

BULLETIN

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NORTH ASIA - ASIE DU NORD

based on media surveys in the North Asia region

TOKYO/TOKYO

On Thursday, October 1, Prime Minister Miyazawa reportedly decided to delay reshuffling his cabinet until December, after the closing of the next extraordinary Diet session. Miyazawa came to this decision after considering the recent confusion among the leadership of the LDP's largest faction, the Takeshita faction, on whose support he heavily depends.

Executive members of the LDP's Takeshita faction agreed on Monday, October 5, to keep Shin Kanemaru as the faction's chairman and Ichiro Ozawa as its acting chairman. However, given the growing criticism from the public, Kanemaru will reportedly be advised to keep a low profile.

According to a nationwide poll conducted by the Kyodo News Service on October 3 and 4, the latest support rating for the Miyazawa Cabinet is 31.4 percent, maintaining virtually the same level as in the June survey, when it was 32.4 percent. The disapproval rating also remained nearly the same, at 61.4 percent, a drop of 0.4 percentage points from the last survey.

Opposition parties decided on Monday to use the upcoming Diet session to demand

the resignation of Shin Kanemaru from the Diet. They will also ask that he be summoned by the Diet to testify as to the nature of the yen 500 million political donation he received from the Sagawa Kyubin; the names of the Takeshita faction members to whom he said he distributed the money and the amounts each received, as well as the alleged involvement of a yakuza (gangster) syndicate in the formation of the Takeshita Cabinet in 1987.

On October 6, representatives of five major economic organizations handed PM Miyazawa a jointly drafted letter requesting prompt execution of political reform. This is the second time they have submitted a request for political reform to the PM. The first was in July 1991.

CHINA/CHINE

The people's daily carried extensive coverage of ANC leader Nelson Mandela's first visit to the PRC. Mandela met with President Yang Shangkun, Premier Li Peng and Party General Secretary Jiang Zemin. Hong Kong sources report that in a speech at Beijing University, Mandela lauded free speech.

In the last days remaining before the start of the 14th Party Congress, PRC media have continued to stress that this congress will usher in a new era of faster and deeper reforms, which will be implemented by younger and better educated party cadres.

This year's national day celebrations at Tiananmen Square were the first occasion since the Tiananmen crackdown of 1989 in which authorities encouraged large crowds of citizens to gather in the square. The events, watched over by a substantial contingent of security forces, passed without incident.

The Economic Daily ran a brief front-page article on October reporting the first listing of a Chinese company, Brilliance Automobile Ltd., on the New York Stock Exchange.

The English-language China Daily of October 6 reports the licensing of American International Group to operate in Shanghai. This is the first foreign insurance company to be licensed by China since 1949, and the only insurance venture operating from Shanghai.

KOREAN/COREE

Hyun Soong-Jung, the 73 year old president of the Korea Federation of Education Associations, has quote reluctantly accepted unquote to become the next Prime Minister of South Korea. Hyun will have a free hand to select new members of a "politically neutral cabinet" which will administer the December presidential elections.

The 24th ROK-US security consultative meeting opened 7 October to discuss second phase of US troop withdrawal postponed since 1990 due to concerns over North Korean nuclear program. Top defence officials from both countries will also discuss transfer of peacetime operational control and whether to resume the combined "team spirit" military exercise.

North Korean president Kim Il-Sung is likely to visit China at the end of October, following the triumphant visit of his rival South Korean president Roh Tae Woo.

A recent survey reveals that undergraduates have liberal views regarding premarital sex and their knowledge comes increasingly from commercial media rather than proper sex education.

As many as 62 South Koreans have been formally arrested on charges of spying for Communist North Korea with the goal of unifying the South under Communism by 1995, the Agency of National Security Planning said October 6.

HONG KONG

Observer first reactions to Governor Chris Patten's inaugural policy address on October 7 were broadly positive, a bold and courageous package to map out the route for Hong Kong's democratic development in the remaining years of British rule but it puts Hong Kong on collision course with China. Both dailies on October 8 have full coverage of the event.

Following the Governor's announcement of plans to establish a central monetary authority, the Financial Secretary, Mr. Hamish MacLeod, said it would not be independent like the Federal Reserve in the United States or the Bundesbank in Germany and that control would stay with the Government.

Governor Patten has strongly reaffirmed the Government's commitment to maintaining the Hong Kong currency exchange rate link to the US dollar. The market responded approvingly to renewed confirmation but observers doubted the Governor's remarks would put an end to debate on the subject. The Hong Kong dollar last week crept to HK\$ 7.7240. Its highest level since 1991.

Stock market investors greeted Governor Chris Patten's speech with an afternoon rally on October 7, pushing the Hang Seng index up 74.61 points in the hour-long session. The index closed the day at 5,589.03, up 35.91 points in thin trading worth \$ 1.47 billion.

Nine state enterprises have been identified by China's State Council for listing on the Hong Kong Stock Exchange by the middle of next year. Companies would come under the joint scrutiny of the Securities and Future's Commission and China's central securities regulatory body, due to be set up by the end of this year,

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TAIWAN/TAIWAN

On October 7, Taiwan's Minister of Finance, Wang Chien-Shien, offered to

resign over a land tax controversy. His proposal that land tax should be based on market price rather than assessed value prompted criticism that it would discourage land sales. It is not clear whether Wang's resignation will be accepted.

On October 5, Taipei riot police briefly confronted demonstrators demanding that Taiwan adopt a "one China, one Taiwan" policy, a euphemism for Taiwan independence. The demonstration was organized by a newly-formed coalition of 20 pro-independence groups, and included opposition leader Hsu Hsin-Liang of the democratic progressive party.

Suite a la manifestation en faveur de l'indépendance du Taiwan, le premier ministre Hau Pei-Tsun a critiqué ceux qui prônent la politique d'une Chine, un Taiwan finit. Selon lui, sa majorité électorale dans l'assemblée nationale indique l'opinion du peuple du Taiwan sur la question de l'indépendance du Taiwan.

According to Taiwan's Ministry of Finance, Taiwan's trade surplus shrank 51% to US \$840 million last month compared to September 1991, with imports up 7.6% and exports down 6.7%. At US\$ 7.43 billion, the trade surplus for the first 9 months of 1992 was down 23% from a year earlier, with imports up 14% and exports up 7.6%.

Taiwan's tax revenue for the first quarter of fiscal 1993 (which began July 1) increased to C\$14 billion, up 19% from the same period last year. The largest increase was in the land

value increment tax, which was up 53~
over the previous year. While revenue from
income tax increased 12%, stock
transaction tax revenues dropped 17%
compared to the same period last year.

**ONGOING AND UPCOMING/
A VENIR**

1992

- Canada-China Trade Council Annual General
Members' Meeting (Beijing): November 3-4

For ongoing and upcoming section: '93 East
China Fair, Shanghai, March 5 to 14 1993.
Regional trade and investment fair covering
Eastern China and, as of 1993, the Yangtze River
area.

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