cracks down on Falun Gong

*China*  
*10*  
**BEIJING, APRIL 25.** China today defended its crackdown on the banned Falun Gong spiritual movement just hours after police forcibly detained about 100 followers for trying to stage a sit-down protest in Tiananmen Square

The protests marked the anniversary of the first mass demonstration by more than 10,000 Falun Gong practitioners in central Beijing, the biggest protest in Tiananmen in a decade. Uniformed and plainclothes security agents swooped on practitioners who sat down on the pavement and assumed the lotus position early today, while others tried to unfurl protest banners on the

windswept square, eyewitnesses said.

*26A*  
Authorities dragged the protesters into about 10 white police vans stationed on the plaza and drove them to an unknown location. Another witness saw a busload of would-be protesters a few hundred metres from Tiananmen who apparently were intercepted by authorities before they had reached the square. Police also detained about eight foreign journalists who witnessed the crackdown, they said.

"Our struggle to combat the Falun Gong cult has registered a success," a Foreign Ministry spokesman, Mr. Sun Yuxi told a news briefing today. — DPA

**THE HINDU**

26 APR 2000

# Chinese army threatens war if Taiwan attempts to separate

BEIJING: The Chinese army on Tuesday warned Taiwan's pro-independence politicians that their attempts to separate the island from the mainland would certainly mean war.

Any attempt by Taiwanese separatist forces to separate and seek independence threaten the sovereignty and territorial integrity of China, an article in China's army newspaper *People's Liberation Army Daily* said.

It said the PLA will spare no efforts to fight for the sovereignty and territorial integrity of the motherland.

Warning Taiwanese President Lee Teng-Hui and others, the paper said that the PLA would take resolute measures against separatist activities in Taiwan, which China views as a rebel province that must be reunified with the mainland.

The rhetoric comes ahead of the March 18 presidential polls in Taiwan, which China says is a local election.

The army newspaper had on Monday warned the U.S. that it would pay a heavy price for any military intervention over Taiwan.

It also boasted that China had the weapons to launch a counter-attack on the United States. China last year tested the DF-31 nuclear capable intercontinental ballistic missile that could hit targets in the U.S.

If they get involved, the American policy makers will have to consider the pressure they will shoulder and the costs they will pay, deputy director of Strategic Research Institute at the University for National Defence Zhu Chenghu said.

"China is not Iraq, nor Yugoslavia ... She is a country

with certain strategic attack capabilities and long range attacking capabilities. So it would not be wise to fight against a country like China," Zhu warned.

The warning coincided with the ongoing visit by the commander of the U.S. Pacific Forces, Admiral Dennis Blair. Admiral Blair is holding talks with senior Chinese military officials on sensitive issues affecting US-China relations, especially the Taiwan question.

Tension over the vexed Taiwan issue has been steadily growing since China last week issued a white paper

on the Taiwan issue, warning the island that it would face military action if it continued to reject reunification process through dialogue.

Prior to the 1996 elections in Taiwan, China conducted large-scale military exercises and lobbed missiles off Taiwanese waters in a clear attempt to intimi-

date and influence Taiwanese voters.

Alarmed by Chinese actions, the United States responded by sending two naval battle carrier groups to the Taiwan Straits. Though the presence of U.S. warships ended the provocative Chinese military exercises, it roused anti-US feelings within the Chinese military brass.

Meanwhile, the *Peoples Daily*, the ruling Communist Party's mouthpiece said that the Chinese armed forces were an important guarantee for containing Taiwanese independence.

To safeguard state sovereignty and territorial integrity is the sacred mission entrusted by the state's constitution to the PLA, it added. (PTI)

## China has complicated situation: U.S.

WASHINGTON: China has complicated an already tense situation by threatening to use force if Taiwan indefinitely puts off negotiations on reunification, U.S. ambassador to China, Joseph Prueher, has said.

Mr Prueher spoke here on Monday as the commander of U.S. forces in the Pacific, Admiral Dennis Blair, was in Beijing attempting to revitalise US-Chinese military-to-military communications at a time of uncertainty between the two.

China caused concern in the U.S. capital last week by issuing a white paper that raised the stakes on the reunification issue less than a month before Taiwan holds presidential elections.

Mr Prueher told the national committee on U.S.-China relations that in both timing and substance, the white paper does not advance the goal of a peaceful resolution between China and Taiwan.

"This complicates an already tense situation," he said. (AP)

THE TIMES OF INDIA  
- 1 MAR 2000

## China hiding its arms spending, says Taiwan

TAIPEI: China is hiding much of its weapons spending, and its defence budget is probably three to five times larger than the official figure, a Taiwanese military spokesman said on Tuesday.

Defence spokesman Kung Fanding briefed reporters a day after China announced that it was boosting military spending by 12.7 per cent, increasing the defence budget to \$14.5 billion. Mr Kung said Taiwan estimated that Beijing was actually increasing the budget between 12.7 per cent and about 15 per cent.

"Regarding the numbers reported by the Chinese military, a lot of the information is not announced and cannot be confirmed," Mr Kung told reporters.

In the past 10 years, Beijing has been steadily improving its 2.5 million-member military, buying costly advanced weaponry, Mr Kung said. Judging from China's weapons ac-

quisitions, Taiwan believes that Beijing is spending as much as three to five times than it actually reports, Mr Kung said.

Foreign analysts have said weapons research and foreign purchases are not included in China's public figure. China is spending more than \$1 billion annually to buy foreign —particularly Russian— weapons and that sum may triple over the next five years, they say.

China's announcement on Monday came less than two weeks before Taiwan's March 18 presidential election, and Taiwanese fear Beijing may try to use military threats to influence the vote.

The two sides split amid civil war in 1949, and Beijing has long warned that it would invade if this island seeks formal independence. Last month, Beijing added a new threat, saying it would attack if Taiwan indefinitely rebuffs talks about reunification. (AP)

## CHINA WARNING

For Taiwan, and the US too

THE 21 February Chinese white paper on Taiwan is not just aimed at slapping down any pro-independence tendencies in the 18 March presidential elections, although that purpose is also served. Chen Shui-bian of the Democratic Progressive Party, the strongest pro-independence contender, is not as strident as he was four years ago, in recognition of hard military and political realities that preclude a precipitate move towards formal separation between Taiwan and China. There is, certainly, a substantial pro-independence opinion in the island, but that is tempered by the pragmatic view that, the move would not be backed by the US, officially committed, to the "One China" policy, and that a military confrontation with the mainland, in the absence of US support, was unthinkable/

The white paper threatens "drastic measures" if Taiwan separates or if it is invaded or occupied by another country or if it continues to stall reunification. There are no ultimatums, the paper is aimed at creating a sufficiently belligerent and intimidating climate for cross-straits ties. The second condition, referring to invasion or occupation, is totally incomprehensible, unless it is being used as a euphemism for US support. The basic thrust of the document is to limit the scope of initiatives that Taiwan may take to give a more solid basis to outgoing President Lee Teng-hui's "state-to-state" definition of Sino-Taiwan relations, which runs counter to the "One China, Two Systems" concept promoted by the mainland. There is also a fear that there may be an attenuation of the "One China" policy in the US. There was a hysterical Chinese outburst after the US House of Representatives passed a Bill which would enhance US military support to Taiwan. It may or may not become law, but it does enhance the degree of official US commitment to Taiwan's security, and that is the big problem now, as far as China is concerned. The US insists on peaceful reunification, but it is evident that in view of the rapid democratisation of Taiwan and increased support from US public opinion, this will occur only on Taiwanese terms — which China rejects. Taiwan is sitting pretty, it can maintain the *status quo* almost indefinitely, under present circumstances. The white paper is, therefore, a warning that China can break the *status quo* when it deems fit, for it the US is not a party to the dispute. It may not do so, the balance of military power is by no means overwhelmingly in its favour. But it puts pressure on the new incumbent, the threat hovers in the background of all Taiwanese thinking on the question, casts its shadow on all separate state strategies that may be adopted after the election, creates an environment of inhibition.

THE STATESMAN

- 8 MAR 2 000

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103

## China reiterates stand on n-tests

**BEIJING, MARCH 9.** A day after India rejected the Chinese plea for implementing the U.N. Security Council resolution on the south Asian nuclear issue, Beijing today said it was not a "chinese resolution", but was unanimously approved by the 15-member world body.

"I would like to remind you that the U.N. Security Council resolution 1172 is not a chinese resolution, but a resolution which was passed unanimously by the 15 members of the Security Council," the Foreign Ministry spokesman, Mr. Zhu Bangzao, told reporters here.— PTI

**THE HINDU**  
10 MAR 2000

China  
10-1

# China's tunes shriller before Taiwanese poll

By F.J. Khergamvala

**TOKYO, MARCH 10.** In a delicate balancing exercise to address various audiences, the civilian and military leadership in China are unified on opposing weapons sales to Taiwan. Beyond that, the propaganda machinery is either being outpaced by its own rhetoric or, in reaction to events elsewhere, the rulers in Beijing seem to be playing a perfect "double role."

At a customary press conference held during the National People's Congress session in Beijing today, the Chinese Foreign Minister, Mr. Tang Jiaxuan, said by its actions the "U.S. had inflated the arrogance of the separatist forces in Taiwan." Similar news conferences by higher officials are scheduled in the next few days.

Tibet Taiwan, an invitation from Japanese lobbyists to the Taiwanese President, Mr. Lee Teng-hui, all have been invoked by diverse Chinese spokespersons this week, not least to divert attention from the evolving saga of the country's largest corruption-cum-smuggling case. The greater emphasis is on orchestrating the barrage on the Taiwan issue. The past fortnight has seen the civilian leadership in China temper its proclamations on the right to unification with Taiwan with the word "peaceful" and has not highlighted the use of force, without actually saying that force is ruled out. The military generals have issued statements in tandem but with an altogether different emphasis.

On Thursday, the *Liberation Army* daily editorially warned a leading Taiwanese candidate that mainland troops were on alert to thwart any separatist tendencies by the "silver-tongued liar." On Sunday, soon after the Premier, Mr. Zhu Rongji spoke about "peaceful reunification" in his opening address to the NPC (parliament), the deputy chairman of the Central Military Commission, Gen. Zhang Wannian recalled the



**The Foreign Minister, Mr. Tang Jiaxuan, at a press meet in Beijing on Friday. — AP**

February 21 White Paper warning Taiwan of the use of force if it delayed talks on unification.

A fortnight ago, top Foreign Ministry officials, making common cause with the military and radicals on the sales of weapons to Taipei, played down the White Paper's apparently dire warnings by remarking that they were merely a repetition of Deng Xiaoping's warnings. Implicitly, the warnings were not warranted by any fresh development or by the elections in Taiwan or by people in the U.S. helping the "split-

tists."

Sections of the U.S. media have analysed that China's propaganda machine is in confusion arising from a lack of direction. Such a state cannot be ruled out despite the perception that regimented systems run like clockwork. After all, China's worst critic is often the performance of its propaganda machinery. In this case, however, it is just as likely that the Government, including the People's Liberation Army are part of a balancing exercise that addresses diverse audiences. They include a conservative and patriotic audience at home, an electorate in Taiwan, a pan-East Asian audience which does not want its money scared away and a right-wing constituency in the U.S. that threatens to obstruct normal trading relations with the mainland.

It is also important to recall that, in a replay of the Government taking control of the protests last summer against the U.S., the Jiang Zemin Government often has to take two steps forward and step back one, to prevent dissent against the reforms from attaching itself to any centrally promoted cause that provides a pretext for mass demonstrations. References in Beijing to "peaceful reunification" have increased in frequency as the date neared for the White House to send legislation to the U.S. Congress to grant China permanent normal trading status.

**THE HINDU**  
11 MAR 2000

25-23  
14/7

# Entry into WTO likely to take place soon, says China

Bill Savadove

BEIJING 13 MARCH

CHINA SAID on Monday its entry to the World Trade Organisation (WTO) is not far off and Beijing will push ahead regardless of the outcome of a key vote by the US Congress on permanent normal trade relations (NTR).

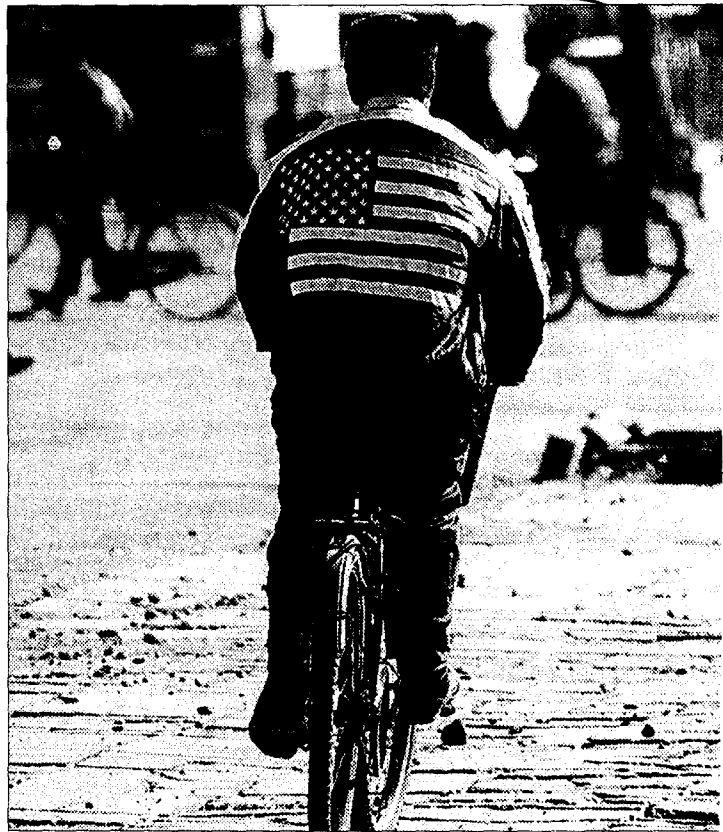
"It won't be long before China becomes a full WTO member," minister of foreign trade and economic cooperation Shi Guangsheng told a news conference.

"Recently, bilateral talks with other relevant members are clearly accelerating and we are at the final concluding stage in our negotiations with a few members, including the EU, that have yet to reach bilateral agreements with us," Shi said.

European Union trade commissioner Pascal Lamy is due in Beijing at the end of this month and EU officials say he hopes to reach an agreement on China's terms of accession to the WTO, which sets global trade rules.

The EU is the last major WTO member which has still not signed a deal on China's membership, which Beijing has pursued for 14 years.

China and the United States reached a landmark deal on entry to the world trade club last November, though the agreement still faces a tough political battle



POWER DRESSING: A Chinese man wearing a jacket with a US flag cycles down a street in Beijing on Monday

AFP

in Congress.

Shi urges permanent NTR: Shi urged Congress to grant permanent normal trade relations, saying any delay would cause US companies to miss out on China's market.

"If the United States misses this opportunity, it will actually lose the tremendous market of China and will be giving away the opportunity for participating in this market to its competitors," he said.

— Reuters

*The Economic Times*

14 MAR 2000

# China warns Taiwan on poll results

AGENCE FRANCE PRESSE  
BEIJING, MARCH 15

CHINA said on Tuesday it was content to see the people of Taiwan vote in "local elections", but it warned that it would take firm action if it did not like the outcome of the weekend polls.

Foreign ministry spokesman Sun Yuxi also fired another blast at US arms sales to Taiwan and accused Washington of interfering in China's internal affairs.

"We are glad to see the people of Taiwan can exercise their rights but we will by no means sit idly if any situation that we do not want

to see arises," he said. "The elections in Taiwan are local elections, and the election of leaders in Taiwan cannot lead to the result of Taiwan being separated from the motherland by independent forces there and cannot change the fact that Taiwan is part of China," he added.

Taiwan's three main presidential candidates — including pro-independence Democratic Progressive Party (DPP) candidate Chen Shui-Bian — are neck-and-neck heading into Saturday's presidential polls. Former Taipei Mayor Chen, who has in the past advocated independence and the hold-

ing of a plebiscite on the island's future, has promised to do neither if he wins the vote. During the election campaign China repeatedly warned Taiwan that it will launch an invasion if it refuses to enter negotiations on reunification with the mainland. While calling for the healthy development of cross-strait ties, Sun also warned that "the indefinite postponement of the Taiwan question has undermined Chinese sovereignty and territorial integrity".

He also warned that US arms sales to Taiwan "constitute serious interference in China's internal affairs."

INDIAN EXPRESS

16 MAR 2000



# Reunification only option, China tells Taiwan on poll-eve

Beijing, March 16

ONE OF China's top negotiators on Taiwan today warned the island that China would not allow week-end presidential elections to lead towards independence.

"If Taiwan becomes independent, we cannot talk about peaceful reunification," Tang Shubei, vice-chairman of the Association for Relations Across the Taiwan Straits, told a Press conference.

"We advocate reunification and we cannot let the issue drag on forever," said Tang, reiterating China's insistence that despite 50 years of separate rule Taiwan is a rebel province that must be

brought back under mainland rule.

While Tang refrained from making the outright threats of war that have peppered China's official media in the run-up to the polls, his tone was uncompromising.

**US for peaceful solution:** US Defence Secretary William Cohen today urged China to halt its threats to use force against Taiwan as the island heads towards Presidential elections. Answering Premier Zhu Rongji's threat that the Chinese people would "use all their blood" to defend the dignity of the union, Cohen said both sides should settle the row peacefully. He reminded Beijing the US is obliged to provide for Taiwan's defence. (AFP)

THE HINDUSTAN TIMES

17 MAR 2000

# China is silent on Taiwan's election results

BY MATT POTTINGER

*China*  
**Beijing, March 18:** Taiwan, and the world, waited for China's reaction to news that Beijing's worst fears had been realised in the island's presidential polls on Saturday.

But apart from a cryptic official media report mentioning a "lead" by independence-leaning candidate Chen Shui-bian, government officials and state television were silent.

"Up to now, we are not authorised to make a statement on the Taiwan election," an official at the state council's office of Taiwan Affairs said when reached by telephone.

The win by Mr Chen, a one-time dissident lawyer and current leader of the Democratic Progressive Party, ended more than half a century of Nationalist Party rule. China has threatened to invade if Taiwan declared independence, and has issued dire threats aimed at his party.

In recent months, Mr Chen has softpedalled the independence issue, promising that if elected he would not hold a referendum declaring a separate state or change the flag and Constitution.

China had waged an incendiary rhetorical war in the days before the election in an attempt to scare Taiwan voters away from Mr Chen, who beat vice-president Lien Chan of the Nationalist Party and independent candidate James Soong.

On Saturday morning, a Chinese newspaper accused Mr Chen of gambling with citizens' lives by running in the election. "Mr Chen Shui-bian understands clearly that Taiwan independence means war."

*AA-5*  
*19/3*  
the *Science Times* said in a front-page commentary. "Yet by seeking to achieve his political ambition, he is treating the happiness of Taiwan's more than 20 million citizens as if it were a trifling matter and a gambling stake."

Chinese Premier Zhu Rongji warned on Wednesday that the mainland was ready to "shed blood" to prevent Taiwan independence, and said Taiwan voters could regret any impulsive decisions at the ballot box.

Chinese academics followed up the next day, saying Beijing might give Taiwan only a matter of hours to start reunification talks if it elected a pro-independence President.

In Washington, US under secretary of state Thomas Pickering called in Chinese ambassador Li Zhao Xing on Thursday to urge Beijing to tone down its rhetoric. While blasting the candidates, China has been careful to avoid drawing attention to the democratic election itself.

Perhaps more distressing for Beijing than Mr Chen's victory is the image of fed-up voters tossing out a long-entrenched political powerhouse at the ballot box, laying bare the raw power of peaceful democratic change.

Mainland media, in daily denunciations of Mr Chen and his party, squirm to keep China ignorant of Taiwan's rollicking politics — shunning the word "election" in favour of "the leader-changing process" and avoiding the title "President".

Xinhua news agency reported only one sentence on the election on Saturday evening as it became clear that Mr Chen was the winning candidate. (*Reuters*)

THE ASIAN AGE  
19 MAR 2000

10-16  
19/3

# Corrupting reforms?

*Corruption was the dominant subject at this year's National People's Congress. But, reports F. J. KHERGAMVALA, Mr. Zhu Rongji's main message was that despite corruption there was no escape from economic reforms.*

**W**HEN A corrupt Chinese Communist Party official is executed smack in the middle of the ten-day annual session of Parliament, or the National People's Congress (NPC), there can be only one message coming out of it. The leadership's acknowledgement of fraud, bribery and embezzlement having reached a level where it fears a backlash against reforms.

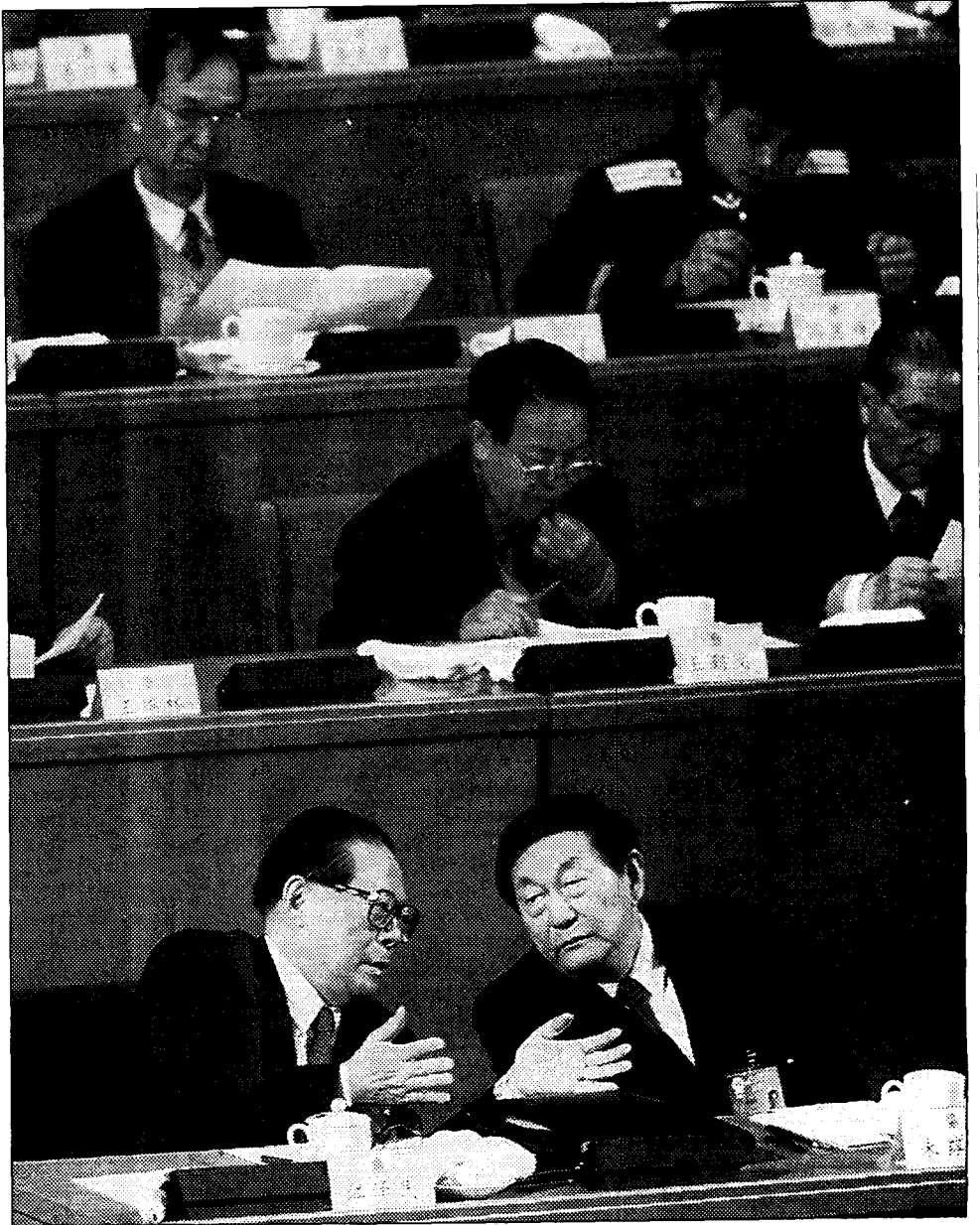
The third session of the Ninth NPC closed on Wednesday with over 3,000 delegates from the vast land meeting in the Great Hall of the People to vote on the various Government work reports submitted during the session. Their verdict: an approval rate of less than three-quarters for the Supreme Court and chief prosecutor's report.

This suggests an acknowledgement that the Government is cracking down on corruption, but also a protest that people at the top seem to go unpunished while lower and middle level officials are made scapegoats. The numbers voting for or against party reports are the only public indication of criticism that emerges from the NPC.

Corruption was the dominant subject at this year's NPC, even though on the last day the Premier, Mr. Zhu Rongji, elevated the profile of the Taiwan elections with some strong rhetoric. Mr. Zhu was the conductor of the NPC and he orchestrated two messages. One, that economic reforms must continue and, to facilitate this and overcome opposition from conservatives, the party will go out of the way to respond to the main criticism of the reforms, namely that it is breeding corruption. In his opening report to the NPC on the first day, Mr. Zhu said "China must adopt more effective steps and make unremitting efforts to fight corruption." He added that "we still fall far short of what the central authorities expect of us and what the people expect of us."

Nothing announced this as eloquently as the bullet to the heart of Hu Changqing, in the first full week after the session began. Hu, a former deputy director of the State Council's religious affairs office and a deputy governor of a province, was sentenced to death for taking bribes worth over \$6,00,000. Prior to the opening of this annual session, China's NPC also threw out Mr. Cheng Kejie, a Vice-Chairman of Parliament's own Standing Committee, for this year's session.

These punishments came in the midst of an unfolding \$10 billions oil, gas and tobacco smuggling racket through the port city of Xiamen, in Fujian province. The Mayor was removed but it took a while before the officials could respond to criticism that the removal of just one high official was a cover-up to exempt others. Now, 200 others are being investigat-



**The Chinese President, Mr. Jiang Zemin, and the Prime Minister, Mr. Zhu Rongji, at the National People's Congress... votaries of economic liberalisation.**

ed, including the wife of one of the 22 politburo members of the Party.

Mr. Zhu, principal patron of the economic reforms after Deng Xiaoping's death, has also had to take the brunt of criticism about the reforms providing the pretext for under-the-table transactions. The strategy chosen for this session was to absorb dissent against reforms; with the Jiang Zemin regime continuing to hammer home the necessity of reforms while substantially raising the profile of the anti-corruption drive.

The NPC's schedule includes provincial delegations being lectured to by top party leaders. Almost every top Party official joined the country's chief anti-graft fighter, the Communist Party's Politbureau member, Mr. Wei Jianxing, in lecturing about combating corruption, leaving Mr. Zhu to defend his reforms. The Party genuinely fears that social unrest could ring the end of its control.

No single issue other than anti-graft dominated the session. Mr. Zhu had to allude to China's use of force threat if Taiwan declares independence, but his main message was that

despite corruption there was no escape from economic reforms. Claiming success, the Premier announced an increase of over 41 per cent in exports over last year.

Mr. Shi Guangsheng, high-profile Minister of Foreign Trade and Economic Cooperation, declared that even imports had risen by over 54 per cent in the first two months of the year. China, one of the world's major trading nations, projects an inflation-adjusted growth of seven per cent in the coming year, relative to the previous year's claims of achieving a 7.1 per cent growth.

Actual foreign direct investment in the last two months is claimed to be \$3.86 billions and contracted FDI was at \$6.5 billions, an increase of over 13 per cent. Using these claims to drum up some nationalistic fervour among delegates, Mr. Shi said China would join the World Trade Organisation in any case, therefore if the U.S. refused to grant China normal trading status, American companies would be denied access under WTO provisions. The NPC was thus used by Beijing to confirm that it would join the WTO.

TUESDAY, MARCH 21, 2000

## CHINA AND TAIWAN

21/3  
THE VERDICT IN the presidential election in Taiwan is an undoubted setback for the Chinese leadership and for peace in the region. If the two sides do not show restraint in their reaction, the verdict has the potential to further heighten tensions across the straits. The victory of the one candidate China wanted defeated in the elections, Mr. Chen Shui-bian, is a challenge to Beijing's long cherished one-China policy and it will demand great tact and diplomacy to tackle this, not just relying on hardline rhetoric as had flowed from the mainland in the run-up to the election. In remarks after his week-end victory, Mr. Chen has sounded conciliatory, promising to keep an open mind and expressing a readiness to go to Beijing. But his initial platform of independence had invited harsh words from China which will watch his every move. There was every indication during the session of the National People's Congress, the Chinese Parliament, which preceded the Taiwan poll that the party leadership was seriously worried about the impact of the verdict and orchestrated its own campaign. The President, Mr. Jiang Zemin, the Prime Minister, Mr. Zhu Rongji, and the army leadership all deemed it necessary to warn of the doom that would greet any Taiwanese move toward independence.

In the end, much as Beijing had feared, the Chinese Government's first electioneering campaign has failed to gain its primary objective. In the second Presidential elections in Taiwan, the most conspicuous non-candidate was Beijing which issued repeated warnings against support to candidates who stood for independence. Four years ago, during the first such democratic exercise, China had lobbed missiles across the waters separating the two in an effort to prevent the victory of a pro-independence candidate. This time, as the election date neared and the warning notes from Beijing sounded ominous, fears were expressed that the Chinese authorities may be planning more drastic measures if the verdict

threatened their goal of unification. While it is doubtful if China contributed to the victory of Mr. Chen, it certainly dominated the election. Mr. Chen had entered politics as an advocate of independence for Taiwan, the island where the forces of Chiang Kai-shek fled when Mao Zedong and his communists seized control of the Chinese mainland in 1949. Chiang and later his son imposed a harsh martial law regime and, with the support of the U.S., continued the charade for decades that they represented all of China. In the early Eighties, China offered Taiwan "peaceful reunification" with a high degree of autonomy under the now famous "one country, two systems" policy under which Hong Kong and other territories have returned to the mainland. The inheritors of Chiang's political legacy, who continued to talk of the mainland merging with their territory, footdragged and soon discovered the merits of the democratic system which gave the Taiwanese the right to determine their destiny. It was a ploy, much like the British Governor's in Hong Kong.

China sees "a splittist conspiracy" in this and other moves, a concerted effort to undermine the one-China policy accepted by the international community. While Beijing says there is one China and that Taiwan is a part of it, Taiwan says China is a divided country ruled by two governments. Tensions rose after Mr. Lee Teng-hui, the hawkish outgoing President, spoke of Taiwan and the mainland having "a special State-to-State relationship", clearly seeking sovereignty for the Taiwanese territory. Beijing realises there cannot be a military solution, especially in the context of the huge flow of Western arms into Taiwan. After its sabre-rattling, it must hope that the U.S., the patron-in-chief of the breakaway province, will persuade the island to give up its ill-advised moves and reconcile itself to taking such political steps that would pave the way for an eventual reunification with China.

THE HINDU  
21 MAR 2000

# China sets terms for peace talks with Taiwan

59-20 22/3

OLIVER AUGUST  
THE TIMES, LONDON

TAIPEI, March 21. — China and Taiwan could hold historic peace talks after Mr Chen Shui-Bian, Taiwan's President-elect, offered to stage a "peace summit" with the mainland in which no subject would be excluded from discussion.

However, the Taiwanese stock market dived yesterday as investors panicked after the election of the pro-independence Mr Chen.

His offer of peace talks and the intervention by the Government to shore up the stock exchange failed to calm fears.

In Beijing, Mr Jiang Zemin, the Chinese President, surprised international observers by apparently accepting the offer of talks. His only condition is that Taiwan accepts the "one China" proposal which demands eventual reunification.

Mr Chen said he was ready to discuss the "one China" proposal only if it did not imply complete reunification.

He said: "There is nothing

that we cannot talk about on the basis of equality. I believe we can sit down and talk with the Chinese side about all issues, including 'one China'. We can talk about 'one China' as long as it is not a principle."

Although previously an independence supporter, some observers see Mr Chen as the best Taiwanese negotiator to go to Beijing.

Mr Chen's aides have repeatedly compared him to Richard Nixon, who was able to confidently negotiate with Communist leaders because his anti-Communist credentials were so strong that nobody could accuse him of selling out.

Mr Jiang said: "Dialogue should be on the basis that he (Mr Chen) first of all recognises the 'one China' principle. Under this precondition, anything can be discussed."

Mr Chen seems to regard 'one China' as a proposal for a cultural commonwealth of Greater China rather than the real reunification envisioned by Beijing.

The peace summit is likely to focus initially on improving transport and trade links

between Taiwan and the mainland. But Mr Chen's aides said yesterday that the summit could be sabotaged by the Kuomintang KMT party, which was defeated in Saturday's presidential election.

The aides demanded to get access to the transcripts of secret negotiations that Taipei has apparently held with Beijing during the last seven years.

Mr Chen wants to start his peace dialogue with Beijing before his inauguration on 20 May, but Taiwanese laws do not guarantee him access to secret government files before then.

One aide said: "If they don't let us see these documents then we will ask the Americans to help us."

Before Mr Chen's election, Beijing had warned Taiwan's voters against electing him. Mr Zhu Rongji, the Prime Minister, last week threatened a bloodbath if the new President advocated independence.

There have been massive protests in Taipei after Mr Chen's victory.

THE STATESMAN  
22 MAR 2000

# China developing 'secret arms'

Beijing, March 22

CHINA HAS developed an arsenal of secret weapons in case the United States intervened militarily to prevent Beijing's efforts to reunify Taiwan with the mainland, an official publication reported.

The latest issue of the *Haowangjiao* weekly, a publication sponsored by the Chinese Peoples Liberation Army (PLA), is exclusively devoted to the Taiwan issue and outlines a series of strategies being considered to conquer the island which China considers a rebel province.

Chinese Foreign Ministry spokesman Sun Yuxi yesterday refused to comment on the report when asked on the PLA's strategy.

One of the strategies being considered is to send an Armada of 200,000 fishing vessels carrying an invasion force of two million men,

secret weapons, the most advanced in the world, including laser weapons to disable laser guidance systems of high-tech US warplanes.

## No independence for Taiwan

CHINESE PREMIER Zhu Rongji today ruled out holding negotiations with anybody favouring Taiwan's independence. "We will never hold any talks with anyone advocating Taiwan's independence," he said during his meeting with visiting Congolese President Denis Sassou-Nguesso. (PTI)

the weekly said, pointing out that such a move had already proved successful when Communist forces crossed the mighty Yangtze river during the civil war.

The publication, packed with photographs of military hardware, boasts that China has arsenal of

Outlining the strategy, the weekly said, China would first try to sway public opinion in the US by making economic concessions, stepping up arms purchases from Russia and organising public demonstrations in Beijing.

The next step would be a limited attack on Taiwan and if that failed, China would mobilise the country to take part in civil defence exercises to show it was preparing to survive a nuclear war.

Washington will not sacrifice 200 million Americans for 20 million Taiwanese and eventually they are going to back out, the weekly said.

THE HINDUSTAN TIMES

23 MAR 2000

## RESPECT US

### The message from Taiwan

IN retrospect it looks as if all the Chinese sabre-rattling did not help, Chen Shui-bian becomes President of the Republic of Taiwan; it may serve only to warn against any precipitate move in the direction of independence. Chen's cross-straits message, after his election, was carefully calibrated. He rejects the "one China, two systems" concept and, therefore, satisfies majority Taiwanese opinion — all leading contenders spoke of "affirming sovereignty". On the other hand, he says he will neither declare independence, nor call for a referendum on the issue, thereby assuaging Chinese paranoia. It must be noted here, that China has been speaking in two voices on Taiwan's growing assertion of its separate identity. The language has been tough. Delegates to the National People's Congress said they had nothing to do with this sudden belligerence, Zhu Rongji prefers peaceful reunification.

The Chinese response so far has been moderate. President Jiang Zemin says he is ready to talk, on the "one China" principle. This may be the result of US pressure: a combination of stick, in the form of a new Taiwan Security Enhancement Act, and carrot, in the form of a New Trade Relations Act which would facilitate China's entry into the WTO. But there may also be a realisation in Beijing that Chen's victory is not due just to his pro-independence stance. There was also the splitting of the KMT votes between official candidate Lien Chan and renegade James Soong. There is disenchantment with the KMT, considered politically old fogey and corrupt. The KMT pays its staff out of the NT \$ 8 billion it earns annually from business interests built through special privileges and crony practices. In contrast, Chen's DPP has assets worth only NT \$ 27.6 million. The KMT is also a party of mainlanders, and are not seen to have adapted sufficiently to the Taiwanese identity which focuses on the island's own achievements rather than on ties with the mainland. What this may mean is that, with Chen, the Chinese may be dealing with a totally different conception of Chinese identity and nationhood. Chen uses the word "reconciliation". One will have to wait and see what this means. It doesn't mean reunification. This new assertiveness is a response to all the mainland talk about Taiwan being a "renegade province". The Taiwanese are demanding respect.

THE STATESMAN

24 MAR 2000

# China tough talk on Chen

PRESS TRUST OF INDIA

BEIJING, March 23. — China today warned foreign governments against inviting Taiwan's President-elect Chen Shui-Bian, saying it would have an impact on bilateral relations.

China opposes any country inviting Mr Chen, foreign ministry spokesman Mr Sun Yuxi told reporters here. He added that Beijing would insist governments in other countries to adhere to their solemn commitment of recognising only "one China".

Mr Chen's victory would not change the status of the island as a renegade province and the 18 March polls were only a local election, Mr Sun asserted. Beijing distrusts Mr Chen as his Democratic Progressive Party (DPP) supports Taiwan's independence.

The Chinese Prime Minister, Mr Zhu Rongji, also said China would never negotiate with independence supporters, a remark believed to be directed at Mr Chen. The latter, who takes office on 20 May has already offered to visit

China and invited China's communist party leaders to visit Taiwan to discuss matters.

**US envoy meets Chen:** US envoy, Mr Lee Hamilton, today met Taiwan's President-elect as a top American official said there were encouraging signs that tension between Taipei and Beijing over Mr Chen's election victory was easing, adds Reuters from Taipei.

Mr Hamilton, former Democrat Congressman, met Mr Chen for more than an hour but both sides declined comment on their discussion.

Mr Hamilton arrived in Taipei yesterday amid a flurry of US diplomatic activity after Mr Chen's Democratic Progressive Party, which openly espouses independence from mainland China, won the presidency on Saturday, sparking fears of worsening tension with Beijing.

The USA has been scrambling to contain the fallout from Mr Chen's victory, reaching out to both Taipei and Beijing and urging dialogue.

Earlier today, the US State

Department's top diplomat for East Asia said tension between Beijing and Taiwan appeared to be ebbing.

"Thus far, all indications are that tensions have been moderated," the Assistant Secretary of State, Mr Stanley Roth, told a forum in Manila. "It's only been a few days and already the atmosphere seems quite encouraging."

Mr Mr Roth arrived in the Philippines for a two-day visit from Beijing, where he accompanied US Ambassador to the UN, Mr Richard Holbrooke, in talks with the Chinese President, Mr Jiang Zemin, and other senior officials.

Before last weekend's election in Taiwan, China had warned of possible bloodshed if opposition candidate Chen Shui-bian were victorious.

Since winning the election, Mr Chen has invited senior Chinese leaders to Taiwan and his Democratic Progressive Party has considered possible changes in its pro-independence platform.

"Chen has struck a very conciliatory tone, and at the same time, it's clear

that China has taken a wait-and-see attitude," Mr Roth said.

"We found a constructive attitude, a pragmatic attitude, a moderate attitude, and that is obviously critically important, not just for stability in the strait, but for stability all throughout the Asia-Pacific region."

The Chinese government considers Taiwan a renegade province and insists that all countries with which it has diplomatic relations maintain a "one-China" policy.

Mr Roth emphasized that Washington's "support for the one-China policy is absolutely unchanged".

Mr Chen's victory sparked widespread protests in Taipei as angry demonstrators gave vent to fears that relations with Beijing would worsen.

There was anger at President Lee, whom many blamed for the defeat of the Nationalist candidate. An Independent candidate, Mr James Soong, trailed Mr Chen closely. Mr Soong was a Nationalist leader till he fell out with Mr Lee.



# China turns away Taiwan envoys

AGENCE FRANCE-PRESSE

TAIPEI, March 28. — The Taiwan President-Elect, Mr Chen Shui-Bian, has sent several emissaries to Beijing but all were turned away because of the "One China" stumbling block, a report here said.

Mr Chen does not accept Beijing's view that "One China" means Taiwan is an inalienable part of China.

"Quite a few envoys" were secretly dispatched to the mainland to try contact or hold discussions with Beijing authorities but they were all turned

## ADVANCED MISSILES

WASHINGTON, March 28. — China is now fielding new advanced air defence missiles against Taiwan, the *Washington Times* reported today.

"The Russian-made S-300 missiles have a much greater range, are faster and carry bigger warheads than the SA-2 now deployed along the coast opposite Taiwan," a US intelligence official said. — PFI

away, legislator Feng Hsiang said yesterday.

Mr Feng, from the Right-wing New Party, is in Beijing seeking reconciliation between Taipei and Beijing following Mr Chen's surprise victory in the

18 March presidential polls.

The overtures weren't accepted "because Beijing has not got Chen's commitment to the 'One China' principle," Mr Feng said.

Mr Chen was the candidate for Democratic Progressive

Party that advocates independence and a referendum on Taiwan's future. He is yet to win Beijing's trust.

Mr Chen said after his election he would discuss any topic with Beijing "as long as 'One China' is an issue and not a pre-requisite". Mr Feng called on both governments to return to the "One China, different interpretations" consensus of 1972.

**China stand:** China today said the prime reason for the Kuomintang Party's defeat, in Taiwan's presidential poll was Mr Lee Teng-Hui's "splittist activities against Beijing".

THE STATESMAN  
29 MAR 2000

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## 'China building missile bases opposite Taiwan'

WASHINGTON, MARCH 28. China is building two surface-to-air missile bases near the coastal city of Fuzhou, opposite Taiwan, as part of a military build-up that worries U.S. officials, *The Washington Times* reported today.

The newspaper quoted U.S. intelligence officials as saying that the new bases would increase the danger of a military confrontation along the Taiwan Strait. They said the U.S. Defence Department was monitoring the build-up closely. China has long threatened invasion of the island, which it considers a renegade province.

The paper quoted the U.S. officials as saying that China would also deploy additional Russian-made S-300 missiles near the coastal cities of Xiamen and Shantou in the next weeks. Taiwan's military last week said it had seen "absolutely nothing" to

suggest large-scale movements by Chinese armed forces following the island's presidential elections this month, and the Chinese military was holding routine training missions only. Media in Taiwan and Hong Kong have been playing up reports of unusual movements on the mainland by troops and military aircraft.

The U.S. National Security Adviser, Mr. Sandy Berger, is due to visit China this week for talks on security issues including Taiwan, where Mr. Chen Shui-bian's pro-independence Democratic Progressive Party won the March 18 presidential contest, U.S. officials said yesterday.

Meanwhile, Mr. Chen has sent several emissaries to Beijing but all were turned away because of the "one-China" stumbling block, a report in Taipei said. — Reuters, AFP

THE HINDU  
29 MAR 2000

# China urges world to accept its Taiwan goal

REUTERS *China 5/1-11 8/2*

MUNICH, Feb. 7. — China has urged the world to accept its goal of absorbing Taiwan along the lines of its unification with Hong Kong and Macau — or else risk consequences “you don’t want to see”.

Speaking at a security conference in Munich, Germany, a senior Chinese official yesterday said it would be wrong for the USA to encourage recalcitrance among leaders in Taiwan by promising military support.

“One China, two systems was a success story,” Mr Wang Guangya, Beijing’s vice minister for foreign affairs, told an international audience of defence ministers, top military brass and defence analysts.

“Sending the wrong messages to the leaders in Taiwan might lead to a result you don’t want to see,” he added, without elaborating.

China has warned that the risk of war with Taiwan, which it regards as a renegade province, has risen after the US House of Representatives supported legislation to provide more military training and support to Taipei.

The White House has warned Congress against passing the legislation, saying it could increase tensions as Taiwan prepares for presidential elections in March.

Sino-US tensions peaked in 1996 when Washington sent two aircraft carrier groups as China conducted missile tests off the island during Taiwan’s last presidential vote.

Mr Wang also expressed “deep apprehension” over plans by the USA to develop an anti-missile defence system designed to defend against attacks launched by hostile states.

“This move will undoubtedly

inflict severe damage on global strategic balance and stability, undermine the international security environment, make it difficult to carry on the international non-proliferation regime and may even trigger a new round of the arms race,” Mr Wang warned.

Mr Wang’s comments highlighted the risks to international stability which have grown in Asia while Nato has focused on learning the lessons of last year’s Kosovo conflict and cementing stability in Europe.

Relations between India and Pakistan, both now nuclear powers, remain tense after recent fighting in Kashmir.

Indonesia, the world’s fourth most populous country, has become a powder keg after the toppling of President Suharto led to the “ethnic cleansing” of East Timor by pro-government forces.

Isolated countries like North Korea are also seen by the USA as posing a potential threat of nuclear blackmail as they seek to develop ballistic missile systems.

“For America and Europe, the threat of missiles from rogue nations is substantial and growing,” the US Defence Secretary, Mr William Cohen told the conference on Saturday.

“We never want to be in the position of being blackmailed by anyone posing a threat to our national security interests,” Mr William Cohen added, defending US plans to move ahead with its star wars-style missile defence programme.

The American President, Mr Bill Clinton, is expected to decide in July whether to begin deploying a \$ 12 billion system of interceptor missiles based in Alaska or await further development work following the failure of a test launch last month.

THE STATESMAN

- 8 FEB 2000

# China in waiting game with Dalai

PRESS TRUST OF INDIA  
BEIJING, FEB 17

CHINA appears to be playing a waiting game with the Dalai Lama in its bid to exert iron control over Tibetan Buddhism, 60 years after his enthronement as Tibet's highest spiritual leader. Chinese leaders have repeatedly said that channels for dialogue with Tibet's exiled spiritual leader are open and that the Dalai Lama only needs to fulfill several conditions before talks can begin.

But the exiled Tibetan government in the Indian hill station of Dharmasala fears Beijing has no intention of negotiating a return to Tibet for the Dalai Lama, who was enthroned on February 18, 1940.

"We suspect the true intention of the Chinese leadership is to outwait the Dalai Lama and attempt to control the reincarnation of his successor," Thubten Samphel, a spokesman for the government in exile told AFP.

"If this is so, this is a big mistake. If the Chinese authorities think they can bypass his holiness in finding a solution to the Tibet problem, then they will end up igniting an angrier

form of Tibetan nationalism," he said. Samphel said the exiled government's suspicions were based on leaked reports from Beijing that say the Chinese government has already set up a task force to search for the next reincarnation.

Beijing's 1995 selection, without the Dalai Lama's blessing, of the reincarnation of the Panchen

18/2  
phel said. Without the blessing of the Dalai Lama the two Lamas, neither of whom is older than 10, will not have the trust of the Tibetan people, he said.

Since China "liberated" Tibet in 1952, the Central government has moved to control all religious activities through the police and military, as well as governmental organs

flight to Dharmasala of the 14-year old Karmapa Lama, another high ranking Tibetan Lama, appeared to reflect widespread disenchantment among the Tibetan religious community over Chinese rule.

"Since (Chinese president) Jiang Zemin met with (US President) Bill Clinton in 1998 and announced that there were channels of communication open between Beijing and his holiness, there has unfortunately been no progress toward dialogue," Samphel said.

At that time Clinton urged Jiang to open up dialogue with the Dalai Lama.

Jiang replied, "As long as the Dalai Lama makes a public commitment that Tibet is an inalienable part of China, and Taiwan is a province of China, then the door to dialogue and negotiation is open."

Since 1988 the Dalai Lama has repeatedly pledged that Tibet is a part of China and since Jiang's statement he has enthusiastically supported Beijing's one-China policy on Taiwan. But Beijing has invariably replied that the statements lack "sincerity" and that the Dalai Lama is bent on independence for Tibet.

## Chinese leaders say the Dalai Lama has to only fulfil several conditions before talks begin, but the Tibetan govt in exile fears Beijing has no intention of negotiating his return to China

Lama, Tibet's second-most important Lama, and December's selection of the Reting Lama reincarnation were further signs Beijing was preparing for the eventual reincarnation of the Dalai Lama.

"Recognising the reincarnation of a spiritual leader is deeply embedded in our system of values and to appoint the Panchen Lama and the Reting Lama needs to have the highest spiritual authority," Sam-

such as the state council's Religious Affairs Bureau (RAB) and the Buddhist Association of China.

Human rights groups have repeatedly accused China of systematic destruction of Tibetan Buddhist culture and persecuting monks loyal to the Dalai Lama.

Officials from the RAB and the Buddhist Association refused to speak on the current state of Tibetan Buddhism. But December's

INDIAN EXPRESS

18 FEB 2000

# China 'forcing' Taiwan for peaceful compliance

Beijing, February 21

CHINA TODAY said it would use force if Taiwan rejected peaceful attempts at reunification, in a new white paper issued just weeks ahead of Taiwanese Presidential elections.

The 11,000-word document reiterated China's long-standing view that it would push for peaceful reunification with the island, but if these overtures were rejected it would resort to "drastic measures".

"If the Taiwan authorities refuse, sine die, the peaceful settlement of cross-straits reunification through negotiations, then the Chinese Government will be forced to adopt all drastic measures possible."

The document, carried by the official Xinhua news, said the measures would include "the use of force". The paper also launched a vitriolic attack on Taiwanese President Lee teng-Hui, calling him a "saboteur" and a "trouble-maker" who was pushing the island

towards independence. "Under the direction of Lee teng-Hui, the Taiwan authorities have adopted a series of measures toward actual separation," said the text. The document attacked Lee's call on July 9 last year for cross-strait relations to be put on a "State-to-State" level, insisting all countries must stick to the 'One China' principle which accepts Taiwan is a province of China. Lee is not standing for re-election in the March 18 polls on the island.

In the meantime, in Hong Kong, Beijing is to issue a new timetable for reunification with Taiwan, calling first for renewed political negotiations after the island's Presidential elections, a report said today.

The new proposals will "be slightly changed" but will not deviate from Beijing's main principle of using force to regain Taiwan if it declares independence, the independent *Sing Tao* daily said, citing officials on Taiwan Affairs in Beijing. Reopening political nego-

tiations with China will be the main task of Taiwan's new leaders after Presidential polls on March 18, but they must not call for an independent Taiwan, it added.

With Hong Kong and Macau now under Chinese sovereignty, "peaceful reunification with Taiwan appears to be the most pressing issue" for Beijing, the report said.

This is due to Taiwan President Lee teng-Hui's call last year for cross-strait ties to be redefined as a "special State-to-State relationship" as well as "Washington's growing interference in Taiwan affairs."

Beijing leadership agrees, however, that if reunification with Taiwan drags on too long it will be too troublesome" and "if Taiwan continues to cling obstinately to its course by delaying reunification, then the Chinese Communist side will have to unilaterally announce its reunification time schedule," the report said.

(AFP)

THE HINDUSTAN TIMES

22 FEB 2000

# Taiwan snubs China plea for talks

REUTERS and PRESS TRUST OF  
INDIA

TAIPEI, Feb. 22. — Taiwan today defiantly parried China's demand that it sit down for political talks or face attack, restating its view that the two sides of the Taiwan strait are ruled by separate, sovereign governments.

"It is a known fact that the two sides of the Taiwan strait have been under separate rule since 1949," the foreign ministry of Taiwan's exiled Republic of China government said in a statement.

The Taiwan cabinet's mainland affairs council admonished Beijing for failing to accept the reality that Taiwan, though part of Chinese territory, was not under the rule of the communist People's Republic of China.

"The Chinese communists' continued denial of the existence of the Republic of China can only bring more trouble to cross-strait relations and deep-

en tension," council spokesman Lin Chong-Pin said.

Taiwan's statements appeared clearly to reiterate President Lee Teng-Hui's July 1999 assertion that cross-strait ties were "special state to state" relations.

Mr Lee's assertion outraged Beijing, which viewed the island as an insubordinate province since the nationalist party-led Republic of China was ousted from the mainland by communist forces in 1949.

Yesterday Beijing's state council, or cabinet, threatened in a newly issued "white paper" to use "drastic measures, including military force" if Taiwan dragged its heels indefinitely on talks to end its half-century of estrangement from China.

Till yesterday Beijing had cited mainly two conditions that would lead to military action, a formal declaration of independence from China or foreign interference helping to alienate Taiwan from China.

THE STATESMAN

23 FEB 2000

# China blames USA for tension in Taiwan Straits

PRESS TRUST OF INDIA

BEIJING, Feb. 24. — China today summarily rejected US concerns on the vexed Taiwan issue and accused Washington of stirring up tension across the Taiwan Straits by actions like continued arms sales.

"We would like to express our strong dissatisfaction and firm opposition at this interference which is a gross violation in China's internal affairs," the Chinese foreign ministry spokesman, Mr Zhu Bangzao, said here while responding to comments by his US counterpart, Mr James Rubins, voicing concern at fresh Chinese threats against Taiwan.

"Taiwan is an integral part of Chinese territory and the question of Taiwan is purely China's internal affairs. No foreign country, including the USA has the right to interfere," Mr Zhu asserted at a press conference.

Mr Zhu also blamed the USA for causing tension across the Taiwan Strait by repeatedly violating Sino-US agreements and selling arms to Taiwan.

"The US side repeatedly violated the three China-US joint communique and its relevant

## WTO TALKS

BEIJING, Feb. 24. — Chinese and EU trade officials today broke up four days of trade talks without sealing a market opening deal vital to Beijing's entry into WTO. An EU statement said "progress" had been made but that no date had been fixed for a resumption of the negotiations. — AFP

commitments," said Mr Zhu, raising US plans for a theatre missile defence system to include Taiwan as well as the House of Representatives' vote this month, calling for increased US military support and interaction with the Taiwanese army.

Mr Zhu said recent US actions have encouraged the Taiwanese President, Mr Lee Teng-hui to engage in secessionist activities. "All this gave rise to Lee's splittist activities and it is the major root cause of the tension across the Taiwan Strait," he said.

Mr Lee had angered China in July by demanding that all talks between Taipei and the mainland be put on a "state-to-

state" footing.

"The USA should also stop all its arms sales to Taiwan, prevent the US Congress from adopting the Taiwan Relations Enhancement Act, stop all remarks that violate China's sovereignty and interfere in China's internal affairs," Mr Zhu said.

Mr Zhu also said that the USA must do more things that are conducive to peace and stability across the Taiwan Straits. The increase in rhetoric comes ahead of Taiwan's presidential polls on 18 March. China has adopted a tough stand on the question of reunification of Taiwan with the mainland.

China released a White Paper on the Taiwan issue on Monday demanding progress on reunification while threatening the use of force in case there is no progress in the matter, provoking a strong reaction in Washington, where Taiwan has many staunch backers.

The US State Department summoned the Chinese ambassador and some US Congressmen threatened to undermine Beijing's plea for permanent normal trade relations and accession to the WTO.

THE STATESMAN

25 FEB 2000

REUNIFICATION / BEIJING FOR TIME-FRAME

H.D. 16  
26/2

# China displaying its belligerence: Taiwan

**TAIPEI, FEB. 25.** In a harshly worded statement today, Taiwan rejected new warnings from China that this island risks war by continuing to put off reunification.

The threat "clearly displays China's belligerent nature and hegemonic thinking," said Mr. Su Chi, chairman of the Mainland Affairs Council, which handles Taiwan's China policy.

Mr. Su said Taiwan was willing to talk to Chinese leaders but "Beijing has been the one which has refused to negotiate."

On Monday, China issued a white paper that warned that force would be used against Taiwan if it delays indefinitely talks on unification. Taiwan has long said it would unify when the mainland is democratic and more economically developed.

Beijing's warning carried a new twist. China has previously said only a declaration of independence or foreign interference would prompt a Chinese attack.

Today, Mr. Su repeated Taipei's insistence that Beijing should agree that there is one China and both sides can have their own interpretation of what that China is. He said Taiwan's position is that both sides should have an equal, "special state-to-state" relationship.

The position — announced by the President, Mr. Lee Teng-Hui, last year — has angered Beijing, which views it to be a step toward independence.

Relations between the two Governments have been tense since Mr. Lee announced his view in July, and many Taiwanese fear China might try to interfere in Taiwan's March 18 presidential election.

Meanwhile, China has declared that it is unwilling to wait indefinitely to achieve its ultimate goal — reunification of Taiwan with the mainland.

"After the return of Hong Kong and Macao, it is natural that we have felt a certain urgency to solving the Taiwan problem", the Foreign Ministry spokesman, Mr. Zhu Bangzao, told mediapersons in Beijing yesterday.

While stressing that China still considered resolving the issue through peaceful means, Mr. Zhu said the Government will not rule out the use of force if the "splittists" in Taiwan declared independence.

Defending the white paper, Mr. Zhu said it clearly showed that the Chinese Government considered that the Taiwan issue cannot drag on indefinitely. Analysts said the white paper has introduced a potentially explosive ele-



**The Chairman of the Mainland Affairs Council, Mr. Su Chi, addressing newsmen in Taipei on Friday. — AP**

ment into the Taiwan powder keg.

The next step for mainland authorities might be to declare a deadline for reunification, a leading China analyst with Hong Kong's *South China Morning Post* wrote this week.

They said Beijing had released the white paper to warn the pro-independence presidential candidate, Mr. Chen Shui-Bian, and others that they must start serious talks with Beijing soon after the poll.

They also noted that China was not worried about antagonising the U.S. Congress because it believes a policy of toughness some times works.

Diplomatic sources said U.S. diplomats have relayed the Clinton administration's concerns over the white paper to the Chinese Foreign Ministry.

However, China yesterday summarily rejected U.S. concerns and accused Washington of stirring up tension across Taiwan Straits.

"We would like to express our strong dissatisfaction and firm opposition at this interference which is a gross violation in China's internal affairs," Mr. Zhu said. — AP, PTI

**THE HINDU**  
**26 FEB 2000**



## China 'stole' Canada nuclear secrets

OTTAWA, JAN. 25. Chinese spies stole Canadian nuclear secrets over a 20-year period to build an illegal copy of a research reactor that Beijing is now marketing around the world, *The Globe and Mail* newspaper has said.

The Canadian daily, quoting security sources, said Beijing had sent one of its best spies to Canada in the late 1960s to cultivate contacts among nuclear laboratory workers developing the so-called Slowpoke reactor.

As part of the information-gathering campaign, Chinese nuclear institutes invited Canadian exporters to visit and often asked them for important tips and hints.

A Chinese official also visited the headquarters of the Atomic Energy of Canada Ltd. (AECL) and — claiming Beijing might want to buy the Slowpoke — asked detailed questions about how the reactor worked. "The Chinese pretty much picked the place clean," the newspaper quoted a security officer as saying.

It said it was not until a University of Toronto scientist saw a virtual carbon copy of the reactor near Beijing in 1985 that the Canadian security officials realised how successful the spying operation had been.

Canada subsequently gave up trying to market the reactor. But China has sold its version of the Slowpoke to Iran, Syria, Pakistan, Nigeria and India. The Slowpoke — or safe low-power critical experiment — is smaller than the AECL's Candu reactor. Canada has sold two Candus to China in a deal worth \$ 2.7 billions.

An AECL spokesman said the loss of the technology did not pose a national security threat because the Slowpoke had no military applications. — Reuters

HD-16

CIS MEET / PUTIN ELECTED CHIEF ✓

27/1

# Russia, Belarus join hands

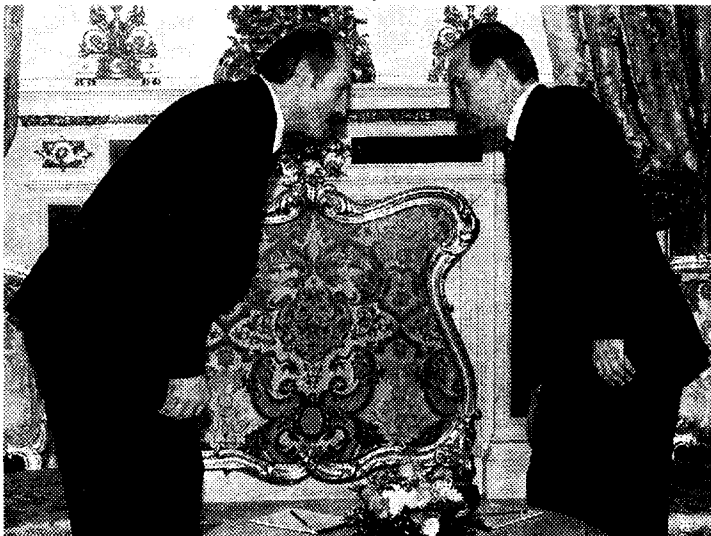
By Vladimir Radyuhin

**MOSCOW, JAN. 26.** The process of merging Russia and Belarus into a single State was formally launched on Wednesday after the leaders of the two countries exchanged the instruments of ratification of a union treaty signed in December.

"Bringing this treaty into force is a historic event that not only corresponds to the national interests of the two States, but embodies the will of Russians and Belarussians to live and work together for the common good," Russia's acting President, Mr. Vladimir Putin, said after the ceremony.

The treaty calls for uniting Russia and Belarus in a kind of confederation, with both countries retaining full sovereignty and a national identity but forming a joint Higher State Council consisting of the two Presidents, Prime Ministers and parliamentary Speakers. Elections to a union Parliament are to be held before the end of the year. The treaty also provides for closer unification by 2005 when the two countries are to create a single currency and uniform tax, customs and border laws and harmonise legislation.

"I regard this treaty as an act of historical justice, the first step towards re-creating of a great country that was broken apart," Belarus' President, Mr. Alexander Lukashenko, said at a Kremlin ceremony. Mr. Lukashenko was appointed today the first head of the State Council; in six months



**A NEW ALLIANCE:** Mr. Vladimir Putin (right), acting President of Russia, and the Belarussian leader, Mr. Alexander Lukashenko at their meeting on Wednesday in the Kremlin. — AP

time he cede the post to the Russian President. The union with economically weaker Belarus will put an extra burden on the Russian budget, but will also enable Russia to move its defence lines further to the West, a key advantage in view of NATO's expansion into Eastern Europe.

A day earlier, leaders of 11 former Soviet republics meeting in Moscow unanimously elected Mr. Putin head of their Commonwealth of Independent States instead of Mr. Boris Yeltsin, who resigned as Russia's President on December 31. Mr. Putin was elected despite the fact that he faces presidential elections in two months.

Russia on Wednesday rapped the European Union for its threats to apply sanctions over the Chechnya war and promised to retaliate if such steps were taken, Itar-Tass news agency said.

"This move risks bringing as great a damage to the European Union as to Russia, which would be forced to react adequately," the Foreign Ministry spokesman, Mr. Alexander Yakovenko, was quoted as saying.

He said Moscow would look at "the possible practical consequences of the European Union's decision on sanctions and the necessity of taking appropriate measures to defend Russia's interests."

THE HINDU  
27 JAN 2000

# China, Russia review strategic relations

BEIJING: In a bid to boost Sino-Russian strategic relations and co-ordination of policies on major international issues, Chinese foreign minister Tang Jiaxuan is going to Moscow on a three-day visit on Monday.

"The visit aims at further deepening the existing strategic and co-operative relations between the two nations," Chinese foreign ministry spokesman Zhu Bangzao said.

Mr Tang would be visiting Moscow from February 28 to March 1 at the invitation of Russian foreign minister Igor Ivanov. Mr Tang and Mr Ivanov are expected to discuss Sino-Russian relations and international issues of common concern.

There are also likely to be discussions on recent Sino-U.S. strategic

consultations during which the U.S. made presentation on its attempt to amend the anti-ballistic missile (ABM) treaty and set up a national missile defence (NMD) for itself and a regional theatre missile defence (TMD) for East Asia.

Russia and China are against the U.S. plans to establish NMD and TMD, which they say would trigger a new round of arms race. Mr Tang's visit comes ahead of the China tour by Russian deputy prime minister Ilya Klebanov from March 2 to 4.

The two sides would discuss co-operation between the two countries in all fields in a comprehensive way, Mr Zhu said when asked whether China and Russia would sign any new defence deal since Klebanov also heads Russia's defence production sector.

THE TIMES OF INDIA

28 FEB 2000

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## China warns Taiwan against seeking independence *China 3/11*

BEIJING: Just months before Taiwan's presidential elections, Chinese President Jiang Zemin has warned the island not to seek independence.

"China will not sit idle and tolerate any act calculated to split China, pursue the so-called 'independence of Taiwan,' or harm the fundamental interests of the Chinese people on both sides of the Taiwan straits," Mr Jiang said in a new year speech.

Major newspapers splashed on their front page on Saturday the full text of Mr Jiang's speech to a tea party of senior communist party officials in Beijing on Saturday.

An expert on Taiwan affairs said the speech was aimed at reining in the island ahead of presidential elections in March. Mr Jiang stopped short of threatening to invade if Taiwan declared independence to avoid upsetting voters, said the analyst who asked not to be identified.

China's envoy to Washington Li Zhaoxing has been quoted as say-

ing Beijing could not accept a victory in the presidential election by Taiwan's main opposition Democratic Progressive Party, which espouses independence from China. Mr Jiang stepped up pressure for Taiwan to reunify with China after the return of Hong Kong in 1997 and Macau last month. "We have reason to believe that the Taiwan issue can definitely be resolved," Mr Jiang said.

"When the time is ripe, the two sides of the Taiwan strait should enter into dialogue under the principle of one China," he said. "Anything can be discussed." "I have to emphatically point out that the 'one china' principle is the basis and premise of peaceful reunification."

Taiwan has rejected China's 'one country, two systems' formula, which granted Hong Kong and Macau a large degree of autonomy, as a way of unifying Beijing and Taipei. Mr Jiang said China was fully aware of the differences between Taiwan and Hong Kong and Macau. (Reuters)

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# Karmapa, bishops put China in a spot

NEW YORK: The dramatic escape into exile of Tibet's last primary Buddhist leader was the second incident in two days to show the Chinese government's persistent problems with organised religion.

The 14-year-old Karmapa, leader of one of Tibetan Buddhism's four sects, arrived on Wednesday at Dharamsala, to meet the Dalai Lama, Tibet's political ruler in exile.

On Thursday, Catholics aligned with China's Communist regime ordained five new bishops not recognised by Rome on the very day that Pope John Paul II was conducting his annual elevation of new bishops from around the world. That timing was interpreted as a snub that dooms, at least for now, Vatican efforts to normalise the church situation. China has also detained thousands of Falun Gong followers since outlawing the spiritual movement five months ago.

The harrowing flight of the Karmapa across the Himalayas "reveals the shambles of China's policy of trying to manage religion," says Robert Thurman, Columbia University professor

and friend of the Dalai Lama. "Their suppression is not working, and their attempt to pretend to get along with Buddhism doesn't work, either."

John Ackerly, president of the International Campaign for Tibet in Washington, said the Beijing regime tried to use the Karmapa "to showcase their religious freedom policies. It will make it much more embarrassing that he's been so highly covered by official media."

Thurman said it was essential for the Karmapa to leave so he could receive a thorough Buddhist education and pass on his tradition, which he said was not possible under Chinese control. "Some distinguished teachers still remain behind, but among the leaders of the major forms of Tibetan Buddhism, all have now felt it necessary to escape in order to practice their religion," said Donald Lopez, professor of Tibetan studies at the University of Michigan.

China and the Vatican have had no formal relations since 1951, when the Communist Party kicked out missionaries and forced Catholics to sever ties with the Vatican. (AP)

Don't listen to threats, Buddhists tell Centre

# Beijing warns Delhi over lama asylum

STATESMAN NEWS SERVICE

NEW DELHI, Jan. 11.— As Buddhist and pro-Tibetan groups today urged New Delhi to grant political asylum to the 17th Karmapa, China broke its silence and warned India not to set back ties.

China hasn't yet received confirmation from New Delhi about the lama's arrival in India, foreign ministry spokesman Mr Zhu Bangzao said in Beijing. But he hinted that granting political asylum to the Karmapa would violate the "five principles of peaceful co-existence" on which Sino-Indian relations are based.

"China and India have stated in explicit terms that they will develop and improve bilateral relations, and on relevant issues the Indian side has made commitments," Mr Zhu said. "We hope the Indian side will strictly observe their commitments."

New Delhi, still undecided on the thorny issue, refused to react. The external affairs spokesman said India hasn't received any communication from Beijing.

But the Centre continued its hectic behind-the-scenes activity, reportedly sending another home ministry team to Himachal Pradesh, where the Dalai Lama's 'Tibetan government-in-exile' is based. The team, however, is expected to put up not at Dharamshala, the seat of that 'government', but at Palampur.

It's India's relations with the Dalai Lama that faced the brunt of China's veiled threat.

"The Indian side has said in

explicit terms that it recognises Tibet as an inalienable part of Chinese territory, and that the Dalai Lama cannot engage in political activities in India. I think the Indian side is well aware of this," Mr Zhu said.

China's fears of a spurt in what it calls "splittist" activities were, however, borne out today with supporters of Tibetan independence claiming their movement had received a fillip.

At a press conference here,

Centre would have the moral courage to follow Jawaharlal Nehru's example. "We should maintain our dignity in the comity of nations. If any nation feels offended by it, that's their problem. We cannot be guided by fear."

Supreme Court lawyer Mr Naresh Mathur said the Karmapa had shown his independence by leaving Tibet. If he is sent back, he would face persecution.

Home ministry officials said the Karmapa's status as refugee was being discussed, and a decision would be made after consultations with the external affairs minister.

New Delhi, however, has a tricky problem on its hands. Apparently its own home ministry had, two-and-a-half years ago, cited Intelligence reports suggesting the boy Karmapa (then 11) was too close to the Chinese government.

Senior officials said he was impressionable and spent a lot of time in Beijing with Chinese officials. His advisers too were close to the Chinese. The home ministry singled out one based at Rumtek monastery who apparently visited China several times.

**US official:** The US coordinator for Tibet today had an unscheduled meeting with Dalai Lama aides at Dharamshala, adds PTI.

Ms Julia Taft, who is also assistant secretary of state for population, refugees and migration, seemed ready to reveal details to the press but was repeatedly restrained by officials of the 'Tibetan government-in-exile'.

## NEW CHALLENGER

GANGTOK, Jan. 11. — A third contender emerged last night for the title of 17th Gyalwa Karmapa, head of the Karma Kagyu sect of Buddhism and of Sikkim's Rumtek monastery. Dawa Sangpo Dorji (23), born in north Sikkim's Mangan, has asked his two 'rivals' to prove their credentials by showing off their supernatural powers.

One of the tests is this: Ugyen Trinlay Dorji (14), who arrived in Dharamshala last week from Tibet, and Thaye Trinlay Dorji, propped up by the 14th Sharmapa Rimpoche, must "stay on the throne (of the 16th Karmapa in Rumtek monastery) from seven to 21 days without suffering" before the lamas and other religious heads and in front of TV cameras.

— PTI

(Details on page 6)

the Himalayan Buddhist Cultural Association, scholars and pro-Tibet activists said the 14-year-old Karmapa's arrival would rouse young Tibetans, "who have been drifting away from their roots", to the cause and speed up a solution.

The meeting echoed with appeals to the Centre not to buckle under threats, but to grant political asylum to the Karmapa.

The HBCA president, Lama Chosphele Zotpa, declared he had no doubt that the government would accept the request.

Dr Anand Kumar hoped the

# China proclaims 2-yr-old as 7th Living Buddha

BEIJING: China announced that a two-year-old boy had been enthroned in Lhasa as the seventh reincarnation of the Reting Rinpoche, a senior Tibetan religious figure.

"The seventh Raiqen 'Living Buddha' ... participated in the ritual of succession, initiation into monkhood, and the ceremony to give him a Buddhist name ... inside the Jokhang temple in Lhasa," the official Xinhua news agency said.

The sixth Reting, Dandzim Jigme, who played a role in the administration of Tibet in

the 1930s and in the search for the present Dalai Lama, died in February 1997.

Xinhua said that a group of monks from the Raiqen monastery charged with finding his reincarnation had determined that Soinam

Puncog, born in Lhari county, north of Lhasa on October 13, 1997, was the one. "The new 'living Buddha' will participate in a grand ceremony to mark his ascension to the throne and the beginning of his religious life," the report said.

It said the reincarnation was recognised by

China's Communist authorities. A December 31 report in the Tibetan daily said the child was discovered in accordance with "the traditions and rites" of Lamaism after a search among some 670 children.

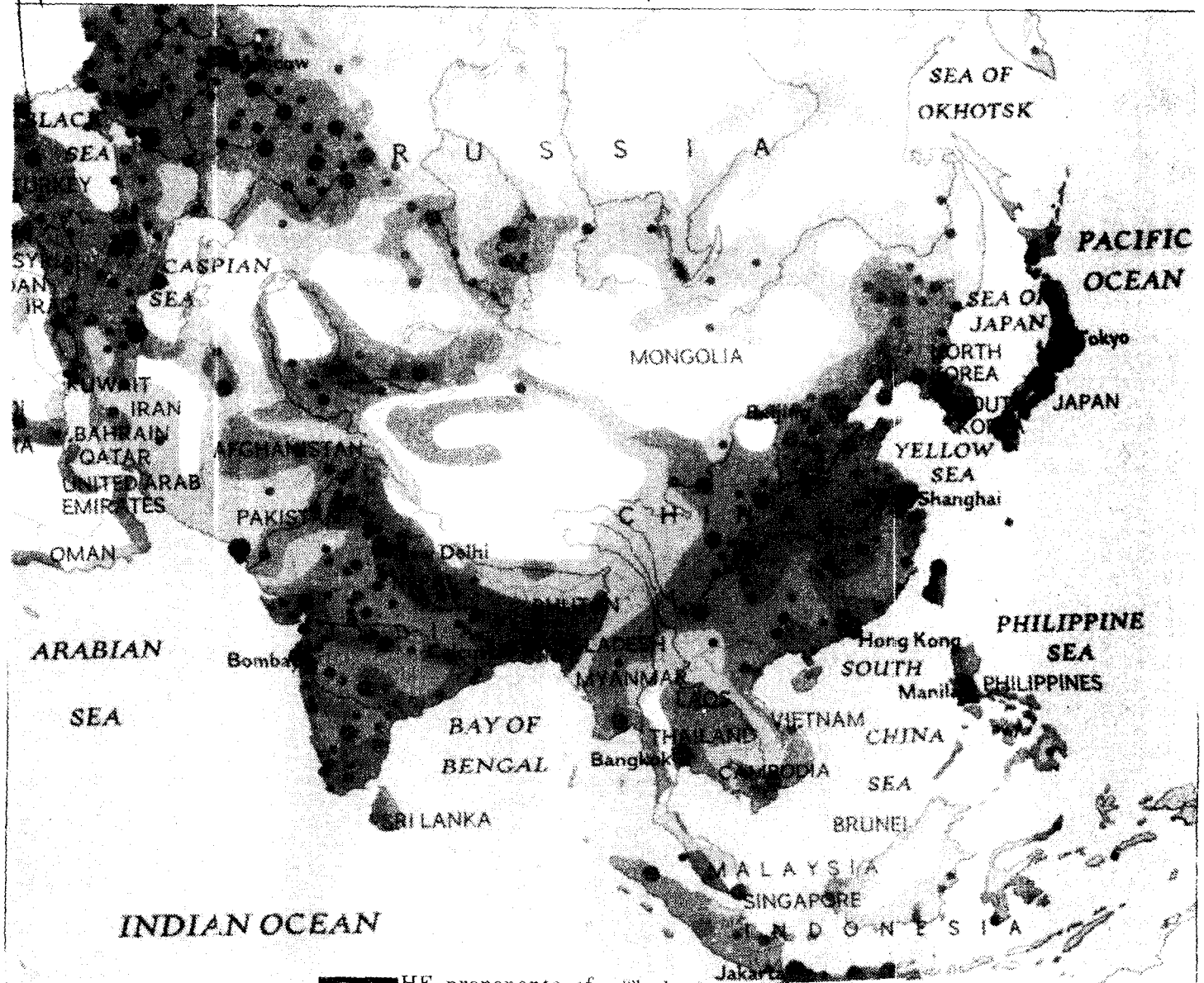
The Reting Rinpoche is one of several dozen 'Living Buddhas' in Tibet, who became noteworthy for his role during his fifth incarnation in the aftermath of the 13th Dalai Lama's death in 1933. Tibetan religious experts in India

said. (AFP)

# China muscle-building on sea

ST-7

20/1



President Jiang Zemin (right) has stressed the modified role of China's armed forces and Prime Minister Zhu Rongji (far right) recently issued a veiled warning to S-E Asian nations that raised fears about Beijing's activities in the Indian Ocean

**Military strength alone will not be a deterrent to China from entering the Indian Ocean. India needs to initiate a strategic alliance, which will make Beijing think twice before venturing on any oceanic adventure, says J K DUTT**

**T**HE proponents of sea power have constantly advocated that countries with long coastlines should develop an effective maritime strategy, to make maximum use of such a natural asset.

The two Asian giants, China and India, both are in this category. While India has been reticent about building its maritime praxis, China has been perspicacious.

China has significantly deviated from its powerful land warfare to developing the brown and blue water policies for reinforcing its naval might.

The People's Liberation Army and Navy (PLAN) is being buttressed and modernised since the past four to five years.

Maritime operations got a filip after China settled its extensive land border issue with neighbouring countries. Today, it doesn't envisage any land threat.

President Jiang Zemin, in his address to the 15th Congress a few years ago, highlighted the modified role of China's armed forces. Its first priority is to ensure the security of economic development so that the country can soon attain super-power status. The second is border defence.

The land security aspect having been relegated to a secondary place, China is concentrating on its maritime forces. It makes sense for China to reap the ocean wealth available in its own backyard.

PLAN's chain of command starts with the Central Military Commission, which is overall in charge of its naval establishment. The latter has three Sea Fleets — the Northern, Eastern and Southern Fleets.

There are separate organisations encompassing Marines, Naval Aviation, Submarines and Coast Guard. PLAN possesses the third largest navy

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in the world, holding approximately 50 warships, 52 submarines, 120 mine warfare vessels, 164 support ships and 900 coastal patrol craft.

The navy's recent acquisitions include three aircraft carriers, one for each fleet. PLAN's fleets are configured for conventional and nuclear warfare. China recognises three "focus areas" in the context of its maritime strategy. These are Korea, Taiwan, and the Indian Ocean.

The Korean peninsula's proximity to Japan has compounded PLAN's deployment pattern in this area. The oceanic span consisting of the Yellow Sea, the Sea of Japan and the East China Sea was transformed into a virtually explosive cauldron after North Korea test-fired its Taepodong ballistic missile in 1998.

An alarmed South Korea and Japan appealed to their mentor, the USA. The upshot was the blueprinting of a comprehensive Theatre Missile Defence system.

This predictably invited a sharp response from China and the PLAN. What heightens the tension is the ongoing ownership dispute between Japan and Russia over the Kurile Islands.

The northern tip of the Kuriles is close to the sensitive Russian Kamchatka peninsula. So the entire area has accentuated naval deployment, and targets at sea and on land have been registered for missile engagement. What is disturbing is that in a combative scenario, three major powers — China, the USA and Russia — may get militarily involved.

PLAN's charter also includes amphibious operations. The Chinese Institute of Strategic Studies has studied in depth

General Douglas MacArthur's historic Inchon landing during the Korean War. It's understood that a beach-head operation doctrine is in vogue.

PLAN intends to do a "reverse Inchon" on South Korea in the event of a hot war. Two marine infantry divisions have been fully trained to spearhead it. An amphibious operation by PLAN would also serve as a warning to Japan.

Taiwan continues to be a thorn in China's side, both politically and geographically. President Lee Teng Hui's periodic remarks on Taipei-Beijing equations, which presumably have Washington's blessings, have upset China.

The Taiwan Relations Act of

1979 provides US security to this island state against any military aggression, aka one from China.

Despite PLAN's brazen manoeuvres in the Taiwan Straits, the USA is not keen on getting embroiled in a naval showdown with China as this would not be prudent. However, PLAN has worked out the details for an amphibious assault on Taiwan, should need be.

Macau, too, had been on the cards, but its smooth reversion to China on 19 December precluded any military strikes by PLAN's Eastern and Southern Fleets. The Hainan island has been converted into a naval fortress.

PLAN is also tasked with securing China's continental shelf, which provides fish, oil, natural gas, minerals and marine products. It would also give a boost to the tourism industry.

China's interest in the Indian Ocean is of concern to India. This geo-strategic waterway's importance cannot be gainsaid. China is seized of the advantages accruing from dominating the waterway and has accordingly put into action the first phase of its grand strategy for the Indian Ocean.

PLAN's conversion of Paracel, Sprattly and Coco

Islands into convenient staging posts for debouching into the Indian Ocean — via the Sumba, Lombok, Sunda and Malacca Straits — is significant.

In conjunction with a naval ingress, China can comfortably move a huge land force through Myanmar right down to Tenasserim for a foray into the Bay of Bengal.

All South East Asian nations view China's activities in the Indian Ocean with unconcealed trepidation and rightly, too. But no one is protesting. Chinese Prime Minister Zhu Rongji's low-key visit to some of these nations late last year, to convey a veiled warning, has further shaken them.

China's penchant for gerrymandering is too well known to raise doubts. Appropriately, these nations look to India to do something.

New Delhi has realised the seriousness of the situation, borne out by the fact that the Andaman Islands' naval base has been upgraded to a full-fledged Far Eastern Naval Command. But military strength alone will not be a deterrent to China from entering the Indian Ocean.

India needs to initiate an

Indian Ocean Treaty, a strategic alliance of all the littorals, together with Diego Garcia and Australia. Such an alliance will make China think twice before endeavouring into any oceanic adventure in this region.

India should also settle people — perhaps a crop of intrepid ex-Servicemen — in as many uninhabited islands as possible, giving them incentives to do so. The intention should be to ensure that all habitable islands are physically occupied so that any temptation for a marauding force to set up camp on such an island is discouraged.

As a full dialogue partner in the ASEAN Regional Forum, India should prevail on the leading members to pre-empt China from any gunboat diplomacy in the Indian Ocean as an adjunct to the forum's main concern, the Pacific Ocean.

India must appreciate the tenet propounded by the evangelist of maritime strategy, Alfred Mahan; a tenet equally extolled by our own "Father of the Navy," Kanhoji Angre: sea blindness is a syndrome that engulfs all those countries that fail to comprehend the value of sea power.

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## China stole Canada's N-secrets, says report

OTTAWA: Chinese spies stole Canadian nuclear secrets over a 20-year period to build an illegal copy of a research reactor that Beijing is now marketing around the world, the *Globe And Mail* newspaper said on Monday.

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The Canadian daily, quoting security sources, said Beijing had sent one of its best spies to Canada in the late 1960s to cultivate contacts among nuclear laboratory workers developing the so-called "slowpoke" or safe low-power critical experiment reactor. As part of the information-gathering campaign, Chinese nuclear insti-

tutes invited Canadian exporters to visit and often asked them for important tips and hints.

A Chinese official also visited the headquarters of Atomic Energy of Canada Ltd. (AECL) and — claiming Beijing might want to buy the "slowpoke" — asked detailed questions about how the reactor worked. "The Chinese pretty much picked the place clean," the newspaper quoted a security officer as saying.

The *Globe And Mail* said it was not until a University of Toronto scientist saw a virtual carbon copy of the "slowpoke" reactor

near Beijing in 1985 that Canadian security officials realised how successful the spying operation had been.

Canada subsequently gave up trying to market the reactor. But China has sold its version of the "slowpoke" to Iran, Syria, Pakistan, Nigeria and India. The "slowpoke" is smaller than AECL's "Candu" reactor. Canada has sold two "Candus" to China in a deal worth \$2.7 billion. An AECL spokesman said the loss of the technology did not pose a national security threat because the "slowpoke" had no military applications. (Reuters)

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# China releases scholar

HP-12/201  
**BEIJING, JAN. 29.** A U.S.-based scholar detained in China for more than five months on vague charges of "providing confidential materials to foreigners" was released on Saturday.

The scholar, Mr. Song Yongyi, a research librarian at Dickinson College in Carlisle, Pennsylvania, was detained in August while collecting documents concerning the 1966-76 Cultural Revolution that are widely available in markets and curio shops. He was formally charged last month with "the purchase and illegal provision of intelligence to foreigners," a move that alarmed academics overseas, who saw a threat to research activities in China, as well as American politicians. Together, the two groups waged a vigorous campaign to gain the release of Mr. Song, a Chinese citizen who had been scheduled to



**Song Yongyi**

become an American citizen weeks after he had been detained.

"I was so excited, but it was so strange I couldn't believe it," said his wife, Ms. Helen Yao. She said she had been given no reason for the release of Mr. Song. A statement issued on Friday by the Chinese Embassy in Washington said Mr. Song had been shown "leniency" and not prosecuted because he had admitted his "criminal activities" and had volunteered information about the "illegal activities of others." Ms. Yao said in a phone conversation

Mr. Song had insisted that he had "never confessed to a crime — no, never." Mr. Song's lawyers have said all along that he was in China collecting materials about the Cultural Revolution as part of his job. They denied that involved anything criminal. The "leniency" release is a bittersweet victory for many of Mr. Song's dogged supporters, who saw his predicament as a test case not only for academic freedom, but also for legal reform in China.

"Given the state of the process of Chinese judicial reform," Mr.

Arlen Specter, Republican Senator from Pennsylvania, said, "I think it would be too much to expect that they'd admit to having made a mistake." Mr. Specter had sponsored a Congressional resolution to demand that Mr. Song be freed, and he received the first official news of the release at a sched-

uled meeting with the Chinese Ambassador to Washington.

The Chinese Government has frequently released political dissidents on medical grounds to rid itself of prisoners whose cases had become public relations problems.

Mr. Song became the object of a huge petition drive by scholars on four continents. They said their ability to conduct research in China would be severely compromised if Mr. Song's case stood as a precedent. — *New York Times*

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