

CLAMORING FOR CANADIAN OIL P.14 | REAL ECONOMY DIPS P.34

# BEIJING REVIEW

VOL.55 NO.35 AUGUST 30, 2012

北京周報 WWW.BJREVIEW.COM

## ISLAND ROWS

Japan's toughening stance on territorial disputes threatens Northeast Asian stability



RMB6.00  
USD1.70  
AUD3.00  
GBP1.20  
CAD2.60  
CHF2.60  
JPY188

ISSN 1000-9140



3 5 >

9 771000 914123

邮发代号2-922·国内统一刊号:CN11-1576/G2

CHINAFRICA

中国与非洲



12 issues a year at a subscription rate of 180 RMB

SUBSCRIPTION HOTLINES  
(8610) 6831 0644, 6899 6223, 6899 5808

An Africa-oriented English monthly covering China and Africa published by BEIJING REVIEW, ChinaAfrica is the only one in China featuring news, views and analysis for an African audience.

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Cover Photo: Diaoyu Islands (CFP)

## Small Islands, Big Stakes

Japan's moves to seize the Diaoyu Islands have aroused the ire of the Chinese. Activists from Hong Kong, indignant about repeated provocations—especially Japanese politicians' vows to "nationalize" the islands in recent months—landed on one of the isles to assert China's sovereignty on August 15, the 67th anniversary of Japan's surrender in World War II.

The Diaoyu Islands, which lie in the East China Sea 120 nautical miles northeast of Taiwan, have been on China's official atlas for centuries. In coastal defense maps drawn in 1561 and 1621, Chinese generals marked the islands as outposts against attacks from Japanese pirates. Defeated in the Sino-Japanese War of 1894-95, China was forced to cede the islands, along with Taiwan and the Penghu Archipelago, to Japan. While Taiwan and the Penghu Archipelago were returned following the end of World War II, the Diaoyu Islands, which were geographically affiliated to Taiwan, were wrongfully incorporated into the Ryukyu zone under U.S. control. The United States later transferred the jurisdiction of the islands to Japan.

When China and Japan normalized diplomatic relations in 1972, leaders of the two countries agreed to set aside differences over the sovereignty of the Diaoyu Islands to clear the way for a renewed relationship. The Chinese Government has since taken a prudent stance on this issue in the hope that the territorial spat will not hinder progress in Sino-Japanese relations. China has also proposed the idea that the two neighbors could explore possibilities to jointly develop resources in disputed areas before deep-seated rows over sovereignty are settled. Joint development efforts may lead to enhanced mutual trust and understanding, which China believes are conducive to the delivery of a solution.

The Japanese authorities, however, have ignored China's plea. To the disappointment of the Chinese side, they have continued to stoke disputes in an attempt to annex the islands as part of their efforts to expand the island country's strategic frontiers. These efforts are also evidenced by Japan's conflicting territorial claims over a number of islands with South Korea and Russia.

Japanese right-wing groups, which are gaining momentum against the backdrop of ongoing economic and political woes in Japan, have only added fuel to the tensions. Chinese analysts believe they are bent on playing up territorial disputes with Japan's neighbors with the ulterior motive of soliciting public support for their cause. They are the same group that clings to extreme nationalism and refuses to repent for Japan's atrocities during World War II. To prevent further damage to Sino-Japanese relations, the Japanese authorities should heed China's opinion, take a long-term view and refrain from yielding to dangerous right-wing sentiments.

It is also important that the United States, the country that sowed the seeds for discord out of Cold War considerations, makes a sober-minded judgment. Setbacks in relations between China and Japan, the two biggest economies of Asia with pivotal roles to play in many global issues, are bound to take a toll on the regional economy as well as peace and stability in the Asia-Pacific, a prospect that does not serve U.S. interests at all. ■

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北京周报 英文版 2012年 第35期 ISSN 1000-9140 广告许可证 0171号  
北京市期刊登记证第733号 邮发代号2-922 国内统一刊号: CN11-1576/G2 国内零售价: 人民币6.00元

CHINA...RMB6.00 U.S.A....USD1.70 AUSTRALIA....AUD3.00 UK....GBP1.20 CANADA....CAD2.60 SWITZERLAND....CHF2.60  
JAPAN....JPY188 EUROPE....EURO1.90 TURKEY....YTL5.00 HK....HKD9.30 NEPAL....RS40



## BEIJING REVIEW

A News Weekly Magazine  
Published Since 1958

iPad APP

<http://www.bjreview.com>

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Published every Thursday by

BEIJING REVIEW, 24 Baiwanzhuang Lu,

Beijing 100037, China.

Overseas Distributor: China International Book Trading

Corporation (Gueji Shudian), P. O. BOX 399,

Beijing 100044, China

Tel: 86-10-68413849, 1-416-497-8096 (Canada)

Fax: 86-10-68412166

E-mail: [fp@mail.cibtc.com.cn](mailto:fp@mail.cibtc.com.cn)

Website: <http://www.cibtc.com>

General Distributor for Hong Kong, Macao and Taiwan:

Peace Book Co. Ltd.

17/F1, Paramount Bldg, 12 Ka Yip St, Chai Wan, HK

Tel: 852-28046687 Fax: 852-28046409

Beijing Review (USPS 2812) is published weekly in the United States for US\$64.00 per year by Cypress Books,

360 Swift Avenue, Suite 48, South San Francisco, CA 94080

News Postage Paid at South San Francisco, CA 94080

POSTMASTER: Send address changes to Beijing Review,

Cypress Books, 360 Swift Avenue, Suite 48,

South San Francisco, CA 94080



## Super Idol

NBA basketball star LeBron James demonstrates his shooting technique for young Chinese basketball players during a promotion activity at the Chaoyang Gymnasium in Beijing on August 22.

James has millions of fans in China, where he is a household name. His four-day China tour beginning August 21 brings a new wave of NBA mania to China following the hype from his NBA counterparts Kobe Bryant and Jeremy Lin.

James rose to his professional peak by winning back-to-back championships this year, first as one of the big three of the Miami Heat to take the crown at the NBA final for the 2011-12 season, and then as star player of the U.S. Olympic basketball team that retained the Olympic men's basketball title in London.

**“Legal professionals from both sides should join hands in promoting exchanges, communication and cooperation in order to fortify and deepen the legal basis for cross-Straits peaceful development and to contribute to the great rejuvenation of the Chinese nation.”**

Wang Gang, Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference, calling on legal experts from the mainland and Taiwan to enhance cross-Straits exchanges when meeting with Taiwan legal professionals in Beijing on August 23

**“The Chinese people who live there have contributed greatly to the social and economic development of the Far Eastern region, and their efforts have been recognized by local governments and the public. China hopes the host country will protect the legitimate rights and interests of the Chinese people.”**

Chinese State Councilor Dai Bingguo, speaking to Russian state newspaper *Rossiyskaya Gazeta* in Moscow on August 20 in reference to the concerns of some Russians about the increasing number of Chinese immigrants, during his visit to Russia for the seventh round of strategic security talks between the two countries

**“Curiosity is a much more complex vehicle than earlier Mars rovers. The testing and characterization activities during the initial weeks of the mission lay important groundwork for operating our precious national resource with appropriate care.”**

*Curiosity* Project Manager Pete Theisinger, speaking at NASA's Jet Propulsion Laboratory in California, the United States, when Mars rover *Curiosity* made its first move on the Red Planet on August 22

### Correction

*Beijing Review* regrets an error on page 3 of issue No.34 of 2012. The first paragraph of the picture news entitled Representations to Japan should be: "China on August 15 lodged solemn representations with Japan on the latter's illegal detention of Chinese nationals who went to the Diaoyu Islands."



**ILLUSIVE EFFECT** Visitors pose for a photo at a 3D exhibition in Beijing's 798 Art Zone on August 18. More than 80 pieces of artworks created by South Korean artists are on display to celebrate the 20th anniversary of the establishment of diplomatic relations between China and South Korea

## Administrative Reform

The State Council, China's cabinet, has decided to remove or modify 314 administrative examination and approval items in order to further clear systematic obstacles to its social and economic development and curb corruption.

According to a statement released on August 22, 184 administrative approval items will be canceled, while the power to approve 117 items will be handed down to govern-

ment departments at lower levels. Thirteen items will be merged into other items.

This round of reductions, the sixth of its kind since the reform of the administrative approval system kicked off in 2001, mainly covers investment and social projects, with a special focus on the real economy, small and micro-sized enterprises and private investment.

Figures from the State Council show that a total of 2,497 administrative approval items, including those in the sixth round, have been

rescinded or adjusted in the past 10 years, accounting for 69.3 percent of the total.

## New Chapter

The China Arms Control and Disarmament Association (CACDA) held its third national congress in Beijing on August 23. Qu Xing, President of the China Institute of International Studies, was elected the association's new president.

The CACDA organizes and coordinates research, seminars and workshops concerning issues of arms control, disarmament, nonproliferation and international security. Founded in August 2001, although it is officially designated an independent nongovernmental organization, its activities and publications generally reflect the policies of the Chinese Government.

Thirty-five Chinese institutions comprise the association. Its 200-plus individual members include scientists and scholars working in the fields of weapons development and research, with retired diplomats and former defense officials providing additional expertise. In 2005, CACDA was granted special consultative status by the UN Economic and Social Council.

## Widening Wealth Gap

Households in rural China have seen incomes increase on average over the past three years,

## 2012 Miss World

**Yu Wenxia**, a girl from northeast China's Heilongjiang Province, won the Miss World crown for 2012, defeating more than 100 other hopefuls from across the globe. It's the second time a contestant from China has been awarded the title. Last year's Miss World, Ivian Sarcos of Venezuela, handed over her crown to Yu at a glittering ceremony held on August 18 in Ordos, a mining city of north China's Inner Mongolia Autonomous Region.

Yu, 23, studied national vocal music at the School of Music at Harbin Normal University from 2008 to 2012. She took part in the Chinese Miss Tourism competition in 2010 and won first place. She said she never expected to win the Miss World crown and she hopes to become a music teacher.



**BIG DAY** Muslims gather in Minning Mosque to celebrate Eid-Al-Fitr, which marks the end of the Muslim holy month of Ramadan, in Yinchuan, northwest China's Ningxia Hui Autonomous Region, on August 19, 2012

but the wealth gap in the vast countryside has almost reached a warning level, a top Chinese institute for rural studies said on August 21.

The cash income of rural households grew 14.13 percent from a year earlier to an average of 38,894.4 yuan (\$6,123) last year, and the per-capita cash income in rural areas rose 11.95 percent to 9,260.6 yuan (\$1,458), according to a survey by Central China Normal University's Center for China Rural Studies.

The survey was launched in 2009 and covered more than 6,000 rural households across the country. The figures have not been adjusted to reflect inflation.

The institute said in a report released on August 21 that the income growth was fueled by rising wages among farmers who have abandoned rural life to work as migrant laborers outside of their hometowns, mostly in cities.

Wages paid to the migrant laborers accounted for 65.7 percent of the total income of rural households, it said.

The Gini coefficient, an index reflecting the rich-poor gap, in rural China stood at 0.3949 last year, nearing the warning level of 0.4 set by the United Nations, the institute said.

## Anti-Corruption Plan

China will implement a five-year plan for eliminating corruption after the upcoming national congress of the Communist Party of China (CPC), top official He Guoqiang said on August 21.

He, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, expressed readiness to improve anti-corruption efforts, describing the improvements as a "dynamic and long-term strategic project."

The 18th CPC National Congress will find new ways to prevent corruption both now and in the future, said He, who is also head of the CPC Central Commission for Discipline Inspection.

A sound system for punishing and curbing corruption is an important guarantee for the nation's development. The formation of the new five-year plan should be based on the results of the previous plan, as well as past experience, He said.

## Longer Life

China's average life expectancy will increase to 77 years by 2020 from 74.83 years in 2010, according to an official forecast released on August 17.

Targets for improving life expectancy, as well as nine other key indicators of the country's public health, including maternal and child mortality rates, were set in a strategic report issued by the Ministry of Health.

The report said that national healthcare



**CLOSE FRIENDS** Retired Chinese basketball star Yao Ming gets close with an African leopard in an animal orphanage in Nairobi, Kenya, on August 16, during his 10-day Africa visit for shooting an anti-poaching documentary

input should amount to 6.5 to 7 percent of the GDP by 2020. The ratio stood at 4.98 percent in 2010, based on a 2-trillion-yuan (\$315 billion) annual healthcare budget.

The report also highlighted efforts to narrow the healthcare gap between different regions by introducing dedicated action plans for poverty-stricken areas.

## Cross-Straits Cable

The first undersea telecommunications cables

linking the Chinese mainland and Taiwan started operating on August 21.

The two optical fiber cables, linking the city of Xiamen in southeast China's Fujian Province and Kinmen Island, will serve as a cross-Straits "information highway," said Wang Xiaochu, Board Chairman of China Telecom, the primary builder and operator of the line.

Wang said that the designed capacity of the Xiamen-Kinmen cables, which were completed on June 22, is about 100 times the current telecommunications volume between the two sides.

Prior to the launch of the direct lines, signals were sent via international cables after cross-Taiwan Straits telecommunications services were opened in 1993.

## Emissions Trading

Shanghai launched a pilot carbon emission rights trading scheme on August 16 in a bid to encourage carbon emission reductions.

About 200 major local polluters, including industrial companies whose annual carbon dioxide emissions reach 20,000 tons and non-industrial enterprises whose annual emissions total 10,000 tons, will take part in the trading, the city government said in a statement.

Each of the carbon market participants will get a free quota for a certain base carbon emission. Companies failing to meet emission cut targets will need to buy quota from those whose emission cuts exceed the targets.

"This is a landmark step China has made in building a domestic carbon emission trading market," said Xie Zhenhua, Vice Chairman of the National Development and Reform Commission, the top economic planning agency.

China has pledged to reduce carbon dioxide emissions per unit of gross domestic product by 40 to 45 percent compared to 2005 levels by 2020.



**HAPPY FESTIVAL** Performers present a Tibetan opera show for Shoton Festival in Lhasa, capital of Tibet Autonomous Region, on August 20



**MANUFACTURING SHOW** A robotic arm is on display at the Eighth China (Tianjin) International Equipment Manufacturing Exposition in north China's Tianjin Municipality on August 22. A total of 1,400 enterprises from more than 20 countries and regions attended the expo

## Stock Incentive

The country's securities regulator said on August 19 that it will launch the employee stock ownership plan for listed companies at a later time after further improving the draft regulation.

China Securities Regulatory Commission said that it is reviewing feedback on the draft regulation on the shareholding scheme, which was issued to solicit public opinion on August 5.

The plan, which allows listed firms to buy their own stocks on the secondary market through an assets management agency with a designated portion of their employees' cash compensation, is aimed at allowing more staff to benefit from stock ownership.

Employees of listed companies can participate in the plan on a voluntary basis and be entitled to shares according to a distribution agreement.

The employee stock ownership plan, which will help increase the efficiency and comprehensive strength of a listed company, is a widely employed mechanism in mature securities markets. China had previously introduced plans that encouraged only senior executives to own stakes in listed companies.

## Home Price Rebound

More Chinese cities saw home prices rise in July over June, as signs of warming have emerged in China's property market after local governments relaxed property curbs in the wake of weakening economies.

In July, 50 cities—up from 25 in June—out of a statistical pool of 70 major cities, recorded higher new home prices than a month earlier, the National Bureau of Statistics (NBS) said.

Only nine cities saw declines in new

home prices in July, down from 21 in June, while prices in 11 cities remained unchanged.

Encouraged by rising transactions in recent months, some developers have started to raise prices or cancel discounts.

"It's still a little early to determine whether this momentum will be sustained," said Mark Budden, China Area Leader at EC Harris, a leading global built asset consultancy.

## Corporate Profits Down

China's economic slowdown has impacted the country's corporate profits, as listed companies' profit growth largely contracted in the first half of the year.

As of August 17, 1,003 companies listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange posted a combined first-half net profit of 180.21 billion yuan (\$28.38 billion), up 6.75 percent year on year, *China Securities Journal* reported.

The growth figure took a major tumble compared to that reported on the same day last year, as the semiannual net profits of all 1,096 listed companies in 2011 surged 36.14 percent from last year.

Industrial sectors such as steel, construction and building materials have fared the worst, affected by the tightening grip over the real estate industry and cooling investment enthusiasm.

## Banking Malaise

China's biggest banks still dominate the world's top 10 in terms of market capitalization and are among the most profitable globally, according to a report by Boston Consulting Group.

But their falling valuation multiples suggest declining investor confidence in their future profitability.

Driven by rapid growth in credit spreads, the big four state-owned banks were among the world's top banks, with the Industrial and Commercial Bank of China maintaining the top spot.

Chinese banks had an average of 22 per-

## Numbers

# 4 trillion yuan

Central Government spending on agriculture, rural areas and farmers increased 4 trillion yuan (\$635 billion) from 2006 to 2011, with an average annual growth of 24 percent, said Xie Xuren, Minister of Finance on August 21.

# 3.23 billion

China had issued 3.23 billion bank cards as of the end of June 2012, an increase of 20.6 percent from a year earlier, according to a report released by the People's Bank of China on August 20.



cent after-tax return on equity, second only to Indonesia.

However, Boston Consulting suggested that the high profitability of Chinese banks was unlikely to be continue indefinitely.

“Clearly there is a lack of faith in China’s economy, and in the level of hidden losses or likely potential losses,” said Ranu Dayal, a senior partner of Boston Consulting and co-author of the report. “Better transparency will likely increase investor confidence, which should lead to an improvement in valuation,” said Dayal.

## Wine Import Probe

A number of wine producers have applied to the Ministry of Commerce demanding investigations into European imports, now being accused of damaging the domestic wine market.

EU wine imports surged to 169,114 kiloliters, in 2011, from 35,944 kiloliters, in 2008, at an annual pace of 67.71 percent. In the past four years, its market share in China increased from 4.94 percent to 14.76 percent, Wang said.

The EU has provided various subsidies to the wine industry, putting Chinese makers at a disadvantage, said Wang Zuming, head of the wine division of the China Alcoholic Drinks Association.

The EU is the world’s largest wine-producing region. Its production capacity and export potential will only have a negative impact on winemakers in China, said Wang.



## TV Host Questioned

**Wang Gang**, a Chinese actor who hosts an antique program on TV, incurred a wave of criticism recently for allegedly smashing authentic treasures. In the show, appraisers determine whether antiques brought by collectors are genuine or fake. Those deemed fake are then theatrically smashed by Wang, though some pieces were later claimed by a few appraisers to be real.

In May, the Capital Museum in Beijing put on an exhibition of around 40 genuine porcelains and more than 30 forgeries smashed into pieces by Wang in the program so that collectors could make a comparison between the genuine ones and forgeries. However, some collectors who attended the exhibition found that the forgeries were authentic artworks.

Producers of the program denied that Wang destroyed any authentic pieces. The Beijing Municipal Administration of Cultural Relics announced on August 21 that after careful examination, they found the porcelains broken by Wang were fakes.



**READY TO GO** The train for metro line 1 has its trial run on August 21 in Harbin, capital of northeast China’s Heilongjiang Province. In response to the low temperature, the train is equipped with insulated doors and electric heaters under the seats

**HOT POTATO** A technician inspects potato seedlings in a laboratory in Dingbian County, northwest China’s Shaanxi Province on August 21. Dingbian has become the country’s main potato growing region

# 0.6%

Crude oil output increased 0.6 percent year on year to 17.24 million tons in July as the current economic slowdown dampens fuel demand in the country, said the National Development and Reform Commission on August 20.

# 30 billion yuan

The Ministry of Finance sold 30 billion yuan (\$4.74 billion) worth of 10-year book-entry treasury bonds at an interest rate of 3.39 percent from August 23-27.



## SOUTH KOREA

Anti-war activists attend a rally in Seoul on August 20 against the start of joint U.S.-South Korean military exercises codenamed Ulchi Freedom Guardian. More than 80,000 soldiers from the two allies took part in the 11-day drill



A woman takes a picture of a recently erected memorial marker commemorating the first kiss of U.S. President Barack Obama and first lady Michelle Obama in the Hyde Park neighborhood in Chicago, Illinois, on August 16

## THE UNITED STATES



A tiger licks a block of ice in downtown Rome's Bioparco Zoo on August 21 as heat waves hit Europe

## ITALY



Vendors sell fish on a roadside in Yangon on August 20. In a report issued that day, the Asian Development Bank said strong economic growth could lift Myanmar to the rank of middle-income nations by 2030 if the country overcomes a host of reform challenges

## MYANMAR



Julian Assange, founder of the whistle-blowing website WikiLeaks, speaks from the balcony of the Ecuadorian Embassy in London on August 19. The Ecuadorian Government has granted Assange asylum, believing his concerns for unfair trials and political persecution are legitimate

## BRITAIN

<http://www.bjreview.com>



Members of Somalia's new parliament place their hands on copies of the *Koran* while taking their oaths in Mogadishu on August 20. With the swearing-in of the parliamentarians, the war-torn Horn of Africa country moved from a long-drawn transitional period to a permanent form of government

## SOMALIA



ILLEGAL DETENTION: Japan's Okinawa prefectural police escort an activist on August 16, one day after a group of Chinese demonstrators were arrested for protesting on the Diaoyu Islands

COVER STORY

# DANGEROUS GAMES IN NORTHEAST ASIA

Japan stirs up a new round of territorial disputes in its neighborhood

By Ding Ying

Japan has recently dug itself into the center of territorial rows with its neighbors in Northeast Asia. It is embroiled in island disputes with Russia and South Korea. In addition, the dispute over the Diaoyu Islands between China and Japan has emerged as a focal point of contention.

Chinese observers pointed to Japan's economic interests, U.S. influence and politicians' personal ambitions as the root of the renewed territorial disputes. Some warned that Japan could take a very tough stance on these issues, adding that its neighbors should be prepared to deal with a difficult diplomatic situation.

## Causes of contention

Conflicting interests always form the core of international disputes. Territorial disputes are often seen as the concentration of complicated interests between different parties.

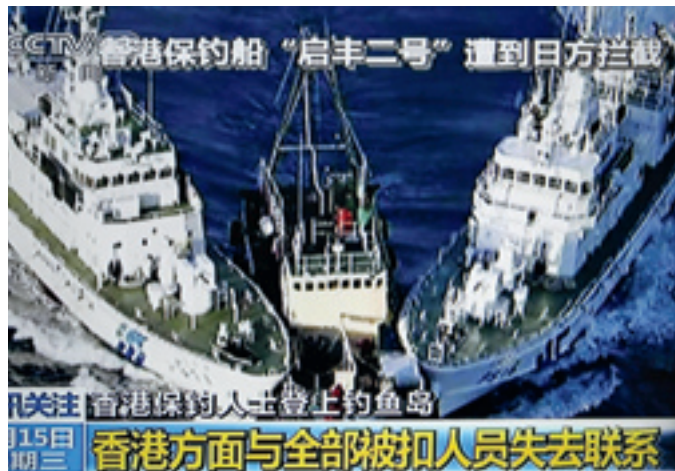
The most recent round of contention ramped up in July. Russian Prime Minister Dmitry Medvedev landed on the Southern Kuril Islands, known in Japan as Northern Territories, on July 3, drawing strong condemnation from Japan. South Korean President Lee Myung Bak's landing on Dokdo, which the Japanese call Takeshima, on August 10 led to Japan's threat to take the dispute to the International Court of Justice.

Seven Chinese activists soon thereafter were illegally detained by Japanese authorities for landing on the Diaoyu Islands on August 15, a day marking Japan's surrender in World War II. Then, a total of 150 Japanese lawmakers and members of right-wing groups went to the waters surrounding the Diaoyu Islands to mourn soldiers who died in World War II, and 10 of them set foot on the Diaoyu Islands on August 19. These successive events have rapidly heightened tensions in Northeast Asia.

Outsiders may ask why Japan has suddenly run into so many territorial disputes with its neighbors.

"While the disputes have different historical backgrounds, the Japanese Government's

INTERCEPTION AT SEA: Two Japan Coast Guard ships try to intercept a Hong Kong fishing vessel with 14 activists on board near the Diaoyu Islands on August 15



recent ocean exploration strategy is a prime reason for escalating tensions between Japan and its neighbors," said Zhao Xinli, a scholar on Japanese studies with the Communication University of China, to *Beijing Review*.

He explained that Japan has sped up the pace of exploring ocean resources in recent years, especially after Yoshihiko Noda became prime minister last August. Noda recently stressed that Japan's top strategy for reviving the country should be ocean exploitation in a speech at Waseda University. He said Japan owns an exploitable ocean area 12 times that of its land territory. Noda pointed out that the ocean area under Japanese control is the sixth biggest in the world, while the area of deep sea at a depth of 5,000 meters under Japan's jurisdiction is the largest worldwide. Zhao concluded that given Japan's decision to focus on ocean resource exploitation, it will naturally maintain a tough stance on disputed islands.

Zhou Yongsheng, a professor with China Foreign Affairs University, believed that all the territorial disputes in Northeast Asia had connections with domestic situations in the related countries. For example, he said, Lee's stepping on Dokdo on August 10 happened because of domestic pressure prior to the upcoming presidential election. In July, Japan declared territorial claims on Dokdo in a defense whitepaper, triggering strong protest from South Korea. Previously, Lee had

maintained a close relationship with Japan, said Zhou, which put the South Korean leader in an awkward position. Zhou pointed out that Lee tried to get political support and votes by taking a tough attitude to prove he is a patriotic president who will strongly protect territorial sovereignty.

On the Japanese side, Noda also has the task of winning support in the coming elections. As Zhou explained, since Noda and his Democratic Party of Japan are comparatively weak when dealing with domestic situations, especially in the country's economic recovery, he has to show strength in the diplomatic field to display his administration's achievement. "The inevitable outcome is Japan turning its neighbors into enemies," said Zhou.

Observers have said that U.S. influence is another important reason behind the current situation in Northeast Asia, as Tokyo is Washington's military ally in East Asia.

Zhou said as it shifts its focus to the Asia-Pacific region, the United States encouraged Japan to conduct a strategy of fierce confrontation with China, which indirectly led to the escalation of territorial disputes in the area. He explained that the U.S. Asia-Pacific policy also created similar effects in Southeast Asia, bringing out conflicts between China and the Philippines.

However, Zhou said, Washington does not want to see armed conflicts break out, ►►



forcing the United States to choose sides, which doesn't meet its interests.

Zhao agreed that the United States is an influential party behind these disputes. He stressed that Washington encouraged Japan to take a tough stance on the issues, and then used the ensuing squabbles in the region as

an excuse to increase its presence in Asia. However, he believed Washington will not put Japan's state interests above its own, and will therefore not act as Japan's ally over these disputes. Zhao also noted that there's a strong sentiment in Japan calling on the Japanese Government to stop the current dip-

lomatic strategy of fully relying on the United States.

## Future of territorial feuds

Japan has recently decided to replace its ambassadors to China, South Korea and the United States. Observers believe this is a sign of the Noda administration's changing foreign policy. On August 22, Noda asserted that he had nothing to do with the new appointment, and the decision was made entirely by the Japanese Ministry of Foreign Affairs. The statement suggests Noda is losing control over some areas of the government, revealing an internal instability in the Noda administration.

Zhao pointed out that frequent replacements of prime ministers make it difficult for Japan's domestic and diplomatic policies to be coherent. The recent replacement of ambassadors is the corollary of Japan's unstable political situation. He said although the decision doesn't necessarily mean Japan will take a tougher stance on territorial disputes, it does reflect Noda's determination to adjust the country's diplomatic policy.

## History of the Diaoyu Islands

The Diaoyu Islands, located in the East China Sea between China and Japan, have belonged to China since ancient times. The islands are 120 nautical miles northeast of China's Taiwan Province, 200 nautical miles east of China's mainland and 200 nautical miles west of Japan's southernmost island Okinawa.

Geologically the islands are attached to Taiwan. The waters around the islands are 100 to 150 meters deep and there is a 2,000-meter-deep oceanic trench between the islands and Japan's Okinawa Islands. Fishermen from China's Taiwan, Fujian and other provinces conducted activities such as fishing and collecting herbs in the area for millennia.

The islands have appeared on China's

maps since the Ming Dynasty (1368-1644). There are records noting the islands in a book published during the rule of Emperor Yongle (1403-24) in the Ming Dynasty, more than 400 years before Japan claimed discovery of the Diaoyu Islands in 1884. After the Ming Dynasty, the islands were recorded in many historical documents. On a map published by Japan between 1783 and 1785, marking the boundary of the Ryukyu Kingdom, the Diaoyu Islands were shown as belonging to China.

Japan never questioned China's sovereignty over the islands until the Sino-Japanese War of 1894-95. In April 1895, the Government of the Qing Dynasty (1644-1911) was forced to sign the Treaty of Shimonoseki, under which China ceded the whole island of Taiwan and its surrounding islands, including the Penghu Archipelago, to Japan. Only since then has Japan had its own name for the area where the Diaoyu Islands are located. Before

that, Japanese maps marked the islands by their Chinese names.

Japan was occupied by the United States after it was defeated in World War II. In 1951, Japan and the United States illegally signed a treaty in San Francisco without the presence of China, which was one of the victor countries in World War II. While Article Two of the treaty said that Japan surrendered its claim over Taiwan and the Penghu Archipelago, Article Three assigned the Diaoyu Islands, which Japan had taken from China, to the Ryukyu zone, which was under U.S. control. Then Chinese Premier Zhou Enlai lodged a strong protest and said the Chinese Government would never recognize the San Francisco Treaty.

In a statement on territorial waters in 1958, the Chinese Government said that Japan should return all the territory of the People's Republic of China, including Taiwan and its surrounding islands, to China. (Source: Xinhua News Agency)

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**"Whoever the next ambassador to China is will not completely change the current situation between China and Japan. There are difficulties, but there is also hope."**

— Zhao Xinli, a scholar on Japanese studies with the Communication University of China

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MEDVEDEV ON DISPUTED ISLAND: Then Russian President Dmitry Medvedev visits an island in the Southern Kuril Islands on November 1, 2010, the first visit by a sitting Russian president to the disputed islands between Russia and Japan



Current Japanese Ambassador to China Uichiro Niwa's successor, Shinichi Nishimiya, is very close with the United States, showing the Noda administration's consideration of the United States. "Whoever the next ambassador to China is will not completely change the current situation between

China and Japan. There are difficulties, but there is also hope," Zhao said.

Zhou agreed that the transfer of diplomats is related to recent territorial disturbances. He said the Japanese Government is trying to achieve a diplomatic breakthrough by rotating personnel. Niwa publicly opposed Tokyo

Governor Shintaro Ishihara's plan of "purchasing" the Diaoyu Islands in April because it would jeopardize China-Japan relations. Zhou said as Noda declared plans to "nationalize" the Diaoyu Islands, ambassadors like Niwa are now treated as obstacles to the "nationalization" plan.

Unlike Zhao, Zhou worried that the ambassador shift hints Japan's China policy will fully fall under the control of Japan's right-wing forces, hardening its stance on the Diaoyu Islands. He warned that Japan, while being practical in diplomatic relations, could adopt a fierce orientation through the media, public diplomacy, military exercises, the enlargement of weaponry and the expansion of its armed forces to fight for territory.

Nevertheless, Zhou suggested China should stay calm on the Diaoyu Islands issue. He said even though Japan controls the islands, no state-level leader has set foot on the islands. "We should be patient in dealing with Japan and the United States," he said, adding that a military solution is not a good option. But he also worried that both sides are very emotional about the issue now, which is detrimental to the China-Japan relationship and the whole Northeast Asian situation. Territorial games such as this are a constant danger—for the involved countries, and for the region as a whole. ■

SOUTH KOREA'S MARK: South Korean President Lee Myung Bak (second left) visits Dokdo on August 10



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