The Transformation of Macau
Jonathan Porter 7

Political Texts in Chinese Universities before and after Tiananmen
Ruth Hayhoe 21

Democracy and Development in Nepal: Prospects and Challenges
Narayan Khadka 44

New Immigration Policy and Unskilled Foreign Workers in Japan
Keiko Yamanaka 72

Books Reviewed (listed on pp. 4–6) 91
ABSTRACTS

The Transformation of Macau
Jonathan Porter

At the end of 1999, Macau will revert to full Chinese sovereignty after almost 450 years as a Portuguese territory. While the city has long been known as a charming colonial backwater, in the last decade rapid development in many sectors has transformed it almost beyond any resemblance to its former character. In the process it is emerging from neighboring Hong Kong’s shadow. Although previous phases of Macau’s historical evolution have witnessed significant changes, none compares with its recent transformation. This article discusses changes in demography, land use and urbanization, economic and financial development, transportation and infrastructure, and political development. It concludes that Macau is increasingly becoming an integral leg of a triangular industrial, commercial, and financial complex centered on the Pearl River delta. This transformation amounts to a fundamental change in the city’s relationship to the region and the world.

Political Texts in Chinese Universities before and after Tiananmen
Ruth Hayhoe

This essay considers political textbooks in Chinese universities before and after Tiananmen from the perspective of the search for cultural meaning. The first part discusses Habermas’ concept of cultural rationalization and attempts to apply this to an overview of Chinese development since 1949. Part two examines the changes taking place in political education from the mid-eighties, with a special focus on the content and ideas of the new textbooks that were developed. These are interpreted as part of a process of cultural rationalization, which was brought to an abrupt halt as a result of June 4. Part three of the paper examines the attempts made to reformulate political education in the aftermath of June 4 in ways that restored fixed authoritarian categories of meaning and prevented further cultural rationalization. The paper concludes that these attempts to counter “all-out Westernization” are actually likely to produce distortions in China’s modernization that have parallels with Habermas’ depiction of the Western experience.

Democracy and Development in Nepal: Prospects and Challenges
Narayan Khadka

Like many Third World countries, Nepal’s political system transformed from an absolute to a constitutional monarchy after a mass upsurge had toppled the partyless panchayat regime in the spring of 1990. Nepal is now in the process of consolidating democracy after successfully drafting a new constitution, and conducting the general elections for parliament and local political bodies. But as in many fledgling democracies, Nepal’s democratically elected government has been confronted by daunting challenges. The parliamentary opposition led by the various Communist factions, an inefficient and politicized bureaucracy, and inner-party and inter-party conflicts are some of the serious challenges. As a consequence of these challenges, the government has not been able to provide economic relief measures, and create conditions for just and equitable development. This paper examines the prospects of and challenges for democracy and development in Nepal, and offers some suggestions for institutionalizing democracy and developing the economy.
New Immigration Policy and Unskilled Foreign Workers in Japan

Keiko Yamanaka

Since the mid-1980s, a rising flow of foreign workers has posed a complex dilemma for Japanese society, where the majority embrace the myth of "racial" homogeneity. The foreign workers are drawn by factors that include wide wage differentials between neighboring Asian countries and Japan, and Japan's chronic labor shortage in labor-intensive industries — manufacturing, construction and services. Reform of the Immigration Law in 1989 sought essentially to preserve the status quo of no unskilled foreign labor. Yet since the reform, five distinctive groups of de facto cheap labor have emerged: (1) Nikkeijin (descendants of Japanese emigrants), (2) company trainees, (3) students of Japanese language schools, (4) female entertainers, and finally (5) illegal workers who overstay their visas. These persons total an estimated five hundred thousand or nearly one percent of the total work force. Willingly or unwillingly, Japan has opened its door to unskilled labor from developing countries, and is on the way to becoming a multicultural society. But its ad hoc immigration policies yield results that in effect treat immigrant workers as second-class citizens.
### BOOKS REVIEWED IN THIS ISSUE

#### Asia General

**STUDIES ON ASIA AND AFRICA FROM LATIN AMERICA.** Edited by David N. Lorenzen.

#### China and Inner Asia

- **THE CHINA-HONG CONNECTION: The Key to China's Open-Door Policy.** By Yun-Wing Sung.
- **CHINA ON THE EDGE: The Crisis of Ecology and Development.** By He Bochuan.
- **CHINA'S COASTAL CITIES: Catalysts for Modernization.** Edited by Yue-man Yeung, and Xu-wei Hu.
- **CHINA: People and Places in the Land of One Billion.** By Christopher J. Smith.
- **MONEY IN THE PEOPLE'S REPUBLIC OF CHINA: A Comparative Study.** By Gavin Peebles.
- **CLASSICISM, POLITICS AND KINSHIP: The Ch'ang-chou School of New Text Confucianism in Late Imperial China.** By Benjamin A. Elman.
- **RENTS, TAXES, AND PEASANT RESISTANCE: The Lower Yangzi, 1840-1950.** By Kathryn Bernhardt.
- **RELIGION UNDER SOCIALISM IN CHINA.** Edited by Luo Zhufeng. Translated by Donald E. MacInnis and Zheng Xi'an.
- **BRUSHES WITH POWER: Modern Politics and Chinese Art of Calligraphy.** By Richard Curt Kraus.
- **LAOGAI: The Chinese Gulag.** By Hongda Harry Wu. Translated by Ted Slingerland.
- **THE HISTORY AND THE LIFE OF CHINGGIS KHAN.** Translated and annotated by Urgunge Onon.
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#### Northeast Asia

- **THE JAPANESE ECONOMY.** By Takatoshi Ito.
- **JAPAN, ASEAN, AND THE UNITED STATES: Research Papers and Policy Studies #35.** Edited by Harry H. Kendall, and Clara Joewono.
- **THE JAPANESE VOTER.** By Scott C. Flanagan, Shinsaku Kohei, Ichiro Miyake, Bradley M. Richardson, and Joji Watanuki.
- **YOBIKO LIFE: A Study of the Legitimation Process of Social Stratification in Japan.** By Mammoru Tsukada.
- **PEARL HARBOR REEXAMINED: Prologue to the Pacific War.** Edited by Hilary Conroy, and Harry Wray.

<table>
<thead>
<tr>
<th>Book Title</th>
<th>Author(s)</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia General</td>
<td>Edward L. Farmer</td>
<td>91</td>
</tr>
<tr>
<td>China and Inner Asia</td>
<td>Gregory Eliyu Guldin</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>Vaclav Smil</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td>Dali L. Yang</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td>Suzanne Ogden</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>Keith Forster</td>
<td>97</td>
</tr>
<tr>
<td></td>
<td>Paul Bowles</td>
<td>99</td>
</tr>
<tr>
<td></td>
<td>R. Kent Guy</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Mary Backus Rankin</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Frank N. Pieke</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td>Timothy Brook</td>
<td>104</td>
</tr>
<tr>
<td></td>
<td>Kian-Chow Kwok</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>David Bachman</td>
<td>106</td>
</tr>
<tr>
<td></td>
<td>Alan J. K. Sanders</td>
<td>108</td>
</tr>
<tr>
<td></td>
<td>Kim-Kwong Chan</td>
<td>109</td>
</tr>
<tr>
<td>Northeast Asia</td>
<td>John C. Ries</td>
<td>111</td>
</tr>
<tr>
<td></td>
<td>Richard Stubbs</td>
<td>112</td>
</tr>
<tr>
<td></td>
<td>Masaru Kohno</td>
<td>113</td>
</tr>
<tr>
<td></td>
<td>John Lie</td>
<td>114</td>
</tr>
<tr>
<td></td>
<td>Owen Griffiths</td>
<td>116</td>
</tr>
</tbody>
</table>
South Asia


Southeast Asia

The Strategic Triangle and Regional Conflicts: Lessons from the Indochina Wars. By Min Chen.
The Vietnamese Revolution of 1945: Roosevelt, Ho Chi Minh and de Gaulle in a World at War. By Stein Tonnesson.
FORMAL ORGANIZATIONS IN A MALAY ADMINISTRATIVE VILLAGE: An Ethnographic Portrait. By A.B. Shamsul.
FROM MARCOSTO AQUINO: Local Perspectives on Political Transition in the Philippines. Edited by Benedict J. Kerkvliet, and Resil B. Mojares.
Annotated Bibliography of Bibliographies on Indonesia. By Herman C. Kemp.

Australasia and the Pacific Regions

Whitefella Comin’: Aboriginal Responses to Colonialism in Northern Australia. By David S. Trigger.
Mining, Politics, and Development in the South Pacific. By Michael C. Howard.
Bougainville: The Mine and the People. By Paul Quodling.

W. H. Morris-Jones 117
Ward Morehouse 118
Ian Copland 120
Dan Ton That 121
Douglas Pike 123
Leszek Bussynski 124
Mark W. McLeod 125
Joseph Ellis 126
Pamela Sodhy 128
Anthony Short 131
Marvin L. Rogers 133
C. Mary Turnbull 134
Robert L. Curry, Jr. 136
Robert L. Curry, Jr. 136
Robert B. Stauffer 137
Colin Brown 139
Harold Crouch 141
J.N.B. Tairas 142
Robert J. Williams 144
David Turner 145
Donna Winslow 147
Ralph R. Premdas 148
Eugene Ogan 149

TIKOPIA SONGS: Poetic and Musical Art of Polynesian People of the Solomon Islands. By Raymond Firth, with Mervyn McLean.


BRIEFLY NOTED


PLACE AND SPACE IN EASTERN INDONESIA. By Gregory Forth.


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Thailand’s NIC Democracy: Studying from General Elections  
Somrudee Nicro 167

Semi-Democracy in Malaysia: Withstanding the Pressures for Regime Change  
William Case 183

Association and Adjustment in Japan’s Textile Industry  
Dennis L. McNamara 206

Chinese Investment and Business in Canada: Ethnic Entrepreneurship Reconsidered  
Peter S. Li 219

Leaders, Institutions, and the Origins of the Great Leap Forward  
Frederick C. Teiwes 244

Review Article with Response

Correspondence 260

Books Reviewed (listed on pp. 164–166) 263

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**ABSTRACTS**

**Thailand’s NIC Democracy: Studying from General Elections**  
*Somriidee Niro*

Thailand’s recent economic growth suggests that this nation could be the next “newly industrializing country” (NIC) of the Pacific Rim. During the past decade, Thailand has also seen the institutionalization of its parliamentary system. This article explores the interrelationship between the nation’s economic and political development. Particular focus is placed on the expansion of the private sector and the direct participation of businesspeople in national politics. The paper includes a case study of parliamentary elections in the northeastern province of Khon Kaen between 1933 and 1988. The analysis points to the dissolution of the “bureaucratic polity” which had dominated Thai politics since the 1960s.

**Semi-Democracy in Malaysia: Withstanding the Pressures for Regime Change**  
*William Case*

During the last two decades, transitions from authoritarian to democratic regimes have occurred in a large number of countries, generating a vast scholarly literature. Questions about movement from “semi-democracies” to “full” democratic openness, however, have been less widely explored. By examining Malaysia’s political record, one is able to specify more closely this category of “semi-” or “limited democracies”, as well as assess the increasing pressures for further regime opening. During the two years before Malaysia’s general election in 1990, socioeconomic trends, elite-level decisionmaking, and external influences implied transition toward broader democratic procedures and a more competitive party system. But in the period since that election, many semi-democratic controls have been swiftly reimposed. One concludes that semi-democracies may possess greater intrinsic resilience than “ideal-type” authoritarian regimes, enabling state elites effectively to resist pressures toward full democracy.

**Association and Adjustment in Japan’s Textile Industry**  
*Dennis L. McNamara*

The major spinning firms in Japan joined the state in shaping and enforcing a successful restructuring program from 1956 through 1983. Most larger firms in the powerful Japan Spinners’ Association (JSA) cooperated in adjustment programs such as spindle reductions and production cartels. They took the opportunity to curtail spinning, diversify into nontextile production, and move spinning offshore. Success in a common program of change might suggest conformity, but the Japanese case highlights accommodation of divergence among a minority who reinvested in a declining spinning industry, as well as common directions of change away from spinning among the majority of the mills. The paper attempts to explain toleration of divergence in Japan’s adjustment program from the perspective of neo-corporatist theory. The role of the JSA in shaping and implementing these programs, mobilizing the majority, and accommodating the minority provides a focus. I suggest that neo-corporatist patterns of policy formation and enforcement evident at the JSA supported accommodation of dissent among the minority of mills, without loss of consistent directions of change among the majority. A conclusion draws attention to institutionalized means of accommodating choices for market insulation or market exposure in adjustment programs beyond textiles.
Chinese Investment and Business in Canada: 
Ethnic Entrepreneurship Reconsidered

Peter S. Li

Cultural and contextual factors have been used to account for the success of Chinese entrepreneurship in Canada; the former stresses the sojourning mentality of the Chinese and their kinship structure, and the latter, market discrimination. This paper argues that it is no longer accurate to consider Chinese business as having one type, and that recent changes have resulted in four categories of Chinese business: (1) the traditional small family-operated businesses in personal service; (2) Chinese-operated professional services; (3) subsidiary firms and investments controlled by offshore Chinese corporations; and (4) capital-intensive investments of Chinese business immigrants. While transplanted culture and blocked mobility are relevant to understanding the development of Chinese small businesses in the service sector before World War II, different explanations are needed to account for other types of Chinese business. Chinese professional services developed because of the emergence of the Chinese professional class in Canada and the growth of the Chinese immigrant population. The expansion in scale and capitalization of Chinese businesses in recent years is linked to capital-intensive investments by offshore Chinese corporations and by Chinese business immigrants. The emergence of these Chinese businesses can be explained in terms of an extension of a capitalist rationality, as Chinese financiers and capitalists expand their corporate empire with the capital accumulated in the fast-growing markets of Hong Kong and South China, and as the political future of Hong Kong and the immigration policy of Canada facilitate capital migration to Canada.
BOOKS REVIEWED IN THIS ISSUE

Asia General

PACIFIC ASIA. By David Drakakis-Smith.

China and Inner Asia

STATE & SOCIETY IN CHINA: The Consequences of Reform. Edited by Arthur Lewis Rosenbaum.
FROM SWORDS TO PLOWSHARES: Defense Industry Reform in the PRC. By Paul Humes Folta.
WESTERN IMAGES OF CHINA. By Colin Mackerras.
THE EAGLE-DRAGON ALLIANCE: America’s Relations with China in World War II. By Wesley M. Bagby.
VOYAGER FROM XANADU: Rabban Sauma and the First Journey from China to the West. By Morris Rossabi.

Northeast Asia


South Asia

FOUNDATIONS OF INDIA’S POLITICAL ECONOMY: Towards an Agenda for the 1990s. Edited by Subroto Roy and William E. James.

THE IMAGE TRAP: M.G. Ramachandran in Film and Politics. By M.S.S. Pandian.

Southeast Asia


SOUTHEAST ASIAN CAPITALISTS. Edited by Ruth McVey.

QUAND L'OPHIM FINANCAIT LA COLONISATION EN INDOCHINE. By Chantel Descours-Gatin.

LOCAL POLITICS IN MALAYSIA: Patterns of Change in Sungai Raya. By Marvin L. Rogers.

DEFORESTATION IN THE POSTWAR PHILIPPINES. By David M. Kummer.


STRANGE NEIGHBOURS: The Australia-Indonesia Relationship. Edited by Desmond Ball and Helen Wilson.

Australasia and the Pacific Regions

ART AND IDENTITY IN OCEANIA. Edited by Allan Hanson and Louise Hanson.

DAMNED IF WE DO: Contradictions in Women's Health Care. By Dorothy Broom.


PILGRIM PATH: The First Company of Women Missionaries to Hawaii. By Mary Zwiep.


Briefly Noted

REPORTING THE NEWS FROM CHINA. Edited by Robin Porter.

THE COMMON LAW SYSTEM IN CHINESE CONTEXT: Hong Kong in Transition. By Berry Fong-chung Hsu, foreword by Roger B.M. Cotterrell.
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On Political Negotiation: America Pushes to Open Up Japan  
Michael W. Donnelly  329

Su-Hoon Lee  351

The Exit, Voice, and Struggle to Return of Chinese Political Exiles  
Shu-Yun Ma  368

The Lin Biao Incident: More Than Twenty Years Later  
Stephen Uhalley, Jr. and Jin Qiu  386

Book Reviews (listed on pp. 326–328)  399
ABSTRACTS

On Political Negotiation: America Pushes to Open Up Japan
Michael W. Donnelly

Continuous bilateral trade disputes have marked Japanese-American relations for 25 years. This essay seeks to understand the process of political negotiations by “disaggregating” the state, on both sides of the Pacific, and by drawing on a body of negotiation theory relatively neglected by political scientists. The analysis suggests that negotiations are rooted in the difficulties faced by politically divided governments of two economically interdependent but competitive and structurally different economies over how to deal with economic and political adjustment. The process of negotiation on many specific issues involves four important elements of joint management: interest bargaining, integrative compromise, attitudinal adjustments and intra-state accommodation. Each of these elements has its own logic, implies particular tactics and strategies, and they all fit uneasily together. The result is a practice of political management that neither side likes very much and seems unable to resolve bilateral economic conflicts.

Transitionary Politics of Korea, 1987–1992:
Activation of Civil Society
Su-Hoon Lee

The main purpose of this paper is to analyze contemporary Korean politics highlighting (1) liberalization of the regime, (2) activation of the civil society, and (3) weakening of the state. In doing so, I have utilized a conceptual framework which encompasses three key concepts, i.e., the regime, the state, and the civil society. First, I discuss the democratization movements in South Korea prior to the advent of the Sixth Republic, which resulted in the 1987 mass uprising. I note the critical role that the middle strata played during the uprising. Second, I paid attention to the activation of civil society under the republic by examining two cases of civil society movements, namely, the “Korea Anti-Pollution Movement Association” and “Citizens' Coalition for Economic Justice.” Third, weakening of the state is discussed not only in view of the relative increase of power in civil society but also in view of the erosion of state capacity. Finally, I conclude that liberalization of the regime made significant progress during the 1987–1992 period.

The Exit, Voice, and Struggle to Return of Chinese Political Exiles
Shu-Yun Ma

Chinese exile politics is a recent phenomenon that has not been sufficiently discussed in a scholarly manner. Extending Albert Hirschman’s well-known Exit-Voice-Loyalty model, this paper identifies three defining characteristics of the Chinese political exile: exit, voice, and struggle to return. It analyzes the nature of Chinese exile politics in terms of these three features, and shows how they have given rise to an identity crisis among Chinese political exiles. Exit was automatically achieved once the exiles left China. After that, they need to continue “voicing” in order to maintain their identity as political exiles. But this can sometimes result in exaggeration and hypercriticism. Exit and voice are not enough to differentiate Chinese exiles from ordinary overseas Chinese. Only with the struggle to return can political exiles establish a clearly definable character. It is this quest for a definable character that is the major source of their problems.
The Lin Biao Incident: More Than Twenty Years Later
Stephen Uhalley, Jr. and Jin Qiu

The Lin Biao Incident in 1971 remains one of the foremost enigmas in the history of the People's Republic of China. The Chinese government's handling of the incident has given rise over the years to much speculation as to the truth of Lin Biao's fall and death. The authors of this article discuss different hypotheses concerning the incident including the official Chinese version and a popular provocative account. Special attention is given to a newly emerging hypothesis being discussed by Lin's daughter and others who were close to him. It reveals important new dimensions to the story of Lin Biao and, although still needing more corroborating evidence, this newer version opens up a new perspective on the incident. Aware of the reasons for the Chinese government's reluctance to pursue this matter, the authors note the passage of time since the incident and the desirability of shedding more light on it. They express hope that those who can provide useful information on it will soon do so.
BOOKS REVIEWED IN THIS ISSUE

Asia General

STATES AND DEVELOPMENT IN THE ASIAN PACIFIC RIM. Edited by Richard P. Appelbaum and Jeffrey Henderson.


China and Inner Asia


JOINT VENTURES IN THE PEOPLE'S REPUBLIC OF CHINA: The Control of Foreign Direct Investment under Socialism. By Margaret M. Pearson.

INVESTING IN CHINA: Ten Years of the Open Door Policy. By Richard Pornfret.


CHINESE MILITARY THEORY: Ancient and Modern. By Chen-Ya Tien.

PILGRIMS AND SACRED SITES IN CHINA. Edited by Susan Naquin and Chun-Fang Yu.


Northeast Asia


IDEOLOGY AND PRACTICE IN MODERN JAPAN. Edited by Roger Goodman and Kirsten Refsing.

SOCIAL MOBILITY IN CONTEMPORARY JAPAN. By Hiroshi Ishida.


POWER, ECONOMICS, AND SECURITY: The United States and
Japan in Focus. Edited by Henry Bienen.

STRUCTURAL ADJUSTMENT IN A NEWLY INDUSTRIALIZED COUNTRY:
The Korean Experience. Edited by Vittorio Corbo
and Sang-Mok Suh.

South Asia

THE NEW CAMBRIDGE HISTORY II.3: The Sikhs of the Punjab.
By J.S. Grewal.

CIVIL-MILITARY RELATIONS IN SOUTH ASIA: Pakistan, Bangladesh
and India. By Veena Kukreja.

BOUNDARIES AND IDENTITIES: Muslims, Work and Status in
Aligarh. By E.A. Mann.

By Sarah F.D. Ansari.

Edited by Philip Oldenburg.

THE HOPE AND THE REALITY: U.S.-Indian Relations from
Roosevelt to Reagan. Edited by Harold A. Gould and
Sumit Ganguly.

TOWARDS A NEW WORLD ORDER: Adjusting India-U.S. Relations.
Edited by Leo E. Rose and Eric Gonsalves.

THE POLITICAL ECONOMY OF COMMERCE: Southern India,
1500–1650. By Sanjay Subrahmanyan.

TOWARD EMPOWERMENT: Women and Movement Politics
in India. By Leslie J. Calman.

GENDER TRANSFORMATION, POWER AND RESISTANCE AMONG
WOMEN IN SRI LANKA: The Fish Don't Talk about the
Water. By Carla Risseeuw.

ELECTORAL ALLEGIANCE IN SRI LANKA.
By Dilesh Jayanntha.

Southeast Asia

DRAGONS ENTANGLED: Indochina and the China-Vietnam War.
By Steven J. Hood.

By Howard R. Simpson.

MONARCHIE ET FAIT COLONIAL AU VIET-NAM (1875–1925): Le
Crepuscule d'un Ordre Traditionnel. By Nguyen The Anh.

HISTORICAL DICTIONARY OF LAOS. By Martin Stuart-Fox and
Mary Kooyman.

INDOCHINA IN THE 1940s AND 1950s: Translation of Contemporary
Japanese Scholarship on Southeast Asia. Edited by Takashi
Shiraiishi and Motoo Furuta.

READING SOUTHEAST ASIA: Translation of Contemporary
Japanese Scholarship on Southeast Asia. By Noriaki
Oshikawa, et al.

THE PHILIPPINES: Colonialism, Collaboration, and Resistance!
By William J. Pomeroy.

THE POLITICAL ECONOMY OF GENDER: Women and the Sexual
Division of Labour in the Philippines. By Elizabeth
Uy Eviota.

ILOCANO IRRIGATION: The Corporate Resolution.
By Henry T. Lewis.
Australasia and the Pacific Regions


Traditional Fishing in the Torres Strait Islands. By R.E. Johannes and J.W. MacFarlane.

BRIEFLY NOTED

The Collapse of the Soviet Empire: Managing the Regional Fall-Out. Edited by Trevor Taylor.

Japan Challenges America: Managing an Alliance in Crisis. By Harrison M. Holland.

The Colonial Past: Dutch Sources on Indonesian History. Edited by Peter Boomgaard.

East Asian Art and American Culture: A Study in International Relations. By Warren I. Cohen.

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China's Foreign Debt

Erika Platte 481

The Politics of Deforestation in Indonesia

Peter Dauvergne 497

The Uneasy Peace: New Caledonia's Matignon Accords at Mid-Term

Stephen Henningham 519

Secret Sino-Soviet Negotiations on Outer Mongolia, 1918–1925

Bruce A. Elleman 539

Books Reviewed (listed on pp. 478–479) 564

Index to Volume 66 (1993) 627
**ABSTRACTS**

**China's Foreign Debt**  
*Erika Platte*

China's external debt has increased rapidly since China opened its doors to the outside world in 1978. In terms of total debt accumulation China ranks among the most indebted countries in the world. But its strong export performance has kept the debt rate and the debt servicing rate well below levels at which debt servicing difficulties would arise. Due to the impressive growth rate of the Chinese economy, the ratio of total debt to gross national product stands out as the lowest among the developing-country debtors. A low level of short-term debt and more than adequate foreign exchange reserves ensure that the country is not exposed to a liquidity risk. In spite of various drawbacks in the manner in which China handles the borrowing of foreign capital, it has very good credibility as a borrower. The key to preventing a debt crisis lies in the success of the ongoing economic reform.

**The Politics of Deforestation in Indonesia**  
*Peter Dauvergne*

Despite growing concern over the extent and consequences of tropical deforestation in the 1980s and early 1990s, it is continuing unabated. This article maintains that a key reason for the failure to slow deforestation is the inadequacy of conventional explanations. These provide important insights into the specific agents and underlying causes of deforestation but do not sufficiently explain the process which leads to the destruction of tropical forests. To better understand this process, it is necessary to examine the politics which shape and drive the various factors contributing to deforestation. In the case of Indonesia, a centralized military-dominated leadership, attitudes of the Javanese decision makers, institutionalized corruption, an emphasis on stability and national integration, a political system which mainly benefits the elite, and financial and technical support from international institutions and Northern countries, especially Japan, encourage deforestation while protecting interests which exploit the forests. This political context increases the environmental impact of land clearing for agriculture, large-scale development projects, logging, poverty, population growth and poorly designed government policies. As a result, Indonesia continues to lose nine hundred thousand hectares of forest every year. The analysis suggests that to decrease the rate of forest loss in Indonesia it is essential to recognize and reshape political institutions and attitudes driving deforestation — only then will effective solutions be possible.

**The Uneasy Peace: New Caledonia's Matignon Accords at Mid-Term**  
*Stephen Henningham*

In June 1988, the Matignon Accords established an interim settlement between New Caledonia's indigenous Melanesian nationalists and their nonindigenous, pro-France opponents. These accords are now half way through their ten-year span. This article reviews their implementation, and examines attitudes to them. Conflicts and bitterness endure. The future of the accords will depend on continued moderation by leaders on both sides, and on careful management by the French government. Nonetheless, the accords have restored peaceful conditions and initiated development programs for the disadvantaged Melanesians. They have also created a context which may permit the negotiation of a longer-term settlement, possibly involving independence-in-association with France.
After the Red Army invaded Outer Mongolia in 1921, the USSR publicly promised to respect China's sovereignty, but relied on a 1924 secret protocol with the Peking government to avoid fulfilling this promise. This protocol stated that all former Sino-Russian treaties were not to be enforced between the signing of the May 31, 1924 Sino-Soviet treaty and the negotiation of new treaties at an official conference, scheduled to meet one month later. After delaying the Sino-Soviet conference until August 1925, the USSR falsely claimed that the Red Army had already withdrawn from Outer Mongolia, thus making a new treaty unnecessary.

By resorting to secret diplomacy, the Soviet government was able to retain de facto sovereignty over Outer Mongolia from 1924 through until the late 1980s. Outer Mongolia's incorporation into the Soviet bloc during 1924, twenty years before the USSR carried out similar policies in Eastern Europe, suggests that the Cold War did not originate in Europe, but made its first appearance in the Far East.
BOOKS REVIEWED IN THIS ISSUE

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A History of Chinese Medicine

Dominique and Marie-Joseph Hoizey
Translated form the French by Paul Bailey

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