

North Korea link to mystery boat off Japan, 15 missing

Tokyo, December 23

JAPAN'S COAST Guard on Sunday found three bodies believed to be crew members of a mysterious boat that sank after an exchange of fire with Japanese patrol boats, with suspicions growing the vessel was a North Korean spy ship.

The ship sank in the East China Sea with 15 crew members reported missing, Japanese officials said. Twenty-five patrol ships pursued the vessel following its intrusion into Japan's 200-nautical-mile exclusive economic zone, a coast guard spokesman said. Its sinking left 15 crew stranded in the water and the coast guard spokesman said they were missing at sea. "We lost track," he said on Sunday.

The nationality of the ship was unknown, the spokesman said, but the Kyodo news service said the vessel was believed to be a North Korean spy ship.

The Coast Guard found a body wearing a life jacket with Korean



REUTERS PHOTO

The unidentified boat tries to escape in East China Sea.

Hangul characters written on it in waters near where the mystery ship sank.

"Hangul characters were written on the life jacket of a body that was retrieved (by Coast Guard ships)," a coast guard official told a news conference.

Shots were exchanged between the ship and the Japanese vessels, and the ship caught fire before it sank. A government official said

the precise cause of the sinking was still undetermined. "It is not known how the ship sank. It is possible the crew members themselves sank the ship deliberately," Deputy Chief Cabinet Secretary Shinzo Abe said.

Two vessels suspected of being North Korean spy ships were spotted in Japanese waters in the Sea of Japan in March 1999.

Reuters

THE HINDUSTAN TIMES

TAIWAN / NATIONALISTS SUFFER SETBACK

Chen's party declares victory

TAIPEI (TAIWAN), DEC. 1. The Taiwanese President, Mr. Chen Shui-bian's Democratic Progressive Party (DPP) declared victory on Saturday in the country's legislative elections, a win that ended the five-decade control of the lawmaking body by the Nationalist Party, also called the Kuomintang, or KMT.

The strong showing could bolster the DPP as it tries to forge the island's first coalition Government. It could also give Mr. Chen more bargaining power if rival China accepts his invitation to talk. "We've officially become the largest party in the legislature," said the DPP Chairman, Mr. Frank Hsieh. "This is a big step toward becoming a mature democracy."

The DPP won 88 of the 225 seats in the legislature, Mr. Hsieh said. Most of the remaining seats were shared by the Nationalists, People's First Party and Taiwan Solidarity Union. Before the election the Nationalist Party controlled more than half of the 225-seat legislature, while the DPP held about one-third of the seats.

Saturday's election was the first major vote since Taiwanese made history last year by electing Mr. Chen, the island's first President from an opposition party. But Mr. Chen's inexperienced minority Government has struggled to cope with a slumping economy. The President has also been hampered by the powerful Nationalist-led opposition, which refused to work with him. The President has also been ignored by Chinese leaders because he has not favoured reunification with China.

Voting at the Taipei police station, a businessman, Mr. Lu Wen, said he supported the President's DPP because he thought a smaller opposition would mean less legislative chaos. "We elected Chen as the President, and I think we should support his party and give him a chance to run the country," Mr. Lu said.



Taiwan's President, Mr. Chen Shui-bian and his wife, Mrs. Wu Shu-chen cast their ballots at a local polling station in Taipei on Saturday. — AFP

In races for a total of 23 mayoral and county seats, the DPP won nine — three less than what it had before the vote. The Nationalist Party gained one seat by winning nine. Small parties and independents won the rest. What Mr. Chen's coalition Government would look like could depend on the election performance of the Nationalists.

A voter, Mr. Han Kuo-yu, an office worker, said he voted for the Nationalists because the party presided over Taiwan's rapid evolution from a poor agricultural economy to an industrial giant.

"We had stability and economic prosperity when the Nationalists were in power," Mr. Han said. "I miss the good old days." — AP

THE HINDU

- 2 DEC 2001

North Korea ^{6 Asia} warns US ^{US} over arms scrutiny

Seoul, November 29 ^{HF 12}

NORTH KOREA angrily rejected on Thursday US calls for inspections to hunt for suspected weapons of mass destruction and threatened to take unspecified "necessary countermeasures."

The North Korean Foreign Ministry, in a statement published by the State-run Korea Central News Agency (KCNA), also dismissed as "quite nonsensical" US statements urging the communist State to do more to cooperate against terrorism.

"The US is unreasonably demanding the DPRK receive an inspection just as a thief turns on the master with a club," said the statement.

DPRK is the acronym for North Korea's official name—the Democratic People's Republic of Korea.

"Under this situation the DPRK cannot sit idle but is left with no option but to take necessary countermeasures," it said, without elaborating.

In a reminder of unresolved tensions across the world's most heavily armed frontier, South Korea's Defense Ministry condemned North Korea for triggering an incident two days earlier in which South and North Korean border guards exchanged machine gun fire.

The North's statement said US calls for arms inspections and criticism of its abuses of human rights and religious freedom "goes to prove that some forces in the United States, in fact, do not want the dialogue for the solution of the problems." North Korea frequently uses brinkmanship, threats and bluffs as a diplomatic tool to extract conces-

sions from or get the attention of the United States. ^{26/11}

"There is nothing that North Korea hates more than to be ignored by the US," said Daryl Plunk, a Korea expert at the Heritage Foundation, a conservative American think tank.

But analysts say the North's scope for using such tactics has narrowed recently, because the United States is focused on the Afghan conflict and because the North is dependent on international support that would erode if it created a crisis.

Still, the United States has shown interest in the arms programs of North Korea, which remains on the list of states Washington accuses of sponsoring terrorism.

The United States has raised concerns about the North's missile sales and possible stocks of biological arms.

President Bush has urged North Korea to allow inspectors to determine whether it has been producing weapons of mass destruction. The top US disarmament diplomat has also listed the North as a leading germ warfare worry.

The State Department, asked on Tuesday what the United States was demanding, referred to the 1994 Agreed Framework deal with North Korea, under which Western countries agreed to build light-water reactors in North Korea in return for a freeze of the North's suspected nuclear weapons programme. North Korea must allow international inspections to determine the extent of its past nuclear program, before any critical parts of the new reactors are delivered to the North.

Reuters

THE HINDUSTAN TIMES
30 NOV 2001

B. 8. 5. 11. 15

North, S. Korea exchange fire 28/11

SEOUL (SOUTH KOREA), NOV. 27. North and South Korean security guards exchanged fire across their heavily armed border on Tuesday but there were no reports of casualties, South Korea's military said.

The shooting occurred amid a lull in inter-Korean reconciliation efforts. After the latest round of an inter-Korean dialogue broke down two weeks ago, North Korea has stepped up anti-South Korean accusations.

South Korea's office of the Joint Chiefs of Staff said in a statement that Tuesday's shooting occurred on the western sector of the border near Paju, 40 km northeast of

Seoul. The statement said two or three shots were fired from a North Korean guard post inside the northern half of the 4-km-wide Demilitarized Zone and South Korean soldiers immediately returned fire.

A shot from the North broke a window at a South Korean guard post and another hit a wire fence but there were no South Korean soldiers injured, it said.

South Korean guards broadcast warnings and fired back about 15 rounds, but there also were no reports of injuries on the North Korean side, South Korean officials said. Noting that the North Ko-

rean fire did not last, South Korean officials said it appeared to be accidental. But they said a team of U.N. officials was heading to the site to investigate the nature of the North Korean firing.

The Koreas share the world's most heavily fortified border, with nearly 2 million troops deployed on both sides. About 37,000 U.S. troops are stationed in South Korea as a deterrent against the North. There were numerous violent incidents along the border in the decades following the 1953 end of the Korean War, but there have been relatively few confrontations in recent years.

In the most recent border incidents, South Korean soldiers fired warning shots twice to repel two groups of up to 20 North Korean soldiers who accidentally crossed the eastern part of the border in September.

There were no casualties. In the past week, North Korea charged that South Korea's military brought a howitzer and two armoured tanks into the DMZ in violation of the armistice that ended the three-year Korean War in 1953.

South Korea's Defence Ministry rejected the North Korean charges as groundless. — AP

27 NOV 2001

28 NOV 2001

Campaign in S. Korea against Koizumi visit

SEOUL (SOUTH KOREA), OCT. 7. Some 140 South Korean civic groups will launch a joint signature-collecting campaign to oppose the Japanese Prime Minister, Mr. Junichiro Koizumi's planned visit to Seoul this month, officials said on

Sunday. The campaign, led by anti-Japanese groups including the Korean Citizens' Movement for Correcting Japanese Textbooks, will begin on Monday, a joint statement said. They hope to collect 10 million signatures and de-

liver them to the Japanese embassy in Seoul before Mr. Koizumi's planned one-day visit on Oct. 15. "We oppose a visit by the Japanese Prime Minister who ignored international opinion and approved a distorted textbook,"

the statement said. Ties between Japan and South Korea frayed because of Tokyo's adoption of a junior high school history textbook that South Korea says whitewashes Japanese atrocities before and during World War II.

Mr. Koizumi was also vilified for visiting a shrine that Seoul says symbolises Japan's past militarism. Any Japanese move perceived as glorifying its history evokes strong anti-Japanese sentiment in South Korea and other Asian countries, including China and North Korea. The Korean peninsula was a Japanese colony from 1910 to 1945.

Mr. Koizumi said his visit to the Yasukuni Shrine was meant to express his personal homage to 2.5 million Japanese war dead and had nothing to do with Japan's past militarism. Among the souls venerated there are convicted war criminals, including the wartime leader, Hideki Tojo.

Mr. Koizumi will also make a one-day trip to Beijing on Monday to meet with Chinese President, Mr. Jiang Zemin. China has also criticised the textbook and Mr. Koizumi's visit to Yasukuni. China believes that Japan has not atoned enough for atrocities committed in China during World War II. — AP



The Yasukuni Shrine. The Japanese Prime Minister, Mr. Koizumi's recent visit to the shrine evoked strong resentment in S. Korea.

THE HINDU

12 OCT 2001

THE Asian financial crisis of 1997-98 has shattered the lives of many Hong Kong people. Over the past few years there has been scant good news, property prices continue to fall and the number of bankruptcies has shot up. Many have either lost their jobs or have had their salaries slashed. Ravished by the economic downturn, many have never felt so insecure and vulnerable. One reason for Hong Kong's poor economic performance is the high prices, which has resulted from its dollar being

pegged to the US currency (US\$1=HK\$7.80). Because of the high prices, many consumers have been spending their pastimes in the neighbouring Shenzhen Special Economic Zone, which offers lower prices and better service. Earlier this month, the USA gave out alarming signals that the economy was in trouble. The commerce department announced the value of US exports and imports had shrunk over the 12 months to June at the fastest pace in more than eight years. This was followed by the Federal Reserve's decision to cut the interest rate for the seventh time this year, and a further reduction is expected in October.

In Japan, unemployment hit a record high of five per cent last month, the fastest rate for nearly-half a century. Taiwan also reported its worst fall in gross domestic product in 25 years, with the second-quarter GDP contracting by 2.35 per cent. Last year Hong Kong's economy grew by 10 per cent in a sharp rebound from the effects of the Asian financial crisis. But to many people, particularly those with negative assets, there was hardly any improvement. Some of them even think there will never be an end to their economic plight. Earlier this month, the Hong Kong government announced the unemployment rate had risen to 4.7 per cent. On 31 August, the second-quarter GDP figures will be revealed. In May, the forecast was reduced from four to three per cent. With a deterioration in the global economy, the prediction is that Hong Kong will have only one per cent or zero growth this year. In times of adversity, the people blame the government. Although we cannot hold the

Hong Kong is going through one of its worst periods and politicians have a duty to provide leadership, writes EMILY LAU

administration of CH Tung interested in looking after the welfare of a few property tycoons. They are also depressed because they know it is almost a foregone conclusion that Mr

Legco members were able to set aside their differences and agree on a package of proposals to deal with the economic slow-down. The proposals, including tax cuts and additional expenditure on infrastructure projects, were accepted by the Tung administration. Last year, political parties in Legco formed an alliance to combat air pollution, which was seen as a threat to the health and the economic wellbeing of the Special Administrative Region. Again legislators produced proposals which were readily accepted by the executive

authorities. Last week, James Tien, chairman of the Liberal Party which has eight members in the Legco, kindly offered to convene a meeting for legislators to discuss ways of stimulating the economy. Unfortunately, only the Democratic Party and the Frontier were willing to attend. In the end, Mr Tien decided to

bring forward their own economic programmes and vie for support through the ballot box. This is not to be in Hong Kong, where the people are lesser beings and have no right to elect the government. Sensing the groundswell of discontent, I suggested last

term next year, when he will be "elected" by a committee of 800 people. This means he will preside over Hong Kong for another five years. In democratic countries, if the economy is in trouble and there is an election coming up, different political parties will forward their own economic programmes and vie for support through the ballot box. This is not to be in Hong Kong, where the people are lesser beings and have no right to elect the government. Sensing the groundswell of discontent, I suggested last

term next year, when he will be "elected" by a committee of 800 people. This means he will preside over Hong Kong for another five years. In democratic countries, if the economy is in trouble and there is an election coming up, different political parties will forward their own economic programmes and vie for support through the ballot box. This is not to be in Hong Kong, where the people are lesser beings and have no right to elect the government. Sensing the groundswell of discontent, I suggested last

term next year, when he will be "elected" by a committee of 800 people. This means he will preside over Hong Kong for another five years. In democratic countries, if the economy is in trouble and there is an election coming up, different political parties will forward their own economic programmes and vie for support through the ballot box. This is not to be in Hong Kong, where the people are lesser beings and have no right to elect the government. Sensing the groundswell of discontent, I suggested last

term next year, when he will be "elected" by a committee of 800 people. This means he will preside over Hong Kong for another five years. In democratic countries, if the economy is in trouble and there is an election coming up, different political parties will forward their own economic programmes and vie for support through the ballot box. This is not to be in Hong Kong, where the people are lesser beings and have no right to elect the government. Sensing the groundswell of discontent, I suggested last

term next year, when he will be "elected" by a committee of 800 people. This means he will preside over Hong Kong for another five years. In democratic countries, if the economy is in trouble and there is an election coming up, different political parties will forward their own economic programmes and vie for support through the ballot box. This is not to be in Hong Kong, where the people are lesser beings and have no right to elect the government. Sensing the groundswell of discontent, I suggested last

call off the meeting. Some political parties are not in favour of Legco members working together because it would put pressure on the administration. They argued that Mr Tung was already doing something and the political parties could forward their suggestions separately. No doubt, different political parties have their own ideas on how to save Hong Kong, but what is needed now are proposals that will fly. These must have the solid backing of Legco or else will be given short shrift. In the past, the British colonial government used the "divide and rule" tactic to deal with Legco. The different methods of electing legislators were designed to institutionalise this ploy. However, history has shown that, if they so wish, legislators can work together to form a powerful alliance. When that happens, the executive authorities will have no choice but to concede to the demands. The legislators' inability to work together this time is so disappointing, because it is so desperately needed and because there are areas on which many

of can readily agree. One of these involves using money from the fiscal reserves to revitalise the economy. Although many of Hong Kong's people are poor, the government is rich. The Exchange Fund has more than HK\$1,000 billion, of which more than HK\$400 billion belongs to the fiscal reserves and HK\$300 billion is accumulated surplus. The administration has always said the money is being set aside for a rainy day. In these trying times, many think Hong Kong is being devastated by a typhoon and the money must be used to alleviate the people's plight. In times of crisis, politicians should provide leadership. Although Hong Kong has an executive-led government, there is no leadership to galvanise the community and to pull the economy out of stagnation. The people need to have hope. Beijing may not want a powerful legislature to counteract the Chief Executive, but if Mr Tung fails to live up to the people's expectations, Legco must intervene. Some see a united action by Legco as an attack on the so-called "executive-led government". The question is, if the executive authorities fail to deliver, why shouldn't Legco take over?

of can readily agree. One of these involves using money from the fiscal reserves to revitalise the economy. Although many of Hong Kong's people are poor, the government is rich. The Exchange Fund has more than HK\$1,000 billion, of which more than HK\$400 billion belongs to the fiscal reserves and HK\$300 billion is accumulated surplus. The administration has always said the money is being set aside for a rainy day. In these trying times, many think Hong Kong is being devastated by a typhoon and the money must be used to alleviate the people's plight. In times of crisis, politicians should provide leadership. Although Hong Kong has an executive-led government, there is no leadership to galvanise the community and to pull the economy out of stagnation. The people need to have hope. Beijing may not want a powerful legislature to counteract the Chief Executive, but if Mr Tung fails to live up to the people's expectations, Legco must intervene. Some see a united action by Legco as an attack on the so-called "executive-led government". The question is, if the executive authorities fail to deliver, why shouldn't Legco take over?

of can readily agree. One of these involves using money from the fiscal reserves to revitalise the economy. Although many of Hong Kong's people are poor, the government is rich. The Exchange Fund has more than HK\$1,000 billion, of which more than HK\$400 billion belongs to the fiscal reserves and HK\$300 billion is accumulated surplus. The administration has always said the money is being set aside for a rainy day. In these trying times, many think Hong Kong is being devastated by a typhoon and the money must be used to alleviate the people's plight. In times of crisis, politicians should provide leadership. Although Hong Kong has an executive-led government, there is no leadership to galvanise the community and to pull the economy out of stagnation. The people need to have hope. Beijing may not want a powerful legislature to counteract the Chief Executive, but if Mr Tung fails to live up to the people's expectations, Legco must intervene. Some see a united action by Legco as an attack on the so-called "executive-led government". The question is, if the executive authorities fail to deliver, why shouldn't Legco take over?

of can readily agree. One of these involves using money from the fiscal reserves to revitalise the economy. Although many of Hong Kong's people are poor, the government is rich. The Exchange Fund has more than HK\$1,000 billion, of which more than HK\$400 billion belongs to the fiscal reserves and HK\$300 billion is accumulated surplus. The administration has always said the money is being set aside for a rainy day. In these trying times, many think Hong Kong is being devastated by a typhoon and the money must be used to alleviate the people's plight. In times of crisis, politicians should provide leadership. Although Hong Kong has an executive-led government, there is no leadership to galvanise the community and to pull the economy out of stagnation. The people need to have hope. Beijing may not want a powerful legislature to counteract the Chief Executive, but if Mr Tung fails to live up to the people's expectations, Legco must intervene. Some see a united action by Legco as an attack on the so-called "executive-led government". The question is, if the executive authorities fail to deliver, why shouldn't Legco take over?

of can readily agree. One of these involves using money from the fiscal reserves to revitalise the economy. Although many of Hong Kong's people are poor, the government is rich. The Exchange Fund has more than HK\$1,000 billion, of which more than HK\$400 billion belongs to the fiscal reserves and HK\$300 billion is accumulated surplus. The administration has always said the money is being set aside for a rainy day. In these trying times, many think Hong Kong is being devastated by a typhoon and the money must be used to alleviate the people's plight. In times of crisis, politicians should provide leadership. Although Hong Kong has an executive-led government, there is no leadership to galvanise the community and to pull the economy out of stagnation. The people need to have hope. Beijing may not want a powerful legislature to counteract the Chief Executive, but if Mr Tung fails to live up to the people's expectations, Legco must intervene. Some see a united action by Legco as an attack on the so-called "executive-led government". The question is, if the executive authorities fail to deliver, why shouldn't Legco take over?

of can readily agree. One of these involves using money from the fiscal reserves to revitalise the economy. Although many of Hong Kong's people are poor, the government is rich. The Exchange Fund has more than HK\$1,000 billion, of which more than HK\$400 billion belongs to the fiscal reserves and HK\$300 billion is accumulated surplus. The administration has always said the money is being set aside for a rainy day. In these trying times, many think Hong Kong is being devastated by a typhoon and the money must be used to alleviate the people's plight. In times of crisis, politicians should provide leadership. Although Hong Kong has an executive-led government, there is no leadership to galvanise the community and to pull the economy out of stagnation. The people need to have hope. Beijing may not want a powerful legislature to counteract the Chief Executive, but if Mr Tung fails to live up to the people's expectations, Legco must intervene. Some see a united action by Legco as an attack on the so-called "executive-led government". The question is, if the executive authorities fail to deliver, why shouldn't Legco take over?

(The author is member of The Frontier in Hong Kong.)

PERSONAL

(Continued from page 6 Col. 1)

Jai Lakshmi's Special Anniversary offer — 4 sarees of Italian crepe, Georgettes, Shifts and Soft Silks worth Rs. 1,750 now only Rs. 990. Limited period offer. 133E, Rashbehari Avenue (Sunday open). (6013152)

Kavita Chachas, heavily discounted sale of period design furniture, 26/A, Alipore Road. Today and tomorrow only. (04322)

Magnolia holds Hilsa special. Try our smoked Hilsa. For reservation, call: 229-8997. (6013173)

Perfectionist! So are we. That is why we have most advance computers and experience for eye testing and dispensing. President, Phone: 236-3280. (601248)

Rinkus exhibition-cum-sale of hand embroidered block printed and reg-dye salwar suits, saris, tops and kaftans. Also Karjivaram cotton saris from South and home linen. Identity Gallery — September 6, 7, 8. (601286)

N. KOREA / JIANG'S GOODWILL VISIT TODAY

HD-16
3/9
**China to encourage resumption
of contacts with South, U.S.** E Asia

BEIJING, SEPT. 2. When the Chinese President, Mr. Jiang Zemin, visits North Korea on Monday, analysts say he is likely to encourage Pyongyang to ease tensions with Washington and South Korea and offer help to revive the North's collapsing economy. The trip comes as the North Korean leader, Mr. Kim Jong-il, is easing his country out of its self-imposed isolation. But even amid a flurry of foreign contacts, it stands out as the first visit in nine years by a leader of China, the North's only major ally. The three-day visit reaffirms a relationship forged when China sided with North Korea in the 1950-53 Korean War but strained by Beijing's decision in the early 1990s to form diplomatic ties with South Korea, their former common enemy. Neither side has given any agenda for what is officially a "goodwill visit" by Mr. Jiang as leader of China's Communist Party. But analysts say Mr. Jiang and Mr. Kim are likely to take up a wide range of issues, from rebuilding the North's economy to relations with Washington and unease about U.S. missile-defence plans. A priority for Mr. Jiang will be encouraging Mr. Kim to resume contacts with South Korea and Washington, said Mr. Yoo Ho-yeol of Korea University in Seoul. He said China has "no reason to like tensions" with Washington and Seoul. "They will also discuss what the North can win by resuming dialogue with the United States," Mr. Yoo said.

The North launched a new round on Sunday in its ambivalent courtship with Seoul, offering to reopen talks "as soon as possible." Washington suspended talks on the North's missile programme earlier this year. Pyongyang retaliated in March by cutting off contacts with the South. The U.S. President, Mr. George W. Bush, offered in June to resume talks. But the North is balking at his request to add the issue of its huge conventional military presence on the South Korean border. Diplomatic progress would help the South Korean President, Mr. Kim Dae-jung, and his "sunshine policy" of aid and contacts with the North. Critics complain that Mr. Kim is subsidising the North and getting nothing in return.

Lawmakers are to vote on Monday on whether to dismiss Mr. Kim's Cabinet Minister



COMRADES IN ARMS: The North Korean leader, Mr. Kim Jong Il (right), is embraced by the Chinese President, Mr. Jiang Zemin, as they meet in Beijing in this January 20 file photo.

in charge of the policy. The South is watching whether Mr. Jiang joins the North's Mr. Kim in a statement demanding that U.S. troops leave the South. China says it objects on principle to foreign troops in any country. But Mr. Joseph Biden, chairman of the U.S. Senate Foreign Relations Committee, said that in a meeting last month, Mr. Jiang showed understanding of the American military presence in the South. The North's Mr. Kim is expanding foreign ties in a search for aid for his economy, ravaged by decades of mismanagement and the loss of Soviet aid. The country has lost 2 million people to famine, and depends on foreign food aid. Britain in July became the latest Government to open a new embassy in Pyongyang. The North Korean leader visited Moscow this summer. Some suggested the trip was aimed at reviving a Cold War-style alliance with China and Russia.

Mr. Jiang's visit this week takes place earlier

than expected. That suggests Pyongyang has finished a review of policy toward Washington and Seoul begun after Mr. Bush took office and announced his own review of North Korea policy.

The visit also gives Mr. Kim a chance to lobby Mr. Jiang for economic help. Mr. Kim toured China by train last year and again in January to study its reforms, visiting joint ventures, high-tech companies and the Shanghai Stock Exchange. "Both countries need to strive to ... strengthen their economic cooperation," said Mr. Zhao Gancheng of the Shanghai International Research Institute. "China is willing to help North Korea to achieve economic development." Just by visiting, Mr. Jiang is endorsing North Korea as a partner that Chinese companies "can do business with," said Mr. Yoo of Korea University. "China may want to show to the North Koreans that it will be a bulwark for North Korean efforts to rebuild its economy," he said. — AP

Koizumi war shrine visit sparks outrage

Tokyo, Aug. 13 (Reuters): Prime Minister Junichiro Koizumi paid homage today at a shrine for Japan's war dead that also honours war criminals in a move that angered Asian neighbours and upset many on both sides of the debate at home.

After days of dithering, Koizumi finally decided against making a promised visit to the Shinto religion's Yasukuni Shrine on August 15, a day that resonates with symbolism around Asia as the anniversary of Japan's surrender in World War II. A solemn Koizumi, dressed in a morning suit and accompanied by aides, entered the shrine and bowed once at the inner sanctum while a crowd of thousands was restrained outside the gate by police.

Among them were not only protesters and supporters, but also the popular Koizumi's usual gathering of adoring fans.

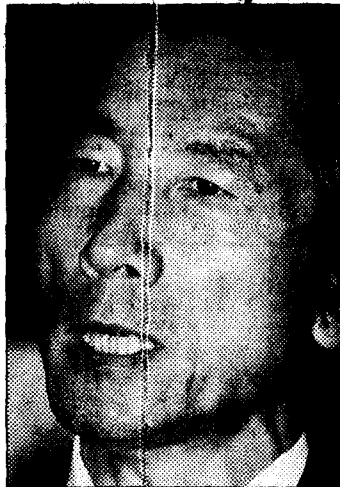
"We should not engage in such a war ever again," Koizumi said after the visit. "I paid the visit to renew my pledge for peace."

No Japanese Prime Minister has made an official visit to Yasukuni since Yasuhiro Nakasone did so in 1985, and Koizumi did not make clear whether his homage was official.

His attempted compromise, however, immediately sparked criticism at home and in Asia.

Beijing repeated that it was "opposed to Japanese leaders paying their respects and worshipping at the Yasukuni Shrine to class-A war criminals".

In Seoul, the government voiced "deep regret" and 20 South Korean gangsters cut off their fingers in a grisly protest.



Japanese Prime Minister Junichiro Koizumi. (AFP)

Koizumi first pledged to make a visit during an April campaign to lead the ruling Liberal Democratic Party (LDP), a move many say was aimed at winning support from a powerful group of war veterans and politicians who feel the war should be laid to rest now that more than 50 years have passed.

The issue divided public opinion, upset a Buddhist-backed coalition partner and outraged China and the two Koreas, all victims of Japan's wartime aggression.

Asked why he had changed his mind about visiting on August 15, Koizumi said: "As August 15 drew closer, there were those at home and abroad who misunderstood my true intentions.

"I want from the bottom of my heart to maintain friendly ties with China, South Korea and other Asian nations.

"It became evident that a visit on the 15th would be interpreted in an opposite way and that is not what I desire."

Much of the outrage over Koizumi's visit stems from the fact that 14 leaders convicted as war criminals by an allied tribunal after Japan's defeat are enshrined along with Japan's nearly 2.5 million war dead killed in battle since the 19th century.

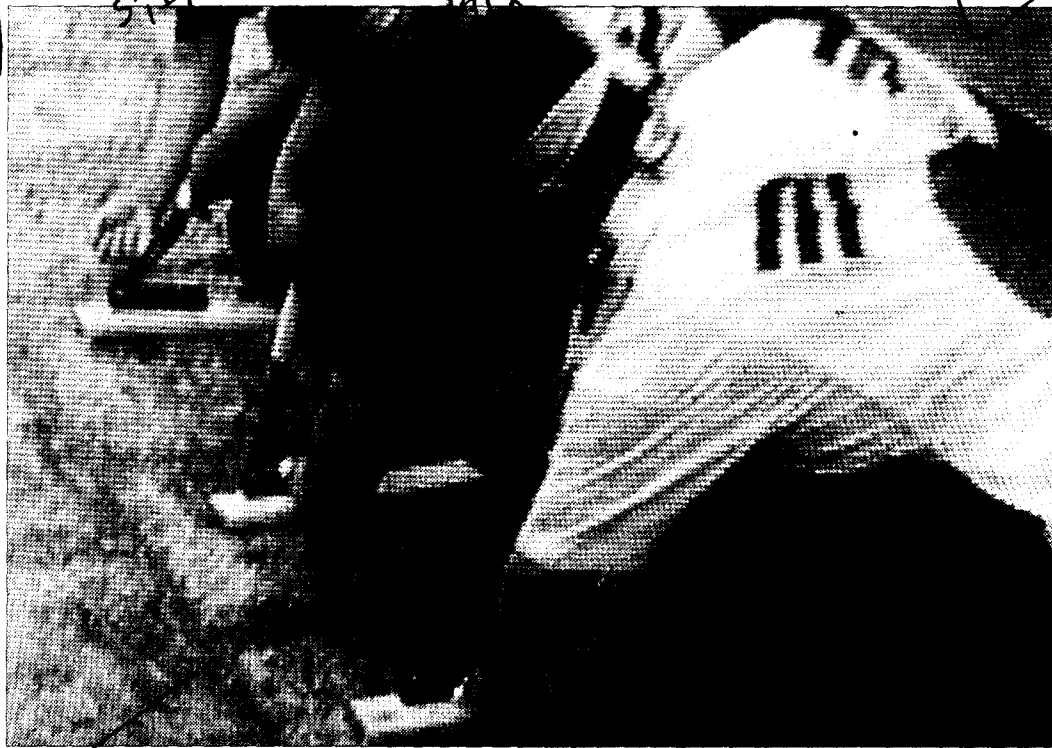
In a statement issued just before the visit, Koizumi also sought to soothe the deep resentment much of Asia still feels toward Japan over the war more than 50 years after its end.

"Towards our Asian neighbours, at one point in the past, we conducted colonisation and aggressive acts based on a mistaken national policy and caused immeasurable pain and suffering.

"I wish, in light of our country's regrettable history, to take this to heart, express my deepest regret and remorse toward all of the victims of war."

Domestic critics, however, chimed in from both sides of the debate. "Yasukuni Shrine...enshrines those who died in wars and justifies that action. Such visits should not be allowed," Communist Party leader Kazuo Shi told a news conference.

Fierce protest against Koizumi



South Koreans draped in national flags cut off their little fingers in Seoul on Monday in this TV image. They were protesting against the Japanese Prime Minister, Mr Koizumi's visit to Yasukuni shrine. — AP/PTI

AGENCE FRANCE-PRESSE

SEOUL, Aug. 13. — Twenty South Korean men chopped off the tips of their little fingers today in a public protest against Japan's Prime Minister, Mr Junichiro Koizumi's visit to Yasukuni shrine for war dead where war criminals are enshrined.

The protest was staged in a Seoul park near the Independence Gate that was used as a jail for anti-Japanese fighters when the Korean peninsula was occupied by Japan from 1910 to 1945.

Standing in drenching rain, the men, dressed in black, cut off their fingers before using South Korean national flags to bandage their wounds with the

help of doctors.

Nearly all aged in their 20s, the men called themselves the "Save The Nation Squad." Cutting off the little finger is a traditional gesture in South Korea to show determination. It was often used in the past by gangsters.

Anti-Japanese protesters also erupted outside the Japanese embassy as it was announced in Tokyo that Mr Koizumi was to visit the shrine today.

Mr Koizumi entered the shrine as thousands of people, jostling for a glimpse, were restrained by police.

Japan's government spokesman had announced the decision at a news conference along with a statement in Mr Koizumi's name saying Japan should never go to war again.

THE STATESMAN

14 AUG 1991

N. Korean remark on U.S. troops irks South

SEUL (SOUTH KOREA), AUG. 7. South Korea has rebuffed a statement by the North Korean leader during his weekend visit to Moscow that seemed to alter his stance toward the presence of U.S. troops in the Korean peninsula.

A joint declaration issued by the Russian President, Mr. Vladimir Putin, and his North Korean counterpart, Mr. Kim Jong-il, demanded that the U.S. troops be withdrawn from South Korea, saying it would speed reunification talks on the peninsula. The Kremlin, in the declaration, expressed "understanding" of the North Korean position but did not endorse it.

In response, Mr. Kim Euy-taek, a South Korean Foreign Ministry spokesman, called the presence of American troops in South Korea "a bilateral issue between the United States and the Republic of Korea." The United States bases 37,000 troops in South Korea, including a full combat division near the demilitarised zone between the two Koreas. Officials and political analysts offered a variety of reasons why Mr. Kim Jong-il might have wanted the wording about the American troops included though he has been widely reported as having told the South Korean President, Mr. Kim Dae-jung, that he would not object if the American troops stayed on.

Mr. Kim Dae-jung frequently cited that remark, which he said the North Korean leader made at their meeting in Pyongyang, the North Korean capital, in June 2000, as evidence of progress toward reconciliation, a high priority with the South Korean leader. The wording in the Moscow declaration was "intended more for domestic consumption than anything else," said the spokesman. The inference was that the North Korean leader had called for withdrawal of the troops during his Moscow visit to mollify hardliners in Pyongyang, on whom he relies to maintain his power. He serves as Chairman of North Korea's all-powerful National Defence Commission as well as

General Secretary of the Workers' Party. Nonetheless, said Mr. Moon Chung-in, a scholar with close ties to Mr. Kim Dae-jung, "the Moscow declaration defies Chairman Kim Jong-il's tacit acceptance of American forces in South Korea."

Mr. Moon, dean of international studies at Seoul's prestigious Yonsei University, called the North Korean demand "a setback for President Kim Dae-jung" even though he said the reclusive North Korean's leader's meeting with Russia seemed to make it more likely that Mr. Kim Jong-il will pay a return visit to Seoul, as promised last year in Pyongyang.

A meeting here, he said, would be likely to lead to reopening the rail link between North and South Korea, in keeping with the Moscow declaration's commitment. The reference to the American troops, however, appeared to some political analysts to negate the positive value of the northern leader's visit abroad and opened a fresh political debate here. Mr. Lee Hoi-chang, leader of the Opposition Grand National Party, said the declaration showed that Mr. Kim Dae-jung had "either lied to the people or was deceived by the North" on the topic of American troop withdrawal. The Russian and North Korean leaders "are touching the guts" of South Korea's relationship with the United States "by raising the question of U.S. forces in Korea," said Mr. Kim Song-han, professor at the Institute of Foreign Affairs and National Security, an adjunct of South Korea's Foreign Ministry. "That is the tactical strategy of North Korea."

Mr. Choi Jin-wook, director of North Korean Studies at the Korea Institute of National Unification, affiliated with the Unification Ministry, said Mr. Kim Jong-il's shift reflected the change in North Korean relations with the U.S. under the President, Mr. George W. Bush. "North Korea still wants to talk to the United States," he said, "but North Korea is trying to strengthen its own position." — *New York Times*

2007 AUG 20

THE HINDU
7 8 AUG 2007

PUTIN-KIM SUMMIT / 'PYONGYANG'S MISSILE PROGRAMME PEACEFUL'

Russia, N. Korea pledge joint front

MOSCOW, AUG 4. The Russian President, Mr. Vladimir Putin and the North Korean leader, Mr. Kim Jong Il issued a "Moscow Declaration" on Saturday, pledging strategic global co-operation and opposing Washington's plan to build a missile defence system.

The declaration, signed at the end of the summit talks at the Kremlin, was a strong manifesto for renewed ties between the two once ideological allies and reflects Mr. Putin's push to strengthen economic and other cooperation with Pyongyang.

Relations between Moscow and Pyongyang were frayed with the Soviet Union's new ties with pro-Western South Korea in 1990 and its collapse the next year. The document contained no surprises. The two leaders issued a similar statement when they met in Pyongyang, the North Korean capital, in July last year. Mr. Kim called the document as the "great success" of his visit that fully reflected the present level of cooperation between the two countries, the ITAR-TASS news agency said.

Russia and North Korea, along with China, are strong opponents of Washington's missile defense program. The United States says it needs the system to guard against threats from "rogue" countries such as North Korea and Iraq. In the declaration, North Korea claimed that its missile programme is peaceful and poses no threat to any country that respects its sovereignty.

"The 1992 Anti-Ballistic Missile Treaty is the cornerstone of strategic stability and the foundation of further reduction of strategic offensive arms," the document said. The United States needs Russia's consent to revise the 1972 ABM treaty to build its anti-missile programme. Russia strongly opposes amending the treaty. North Korea confirmed its plan to continue its missile development but said it would observe a promised missile test moratorium until 2003. Mr. Kim announced the 2003 moratorium during his meeting with Mr. Putin last year.

North Korea rattled the nerves of Asian and other countries by test-firing a missile that flew over Japan and landed the Pacific Ocean in 1997. The CIA believes that the communist country has the capability to develop a longer-range missile that can reach Hawaii and Alaska. The document gave no clue to whether



The Russian President, Mr. Vladimir Putin (left), shakes hands with the North Korean leader, Mr. Kim Jong-il, during their meeting in Kremlin, Moscow on Saturday. — AP

North Korea is willing to reopen talks with the United States on missile and other pending issues anytime soon. North Korea has yet to officially respond to the U.S. President George W. Bush's offer of dialogue on June 6.

North Korea instead renewed its long-standing demand for an end to the U.S. military presence in South Korea, calling it "a pressing problem." About 37,000 U.S. troops stationed in South Korea as a deterrent against military threats from the North. Russia hoped that a stalled inter-Korea dialogue would resume soon and offered to play a mediating role between the two Korean States. Inter-Korean exchanges that thrived after the first-ever summit of their leaders last year have come to

a virtual standstill because of U.S.-North Korean tensions.

Mr. Kim invited Mr. Putin to revisit North Korea, which the Russian President accepted, the declaration said. There was no mention of Russian economic assistance and possible arms sales to North Korea but Russian officials earlier said those issues were set to be covered in a separate memorandum. The 59-year-old Kim arrived in Moscow late on Friday night after a nine-day train trip across Russia's expanse. Before meeting Mr. Putin, Mr. Kim laid wreaths at the Lenin Mausoleum on Red Square and the adjacent Tomb of the Unknown Soldier, the ITar-Tass news agency said. — AP

N Korea signs pact with Russia

58
51-12

THE TIMES LONDON & REUTERS

MOSCOW, Aug. 4. — North Korean President Mr Kim Jong-Il and Russian President Mr Vladimir Putin signed a declaration in Moscow today stating that Pyongyang's missile programme is not designed to threaten any nation. "North Korea asserts that its missile programme is peaceful in nature and does not present a threat to nations respecting North Korea's sovereignty," RIA news agency quoted the Moscow Declaration as saying.

(The statement echoes assurances given by the North Korean leader last week that the USA should not view it as a danger to world security. (Washington says it intends to build a missile defence shield to protect it from attacks from countries it dubs "rogue states" such as North Korea.)

Mr Kim, with 150 aides and bodyguards in tow, rolled into Moscow in an armoured train last night as the USA warned Russia to stop selling sensitive technology to North Korea.

Russian President Mr Putin's aim in hosting Mr Kim for an unprecedented two-day round of talks is to undermine the US claim that North Korea is a threat to global security and to open the Korean Peninsula to trans-Siberian

trade. But the visit comes at a critical time in US-Russian relations, with Washington offering Moscow what may be its last chance to embrace a new "co-operative" relationship before the Bush Administration forges ahead with plans to build a controversial \$60 billion (pounds 42 billion) anti-missile shield.

Russian and US negotiators are to meet next week in Washington to begin working out new ground rules for arms reduction and mutual security, but on the eve of Mr Kim's arrival in Moscow the White House made clear its belief that Moscow must make the next move.

Ms Condoleezza Rice, President Bush's national security adviser, said that the US had "laid out for Russia and most of the world a path of co-operation", but that Russia had not yet accepted Washington's latest proposals and would have to crack down on nuclear assistance to Iran and North Korea if it wanted access to US technology for its own missile defences.

"We still have a proliferation problem of significant proportion," Ms Rice said, echoing Mr Donald Rumsfeld, the US defence secretary, who defined America's new scepticism towards Moscow earlier this year by calling Russia an "active proliferator."

Mr Kim, the reclusive lead-



North Korean President Mr Kim Jong-Il (second from left) during a wreath-laying ceremony at Lenin Mausoleum in Moscow's Red Square on Saturday. —AP/PTI

er of Asia's last neo-Stalinist dictatorship, has made little effort to soothe the American fears during his stately progress along the trans-Siberian railway. One of his few stops was to visit a tank factory in Omsk, and he will spend most of tomorrow at the

Space Centre, which builds rockets based on old Soviet intercontinental missiles. He and Mr Putin will conduct US missile defence plans in a joint statement to be signed today, and in case its language should mask the

strength of Pyongyang's feelings on the subject the North Korean state news agency spelled them out yesterday in an editorial.

Talk of North Korea posing a missile threat to the USA was "groundless sophism to cover up dominationist inten-

tion", the KCNA agency said, adding that Pyongyang would continue to develop its own missile capability against US threats.

The Pentagon believes that North Korea is building a medium-range weapon that could hit Hawaii and Alaska.

Controversial law gives Beijing power to sack territory leader

China blow to HK autonomy

FROM CARRIE LEE

Hong Kong, July 11 (Reuters): Hong Kong passed a controversial law today that will erode its autonomy by giving Communist China the power to sack the territory's leader.

Democrats and political analysts have condemned consultations between the Hong Kong administration and Beijing on the proposed law, which was passed late today after 10 hours of marathon debate by lawmakers.

The passage triggered a walk-out protest by pro-democratic legislators. Earlier, activists wrapped a banner with 40,000 signatures around the building of the 60-seat Legislative Council before the start of the marathon debate on the Chief Executive Election Bill.

The protesters called for the direct election of Hong Kong's next chief executive, or leader.

"I firmly believe that unless and until we have a government that's directly elected by the people of Hong Kong, we do not have a high degree of autonomy," said Emily Lau of the Frontier pro-democracy group.

Chief executive Tung Chee-hwa, who took over after Britain returned the former colony to China in 1997, was effectively appointed by Beijing. "I'm flabbergasted," Democratic Party leader Martin Lee said of the proposed legislation and the talks with Beijing. Lee said that under the Basic Law, the territory's post-handover Constitution, Hong Kong does not have to consult Beijing before passing laws.

Hong Kong was promised a high degree of autonomy to keep



Tung Chee-hwa

its civil liberties and capitalist system after the end of more than 150 years of colonial rule. "The Hong Kong government has again surrendered the high degree of autonomy," Lee said. "It really makes me mad."

"Once you consult them (Beijing) they want more power," he added. "Even if the chief executive were to do something

good for Hong Kong... Beijing can remove him any day." Political commentators also chided the Hong Kong government's move.

"The government should be criticised that in drafting this legislation it has not given top priority to maintaining a high degree of autonomy," said Joseph Cheng, a social science professor at the City University. "But I believe the practical political significance is limit-

ed because it is understood that Beijing will be very, very careful and it will not try to remove the chief executive without any good reason," he added.

"Furthermore, if Beijing wants to remove the chief executive, it has means to do so with or without the legal provision of the legislation." Despite the objections of the pro-democracy camp, the law had the support of the pro-Beijing Democratic Alliance for Betterment of Hong Kong and the pro-business Liberal Party.

Pro-democracy activists have been closely watching for any signs that Hong Kong's autonomy was being undermined since the handover. The government's request in 1999 for Beijing to overturn a controversial local court ruling on immigration sparked widespread public concern as have several other more minor incidents.

North Korea, Iraq main enemies: Pentagon

By Sridhar Krishnaswami

NEW YORK, July 29. Even as the Bush administration is going about studying the parameters of the start of serious talks with North Korea, the Pentagon is maintaining that Pyongyang — along with Iraq — continue to be the main threats to the United States.

"Wars might happen tomorrow in Korea and Iraq", the Deputy Secretary of Defence, Mr. Paul Wolfowitz, has said. The number two man in the Pentagon has also singled out North Korea as the bigger of the two threats given that Iraq had been defeated in the 1991 Persian Gulf War.

From a near term point of view, West Asia continues to be a flashpoint. "Iraq is still a potent force. If the United States weren't there, Saddam Hussein could be in Riyadh tomorrow", Mr. Wolfowitz remarked in a television interview.

The fact that the top Pentagon official continues to talk about North Korea and Iraq as being the principle threats to the U.S. should not be a major surprise for the Bush administration from the very beginning has made no bones of the fact that it was going to be more circumspect when it came to North Korea as opposed to the overtures of the Clinton administration.

And Iraq has been meriting attention as well with the President, Mr. George W. Bush, himself saying that Mr. Saddam Hussein continues to be a "menace". The Pentagon, for instance, is looking at the options over last week's incident in the no-fly zone. An American spy plane was nearly hit by an Iraqi missile. The U.S. Defence Department said that it reserved the right to respond at a time and place of its choosing.

North Korea will continue to merit the highest level of attention and for a number of reasons. Pyongyang is one of the chief suspects in the proliferation game

besides seen as one of the countries in the "rouge state" category that could attack the United States and its interests overseas. The Bush administration is pushing its Missile Defence Plan, the central theme of which being that the country is vulnerable to attack from rouge states in the international system.

The Pentagon brass hats and civilians have a tough time selling the National Missile Plan on Capitol Hill; and the process has become much more difficult given that the Democrats are now in "control" of the Senate with the defection of a Republican recently. The Democrats are

convinced that walking away from the 1972 Anti-Ballistic Missile Treaty which forbids building missile defence system will have high costs.

One argument of the Democrats is that unilaterally abrogating the ABM Treaty would lead to a debilitating arms race with Russia and China. But apparently, some Democrats are softening their stance in view of the last week's summit meeting between Mr. Bush and his Russian counterpart, Mr. Vladimir Putin, and the agreement to start negotiations on a wide range of issues pertaining to arms control.

Powell expects Seoul support on North Korea stand

REUTERS

SEOUL, July 27. — The US Secretary of State, General Colin Powell, arrived in Seoul today hoping for a positive response from Seoul to Washington's new approach on North Korea.

Gen. Powell is the most senior US official to visit South Korea since President Mr George W Bush took office. His visit coincides with North Korean leader Mr Kim Jong-il's first official trip to Russia.

Gen. Powell said before leaving Vietnam he had expressed support for Seoul's "sunshine policy" of closer ties with its northerly neighbour. He told an Asian regional gathering in Vietnam that USA was ready for talks with North Korea "any time and any place".

US-South Korean relations



The US secretary of state, Mr Colin Powell, and his South Korean counterpart, Mr Han Seung-soo, at a press conference in Seoul on Friday. — AP/PTI

have been under strain because of the Bush administration's decision to put on ice talks with the North — whose missile programme and diplomatic unpredictability have drawn the world's attention and earned it the title of "rogue state" in USA.

But Gen. Powell said he expected to find a "positive attitude" in South Korea, scene of recent protests against a 37,000-strong US military presence. USA led UN troops against the Chinese-backed North during the 1950-53 Korean war.

THE STATES

2 JUL 2001

HK, China head for row on citizenship

BY TAMORA VIDAILLET

Hong Kong, July 22: Beijing and Hong Kong could be headed for another constitutional row after Hong Kong's top court granted residency rights to Chinese citizens born in the territory.

On Friday, the Court of Final Appeal ruled on several controversial cases involving mainland Chinese who have claimed the right to live in the wealthy territory since its return from Britain to Communist China in 1997.

In one case, it ruled against the Hong Kong government and granted residency to three-year-old Chong Fung-yuen, born while his parents were visiting Hong Kong in September 1997.

That decision grabbed media headlines and

AA 9 2307 drew applause for underscoring a reassertion of Hong Kong's judicial freedoms.

The ruling also drew the ire of some in Beijing, who said the court had ignored China's intervention and interpretation of Hong Kong law during a constitutional row in a 1999 immigration case.

Friday's ruling will apply to about 2,000 other children in Hong Kong and to future children born in Hong Kong to a mainland mother.

The government feared the ruling could spark an influx of pregnant mainlanders and asked the court to consult Beijing on its 1999 interpretations of Hong Kong law before deciding. The Hong Kong court refused.

A spokesman for China's Commission of Legislative Affairs of the National People's

Congress Standing Committee said the ruling did not fully correspond with China's 1999 "explanations for some clauses in the Basic Law", Hong Kong's post-handover Constitution, and they were "deeply concerned."

Political analysts said the statement highlighted the risk to Hong Kong's judicial freedoms and said an upcoming ruling in a larger and more controversial immigration case this year could prove to be another major constitutional test.

"Although the Hong Kong government came out yesterday and said it intended to accept the CFA decision, there is still concern that they could be forced to change their minds," said Ms Emily Lau, a pro-democracy legislator. (Reuters)

THE HONG KONG

10
S. Asia 110-12

Seoul warns Koizumi on shrine visit

SEOUL, JULY 22. South Korea warned on Sunday that its relations with Japan would be damaged if Japan's Prime Minister goes ahead with plans to visit a controversial shrine honouring the country's war dead, including convicted war criminals.

"Japan knows that we, along with China, strongly oppose the planned visit to the shrine and the problems it will entail," the Foreign Minister, Mr. Han Seung-Soo, said on a talk show on KBS TV.

Mr. Han said he would discuss the issue, along with another diplomatic dispute over a new Japanese history textbook criticised for glossing over Japan's military and colonial past, when he meets his Japanese counterpart, Mr. Makiko Tanaka, on the sidelines of an Asian security meeting in Hanoi this week.

Since taking office in April, the Japanese Prime Minister, Mr. Junichiro Koizumi, has repeatedly made clear that he would visit Yasukuni Shrine in Tokyo on August 15 to mark the 56th anniversary of Japan's World War II surrender in 1945. — AP

ONE COUNTRY, ONE SYSTEM

Hong Kong's chances fade away

HONG Kong legislative body has practically decided to hand over the last vestiges of the Special Administrative Region's political autonomy to the People's Republic of China by passing a law that authorises the latter to sack the chief executive who, in the first place, is appointed by a 400 member selection committee most of whose members are hand-picked by Beijing. China has so far set great store by the "one country two systems" principle with both eyes fixed on Taiwan; now they can have no illusions over persuading Taiwan any longer. This is a major shift in Chinese policy. The world will also ask, what price China's strong guarantees of democracy and rule of law contained in its mini-constitution? The Basic Law, Hong Kong's only defence against Chinese political predation is by deliberate Chinese action a piece of paper for a museum. China's apologists abroad should take note.

Hong Kong's defencelessness against Beijing has shown up in many ways recently. A freedom of information exercise against Xinhua revealed that Chinese state organs are not subject to Hong Kong law, in spite of Article 22 of the Basic Law which explicitly states that all mainland organisations are subject to the jurisdiction of local courts. This is because the interpretation and general clauses were amended so as to make the Basic Law applicable only to the SAR government. Civil servants appointed by Beijing are not accountable to Legco: in two separate instances, bureaucrats who abused their power were protected by the chief executive, although he had no problems getting rid of his own political appointees to the executive council. All these separate incidents underline the degree to which Hong Kong's distinctive character is being subtly reshaped by influences emanating from the mainland. A recent opinion poll showed that a majority favoured direct election of the chief executive and the Legco on the one-man one-vote principle. But Beijing is very happy with Legco as it exists. One must now expect that Beijing's control over Hong Kong will increase with time which, unfortunately, is very good news for the Taiwanese who can now point to Chinese perfidy to remain independent.

Taiwan tests anti-missile rockets

TAIPEI (TAIWAN), JUNE 20. Taiwan's army said it successfully test-fired U.S. Patriot missiles on Wednesday, knocking targets out of the sky in a live demonstration of the island's best defence against a missile attack from China.

The official Central News Agency said three missiles were launched, downing two targets — a dummy missile and a dummy aircraft — over the island's southeast coast.

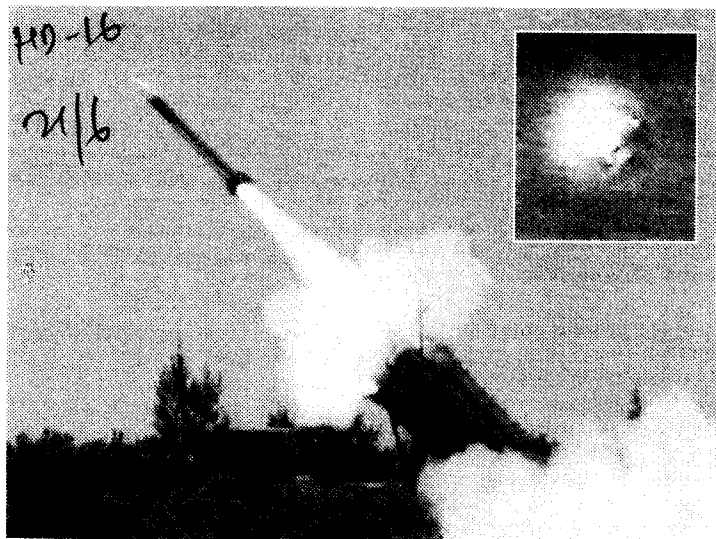
The report, citing unidentified sources, did not make clear what the other missile had done, but analysts said it likely was fired first to track the target missile and transmit data back to the base so a second Patriot could hit it.

That would fit with the design of the U.S.-made system that shoots down incoming missiles, the analysts said.

The tests were conducted with Washington's blessings, officials here said, and they were thus seen locally as a show of U.S. support. Local media reported that U.S. military personnel and contractors were to be at the test site in southeastern Taiwan. Taiwan's military refused to discuss this.

A military expert, Mr. Shih Hsiao-wei, said the army has proved that it can accurately fire the missiles, but that might not be enough to beat back a missile attack by China.

Taiwan still needs to acquire long-range radars and facilities to receive missile information from



A Taiwan army's U.S.-made Patriot missile makes a successful launch on Wednesday in the southeastern coastal military base of Pingtung. (inset) One of the missiles creates a fireball as it hits a dummy missile. — AP/Reuters

spy satellites, said Mr. Shih, who edits the monthly *Defence International*. "As it is now, we are hard pressed on warning time to knock down a missile," he said.

The army issued a brief statement saying the Patriot missiles had all hit their targets in "one of the major drills to test our air defence capability," but it did not specify how many missiles were fired or how many targets were hit.

Earlier, cable television showed one missile arching through the

sky, trailed by exhaust smoke as Taiwan tested weaponry intended to deter one of China's biggest military threats — the many missiles Beijing has aimed at the island.

The missiles were fired from Chiu-Peng base in southern Pingtung County under the direction of a missile battalion that received congratulations on the "good news" in a phone call from the President, Mr. Chen Shui-bian, the army said.

The Defence Ministry declined

to take questions from reporters. But a Ministry official, speaking on condition of anonymity, said that based on the cable TV footage, which showed the flying missile, "it appeared to be a perfect launch." Taiwan has purchased from the United States 200 Patriot missiles, an improved version of the weapons that gained notoriety for missing their targets in the 1991 Persian Gulf War. The Patriots are defensive missiles intended to intercept incoming targets.

They have been deployed around Taipei, the capital, and Wednesday's tests were the first time the missiles had been fired on Taiwanese soil.

The Patriot tests are occurring at the same time rival China is conducting massive war games, but Taiwan says the timing is coincidental and it is not trying to provoke Beijing.

Washington does not have formal ties with Taiwan but it has repeatedly said it is committed to selling the island weapons needed for its defence.

Although Taiwan and China have been governed separately for more than half a century, Beijing considers Taiwan a break-away province that must be reunited with the mainland, by force if necessary.

Taiwan has sought to build up its missile defence, arguing that China may have as many as 800 missiles pointed at the island within the next decade. — AP

Taiwan shield against China missiles

Taipei, June 10

TAIWAN IS deploying home-developed short-range ballistic missiles that could knock down missiles fired from China's southern province of Fujian, a newspaper reported today.

The missiles, a modified version of the Taiwan-made Tienkung missiles, were produced recently after key technology and components were obtained from the United States to boost the power of the warheads, the Chinese-language *China Times* quoted unidentified military sources as saying.

The missiles have a firing range of about 100 km and they could reach as far as Fujian province if deployed on Taiwan-held outlying islands near China, the report said.

A few of them have already been deployed, it said.

Taiwan plans to produce up to 500 Tienkung missiles and up to 50 of the more advanced short-range missiles, it said.

Taiwan is considered most vulnerable to a missile attack from China, which military experts said could deploy about 600 m-type ballistic missiles targeting Taiwan by 2005.

Taiwan has been building its anti-missile power in recent years. It has deployed 200 US-made patriot missiles near the capital, Taipei.

Meanwhile, the *Liberty Times* reported that Taiwan's air force is planning to build bunkers that could resist an attack by the m-type missiles.

The bunkers, when built, would be the world's tallest at eight-stories high. They would be able to resist 1,000 kg of explosives, the newspaper quoted unidentified military officials as saying.

PTI

THE HINDUSTAN TIMES

North Korean cargo ship intrudes again into South Korean waters

SEOUL: A North Korean cargo ship has intruded into South Korean waters, prompting a security alert for the second consecutive day, military authorities said on Monday. The incursion took place near the western island of Paekryong, the scene of several clashes between South and North Korean navies in the past, said a spokesman for the south's joint chiefs of staff.

The North Korean vessel crossed into the south's waters near the is-

land and moved into North Korean waters four hours later through the sea frontier, he said.

"It was an intentional and unprecedented incursion in that area. The ship ignored our warning to move back to open seas," he said. Three South Korean navy ships chased the North Korean vessel but did not try to seize it, he said. "We will take action next time if any North Korean freighters violate our waters without permission," he warned. (AFP)

THE TIMES OF INDIA

7-5-66

E.U. to open diplomatic ties with N. Korea

SEOUL, MAY 14. The European Union announced on Monday that it was opening diplomatic relations with North Korea in a bid to promote inter-Korean peace and help solve the humanitarian crisis in the isolationist state.

"The European Commission, in consultation with the member states of the European Union, has decided to establish diplomatic relations with the Democratic People's Republic of Korea (North Korea)," the E.U.'s representative office said in a brief statement.

"It is hoped that this will facilitate the European community's efforts in support of reconciliation in the Korean peninsula, and in particular, in support of economic reform and easing of the acute food and health problems."

The decision came after a high-powered E.U. delegation led by the Prime Minister of Sweden, Mr. Goeran Persson, visited Pyongyang earlier this month. — AFP

Chen to meet U.S. Congress members

By Sridhar Krishnaswami

WASHINGTON, MAY 15. In approving a transit visa for the President of Taiwan, the Bush administration has made it known that there is nothing in the visit that should be troublesome to China. Mr. Chen Shui-bian is transiting the United States on his trip to Latin America. In a technical sense, Washington is calling it as a transit without a visa.

"We will try to reassure the authorities in Beijing that there is nothing in the President's transit that they should find disturbing or in any way modifying or changing or casting any doubt on the policy that exists between us and (China)", the Secretary of State, Gen. Colin Powell has said.

At the same time, the administration is also saying that Mr. Chen will be encouraged to meet members of the Congress when he visits the country this month. This would appear to be a break from the past where such meetings were dissuaded.

"We do believe that private meetings between members of Congress and foreign leaders advance our national interests, so he may have meetings with members of Congress... We assume that some of those will take place", said the State Department spokesman, Mr. Richard Boucher.

The last time Mr. Chen visited the U.S. was in August 2000 when he spent a few hours confined to his hotel in Los Angeles. The Clinton administration even prevented Mr. Chen from attending a reception sponsored by law-makers. This time his visit to New York and Houston will be markedly different.

Mr. Chen who will be visiting El Salvador, Guatemala, Panama, Paraguay and Honduras, will even have a meeting with the Mayor of New York, Mr. Rudolph Giuliani, according to the Taiwanese media. And on his way back, he will reportedly spend a day in Houston and plans to attend a baseball game.

The U.S. and China ended up in

a major shouting match over the visit in 1995 of Mr. Lee Teng-hui, former President of Taiwan, who went to Cornell University. This time Mr. Chen's visit is taking place at a time when Beijing and Washington have been involved in a standoff over the American surveillance plane and the collision over the South China Sea on April 1. The State Department is confident that the row over plane will be resolved in the next few days.

Mr. Chen's visit is not the only thing that is of interest to law-makers here. The spiritual leader of Tibet, the Dalai Lama, is already in the U.S. and is visiting a number of cities. He will be coming to Washington D.C. next week where he has a number of appointments including at the White House. Senior law-makers from the Republican and Democratic parties associate themselves with Taiwan and Tibet and simply could not be bothered that Beijing takes offence to these visits and meetings.

At a time when the U.S.-China relations are at a difficult phase, a study sponsored by the Pentagon is apparently suggesting that Washington shifts its Asian military focus closer to Taiwan. The Rand Study is making the point that in view of the potential for armed conflict between Taiwan and China, the U.S. should come up with new arrangements in South East Asia — perhaps closer to the Philippines — even while maintaining the traditional ties with Japan and South Korea.

China opposes visit

AFP reports from Beijing:

China today said it strongly opposed the Mr. Chen's visit and criticised Washington for granting him a visa.

"China strongly opposes any country, including of course the United States, allowing permission for Chen Shui-bian to visit under any name or style of visit," said a Foreign Ministry spokesman.

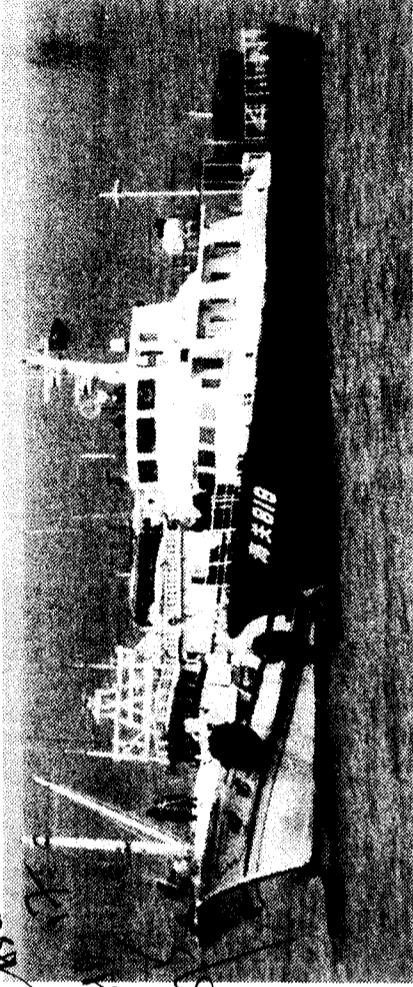
Chen hits out at China over U.S. visit

TAIPEI (TAIWAN), MAY 17. Taiwan's President struck back at China on Thursday for opposing his upcoming U.S. trip, arguing that America is an independent nation that should only have to ask its public and lawmakers — not Beijing — about whether Taiwanese leaders can visit.

Mr. Chen Shui-bian plans to briefly visit New York next week on his way to Latin America, and he'll stop in Houston on his way home — a trip the official *China Daily* has said involves a "despicable breach of trust" by Washington. The U.S. stopovers anger China because it insists that Taiwan is a breakaway province that must reunify with the mainland. Beijing argues that by welcoming Taiwanese leaders, Washington is encouraging the island to move closer to independence.

But during a Thursday videoconference in Washington with the Council on Foreign Relations, the Taiwanese President said, "The United States is a sovereign, independent nation. Before it does something, it doesn't have to ask communist China for permission. It just has to ask the public and Congress for approval." When Mr. Chen made a transit stop in Los Angeles last year, the Clinton administration requested that he spend most of his time in his hotel. However, the new, Taiwan-friendly Government of Mr. George W. Bush is allowing Mr. Chen an unprecedented amount of freedom during his May 21-23 visit in New York.

Although he has yet to announce his itinerary, local media have reported Mr. Chen plans to meet the New York Mayor, Mr. Rudy Giuliani



The Taiwanese fishing boat, the Tsairfu No. 1 (left), is seen along side a Chinese customs vessel No. 819 in disputed waters of the Taiwan Strait on Wednesday. Taiwan Coast Guard said that the fishing boat was boarded by armed Chinese customs officials and detained for nine hours in an area Taiwan claims to be its legal fishing waters. The incident was being closely watched in Taiwan because such an event could spark an increase in tensions in one of the world's most dangerous flashpoints. — AP

ni and visit the New York Stock Exchange and a museum. However, he does not plan to hold public events or speak to the media.

Mr. Chen, a former Taipei Mayor and attorney, was elected last year amid worries that his past support for Taiwan independence would provoke a war with China. Since the two sides split when the Communist Party took over the mainland in 1949, Beijing has threatened to attack if Taiwan seeks independence.

During the past year, Mr. Chen has greatly softened his views on independence. He has also invited Chinese leaders to a summit and urged them to consider some form of "political integration" — a term he hasn't described in detail.

However, before talks begin, China has insisted Mr. Chen agree that Taiwan is an inseparable part of China. Mr. Chen has refused to do this but has said he is willing to discuss the issue during a summit. — AP

THE HINDU

18 MAY 2001

Taiwan President may visit China

OLIVER AUGUST
THE TIMES, LONDON

TAIPEI, May 18. — The President of Taiwan hopes to become the island's first leader to visit Communist China — a development that would mark a softening of relations with Beijing.

In an interview with *The Times*, Mr Chen Shui-bian spoke of his plans for a trip to the mainland in October that could reduce tensions across the Taiwan Strait after Taipei's purchase of US arms last month.

He said: "I want to go to Shanghai because more contact will benefit cross-Strait relations and decrease the

chance of miscalculations."

In Shanghai, President Chen would attend the annual meeting of the 21-member Asia Pacific Economic Co-operation forum. The summit will also be attended by Mr George W Bush on his first trip to China as US President.

Mr Chen, 49, said: "Nobody can better represent Taiwan at the Apec meeting than me. I believe it is a very good opportunity to allow the leaders of the two sides to meet each other and to exchange views on issues of mutual concern."

No Taiwanese leader has visited the mainland since the Chinese revolution in 1949, nor have leaders from Taipei and Beijing met outside China.

Mr Andrew Yang, of the Chinese Council of Advanced Policy Studies, said: "Whether Mr Chen will be allowed to go to Shanghai depends on how the cross-Strait climate develops over the next few months."

Mr Chen suggested that he was supremely qualified for dealing with Beijing. In the 1980s he was jailed for his anti-government views and his wife

BUSH TO ATTEND APEC MEET AT SHANGHAI

was paralysed in an assassination attempt.

Mr Chen's election a year ago on Sunday marked the first democratic change of power in Chinese history.

He entered office with the declared aim of normalising relations with China.

Mr Joseph Wu, deputy director of the Institute of International Relations in Taipei, said: "Mr Chen has been quite moderate in cross-Strait relations despite fears before his election that he might cause a war."

He has demonstrated that he can safeguard peace and prosperity in the region."

THE STATESMAN

23 MAY 1995

Taiwan president's visit to US raises China's hackles

New York, May 19

NEW YORK is gearing up for what is billed as a low-key visit of Taiwan's president next week, but the trip along with a planned meeting with a key US congressman will turn the event into a high-stakes diplomatic venture certain to further strain US-China diplomatic ties.

Taiwan President Chen Shui-bian will arrive in New York on Monday on his way to Latin America for a two-night stay. His visit is to include a courtesy call by Mayor Rudolph Giuliani as well as private visits to the New York Stock Exchange and Metropolitan Museum of Art.

An official from Taiwan's representative office in New York said the "private visit" will be "low-key," but the stopover will upset the Chinese government, which regards Taiwan as a renegade province. Beijing sees the US stop as a form of recognition of the government of Taiwan.

Chen will be largely kept away from the public eye for his stay in New York. He will arrive by private charter on Monday afternoon and will be quickly whisked away to his hotel.

A Taiwan foreign ministry spokesman said on Wednesday in Taipei Chen would meet several US Congressmen, but declined to name them and was tightlipped about his itinerary.

The range of activities and permission from the State Department to meet members of Congress mark a departure from the practice of the previous US administration, which imposed tight restrictions on visiting Taiwanese leaders. A spokeswoman for the New York Stock Exchange said Chen would hold private meetings with top officials at the exchange on Tuesday.

Reports out of Taiwan indicated Giuliani will present Chen with a key to the city, while officials at the Metropolitan Museum said there was no itinerary set for Chen's visit there.

Although the visit is being billed as low key, New York is home to about 400,000 Chinese-Americans and major Chinese-language news outlets, which are expected to follow Chen's moves with great interest.

Chen's transit visa includes a one-night stopover in Houston in early June on his way back from Latin America. In Houston, senior

Republican House member Tom DeLay is eager to take Chen to an Astros baseball game, DeLay's press officer said.

Taiwanese do not need visas for transit stops in the United States, but Taiwanese leaders have to negotiate their transits with the US administration because of China's political sensitivities. The administration of President Bush has already been at loggerheads with Beijing over an incident in which a US surveillance plane made an emergency landing on China's Hainan Island on April 1, and over an arms sale to Taiwan.

In 1995, China was deeply angered when then-Taiwanese president Lee Teng-hui made a private but high-profile visit to the US to take part in a reunion at Cornell University, his alma mater, in New York State.

Beijing was so angry it downgraded ties with Washington and froze what had been warming semi-official talks with Taipei.

Given that precedent, the trip may not bode well for Chen, who had said he hoped to attend the Asia Pacific Economic Cooperation summit in Shanghai in October and hold talks with Jiang Zemin.

Reuters

THE HINDUSTAN TIMES

70 MAY 2001

40-15
Taiwan to
test-fire
Pac-2 missiles 21/5

TAIPEI, MAY 20. The Taiwanese Defence Minister, Mr. Wu Shih-wen, has said that Taiwan would test-fire the U.S.-made Pac-2 missile system in June, becoming the first foreign country to test-fire it on its own soil.

"The army has nearly finished deploying the Pac-2 missile system bought from the United States. We will test-fire it next month," he told a news conference.

"A group of U.S. advisers will arrive in Taiwan to supervise the live-fire test," he said. Taiwan is the first foreign country to be allowed by Washington to test-fire the Pac-2 anti-missile system on its own soil. Washington sold three Pac-2 batteries to Taiwan in 1993. The three units were deployed in north Taiwan to protect the greater Taipei area. In the past, all the foreign countries which bought Pac-2, had to have the system test-fired in the U.S. — DPA

THE HINDU

21 MAY 2001

Taiwan hawks take heart from US stance

Taipei, May 24

TAIWAN POLICE stopped a group of pro-independence activists from setting fire to a Chinese flag outside parliament on Thursday, indicating that Taipei has no desire to incense its giant neighbour.

But pro-independence diehards have been emboldened by US President George W. Bush's tougher stance on Beijing in recent weeks.

The US policy is to recognise "one China" and to have formal diplomatic relations with Beijing, but Washington has been taking a harder line since the row over last month's collision between a US spy plane and a Chinese fighter.

"This is a very, very encouraging development for Taiwan independence fundamentalists," Liu Bih-rong, a political scientist at the private Soochow University, said of a Taiwan-friendly US President.

Beijing considers Taiwan a breakaway province that must be brought back to the fold and has rumbled threats of invasion if the island declares independence. Taiwan pro-independence activists were also heartened last month when Bush offered to sell submarines and destroyers in the biggest arms package for the island since 1992, when Bush senior approved the sale of 150 F-16 fighters.

"I was overwhelmed with joy. I wanted to set off firecrackers to celebrate," said Ho Wen-chi,

chairman of the Taiwan Independence Party, which advocates Statehood.

The Taiwan Independence Party, founded in 1996, hopes to win about 10 parliamentary seats in the year-end parliamentary elections. It won just 145,118 votes in 1997, or 1.45 percent of the total.

In another shot in the arm, the US House of Representatives approved a bill this month reclassifying Taiwan as a "major non-NATO ally" to allow it to buy surplus US military equipment.

"We are already the ruling party. Changing the flag now is not worth the risk," Ku Chia-ming, a DPP congressional aide, said of his party's dreams for Statehood.

Media surveys show an overwhelming majority of Taiwanese are in favour of the political status quo between Taipei and Beijing, rivals since the end of the Chinese civil war in 1949.

There is little doubt China would unleash its 2.5 million-strong People's Liberation Army against Taiwan if the island declared independence.

"Bush has guaranteed he will defend Taiwan, but there is no guarantee China will not attack," Ku said, referring to a pledge by the US president last month to do "whatever it took" to help Taiwan defend itself.

Surveys conducted by Ting's Gallup Taiwan in recent years show that about 25 to 30 percent of Taiwanese support statehood.

Reuters

THE HINDUSTAN TIMES

MAY 24

Chinese lion must be de-clawed: Taiwan

REUTERS

TAIPEI, May 13. - The Taiwanese Vice-President, Ms Annette Lu, has called on China to dismantle hundreds of missiles she said were ranged against the island, declaring that the Chinese lion must be "de-clawed".

"Taiwan is like a rabbit or a cat, a kitten. China is a big lion," the island's first woman Vice-President said.

She urged China's Communist rulers to clear its eastern coast of some 300-500 missiles. China has threatened to attack Taiwan if it formally declares independence or drags its feet on unification talks.

As the Communists took over the mainland half a century ago, rival Nationalists took refuge on Taiwan and declared theirs to be China's rightful government. The island has governed itself since as a separate state, but Beijing considers it a renegade province.

"Everybody knows the result when one lets a kitten embrace a lion unless the lion is de-clawed and de-fanged," said Ms Lu.

"It must abandon (threats) to use force against Taiwan and dismantle missiles," added the

Vice-President, reviled by Beijing for her pro-independence stand.

With 100 million people living below the poverty line, China would be better off spending money on poverty alleviation than on missile deployment, Ms Lu said.

She poured cold water on an overture by former Taiwan premier Mr Vincent Siew for the island and China to establish a common market as part of reconciliation efforts.

"The timing is not right. The conditions are not ripe," the 56-year-old vice president said. "The mainland harbours malicious intentions."

Smile offensive: She said China had tried to lure Taiwan investment and tourists with a "smile offensive" while at the same time stepping up military deployment in coastal provinces.

Mr Siew, a vice-chairman of Taiwan's main Opposition Nationalist Party, is currently visiting China to try to win Chinese leaders over to his idea of establishing a regional common market.

"Discussion of a common market is a real joke," said Ms Lu, a pioneer of Taiwan's women's movement and a prolific writer

on feminism.

Taiwan investors have poured up to \$60 billion into China since rapprochement began in the late 1980s, lured by low land and labour costs and a common language and culture.

But Taiwan investments in China have no legal protection because of simmering political tension. Taiwan still restricts investment in strategic industries in China and bans direct trade and transport links on national security grounds.

Ms Lu and the President Mr Chen Shui-Bian of the pro-independence Democratic Progressive Party swept to power last year, alarming Beijing, which has repeatedly threatened to attack the island if it declares statehood.

Mr Chen switched gears soon after his election calling for reconciliation and cooperation with China, but Ms Lu remained on the battle lines, riling Beijing.

Bilateral ties have been at a stalemate since 1999 when Beijing suspended dialogue, angered when the President, Mr Lee Teng-Hui, called for political parity by redefining bilateral ties as "special state to state" relations.

MAY 2001

Hong Kong crushes Falun protests

OLIVER AUGUST
THE TIMES, LONDON

HONG KONG, May 10. -Police have cracked down on protests here during the Chinese President's visit, as the territory comes under pressure to conform to mainland norms.

On his second visit since the 1997 handover, Mr Jiang Zemin said in a televised speech that Hong Kong had become more democratic than ever. Outside on the street, hundreds of Falun Gong members tried to demonstrate during his visit, but were prevented by 3,000 policemen.

Legislator Ms Emily Lau said: "Hong Kong is going backwards when we compare its political development now with that... under Chris Patten." She added: "The government is undermining our civil

liberties. If we keep on sliding, Hong Kong could become just another Chinese city. The power of the legislature is eroding."

The British foreign office told Hong Kong to maintain its record of openness this week after British Falun Gong followers were refused entry to the former colony.

A spokesman at the British consulate-general reminded the Beijing-appointed city government that "freedom of association and ease of travel are both important parts of Hong Kong's image".

The spiritual group is still legal in Hong Kong, but its members have complained about attempts to intimidate them. A Falun Gong spokesman said they found it difficult to book hotel rooms for programmes and were worried about losing their jobs.

Calculated hints by Beijing leaders have created a climate of fear. An American le-

gal expert on China, Mr Jerome Cohen, said: "Hong Kong is trying to use 'persuasion legislation' as it is known in China."

During a visit to neighbouring Macau last December, Mr Zemin called for a campaign against the group outside the mainland, despite human rights guarantees for Hong Kong agreed under the "one country, two systems" formula before the handover.

An Opposition politician, Mr Martin Lee, said: "Falun Gong has become the first real test of 'one country, two systems'. This is exactly the sort of thing we were afraid of before the handover. Nobody thought things would turn bad overnight. But now we see the slow erosion of civil liberties."

A Hong Kong government spokesman rejected such suggestions. "The 'one country, two systems' formula has become reality," he said.

Korea asks Japan to change history texts

Seoul

HC-10
9/15
SOUTH KOREA on Tuesday summoned the Japanese ambassador to its Foreign Ministry in a bid to force changes to controversial Japanese history books, officials here said.

Foreign Minister Han Seung-Soo "invited" Japanese ambassador Terusake Terada to his office to make an official request that the Japanese Government change 35 passages in eight newly approved history textbooks.

At a 15-minute meeting, Han called for Tokyo to quickly "correct" the passages in the middle school textbooks, which "distorted, downplayed or omitted" Japanese wartime atrocities and invasions.

He handed over a 36-page document that specifies South Korea's demands. The South Korean Foreign Minister said the row should not hurt the countries' bilateral relations.

"It should not reopen the Koreans' past wounds (inflicted by Japanese)," Han was quoted as telling the Japanese ambassador. Most of the 35 passages in question are contained in a history textbook edited by the Society for History Textbook Reform, a group of Japanese nationalists.

South Korea has been at the forefront of Asian protests over the books, which have emerged as a pressing problem for the new Japanese Government.

The Japanese Government has approved the textbooks, which avoid references to Japan's pre-World War II invasion of its Asian neighbours and play down events such as the Nanjing Massacre in China and the use of tens of thousands of Asian women as sex slaves for Japanese troops.

Many women were from Korea, where memories remain bitter over Japan's brutal occupation between 1910 and 1945.

AFP

THE HINDUSTAN TIMES

9 MAY 2001

Japan deports Korean leader's son

REUTERS
BEIJING, MAY 4

96-4 575
A man believed to be the eldest son and heir-apparent of North Korean leader Kim Jong-Il arrived in China on Friday after Japan deported him for trying to enter the country on a false passport.

Witnesses said the man and three travelling companions left the commercial flight from Tokyo 10 minutes after the rest of the passengers, following its arrival at Beijing's Capital Airport.

He came down the steps followed by two women and a young boy, believed to be family members, and the four were driven to a VIP reception area in a grey minibus. It was not known where the man - reported by Kyodo news agency to have declared himself to police investigators in Tokyo to be Kim Jong-Nam, the 29-year-old son of the North Korean leader - went from the airport.

Two North Korean embassy cars, with heavily tinted windows, left the airport but there was no sign of the man and his companions turning up at the em-

bassy. A North Korean diplomat told Reuters Television the Kim Jong-Nam story was "a trick" and he was not at the embassy. He did not elaborate.

"There's nothing going on here. You people being here will make people think something is going on," he said of reporters and cameramen hoping to spot an arrival. "Go away."

There was no official word on when the deported man would return to Pyongyang. There are two Chinese flights a week to the city - the next on Monday - and one by Koryo, the North Korean state airline.

The Koryo flight leaves Beijing on Saturday morning.

A Japanese government source told Reuters the man, who has not been formally identified but is very likely Kim Jong-Nam, was taken by China as part of a deal to avoid a diplomatic incident.

The man, who bore a striking resemblance to Kim Jong-Il, wore black trousers and shirt and a brown quilted leather jerkin. He was also wearing small oval gold-rimmed spectacles. The group was travelling with small Louis Vuitton suitcases.

INDIAN EXPRESS

5 MAY 2000

40-16

'N. Korea intent on exporting missiles'

SEOUL (SOUTH KOREA), MAY 4. A European delegate warned on Friday that the North Korean leader, Mr. Kim Jong-Il, remained willing to export missile technology, a key obstacle to better ties between the North and the United States.

The comment by Mr. Javier Solana, the European Union security affairs chief, tempered upbeat assessments of an E.U. mission to a nation that Washington says is a major threat to international efforts to curb missile proliferation. "(Kim Jong Il) claims that the export of (missile) technology is part of trade and that if he finds people who want to buy it, he will sell it," Mr. Solana said.

The mission, led by the E.U. head and Swedish Prime Minister, Mr. Goeran Persson, left Pyongyang for Seoul on Thursday after Mr. Kim Jong-Il pledged to extend a moratorium on missile tests until 2003. The delegation left South Korea on Friday afternoon. Mr. Persson's adviser, Mr. Lars Danielsson, was heading for the U.S. to brief officials on the North Korean trip.

Mr. Solana said a similar briefing would be given to Japanese officials as well. The promise to adhere to a moratorium that began in September 1999 was a significant advance in the

reconciliation process on the divided Korean peninsula, which had lapsed amid U.S.-North Korean tension.

Government contacts between the two Koreas ebbed in the wake of the U.S. President, Mr. George W. Bush's decision to suspend talks with North Korea pending a policy review. "To win the North Korean promise to maintain its missile moratorium until 2003 is an achievement bigger than we had expected," the South Korean President, Mr. Kim Dae-jung said. "I believe it will have a positive effect on resuming U.S.-North Korea dialogue," said Mr. Kim, who won the Nobel Peace Prize last year for his efforts to reconcile with the North. However, Mr. Kim made no reference to his North Korean counterpart's reported comments on the sale of missile technology, which has been a major source of foreign currency for the impoverished, reclusive North. "The answer was much more negative" when discussions in Pyongyang turned to missile technology sales, Mr. Solana said.

Last month, a state-run research centre in South Korea said North Korea has exported at least 540 missiles to Iran and other West Asian countries since 1985. — AP

Top EU delegation starts N. Korea visit

BY PAUL ECKERT

Pyongyang, May 2: A high-level European Union delegation arrived in North Korea on Wednesday for a landmark visit intended to shore up the fragile reconciliation process on the divided Korean peninsula.

The EU team, led by Swedish Prime Minister Goran Persson, was greeted at Pyonyang airport by North Korean Parliament chief Kim Youngnam, hundreds of goose-stepping soldiers and about 1,000 citizens in traditional dress waving plastic pink flowers and chanting "Sincere welcome."

The EU trip is the highest-level Western diplomatic mission to North Korea and comes as the United States has put its ties with the communist state on hold after a series of high-level

contacts last year, including a visit by former secretary of state Madeline Albright in October.

The Bush administration's pause to review its predecessor's policies and sceptical stance toward North Korea has angered Pyongyang and raised fears that the process of rapprochement across the last front of the Cold War is losing momentum. "The EU wants to help to make this process irreversible, and this will be explained both in Pyongyang and in Seoul," the Swedish government said in a statement posted on its website on Monday.

The EU delegation, which also includes foreign policy and security chief Javier Solana and commissioner for external affairs Chris Patten, will spend about 28 hours in Pyongyang before it moves on to South Korea on Thursday.

Neutral Sweden, which holds the EU's rotating six-month presidency, was one of the few Western countries to maintain diplomatic ties with North Korea during the Cold War. Most EU states except France have moved in recent months to establish relations with the so-called "hermit kingdom." Sweden said it also planned to raise human rights concerns, economic reform and the issue of missile control during the talks in Pyongyang with North Korean leader Kim Jong-il.

The EU trip comes several weeks after President Bush called off planned missile talks with North Korea saying he did not think Pyongyang would live up to its pledge to scrap its nuclear weapons program. Since then, a senior official at the CIA said North Korea probably possesses one or two nuclear weapons. (Reuters)

THE ASIAN AGE

23 MAY 2001

23 MAY 2001

LEE GETS A VISA ✓

5.11.11
5.11.11
Bad news for China MS

CHINA has good reason to hate President Lee Teng-hui who supervised Taiwan's transition to democracy, providing a popular mandate not only for himself and Taiwan's politicians in general, but also invented the term "state to state relations" and made a fundamental alteration in the vocabulary of Sino-Taiwanese relations in favour of those who think reunification should occur as much on Taiwan's terms as on China's. It is not surprising that it turned Lee's proposed visit to Japan to get himself treated into a political issue; it is part of its overall belligerent approach towards Taiwan which includes preventing Taiwanese politicians from getting any recognition, official or unofficial. They made no fuss when President Chen Shui-bian went on an official foreign tour immediately after his election, to countries that recognised the Republic of China. Chinese pressure was strong enough to make Japan wilt for about two weeks. Fortunately for Lee, this is an election year. Public opinion is favourable to Taiwan, the opposition recommended magnanimity and Lee has finally been issued a visa. Apart from Lee's personal role in giving a certain prominence to what China calls "splittists", the vehemence of the reaction was also certainly influenced by the tension currently prevailing between the two countries, in the context of the US decision to sell sophisticated military hardware and the resurgence of Sino-American hostility over the spy plane. Finally, there were Chinese apprehensions that Lee would use his visit for propaganda purposes, and promote a common security vision for the Pacific aimed against China.

There are signs that the Taiwanese are reacting to sustained Chinese belligerence. Vice-President Annette Lu has asked China to get rid of the 300 missiles positioned across the Taiwan Straits. The clear message is that Taiwan is not going to be browbeaten. What China fears above all is that Taiwanese assertiveness is finding more and more support in the US, thus endangering the critical reunification agenda. Indeed, the US has just issued Lee a visa, not in spite of Chinese threats but because of them, especially since the American public is in a distinctly anti-Chinese mood. This is a positive encouragement for Taiwan to stand up for itself. Lee has been a symbol of this new attitude.

THE STATESMAN

- 2 MAY 2001

Taiwan offers talks, China says no

REUTERS

BELJING, April 27. - China today rebuffed a call from Taiwan's top negotiator with Beijing to resume talks, saying conditions are not ready for bilateral visits.

Mr Koo Chen-Fu, chairman of Taipei's semi-official Straits Exchange Foundation, had invited his counterpart, Mr Wang Daohan, head of Beijing's Association for Relations across the Taiwan Strait, to visit Taiwan on the eighth anniversary of landmark talks between the two men in Singapore.

But Mr Zhang Mingqing, spokesman for the Cabinet's Taiwan affairs office, reiterated China's long-standing demand that Taiwan must recognise the "one China" principle before talks resume.

"The Taiwan authorities do not recognise the "one China"

principle, so the conditions are not ready for Wang Daohan to go to Taiwan or for Koo Chen-Fu to visit China," he told a news conference.

The Taiwan premier, Mr Chang Chun-Hsiung, also renewed calls for talks with China. "We hope the two sides... can sit down and talk on the basis of dignity and equality. That is, (we) hope (we) can resort to negotiations, rather than conflicts to resolve our differences," he told reporters.

He also invited the Chinese premier, Mr Zhu Rongji, for a visit and said: "We welcome him... with sincerity, but no conditions can be set."

Beijing angrily suspended fence-mending talks with Taipei in July 1999 after the then President, Mr Lee Teng-Hui, redefined bilateral ties as a "special state to state" relationship.

Tensions across the Taiwan Strait increased this week after USA agreed to the biggest arms package for the island in a decade, granted Mr Lee a visa and US President Mr George Bush vowed to do "whatever it took" to help Taiwan defend itself.

China warning: The Chinese foreign ministry cautioned Mr Bush that he had entered a dangerous path by promising to do everything possible to defend Taiwan, adds UNI from Beijing.

Ms Zhang Qiyoue, spokeswoman for the Chinese foreign ministry, said here yesterday that Taiwan was not a protectorate of any foreign power but an inalienable part of China.

The Chinese deputy foreign minister, Mr Li Zhaoxing, rebuked America in front of the US ambassador in Beijing, Mr Joseph Prueher, yesterday

THE STATESMAN

28 APR 2001

Everyone can win with Taiwan

SO in the end the Bush Administration decided it was not going to approve the sale to Taiwan of the much-touted Aegis-class destroyers and their state-of-the-art missile tracking system. The deciding reason was political, although there is evidence aplenty they wouldn't have done Taiwan that much good in the military arena either. They wouldn't be delivered for another seven or eight years and in that time China could have deployed enough missiles to easily overwhelm their capabilities.

Simply put, they would be nothing more than a political provocation — a hint of other defensive systems to come; the anti-ballistic missile shield around America and theatre missile defence around Japan and Taiwan. All of which in the end will be similarly self-defeating, as China builds more nuclear-tipped rockets to overwhelm them.

Along the way the political relationship would deteriorate from "strategic partner" (Clinton) to "strategic competitor" (Bush) to "enemy" (future).

Self-evidently there is neither logic nor good reason in this game and it makes much more sense to look at the underlying causes of what brought all this to the boil and how to return to the status quo ante before the Taiwan Strait confrontation of 1995-96 pushed what had seemed a sensible accommodation off the deep end.

In retrospect, it is more than clear that the origins of this confrontation — which appeared to begin with China firing missiles near Taiwan and President Bill

Clinton ordering the deployment of US battleships in the Taiwan Strait — lay in Taiwanese lobbying of the US Congress and subsequent Congressional pressure on the President.

US policy towards Taiwan had been allowed to drift and Taiwan, under President Lee Teng-hui, had been able, effectively unchallenged, to build up a head of steam in its quest for independence. The White House foolishly succumbed to the pressure to give Mr Lee a visa to enter the USA, thus departing from its understanding with Beijing on US-Taiwan relations. It seemed to suggest to Beijing that Washington might well be on the way to abandoning its one-China policy and the firing of the missiles did in fact bring Clinton to his senses. The 1997 and 1998 summits quickly followed, with Clinton saying in Shanghai that the USA did not support Taiwanese independence.

Although pretty clear at the

time, it is now little disputed that Lee Teng-hui was not responding to Taiwanese public opinion but trying to lead it. Indeed, Chen Shui-bian, his opponent in the general election of 2000, confronting the anxieties of a nervous public, had to abandon his own long-held position in favour of independence in order to win the presidency.

The main trouble with years of unproductive jousting is that it has obscured the essentials. The issue that now presents itself is the same one that was on the table before Lee temporarily up-ended it: how to turn Taiwan's autonomy from a negative into a positive factor. It could be made all the easier if diplomacy could deliver a pledge from China not to use force in return for Taiwan pledging not to declare independence.

Then it would be possible to conceive of Taiwan agreeing in the not too distant future to negotiations over confederation with China. (If the USA stops continuously provoking China with new arms sales to Taiwan that, in a communiqué signed by President Ronald Reagan, it promised not to, then that in itself would make a turn in Chinese policy rather easier.)

China, for its part, has to realise it can never force reunification; on the contrary, it has to woo Taiwan, to accept that the island must always

have a high degree of autonomy, indeed much more than does Hong Kong. There can never be any turning back of the clock on fully-fledged democracy and thus Taiwan's sov-

ereignty. It means that, unlike Hong Kong, there will be no Beijing-appointed chief executive, Basic Law or diktats to the courts. Taiwan, too, must also be allowed to keep command over its own defence forces, at least for a decade or two.

Indeed, a date on the winding down of military independence has probably to be fudged. China, moreover, has to realise that an essential part of the wooing process is progress at home on the mainland in improving its respect for human rights and furthering the practice of democracy, which it has already pioneered at the local level, if not always successfully. It is win-win politics of this kind that all sides are in urgent need of.

The fact that Mr Bush turned down the Aegis request suggests that this new Administration is keeping its options open for more creative diplomacy. It should move on without more ado.

WORLD VIEW

By JONATHAN POWER

THE STATESMAN

28 APR 2001

US-China ties go for Taiwan toss

ANDREW BROWNE
BEIJING, APRIL 27

96-92874

PRECARIOUS US-China relations headed for further trouble on Friday with reports that the Bush administration may let Taiwanese President Chen Shui-bian meet Congressmen during a stopover in the United States.

On top of a spy plane incident, the biggest US arms package for Taiwan in a decade, Washington's decision to grant a visa to former Taiwan president Lee Teng-hui, blunt remarks by President George W. Bush on defending Taiwan and China's detention of US residents on spy charges, the reports added to a sense that events were piling up perilously.

Starting with the April 1 spy plane incident, both Bush and Chinese President Jiang Zemin have been careful to put immediate conflicts in perspective and stress the wider relationship, including trade which earned China an \$ 84 billion surplus with the US last year.

A senior US administration official responded by saying Bush was working to keep the relationship "productive". A US official told Reuters that allowing Chen to meet Congressmen was "under serious discussion" and the administration was "still working through the modalities" with Taiwan.

When Washington granted a transit visa to then Taiwan President Lee Teng-hui in June 1995 to visit his alma mater, Cornell University, China erupted in fury and froze high-level cross-strait talks. There is still no sign of a resumption. Lee has postponed by a month a visit to the United States originally scheduled for next week.

The optimistic assessment is that the new US President is being tested by China and in time relations will settle into a more familiar pattern of careful diplomacy and nuanced language. "I have followed China-US relations for decades and one lesson is that when ties are troubled, we should not be too pessimistic; and

when things are going well we should not be too optimistic," said Tao Wenzhao, Deputy Director of the Institute of American Studies at the Chinese Academy of Social Sciences.

Yet, rumblings from the Chinese media grew louder on Friday over the US arms package for Taiwan and Bush's remarks that the US would do "whatever it took" to defend Taiwan.

State-run *Guangming* warned the US to "rein-in its horse at the edge of the cliff". And the official Xinhua news agency said in a commentary that Taiwan would "take a battering" if it thought US weapons and statements by Bush could protect a grab for independence. "If some countries ignore China's strong opposition and keep selling Taiwan all kinds of advanced weapons and dish out irresponsible promises to help defend it, it can only lead Taiwan to believe it has found a patron and to take further steps down the dead-end road to independence," the news agency said.

—Reuters

INDIAN EXPRESS

28 APR 2001

28 APR 2001

USA may use force to defend Taiwan

BEN MACINTYRE
THE TIMES, LONDON

WASHINGTON, April 26. - US President, Mr George W Bush, said last night that the use of American military force is "certainly an option if China invades Taiwan", barely a day after approving new arms purchases for the island.

But he cautioned Taiwan against provoking such an attack by declaring independence from Beijing. "I would certainly hope that Taiwan would not do such a thing," Mr Bush said in an interview with Associated Press.

The presidential comments followed signals from China that selling sophisticated weaponry to Taiwan would have a "devastating" effect on US-Chinese relations, despite the President's offering of a small gesture of conciliation by scrapping the annual review of arms

579 27/4
sales to Taipei.

In an earlier television interview, Mr Bush had said USA was prepared to do "whatever it took" to defend Taiwan. Asked by ABC television yesterday whether USA had an obligation to defend Taiwan from Chinese attack, he said: "Yes, we do, and the Chinese must understand that." Previous US administrations had only hinted that they would intervene to defend Taiwan in the event of a Chinese invasion.

The day after the US President announced the largest package of arms sales to Taiwan since 1992, including eight submarines, Admiral Joseph Prueher, the US ambassador to China, was summoned to the foreign ministry to be told of Beijing's "indignation and absolute opposition to this decision".

Mr Li Zhaoxing, vice-foreign minister, told Admiral Prueher

that the sale of ships, submarines and aircraft - even without destroyers equipped with Aegis radar requested by Taipei - "will have a grave impact on China-US co-operation in the sphere of non-proliferation and bring devastating damage to China-US relations".

The confrontation every year over Taiwanese arms sales has been familiar ritual since 1982, but while Mr Bush has moved to end the annual controversy, he emphasised that USA would "reserve the right" to supply Taiwan with weapons to defend itself against China.

"We have made it clear to the Taiwanese that we will not have this so-called annual review, and we will meet on an as-needed basis," Mr Bush said in an interview with The Washington Post.

The practical effect of the statement is limited since USA

is already able to supply arms to Taiwan on an ad hoc basis.

Mr Bush's offer to sell eight diesel submarines to Taiwan has caused particular consternation in Beijing, but it is not yet clear how Washington could supply the vessels, since USA no longer makes them.

Experts had predicted that the submarines would probably be Dutch-designed and German-built. Germany, however, said yesterday that it would refuse to export submarines to Taiwan for fear of exacerbating tensions with China. "If an application was made to the German government, it would not be approved," a spokesman said.

The White House insisted that "USA would not have indicated they would be available to provide to Taiwan, if we didn't believe that we had the means to secure their production".

27 APR 2001

Taiwan arms: U.S. 'corrects' China bias

By Sridhar Krishnaswami

WASHINGTON, APRIL 24. Keeping in mind the long term as also the immediate diplomatic implications, the U.S. President, Mr. George W Bush, has decided against selling Taiwan the four Aegis class destroyers. Mr. Bush has formally finalised his arms list to Taiwan and the Defence Secretary, Mr. Donald Rumsfeld, will formally inform it to a visiting Taiwanese delegation but after briefing Members of Congress.

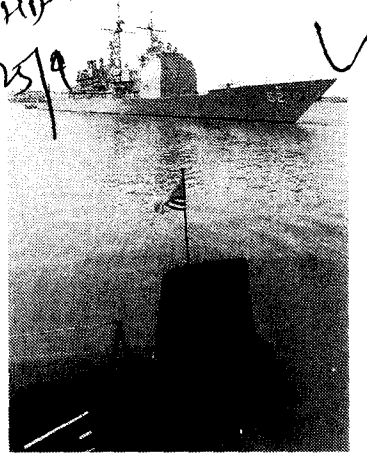
Taiwan's "wish list" was an assortment of 30 different weapons systems involving its army, navy and air force. And the Bush Administration is making the point that in going through with the list, "the balance which we think had started toward China's favour in a dangerous way, is righted". Administration officials are further making the point that the sophisticated arms package was evaluated on merits and that politics had nothing to do with the final decision.

Taiwan will get eight advanced submarines, four Kidd class destroyers, 12 P-3 Orion aircraft and other state of the art weaponry that have been designated for so-called defensive purposes. The focus of the package has been on submarines with both the U.S. and Taiwan arguing the need for an ability for an agile sea-based defence against a Chinese blockade.

And the Kidd class destroyers were intended to provide muscle and teeth to sea and air operations. Intelligence agencies had come to the conclusion that Taiwan faced a significant amount of threat from the missile buildup across the Straits that includes CSS-7 and CSS-6 missiles. The Pentagon had informed Congress that the submarine package would enable Taiwan to survive a Chinese missile attack which would be followed by a blockade.

A point has been made in recent days that given the rancour between the U.S. and China over the April 1 collision over the South China Sea and the continued detention of the EP-3E Aries II surveillance plane by China, Taiwan itself did not want to further cause deterioration in the Sino-U.S. relationship by insisting on the Aegis class destroyers. Further, the Bush Administration has been making the point that Taiwan did not have the technical wherewithal and expertise to operate such an advanced system.

The total arms package to Tai-



The AEGIS-equipped USS Chancellorsville passes a Chinese submarine as Admiral Thomas Fargo, commander of the U.S. Pacific Fleet, arrives at the port of Qingdao, Shandong province, on a visit, in this August 2, 2000, file picture.

wan is around \$5 billions but some of the advanced items will not be in place for three or four years. Nevertheless, Washington wished to make the point that the present Republican administration is committed to the defence of Taiwan; and that if an arms shopping list had indeed gone through much of the blame was to be pinned on China for increasing its threat — especially on the missiles front — to Taiwan.

The Bush Administration has been effectively making the point that the last major arms sales to Taiwan was also on a Republican President's watch — the Senior Mr. Bush sold 150 F-16 jets to Taiwan in 1993. Republicans have been sharply critical of the Clinton administration which had routinely blocked arms sales to Taiwan; and in the past the State Department had blocked the sale of submarines on the grounds that it was on the "offensive list" and therefore not permissible under domestic laws.

The denial of the Aegis class destroyers has not unduly perturbed the Republican right wing and the Taiwan lobby on Capitol Hill and elsewhere. The Bush Administration is seen to have put together a "robust" package — something that has been welcomed in Taiwan too. What is being pointed out is that the Bush Administration has not flatly rejected the Aegis sale — it has pegged this to the threat perception of China to Taiwan.

THE HINDU

5 APR 2001

Issuance of visa to Lee an important step: Taiwan

Taipei, April 23: Taiwan vice-president Annette Lu said on Monday Japan's decision to issue former Taiwan President Lee Teng-hui a visa was a breakthrough and she called for an alliance with Japan and South Korea.

Ms Annette Lu's remarks are likely to enrage China which considers Taiwan a breakaway province and has sought to push the island into diplomatic isolation. "The Japanese government's

decision to issue former President Lee a visa is a major breakthrough," Ms Annette Lu

told Mr Christopher DeMuth, visiting president of the American Enterprise Institute.

Ms Annette Lu, reviled by Beijing for her pro-independence stand, said Taiwan, Japan and South Korea should form an alliance, which she said would promote peace and stability in the region. Mr Lee, 78, scorned by Beijing for trying to break Taiwan out of diplomatic isolation during his 12-year rule, arrived in Japan for medical

treatment on Sunday on a five-day visit that has drawn the wrath of Beijing and stirred controversy in Japan.

Beijing had warned Tokyo not to issue a visa to Lee. Tokyo, which switched diplomatic victory from Taipei to Beijing in 1972, said it granted Lee a visa on humanitarian grounds.

Japanese officials stressed that Mr Lee had retired and was now a private citizen seeking

medical treatment. A 1995 visit Lee made to the United States provoked an angry China to

menace the island with war games for months.

Ms Annette Lu said that Japanese leaders had in the past bowed to Chinese pressure because they felt great remorse for invading China in the 1930s.

"I hope Japan's ruling and Opposition parties can emerge from the shadow of history from now on," Ms Annette Lu said in a statement issued by the office of the President. (Reuters)

JAPAN VISIT

INDIAN EXPRESS

USA grants visa to Taiwan ex-President

PRESS TRUST OF INDIA

BEIJING, April 22. — China has suffered another diplomatic setback as the USA joined Japan in granting visa to former Taiwan President, Mr Lee Teng-Hui, who is viewed as a "pro-Independence splittist" by the Communist regime.

The US visa for Mr Lee comes after Japan granted visa to him on Friday on medical grounds.

Reacting sharply to Washington's decision, Chinese foreign ministry spokesman, Mr Zhu Bangzao, said yesterday that China is "extremely dissatisfied with and opposed to" the US government decision.

"This is another erroneous step the USA has taken on the Taiwan issue," Mr Zhu said. Beijing and Washington are yet to resolve the US spy plane diplomatic stand-off.

"This has violated the three Sino-US joint communiques and relevant commitments made by the USA and interfered in China's internal affairs," he said. The Chinese foreign ministry has lodged "solemn representations" with the USA.

China views Taiwan as a rebel province and opposes travel by Taiwanese leaders to coun-



Former Taiwanese President Lee Teng Hui waves at well-wishers at Kansai International Airport, Japan on Sunday. — AP/PTI

tries that have diplomatic relations with Beijing.

"The Chinese side strongly demands the USA realise clearly the gravity and jeopardy of Lee's US visit, abide by the three Sino-US joint communiques, and honour its relevant commitments," Mr Zhu said.

He urged the USA to immediately correct its mistakes, and take steps to deter Mr Lee's visit aimed at conducting activities to separate China.

THE STATESMAN

23 APR 1982

Seoul recalls envoy to Japan

SEOUL, APRIL 9. South Korea today said it was recalling its Ambassador to Japan in protest against Tokyo's decision to approve school history textbooks which gloss over Japanese wartime abuses.

The Ambassador, Mr. Choi Sang-ryong, had been ordered to return home by tomorrow, said the Foreign Ministry spokesman, Mr. Kim Eui-Taek, as Seoul raised the stakes sharply in the row over the school books. "The Ambassador will stay at home temporarily to discuss the textbook issue," Mr. Kim said.

The move was the toughest diplomatic action against Tokyo yet by the South Korean Government. Tensions ran high after the Japanese Government approved textbooks which avoid mention of Japan's pre-World war II invasion of neighbours and Japanese troops' use of sex slaves.

The South Korean lawmakers today called off an annual gathering with their Japanese counterparts, and protesters in Seoul burnt a Japanese effigy in street rallies.

The Korea-Japan Parliamentarians' Union Conference, scheduled to be held in Seoul in May, has been "delayed indefinitely," Mr. Park Sang-cheon of the ruling Millennium Democratic Party said. — AFP

THE HINDU

10 APR 2001

Taipei wants Beijing, Washington to end stand-off peacefully

Taipei, April 3

HC-11
TAIWAN'S VICE-PRESIDENT on Tuesday urged rival China and the United States to use their wisdom to peacefully resolve their spy plane quarrel, reflecting the island's growing concern about the stand-off.

"We hope both sides can deal with the case peacefully and with wisdom," Annette Lu told representatives of the World Citizens Assembly, an international non-government organisation.

The cautious comment by Lu, who is reviled by Beijing for her pro-Independence politics and her bluntness, indicated Taiwan has no wish for the dispute to drag on.

Taiwan newspaper editorials said the weekend collision between a US Navy surveillance plane and a Chinese jet fighter near the southern Chinese island of Hainan had put Taiwan in a delicate position.

"Ruling and Opposition politicians in Taiwan like to see this as a zero-sum game," the mass-

419
circulation Chinese-language China Times said in an editorial.

"With diplomatic and military confrontation between mainland China and the United States intensifying, they think it will benefit arms sales to Taiwan in the short-term and ensure the establishment of a US-Japan-Taiwan military alliance in the long-term," it said.

"But this is neither the Cold War era nor the eve of a world war," it said adding no country in the world would like military tensions to escalate between the two Asia-Pacific superpowers. "This should be Taiwan's position as well." The mass circulation United Daily News said Taiwan should not plunge into the diplomatic tussle between Beijing and Washington.

"The future development of Taiwan relies on its interaction with the mainland; but the security of Taiwan relies on the support of the United States," the United Daily editorial said.

AP

THE HINDUSTAN TIMES

- 4 APR 2001

Turbulence is all about Taiwan

By F.J. Khergamvala *WJ*

TOKYO, APRIL 4. The Chinese President, Mr. Jiang Zemin, left on Wednesday for a six-nation tour of Latin America, after reiterating that the U.S. should apologise for the collision and bear all responsibility for the consequences.

One sub-text of Mr. Jiang's message is that he did not see the incident by itself as spilling over into something wider that could keep him home. Likewise, the U.S. President, Mr. George W. Bush, initially thought of calling Mr. Jiang, but his advisers thought that would magnify the incident out of proportion. It is clear that both sides are playing the one-upmanship game, trying to gain the moral, legal high ground on the eve of the U.S. President's decision later this month on Taiwan's annual request for arms. On Tuesday, 82 Congressmen urged Mr. Bush to approve sale of all the sophisticated systems sought by Taiwan.

There is a new U.S. government in place and as it feels its oats, Beijing may have decided it is worth overplaying its hand in browbeating the Bush administration on supplies to Taiwan. The favorable aspect in Beijing's position is that the civilian leadership, not the military, is driving the challenge to the U.S. In

an atmosphere of nationalism running up to the Communist Party Congress next year and the leadership reshuffle, even appearing to be in-charge would buttress Mr. Jiang's hope of control over the Central Military Commission. Mr. Jiang entered the fray for the first time on Tuesday, after Mr. Bush spoke a few hours earlier taking the standard U.S. line about international practice requiring the Chinese to refrain from entering the American EP-3E plane and to return the crew and aircraft unharmed. The Chinese spokesman cited "Chinese law" as a reason why Beijing could enter the plane.

Mr. Jiang blamed the U.S. for frequently flying close to Chinese shores. He urged it to desist from air activity in or near Chinese skies. The U.S. maintains the right of freedom of navigation or flights through international airspace or sea passages.

Beijing's top-ranking political bosses are trying to portray themselves as the righteous, injured party and exploiting the de facto seizure of the U.S. plane in pursuit of its immediate foreign and security policy aim of giving strong signals of how it would feel in case a very conservative administration in Washington decides to sell Taiwan weapons that China feels it should not.

5/4

On the top of Taiwan's shopping list in terms of sophistication and provocation is the billion dollars basic Arleigh-Burke class Aegis battleship management-equipped destroyers. Taiwan has sought four of them. There are Kidd class destroyers, upgraded planes and many other hardware items on request.

For the first time this year, Beijing decided to send its top foreign policy making official, the Vice Premier, Mr. Qian Qichen, to influence the U.S. decision. The visit followed months of high-level rhetoric as to what would happen should the Aegis be given to Taiwan, even if it would be at least eight years before it could be trained in and actually supplied with the Aegis.

The Aegis is the ideal sea-borne platform to base the Theatre Missile Defence on and its supply to Taiwan would practically ensure that the island state becomes a formally protected ally, such as Japan and South Korea, or like U.S. forces in theatre.

Beijing fears that such a state-of-affairs would encourage Taiwan to declare independence, or at the very least totally render toothless the Chinese threat of military force should Taiwan declare independence.

Reunion talks cancelled, says S. Korea

49-17
84
SEOUL, APRIL 2. The South Korean Red Cross said today talks with North Korea about holding more reunions of families separated during the Korean war had been cancelled, the latest setback for reconciliation between the erstwhile enemies.

"The North Korean side did not communicate to us their position on the Red Cross talks, making it impossible to hold the fourth round of meetings," said a spokesman for the south Korean Red Cross.

"We will monitor the situation in the North, but we do not know when or how we will contact them again."

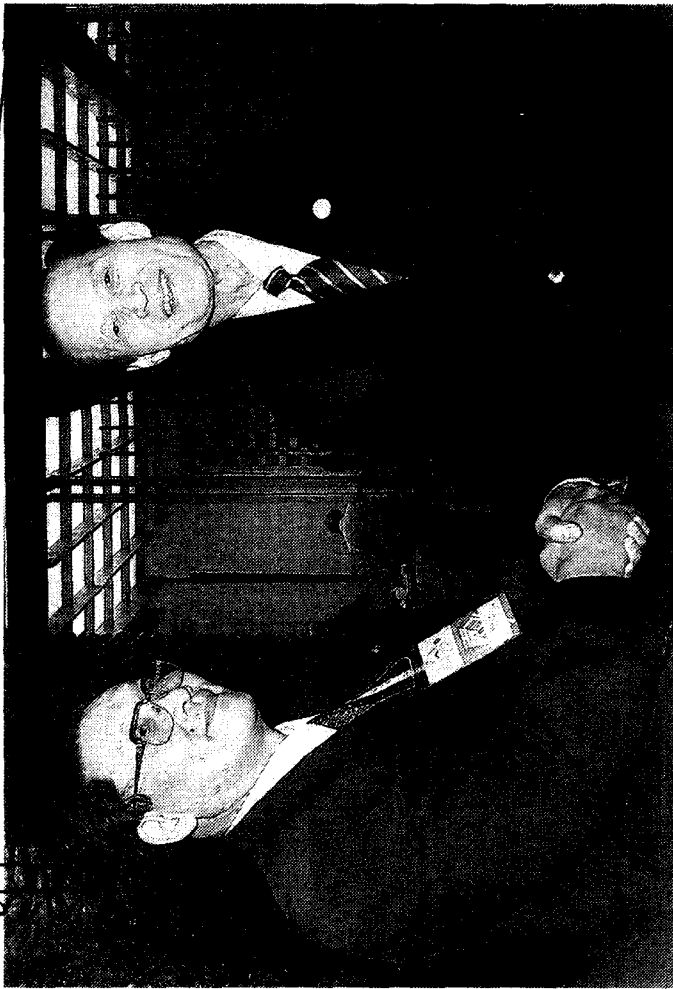
Late last month, South Korea's Red Cross proposed a new round of reunion talks in Seoul.

Inter-Korean projects have been stalled since the U.S. President, Mr. George W. Bush, said last month Washington had no plans to resume normalisation talks with North Korea and questioned whether the North Korean leader, Mr. Kim Jong-il, would honour any new arms control pact.

Pyongyang cancelled a Cabinet-level meeting with the South scheduled for last month, and the relinking of a railway which has been severed since the Korean war during 1950 to 1953, has also indefinitely postponed.

North Korea recently backed out of plans to send a unified table tennis team to the world championships in Japan next month.

Relations between North Korea and the U.S. began to warm toward the end of Mr. Bill Clinton's administration and the former U.S. President almost went to Pyongyang in his final days in office to seal a deal that would have



Mr. Kim Yong Dae (left), head of North Korea's delegation and Mr. Lee Man Sup, President of the National Assembly of South Korea, shake hands during a reception after the inauguration of the 105th Inter-Parliamentary meeting in Havana, Cuba, on Monday. — AP

mothballed the Communist nation's long-range missile programme in exchange for better ties with Washington.

The U.S. has 37,000 troops stationed in

South Korea, a legacy of the Korean war.

That conflict left the two Koreas technically at war because it ended in an armed truce instead of a peace agreement. — Reuters

CHINA IRRITATED

Taiwan going beyond its control *5/16*

SURELY, Chinese vice-premier Qian Qichen was being disingenuous when he told Secretary of State Colin Powell that his country had always stood for peaceful reunification with Taiwan. There is at least one eventuality which the Chinese themselves admit would compel them to use force — a declaration of independence by Taiwan. This is why they started lobbing missiles into the Taiwan Straits just before the 1996 presidential elections when it seemed that Lee Teng-hui might go the whole hog. The term “peaceful reunification” is a diplomatic nicety applied to an impasse defined essentially by China’s inability to change the status quo. Otherwise, in its dealings with Taiwan China has been almost consistently belligerent since Lee Teng-hui’s election as president. This now extends to the United States as well, because China realises that, notwithstanding American commitment to One China, unless American strategic profile in the region can be reduced, there will simply be no reunification. The Americans, for their part, have no such intentions, they are on the verge of supplying Aegis, a very advanced radar communication system, to Taiwan which, the Chinese say correctly, may form part of a comprehensive shield to protect Taiwan. The Chinese hate the idea and have said so openly, very normal for them since they see it as an infringement of their own sovereignty. This cuts no ice with the Americans. China deploys 200 missiles and several thousand troops in Fujian, just across the Taiwan Straits and its willingness to use them has never been in doubt. For the Americans, their commitment to Taiwan is not simply historical; it has to do with Taiwan’s problematic legal status and its recent evolution into a prosperous liberal democracy.

The Chinese did try a softer approach last year when Qian told the Taiwan media that “the mainland and Taiwan are both parts of One China”, which may mean equality, but then, it is not clear what the Chinese mean by equality. However, when a KMT delegation went to China in December, it was told that relations were “very grim” and that the new president, Chen Shui-bian, was a threat. Chen’s party, the DPP, has a clause in its constitution, which calls for an independent Taiwan, that Chen stopped someone from amending soon after his election. Direct trade and transport links have been opened up, but that is part of Taiwan’s drive towards parity of status as defined by Lee Teng-hui’s famous “state-to-state” remark — you don’t trade with a “renegade province” — there is a legal framework for a relationship and makes it less and less easy for China to hector Taiwan. All this is irritating the Chinese who feel they are being dragged into something that is beyond their control and don’t see why. The deployment of Aegis exacerbates that irritation.

J
if
s
a
t
3)

THE STATESMAN

- 2 APR 2001

U.S. to sell hi-tech weapons to Taiwan

WASHINGTON, APRIL 1. The United States is to provide weapons, including Aegis, a sophisticated ship-borne radar system, to Taiwan, brushing aside opposition from Beijing, according to a *Washington Times* report. A formal decision in this regard will be taken by the White House in the next two weeks, the paper said.

"When the decision comes, it will be based on what Taiwan needs to defend itself," a White House official told the paper. A confidential review conducted by the U.S. Navy's Pacific Fleet has recommended the sale of controversial radar systems to Taipei, which China has put at the top of the list of arms it does not want the island nation to have.

Experts familiar with the review told *The New York Times* that the report concludes that by 2010, Taiwan will need vessels equipped with long-range surface-to-air missiles, a sophisticated battle management system, and a phased array radar. The

Chinese oppose the sale of Aegis since it would blunt its missile threat to the island.

The pending decision on arms sales to Taiwan has split Americans. One group says it is foolish to pick up a fight with Beijing before the Bush administration started a dialogue and that Washington's interests would be served by engaging that country, a nuclear power and a growing economy. The other group, the pro-Taiwan conservatives, insist that the U.S. has a moral obligation to defend Taiwan from threats from Beijing.

They also feel that Washington should contain China's growing military power in Asia that would ultimately threaten U.S. allies in the region, including Japan and South Korea. National security advisors at the Pentagon, State Department and National Security Council will give recommendation to the President, Mr. George W. Bush, before taking a final decision on April 23. — UNI

THE HINDU

- 2 APR 2001

Dalai Lama arrives in Taipei

Taipei, March 31 (Reuters) — Tibet's exiled spiritual leader, the Dalai Lama, arrived in Taiwan amid protests today and said he has nothing to hide from Beijing, which has accused him of colluding with the island's separatists.

"I want someone from Peking (to) come here while I'm here and watch my movement here and investigate whether I (am) involved (in) some kind of anti-Chinese activities," the Dalai Lama said, using Beijing's old name. On the eve of the Dalai Lama's arrival, the flagship newspaper of China's Communist Party had accused him of colluding with Taiwan separatists.

He said China was a great nation but that its rigid authoritarian system was not the answer to its many problems.

THE TELEGRAPH

1 APR 2001

One country, two systems

**AT
RANDOM**



K. NATWAR SINGH

Hong Kong Island was ceded to England in 1841 by China during the Opium War. The then British Foreign Minister Lord Palmerston described it as "a barren island with hardly a house upon it." Hundred and forty years later Hong Kong is one of the business, commercial, political and architectural wonders of the world.

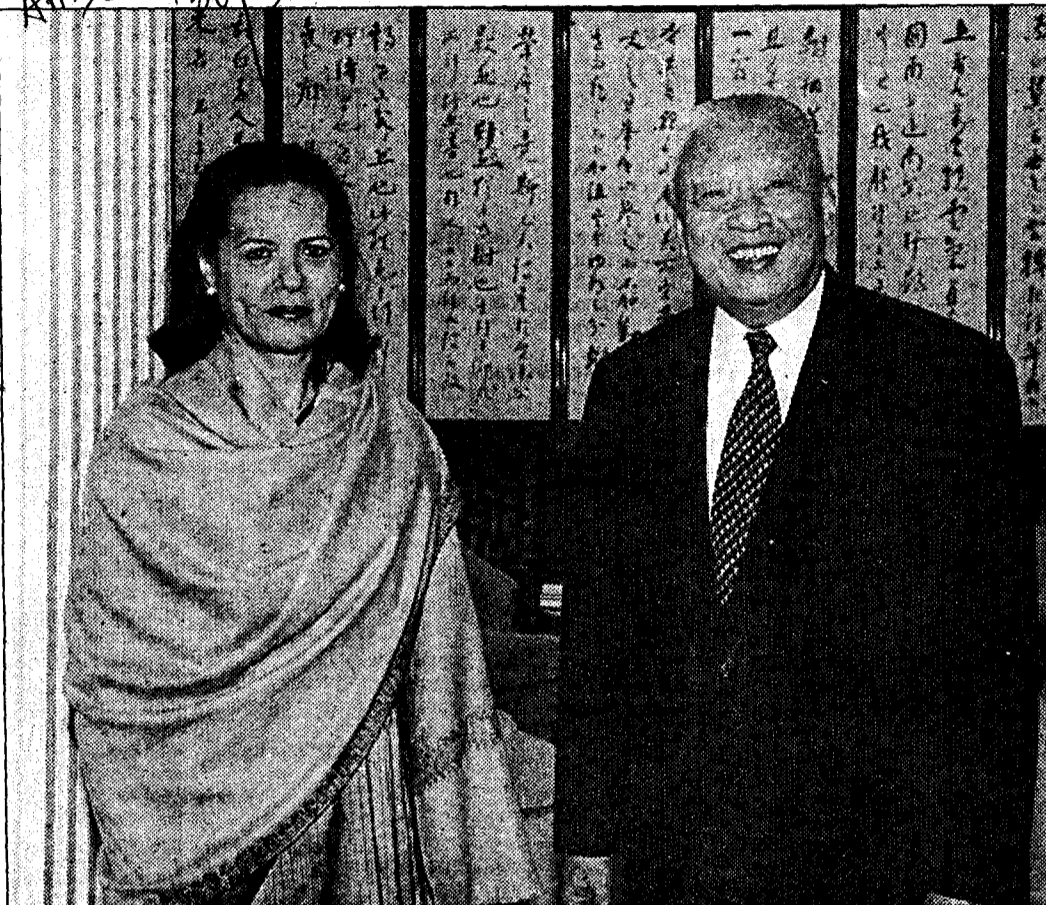
Hong Kong (actually the New Territories) was leased by China to Britain in 1898 for 99 years. The lease expired in 1997 and Hong Kong reverted to China. We all saw the last British governor, Chris Patten break down at the handing over ceremony in July 1997. China and UK, reached an agreement in 1984 regarding the future status of Hong Kong. Under the terms of the agreement:

"Hong Kong would remain autonomous and would retain its separate, internationally convertible currency and capitalistic economic institutions till 2047. Mr Deng Xiao Ping described the unique arrangement as "One country — two systems."

Why this short hand lesson in History? I returned on the night of 28th after a 48-hour stay in Hong Kong. Ambika Soni, my Congress Working Committee colleague and I had accompanied Congress president Sonia Gandhi to the "fragrant harbour" — the Chinese meaning of Hong Kong. She had been invited by Mr Hari N. Harilela, the chairman of the Council of Hong Kong Indian Associations. Hari Harilela (79) is a Hong Kong institution, known for his business skills, his philanthropy, his worldwide economic interests and his engaging and winning charm. The Harilela clan lives in a single 70 bedroom mansion in Kowloon — a joint family if ever there was one. Amazing as it may sound, the clan do not get on each others nerves or throats. Full marks for this domestic, civilisational achievement.

I first set foot in Hong Kong in July 1956. I was on my way to Peking — as it then was — to take up my humble post in our Embassy and to study Chinese at Peking University. My last visit was two years ago. In between I had made brief forays in 1982, 1984, 1988, 1997. So I am well acquainted with the place and its ups and downs.

It speaks volumes for the wisdom, vision and self-confidence



MADAM'S HOST: 'His Excellency Mr Tung Chee Hwa hosted a lunch in honour of Sonia Gandhi. Excellent food, charming hostess, his wife, animated conversation, relaxed ambience, style and elegance very much in evidence. The Congress president was a great hit.'

of the Chinese government to agree to an arrangement which in fact changes nothing while changing everything. Deng Xiao Ping was a political

Hong Kong speaks volumes for the wisdom, vision and self-confidence of the Chinese government to agree to an arrangement which changes nothing while changing everything. The 'One country, two systems' economic and political marriage was concluded with finesse and finality. China did not and will not kill the goose that lays platinum eggs. Hong Kong's capitalistic economy is vital for mainland China's development. Sixty per cent of its investment comes from Hong Kong. Hong Kong survived the mini-recession of 1999-2000 with chin up.

genius. The "one country, two systems" economic and political marriage was concluded with finesse and finality. China did not and will not kill the goose that lays platinum eggs. Hong Kong's capitalistic economy is vital for mainland China's development. Sixty per cent of investment in China comes from Hong Kong. The foreign exchange earned by Hong Kong comes to over \$80 billion dollars each year. Hong Kong survived the mini-recession of 1999-2000 with chin up.

Who presides over the Hong Kong Special Administrative Region? His Excellency Mr Tung Chee Hwa. He was born in Shanghai on May 29, 1937, the eldest child of shipping businessman Mr Tung Chao Yung and Koo Lee Ching. In 1947 the family moved to Hong Kong. Mr Tung Chee Hwa got a science degree from Liverpool in 1960. Thereafter, he worked for General Electric and looked after his family business in the US. His group was one of the world's largest container, dry bulk and tanker operators in the Eighties.

He entered public life in 1996, when he won by a wide margin his first election to the post of the chief executive of the Hong Kong Special Administration Region of the People's Republic of China. On July 1, 1997 he took over from Mr Chris Patten. He is now *numero uno* in Hong

Kong, governor-cum-chief minister.

He hosted a lunch in honour of Sonia Gandhi. Excellent food,

Sonia Gandhi said:
'In many ways what we are seeking in India, you have grasped effectively in these distant lands. We are keen to establish permanent channels of communication and interaction. I have sent delegations to several countries to revive and strengthen links with friendly parties and citizen groups. Associations like yours will obviously be high on our priority. I admire the grit and initiative with which you have earned yourselves status and respect in the distant lands. We will always be available to help you if you ever need us.'

charming hostess, his wife, animated conversation, relaxed ambience, style and elegance very much in evidence. The Congress president was a great hit.

Not a discordant note throughout the two hours we spent at government house. Many subjects were discussed. Not all non-controversial. Mr Tung sailed through choppy diplomatic waters with effortless ease and adroitness without being evasive or giving anything away. His self-confidence matched his humility — a very rare combination.

Hong Kong is having a serious look at Bangalore. The number two of Hong Kong Civil Service sat next to me at lunch. Mrs Carrie Yau was in Bangalore last month. She returned impressed. Hong Kong has shortage of IT experts. Where to look? India of course. Here is an area in which we can help China/Hong Kong.

The Indian community is 30,000 strong — affluent, enterprising, cyber and finance savvy. Mr Hari N. Harilela's banquet in honour of Sonia Gandhi was attended by 350. It was quite an occasion. Her speech struck the right note and was received with much applause. It was clearly not applause of the synthetic kind. It was genuine. Sonia Gandhi ended her address thus:

"In many ways what we are seeking in India, you have grasped very effectively in these distant lands. Your experience across the globe will certainly of great help to us at home. We are keen that we establish permanent channels of communication and interaction. We have recently refurbished the foreign affairs department of the Congress Party and its overseas section. I have sent delegations to several countries in Asia, Africa and Europe in recent months to revive and strengthen links with friendly parties and citizen groups. Associations like yours will obviously be high on our priority. I am delighted that I had this opportunity to meet and talk to so many of you in Hong Kong. I admire the grit and initiative with which you have earned yourselves status and respect in these distant lands. We share your pride and joy and will always be available to help you if you ever need us."

Sonia Gandhi, like her husband, mother-in-law and grandfather-in-law, has an international constituency which is a great source of strength to her and to all of us in the Congress Party.

A word about our consul general in Hong Kong, Mr Ashok K. Kantha is doing an excellent job and it took some effort to find out that he was Yashwant Sinha's son-in-law.

China stand on Taiwan arms deal ignored

51-7
2-27
THE STRAITS TIMES
ASIA NEWS NETWORK

WASHINGTON, March. 22. -
The USA today once again ig-
nored China's warning of "s-
trains in ties" if the former
complies with Taiwan's arms
requests.

Just ahead of talks between
Vice-Premier Mr Qian Qichen
and President Mr George W
Bush, the Chinese envoy said
there would be "very serious"
strains in Sino-US ties if the
latter carried on with arms
sale to Taiwan.

Analysts view Mr Qian's
meetings with Mr Colin Powell
yesterday and Mr Bush today
as a bid to convince Washing-
ton of the folly of selling the
high-tech Aegis battle-man-
agement systems to Taiwan.

China has said any decision to
provide Taiwan with sophistica-
ted destroyers equipped with
the Aegis would seriously in-
flame tensions. It fears Aegis
could form part of a more com-
prehensive shield to defend Tai-
wan against a missile attack.

The Bush administration is
expected to make a decision
next month.

Addressing media executives
in New York on Tuesday, Mr
Qian refused to rule out a pre-
emptive attack on Taiwan if
Mr Bush goes ahead with the
sale. "It all depends on the cir-
cumstances," he said. "Just
think, China has always stood
for peaceful reunification with
Taiwan. The Aegis sale would
change the issue into a milita-
ry solution", Mr Qian said.

Mr Qian said Taiwan was the
"most important and sensitiv-
issue in China-US relatio-"
"It must be taken seriou-"
handled properly," he s

China warns US on arms sale to Taiwan

Beijing, March 20

CHINA WARNED the United States again on Tuesday not to sell arms to Taiwan as Chinese and US officials commemorated the 30th anniversary of the "ping-pong diplomacy" which paved the way to formal bilateral ties.

Chinese Defence Minister Chi Haotian urged Washington "to understand the impact it would have if it sold arms to Taiwan" and not to jeopardise China-US ties, the official China Daily newspaper said. His comments to former US Secretary of State Henry Kissinger in Beijing reinforced a message to be delivered by Vice Premier Qian Qichen in the first meeting between a senior Chinese official and President George Bush this week.

Qian arrived in the United States on Sunday for a weeklong visit to New York and Washing-

ton. He is due to meet Bush on March 22. As Qian headed for the negotiating table, Kissinger was put to the test over a ping-pong table in Beijing. State television showed the architect of US rapprochement with China playing against Vice Premier Li Lanqing to commemorate meetings between US and Chinese teams at the table tennis world championships in Japan in March 1971.

Those contacts led to a visit by the US team to China the following month. Kissinger and then US President Richard Nixon visited Beijing in 1972. And China and the United States established diplomatic ties in 1979.

"This is for me a very moving occasion," State media quoted Kissinger as saying. "The Sino-American friendship is in the United States no longer an issue between the parties," he said.

21/3
"It has become the position of all key personalities in both parties." Qian will be hoping Kissinger is right.

The new Republican administration of President George Bush has shown signs it will take a harder line towards China than his predecessor, Democrat Bill Clinton. Qian is expected to raise concerns the United States will agree next month to sell large numbers of advanced weapons to Taiwan, the island Beijing regards as a renegade province that must be reunited with the mainland — by force if necessary.

Bush, like Clinton, is likely to defer Taipei's request to buy four AEGIS-equipped guided missile destroyers armed with Tomahawk cruise missiles, the most advanced item on Taiwan's list, to US analysts say.

Reuters

THE HINDUSTAN TIMES

21 MAR 2001

N Korea lashes out at US, says it risks war

HR-11
2073

Tokyo, March 19

NORTH KOREA fired the latest volley in an increasingly strident attack on the administration of U.S. President George W. Bush on Monday, saying Washington risked war if it did not soften its stance.

The statement followed a series of weekend anti-US diatribes, couched in rhetoric reminiscent of the Cold War era, in which the Stalinist nation slammed the two-month-old Bush administration. Washington risked seriously harming relations if it were to reconsider a key 1994 agreement to help North Korea build nuclear reactors, Tokyo-based monitoring agency Radiopress quoted North Korean State-run broadcasters as saying on Sunday. The broadcasts cited reports that conservative U.S. lawmaker Jesse Helms was urg-

ing the abandonment of the agreement, under which Pyongyang agreed to freeze its nuclear programme in return for two light-water reactors and annual supplies of fuel oil. "If this is the attitude of the US, we will have to adopt an extreme hardline stance," the broadcast said. "If the U.S. imperialists demand war, we will respond a thousand-fold. If this is the will of the US, we feel no particular need to be bound by an agreement that may or may not be fulfilled."

North Korea has for some months now blamed its acute shortage of energy on delays in fulfilling the agreement. Under the terms of the pact, the United States, South Korea and Japan jointly lead the \$4.6 billion light-water reactor project.

Washington provides the mandated fuel oil. However, progress on the reactors has been ham-

pered by disagreements on how to shoulder the costs. The reactors are unlikely to be completed until 2007. This month, a spokesman for Pyongyang's Foreign Ministry said the resulting energy shortage was making it difficult for North Korea unilaterally to keep its moratorium on launching satellites and missiles in force. South Korean officials said last month they did not expect the Bush administration to seek changes to the agreement.

Relations between North Korea and the United States had begun to warm toward the end of Clinton's administration and Clinton nearly went to Pyongyang in his final days in office to seal a deal that would have mothballed the communist State's long range missile programme in exchange for better ties with Washington.

THE HINDUSTAN TIMES

20 MAR 2001

AN AMERICAN CHILL MARS A KOREAN SPRING

Last week, South Korea's President Kim Dae-jung returned home a disappointed man after meeting President George W. Bush in Washington. He went to seek support for his "sunshine" policy towards North Korea and to press the new White House to continue the Clinton administration's efforts to negotiate a comprehensive agreement with Pyongyang. What he received was tepid support for Seoul's approach and a frosty "no" to the US resuming early talks with North Korea, with the new president publicly expressing his scepticism about the North, disregarding the problems W. has with syntax.

Anyone who has visited the Demilitarised Zone between the two Koreas could be forgiven for imagining that the Cold War is alive and kicking. The area bristles with arms and American soldiers, wearing the disguise of the UN insignia, protecting themselves by making visitors sign a declaration assuming responsibility for the consequences of any mishap that should occur. Years ago, the northern soldiers were in the habit of getting wild and violent in the DMZ. South and North Korean soldiers peer at each other's installations through binoculars.

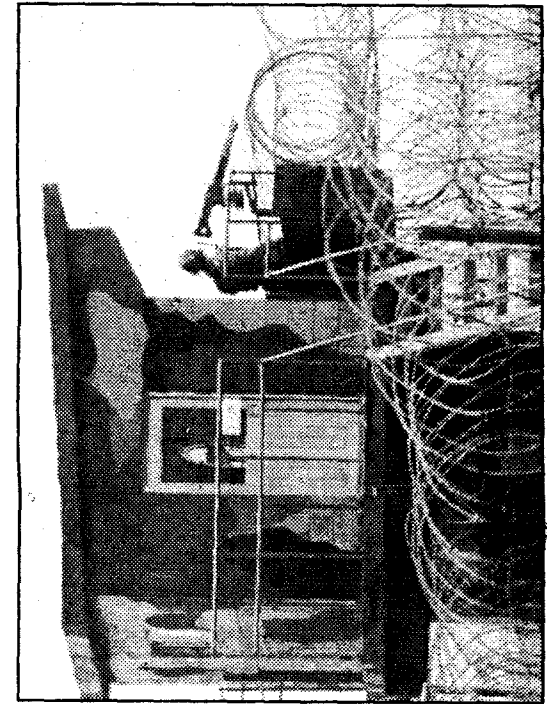
South Koreans will tell any visitor who cares to listen how close their capital Seoul is to the North Korean military might just across the DMZ. Thirty-seven thousand American troops are stationed in the South, ostensibly as an assurance and a trip-wire mechanism. The Soviet Union's foolishness in boycotting a UN Security Council



S. NIHAL SINGH



SUNSHINE IS BETTER THAN BONNFIRE: The two Kims (left); the barbed wires between



ensuring a soft landing for the two Koreas by pursuing his "sunshine" policy and by the level of assistance offered to the North. Ideally, the South conceives of reunification in stages over decades.

Does the new chill in relations between the US and North Korea portend a reversal of the winds of peace blowing across the Korean peninsula? Traditionally, the US, Japan and South Korea coordinate their policies on North Korea. If one of the triumvirate follows a hardline policy, where will South Korea go? South Korea's President Kim has promised to consult the US on his northern neighbour after his failed meeting with President Bush even as a debate rages in the Bush administration on the nature of policies to adopt on North Korea.

ident to Pyongyang. There was not enough time to tie the loose ends, despite a visit by US secretary of state Madeleine Albright last October. In talks with the South, North Korea has agreed to resume road and rail links across the DMZ and has opened diplomatic relations with several Western countries.

During my visits to South Korea, academics and officials alike have taken pains to detail the horrors of a shot-gun wedding of the two Koreas after the German model. Korean officials have diligently studied the problems encountered by Bonn and have come to the conclusion that difficult as the German experiment was, the South Korean state structure and economy would collapse in such an eventuality. President Kim Dae-jung has gone the furthest in

This approach has been disregarded by President Bush who has made it clear that he is distrustful of the North's sincerity in fulfilling agreements and is in no hurry to engage the North.

The failure of President Kim's mission to Washington is a double blow. He has less than two years of his presidency left and is likely to face greater attacks from his domestic critics on giving the North too many concessions for little in return while the revived South Korean economy is experiencing new hiccups as it tackles the difficult task of restructuring. Whether the American approach will jeopardise Kim Jong-il's planned visit to Seoul as early as this spring remains to be seen.

A new player on the scene is Russia's President Vladimir Putin who paid President Kim a visit recently. The Seoul communiqué signed by the two leaders raised hackles in Washington by expressing joint opposition to the US National Missile Defence plan and support for the 1972 Anti-Ballistic Missile treaty. Later, President Kim distanced himself from opposition to the NMD, but the point had been made. Nor could there have been a greater contrast between President Putin's enthusiastic endorsement of the "sunshine" policy and President Bush's cold attitude to it.

However, the United States' ability to influence events is immeasurably greater than Russia's and the question everyone is asking is: Will President Kim's Nobel Peace Prize crown remain a curiosity?

Secretary of state Colin Powell has had to backtrack on his announcement that the new administration would pick up the thread of negotiations where its predecessor had left it. Hardliners in the administration, generally identified with Vice President Dick Cheney and defence secretary Donald Rumsfeld, are reportedly in favour of using various options that would lead to the collapse of the northern regime — the horror scenario the South dreads.

The message President Kim Dae-jung was seeking to convey to the new dispensation even before his arrival in Washington was that the window of opportunity to befriend North Korea was small and could close, given Kim Jong-il's sense of insecurity.

Academics and officials have taken pains to detail the horrors of a shot-gun wedding of the two Koreas after the German model. Korean officials have diligently studied the problems encountered by Bonn and have come to the conclusion that difficult as the German experiment was, the South Korean state structure and economy would collapse in such an eventuality.

1A/3
KOREAS / U.S. SHADOW ON WARMING TIES?

Pyongyang cancels talks with Seoul

SEOUL, MARCH 13—North Korea called off Cabinet-level talks with South Korea hours before they were to begin Tuesday, prompting speculation that the North was upset by tougher talk from the Bush Administration.

The abrupt cancellation was a blow to warming relations on the divided Korean peninsula and a reminder that the North remains a highly unpredictable negotiating partner despite its overtures to the world since last year.

It also heightened a perception in South Korea that the U.S. President, Mr. George Bush's decision to review the North Korea policy of the former Clinton administration is slowing the fitful process of reconciliation.

At a meeting in Washington last week, Mr. Bush told the South Korean President, Mr. Kim Dae-jung, that he was skeptical of North Korea and would not immediately resume ne-

gotiations on the North's missile programme. Mr. Kim Sung-han, a North Korea expert at the state-funded Institute of Foreign Affairs and National Security, speculated that the North's decision to cancel the talks in Seoul was "an indirect protest of the results" of the Bush-Kim meeting.

The North Korean chief delegate, Mr. Jon Kum Jin, did not give a reason for the cancellation, which recalled the brusque tactics that North Korean envoys sometimes used at the height of the Cold War-era conflict.

"Considering various circumstances, we cannot participate in today's meeting," the South Korean government quoted Mr. Jon as saying in a telephone message relayed to his South Korean counterpart and Unification Minister, Mr. Park Jae-kyu. There was no offer by North Korea to reschedule the talks.

Mr. Park expressed strong regret and urged

that the talks — the fifth round since an inter-Korean summit in June — be held as soon as possible, his Ministry said in a statement.

Mr. Kim Dae-jung did not comment on the scuttling of the talks in a speech at a graduation ceremony of military cadets in Seoul on Tuesday. Nor was there any mention of it in a partial transcript of remarks he made at a weekly Cabinet meeting.

Mr. Kim told his Ministers that Washington fully backed his policy of engaging North Korea, but he acknowledged that a measure of uncertainty would prevail until Mr. Bush decides how to deal with Pyongyang.

In recent weeks, North Korea has angrily threatened to pull out of missile and nuclear accords with the U.S., partly to protest what it views as a hardline approach in Washington. — AP



The South Korean Foreign Minister, Mr. Lee Jeong-binn (centre), confers with officials before answering questions by lawmakers about last week's South Korea-U.S. Washington summit at the National Assembly in Seoul on Tuesday. — AP

7 2 MAR 2001

S. Korea to 'involve' U.S. in parleys with North

By F.J. Khergamvala

TOKYO, MARCH 13. South Korea has allayed U.S. apprehensions that a comprehensive peace declaration between the two Koreas at a planned second summit in May could lead to calls for an early withdrawal of U.S. forces deployed in the South.

The *Yonhiji Shimibun* reported on Tuesday, quoting U.S. government sources, that the South Korean officials were "working with U.S. government experts" on the wording of the declaration. The analysis added that after being told of Washington's concerns about the possible consequences of a tightly worded North-South declaration, the South's President, Mr. Kim Dae-jung, promised to involve the U.S. "during the entire process of drawing up the declaration". Mr. Kim's visit to U.S. was preceded with preparatory trips by his Foreign Minister and also by the intelligence chief.

Mr. Kim is winding up a six day trip to the U.S. and the most important facet of the visit is for one ally to influence the others' policy towards the North. In his speeches and remarks after the meeting with the U.S. President, Mr. George W. Bush, Mr. Kim has been markedly more circumspect, without surrendering the fundamental direction or purpose of his sun-

shine policy. He has, for example, used the term "comprehensive reciprocity", to address qualms at home and in the U.S. about giving away too much to his North Korean counterpart, Mr. Kim Jong-Il.

The *Yonhiji* did not produce more evidence to suggest that the declaration was being redrafted to accommodate U.S. concerns, or that the U.S. was not yet ready to move forward with any policy of its own. The logic strongly fits the chronology and the dynamics of the entire North, South process.

The pre-visit statements had already indicated there could be a loss of momentum from where the former U.S. President, Mr. Bill Clinton, handed over to Mr. Bush. But, with hindsight, the meeting in the White House has compensated by buying time and opening out more options for all three parties.

After a content-bland but photo-rich first ever summit in June 2000, it was widely known that Seoul and Pyongyang would in May have to give impetus to the thaw by adding real content, especially on troop reduction, de-mining, specific economic measures like rail infrastructure etc. At the Kim-Bush meeting, the U.S. did support another North-South Korean summit.

Contrary to the common perception, the first

ever meeting on developments on the Korean peninsula on Wednesday last week (in Washington), between Mr. Bush and Mr. Kim have expanded the latter's options on the peninsula, while buying time for the Bush Administration to undertake a fuller review of its Korean and East Asia policy.

Mr. Kim and Mr. Bush's views converged on curbing North Korea's missile programme and on close coordination between South Korea, the U.S. and Japan. Mr. Bush supported the sunshine policy of engagement but was not ready to address specifics on Pyongyang's missile programme, such as its satellites being launched by another country. Without an accurate inventory of the North's missiles, verification was irrelevant.

In Seoul, the conservative opposition to Mr. Kim is certain to use Mr. Bush's remarks as a vindication of their own unhappiness at the pace and non-reciprocal nature of the sunshine policy. Consequently, if Mr. Kim so desires, he could fall back on a harder line with Mr. Kim Jong-Il and seek greater reciprocity and make less down-payments. He seems to be using Mr. Bush's warnings to ward off earlier made North Korean demands for a pull-out by some of the 37,000 American troops deployed in the South.

Errant bomb kills U.S. servicemen

By Sridhar Krishnaswami

WASHINGTON, MARCH 13. The Pentagon is not saying much on the accident involving a U.S. Navy plane in Kuwait resulting in the death of five American and one New Zealand military personnel, but American investigators are expected to arrive at the scene later this week.

Teams from the U.S. and Kuwait are to jointly probe how an F-18 from the aircraft carrier USS *Harry Truman* dropped a 500-pound bomb on soldiers participating in a live fire exercise near the border with Iraq. One aspect will be to find out whether the plane missed its target or was wrongly guided by ground personnel.

The U.S. military along with Kuwaiti forces routinely engage in exercises at the permanent training range near Udairi. American

aircraft from carriers patrolling the Gulf also participate in the year round exercises.

The accident in Kuwait involving the U.S. Navy is the second serious mishap in the last six weeks. Reports in the media point to a number of mistakes made by Navy pilots in recent years including one in 1998 when a Navy Prowler cut a cable supporting a ski gondola in Italy killing 20 persons. The President, Mr. George W. Bush, during a tour of Florida promoting his domestic agenda, paid homage to those service personnel killed in Monday's accident. "I am reminded today of how dangerous service can be. We lost some servicemen today in a training accident. I hope you'll join me in a moment of silence for those soldiers and their families," he said.

THE HINDU

14 MAR 2001

U.S. to seek cut in North Korean army

By Sridhar Krishnaswami

WASHINGTON, MARCH 9. The Bush administration is maintaining its rhetoric against North Korea with the Secretary of State, Gen. Colin Powell, informing a Senate committee that Washington is seeking cuts in Pyongyang's million-person army and sending the message that the Republican administration is renegotiating the 1994 nuclear deal, known as the Framework Agreement, involving the U.S., South Korea and Japan.

On Wednesday, the President, Mr. George W. Bush, had some tough words against the North Korean regime and on Thursday it was the turn of Gen. Powell who went before the Senate Foreign Relations Committee. The observations of the President and his Secretary of State over the last two days have left enough doubt as to

whether the Bush administration will be taking off from where the Clinton administration left off vis-a-vis dealing with Pyongyang as has been the refrain every now and then.

"We're going to take our time; we're going to put together a comprehensive policy; and in due course, at a time and at a pace of our choosing, we will decide and determine how best to engage with the North Korean regime", Gen. Powell told Senators on the panel. But he left no doubt of the deep suspicions of the Bush administration on what could be achieved with Pyongyang.

"We have no illusions about this regime. We have no illusions about the nature of this gentleman who runs North Korea. He is a despot", Gen. Powell remarked. But at the same time, he maintained that there were promising

elements in the approach of the Clinton administration.

Senior Democrats on Capitol Hill are genuinely worried that the new Republican administration is letting the opportunities slip away — a sentiment shared by South Korea and its leadership. In fact, the President of South Korea, Mr. Kim Dae Jung, in a speech to a think tank here said, "We must assist so that North Korea can go along on the path of change".

The South Korean leader, currently on a visit to the U.S., is finding some pointed differences over his "Sunshine Policy", with Mr. Bush openly expressing reservations on the extent to which North Korea could be trusted. Even while there is the anticipation that the Bush administration will finish its review at an early date, Mr. Kim has said that there was the need for verification.

Meanwhile, in the midst of all the goings-on, American intelligence officials are saying that North Korea is getting ready to export missile components from a port on its west coast. According to a story in *The Washington Times*, the missile shipment was photographed by a U.S. spy satellite within the last several days near the Port of Nampo.

The Times story says that the exact types of missiles are not known but generally believed to be for foreign production of Scud B or Scud C missiles. One unnamed official has been quoted as saying that the shipment appeared to include chemical weapons related warheads. The intelligence community here has long been maintaining that North Korea is a major missile supplier to many nations including Pakistan.

US, South Korea issue joint statement on missile threats

Washington, March 8

STEERING A path between Moscow and Washington on missile defense, South Korea issued a joint statement with the United States on Wednesday saying missile threats required a strategy including "defensive systems."

The statement, issued after a meeting between South Korean President Kim Dae-jung and President George W. Bush, suggested Kim was trying to play down the controversy sparked last week about whether he opposes Bush's plan for a missile shield.

South Korea said it is reviewing its position on Bush's planned national missile defense (NMD) and said reports that Seoul was against it — sparked by a joint Russian-South Korean declaration last week — were misleading. "New types of threats, including from weapons of mass destruction and missiles as a means of

delivery, have emerged that require new approaches to deterrence and defense," the U.S.-South Korean joint statement said on Wednesday. "The two leaders shared the view that countering these threats requires a broad strategy involving a variety of measures, including active non-proliferation diplomacy, defensive systems, and other pertinent measures," the U.S.-South Korean statement added.

"They concurred on the importance of consultations among allies and other interested parties on these measures, including missile defense, with a view to strengthening global peace and security," the statement said.

It appeared to allow Kim to assuage some U.S. concerns that Seoul might be tilting toward Moscow's opposition to such a missile shield while not committing South Korea one way or the other. Earlier, Kim told reporters

following his meeting with Bush that the Russian-South Korean joint declaration issued after he met Russian President Vladimir Putin last week did not imply opposition to a missile shield.

That statement said Russia and South Korea agreed that the 1972 Anti-Ballistic Missile (ABM) Treaty is a "cornerstone of strategic stability" — a phrase often used by Moscow when it argues against a U.S. missile shield.

"This is not an indication of our opposition to the NMD," Kim told reporters. "The Russian side, in fact, initially very strongly wished to include such a phrase that would indicate an opposition and we resisted to the very end."

Missile proliferation is of special concern to South Korea because North Korea is seen as one of the largest exporters of missile technology to the world.

Reuters

THE HINDUSTAN TIMES

9 MAR 2001

North Korea plans war against Japanese books

Seoul, March 4

NORTH KOREA on Sunday urged South Korea and other Asian countries to wage a joint campaign against new Japanese history textbooks which reportedly gloss over the wartime atrocities of Japan's imperial army.

The North Korea's call came as anger mounted in other parts of Asia over the content of the textbooks, which are expected to receive Japanese government approval this month.

Japanese Foreign Minister Yohei Kono promised last week to take into account the views of neighbouring nations in screening the textbooks. But reports that the books gloss over Japan's wartime atrocities have provoked angry protests in Taiwan, China, South and North Korea.

South Korea has issued a diplomatic protest to Japan. Tai-

wan and China have also blasted the books as an indication that Japan has not fully repented its wartime record.

The Communist North led the attack on Sunday, saying Asian countries should join forces to "frustrate the Japanese reactionaries' criminal moves to tamper with history and cut off their tentacles of overseas aggression." The attack was made by 25 state organizations and carried Sunday by Pyongyang's radio stations.

The North accused Japan of seeking to "infuse militarism and the idea of overseas aggression even into the younger generation" by justifying the occupation of Korea from 1910 to 1945.

"Let all the Koreans rise up as one to resolutely frustrate the Japanese reactionaries' criminal moves to tamper with history and cut off their tentacles of overseas aggression." AFP

THE HINDUSTAN TIMES

5 MAR 2001

Kim shares Putin's fears over US missile defence plan

SEOUL, February 28

RUSSIAN PRESIDENT Vladimir Putin ended a visit to South Korea on Wednesday.

In a declaration following summit talks with Putin on Tuesday, South Korean President Kim Dae-Jung joined a chorus of concerns among European powers that the missile defence plan might trigger a nuclear arms race with Russia, China and South Asia.

The Joint Declaration, issued after talks between Presidents Kim Dae-Jung and Vladimir Putin, described a 1972 Anti-Ballistic Missile (ABM) treaty as "the cornerstone of strategic stability". The Cold War-era ABM treaty forbids the United States and Russia from erecting an anti-missile shield like the \$60-billion National Missile Defence the Bush administration has committed itself to build, even if that meant scrapping the pact.

"The Russian Federation and the Republic of Korea agreed that the 1972 ABM treaty is the cornerstone of strategic stability and an important foundation of international efforts on nuclear disarmament and non-proliferation," the joint statement said.

South Korea's view is noteworthy because one of Washington's main reasons for building the treaty-busting shield is the missile programme in North Korea, which U.S. officials say would be able to strike U.S. territory by the middle of this decade.

Pyongyang stunned the West in 1998 by test-firing a ballistic missile over Japan.

Washington says an updated version could hit U.S. territory by the middle of this decade, and Pyongyang could also sell its technology to other "rogues" like Iran or Iraq.

The leading Korean language newspaper the Chosun Ilbo said in an editorial on Wednesday it was "diplomatically premature" for Seoul to weigh in on the issue. "...we cannot help thinking it diplomatically premature that

South Korea opposes the revision of the 1972 Anti-Ballistic Missile treaty alongside Russia against the United States trying to build its National Missile Defence (NMD)," the editorial said. "The peace in the Korean Peninsula is not realised only with Korea—Russia cooperation," it added.

The United States has 37,000 troops stationed in South Korea and is Seoul's most important ally. President Kim's support for Moscow's position comes less than a week before he meets President George Bush in Washington to discuss Seoul's "sunshine" policy of engagement with North Korea.

The new Republican administration has indicated it will take a harder line with the North than the Clinton administration did, emphasising it would look for concrete signs of reciprocity from the Stalinist regime in Pyongyang.

At the same time, Russia is seeking to again be a key player in the Northeast Asia great power game. Putin has thrown his full support behind Kim's sunshine policy.

Last July, he flew to Pyongyang to meet reclusive North Korean leader Kim Jong-il, who is due to make a return visit to Moscow in April.

China, North Korea's chief ally, is concerned the missile defence plan will render its nuclear arsenal ineffective and Asia is worried it will exacerbate Beijing's feelings of isolation.

China has also strongly supported Kim's engagement policy and Li Peng, the number two member of the ruling Politburo, is visiting Seoul next month.

China fought alongside North Korea against the U.S.-led United Nations forces in the 1950-53 Korean War, which ended in a truce that has since left the two Koreas in a state of War.

The former Soviet bloc was North Korea's main trade partners and chief source of aid during the Cold War.

(Reuters)

THE HINDUSTAN TIMES

1 MAR 2001



Skiing jockeys are pulled by horses during the 'White Turf' racing on the frozen St Moritz in Switzerland on Sunday.

Wan Ho Lee passed on N-secrets to Taiwan: report

WASHINGTON: In a fresh twist to the issue of nuclear secrets leak by U.S. scientist Wan Ho Lee, who was allowed a plea bargain on charges of passing them on to Beijing, a latest media report said that the American secrets were covertly handed over to Taiwan.

The *Washington Post* reported that the Taiwan-born scientist disclosed to the FBI that he received a \$5,000-fee from the Taiwanese weapons institute, the Chung Shan Institute of Science and Technology, for leaking the weapon secrets from the Los Alamos laboratory.

"Because of these disclosures, the U.S. government

has been looking into the possibility that Lee may have accumulated numerous weapons secrets from computers at Los Alamos with the intention of aiding Taiwan, the country of his birth," the report said. *6/13*

Further fuelling the U.S. government's suspicions, Lee also said he had reviewed on his office computer classified data about the three U.S. nuclear warheads, the report quoting official sources said. The FBI and Justice Department prosecutors were now considering seeking court approval to further question Lee because they were not satisfied with the answers he gave. (PTI)

N. Korea attacks Powell

SEOUL, JAN. 26. North Korea has launched its first attack on the new U.S. administration, accusing the Secretary of State, Gen. Colin Powell, of harbouring "sinister" intentions against the communist country.

A North Korean Foreign Ministry spokesman, quoted by state media, criticised Gen. Powell for calling the communist country's leader, Mr. Kim Jong-il, a "dictator." But the spokesman also made a tentative offer to work with the new Washington administration.

Gen. Powell made the dictator comment during his U.S. Senate confirmation hearing last week. He also said Mr. George W. Bush's administration would re-

view the U.S. policy on North Korea, but was open to continued engagement within strict guidelines.

The spokesman described Gen. Powell's remark as "reckless" and denounced him for "slandering our supreme leadership," the North's Korean Central News Agency (KCNA) reported yesterday.

The spokesman said Gen. Powell's statement reflected "the sinister intention of big war industrial monopolies and other conservative hardliners in the United States" who wanted the U.S. and North Korea to remain "in the hostile and belligerent relationship forever." — AFP

THE HINDU

1202 JAN 27 2001

27 JAN 2001

Bush holds key to future of Korea talks

49-16
19/1
By F.J. Khergamvala

TOKYO, JAN. 15. Without being certain that a successor administration and a new Congress will uphold commitments made to North Korea, it may have been a wise decision for the outgoing U.S. President not to have gone to the North.

The question now is, can the two Koreas retain the momentum generated since their summit in June 2000.

Mr. George W. Bush's coming into the White House has added to the already existing imponderables which in turn now loom larger as possible obstacles to the continuing thaw on the peninsula.

Two of the largest deals that added content to the rather successful sunshine policy of South Korea's Mr. Kim Dae Jung are now being reviewed. One review can be a "peace-breaker."

The North's leader, Mr. Kim Jong Il is reported to be in China since Monday evening.

Even though no formal announcement of confirmation or denial has been made, it would not be surprising if Mr. Kim Jong Il has gone to talk to Beijing, whose leaders share a common concern revolving round missile defence issues being debated in post-Clinton Washington DC.

The missile defence issue is quite complex and does not directly threaten the peace on the Korean peninsula.

That peace is essentially driven by the material gains accruing to Pyongyang from a variety of contracts and two major deals.

Chronologically, the U.S.-North Korea Agreed Framework of 1994 provided the basis for a continued U.S.-North dialogue, followed by the Hyundai-North Korea \$942 million investments deal on creating infrastructure in the North.

Mr. Kim Jong Il is scheduled to make a reciprocal visit to the South this spring for the second inter-Korean summit.

The two leaders last met in the middle of June 2000. What evolves from this second summit will greatly influence the direction and pace of events.

The results of the summit will be substantially a consequence of how the two big deals are upheld or modified.

Mr. Kim Dae Jung's sunshine policy has always been under attack from within the country by conservatives, but a recovering

economy and support from the U.S. as well as the business deals have given him the upper hand. Now, the equations are shifting.

Reuters reported from Seoul on Monday night that the Hyundai Group, which did a \$942 million contract in 1998 now wants to extend fee payments to the North to beyond the 2005 deadline.

Identifying its source as the spokesman of the Hyundai company that handles the entire group's operations in the North, the news agency said its own corporate difficulties had prompted re-opening the subject.

Hyundai is also seeking to create a huge industrial park in the North at Kaesong.

This review gives ammunition to Mr. Kim Dae Jung's rivals who have been saying the South's economy does not permit largesse in the form of food aid, the North's principal demand for most State-to-State bargains.

In a mirror development across the Pacific, a new Congress might look even more cynically at that clause in the 1994 Agreed Framework (nuclear swap deal) that requires the U.S. to pay for heavy oil until the new reactors, which are at the heart of the Agreed Framework, are ready.

The Clinton administration's inability to smoothly get the appropriations through Congress has been a constant source of potential trouble, from which Japan and the Saudis have often bailed the U.S. out.

Worse could follow. The 1994 deal schedules the first of the two 1,000 megawatt light water reactors to be done by 2003. The second by the following year.

The nearly \$4.6 billion project has not gone beyond ground breaking stage, thus causing at least four to five years' delay.

The North has signalled its disgust by seeking free of charge from the South, two million kilowatts of energy, the same as the new reactors' capacity.

Pyongyang was made to forego its nuclear programme to put its spent plutonium in accountable fuel rods. Today, Mr. Kim Dae Jung still drives the reconciliation process. If Mr. Bush gets into the seat and insists on switching from nuclear to coal, the North could either project this worldwide as a deal breaker and rightly so, or demand an unacceptably high compensation.

Lee Kuan Yew sees progress in China-Taiwan issue

BY MICHAEL RICHARDSON
International Herald Tribune

Singapore, Jan. 11: Singapore's senior minister, Lee Kuan Yew, sees a real opening for progress in the long deadlocked talks between China and Taiwan and says he hopes the Bush administration will not "precipitate a crisis over Taiwan."

Mr Lee said that both China and Taiwan appeared to want to avoid conflict and that Beijing had recently taken some significant steps to make it easier for Taipei to respond and begin to talk.

He said he expected that the Bush administration would need "six to 18 months of testing" before it settled its China policy.

But he warned that if during this period the Bush administration pressed ahead with plans to build a missile defence shield, it would "change the fundamental balance between China

and the United States" and create a crisis that would make other Asian countries nervous.

Mr Lee maintains close contacts with senior officials from both China and Taiwan. "This is too critical an issue for China," he said, alluding to pressure from some Republicans who want the Bush administration to have closer ties with Taiwan, which Beijing regards as a rebel province.

"It's as if you tell the Russians that Chechnya has the right of self determination," he said. "Then you must be prepared for a massive row with the Russians." Mr Lee repeated his scepticism about whether democracy could solve Asia's basic economic and social problems.

He noted that Thaksin Shinawatra, the businessman-turned-politician whose Opposition party was emerging on Sunday with a majority of seats in the Thai Parliament, had been accused

by an anti-corruption agency of not fully disclosing his assets when he was a deputy prime minister in the previous Thai government. Yet it had made "not the slightest difference to the poll figures" before the voting, nor to the final results, Mr Lee said. He said Philippine President, Joseph Estrada, who is being tried by the Philippine Senate on charges of corruption and abuse of

THE WORLD IN DEPTH

power, might yet avoid impeachment.

"He can be acquitted if he can get eight senators to vote for him," Mr Lee pointed out. "I am amazed when US officials tell me that the important factor is the democratic process, and with a free press, there will be good government," he said. "That has not happened. The best periods of Thailand's growth since the war were under two Prime Ministers, Prem Tinsulanond

and Anand Panyarachun, both non-elected but honest and competent." Mr Lee said that sometimes Americans get carried away by their messianic zeal. "Before you can have a working democracy, you must have an educated population and a fair-sized middle class that will provide a ballast for society," he said. "Does Indonesia or Thailand have that?"

Mr Lee warned that Southeast Asia was falling behind Northeast Asia in economic growth as well as information technology, which is a critical area of future competitive advantage.

He said that since the regional financial crisis that started in Thailand in mid-1997, there had been a reversal in investor perceptions, with Northeast Asia now being seen as less xenophobic and more willing to reform than Southeast Asia.

"Southeast Asia, unfortunately, is

slower in restructuring," Mr Lee said. "Precisely, Southeast Asia was favoured because it was not xenophobic, it was going with the tide. Now it is seen as slow to change. Until the Southeast Asian countries come to terms with the new situation, they will have slower growth rates as against Northeast Asia, which now offers more opportunities."

Mr Lee said Singapore and other export-oriented economies in Asia would be hit if the US economy slowed sharply.

"Let's hope that American consumer confidence does not evaporate too suddenly," he said. "If Americans stop buying, that's trouble."

Mr Lee said Singapore's officially projected growth rate of 5 per cent to 7 per cent for 2001 would be "out of reach" if there was a sudden drop in US consumer spending because the island-state's growth figure was based on US annual growth

THE WORLD IN DEPTH

12

104

Taiwan boats dock in China after 50 years

FROM AL GO AND ALICE HUNG

Xiamen (China), Jan. 2 (Reuters): The first Taiwan boats in more than 50 years to make legal, direct trips to the Chinese mainland docked in the southeastern province of Fujian today, port officials said.

The historic trips by two passenger vessels from Taiwan's frontline islands of Quemoy and Matsu marked a small but significant step in Beijing's push for full trade, transport and postal exchanges with its longtime rival.

The largely symbolic landings signalled the formal start of "mini three links" across the few miles of sea separating the heavily fortified islands from the mainland.

Taiwan's stock market closed more than four per cent higher today on hopes the establishment of limited direct transport and trade links with mainland China will ease political tensions. China-related stocks were big gainers.

Chinese markets were unmoved by the event, which has not been reported by state-controlled media.

The 4,700-tonne *Taima* arrived in the Fujian capital of Fuzhou carrying a group of 498 pilgrims and 16 reporters led by Matsu county commissioner Liu Li-chyun. An hour later, the 200-

tonne *Taiwu* docked in Xiamen carrying a 192-member delegation from Quemoy led by county commissioner Chen Shui-tsai. It was accompanied by a second ship carrying cargo. "This is like coming back to my home soil," Chen said in Xiamen. "Quemoy and Xiamen are just 6,000 metres apart but the journey took 52 years."

The ships, not flying Taiwan's national flag, were given little in the way of welcoming ceremonies by China, which says the opening does not go far enough and calls for direct trade and travel between China and all of Taiwan.

China's foreign trade ministry issued a statement saying Taipei had "abandoned the main road to take the small road" in stopping short of allowing full links across the strait.

"These are not direct links in the true sense and fundamentally do not meet the demand for cross-strait flows of goods and people," the statement said.

Beijing grudgingly went along with Taiwan's unilateral arrangement for limited exchanges, but has barred foreign media coverage to avoid giving rival Taiwan a publicity coup. China has not announced any plans to send ships to Quemoy or Matsu.

Taiwan reporters were allowed to disembark at Fuzhou, but were not permitted to bring

television cameras. Those arriving at Xiamen were allowed to shoot video of the event.

Quemoy delegation head Chen met Xiamen mayor Zhu Yayan and invited him to visit the island. Zhu did not give a reply. Last month, Taipei approved limited direct trade and transport links between Fujian province, Matsu and Quemoy, islands which have been economic backwaters at the front line of Taiwan's defences against China since 1949.

Taiwan has banned direct trade, travel and postal links with China since 1949, after Chiang Kai-shek's Nationalist troops lost to the Communists and fled into exile. Since rapprochement began in the late 1980s, all trade and travel has been routed through Hong Kong or other places.

Taiwan hopes direct travel between its frontier islands and China will ease the tension that has kept the rivals on a war footing for more than five decades. China shelled Quemoy, also known as Kinmen, in August 1958 and intermittently until 1979.

Only residents of Quemoy and Matsu are permitted to travel directly to Xiamen and Fuzhou, favourite investment sites for Taiwan businesses. Other Taiwan travellers, as well as cargo, must still go through Hong Kong or other territories.

THE TELEGRAPH

3 JAN 2001