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Foreword

Mankind is about to enter the 21st century of its history. It is the aspiration of the Chinese government and people to lead a peaceful, stable and prosperous world into the new century. At the turn of the century, an important historical period, China is devoting itself to its modernization drive. China needs and cherishes dearly an environment of long-term international peace, especially a favorable peripheral environment. The Chinese people are willing, together with the people of the other countries in the world, to make unremitting efforts for the lofty cause of promoting world peace and development, and for initiating a glorious future for mankind. Guided by its aspiration for peace and development, China unswervingly pursues a national defense policy that is defensive in nature, keeps national defense construction in a position subordinate to and in the service of the nation's economic construction, strengthens international and regional security cooperation and actively participates in the international arms control and disarmament process. Facts show that China is a responsible big country and a firm force safeguarding world peace and stability.

In 1995 China issued a white paper titled, *China: Arms Control and Disarmament*, which mainly describes China's substantial efforts and progress in the sphere of arms control and disarmament. Here China wishes to present a further introduction to and exposition of her work in defense.

I. The International Security Situation

Peace and development are the major themes of the present era. The striving for peace and cooperation, and the promotion of development have become irresistible historical trends. In general, the present international security situation has continued to tend toward relaxation. With the end of the cold war, a tendency toward multipolarity has further developed both globally or regionally in the political, economic and other fields as various world forces are experiencing new splits and realignments. The relations among the major powers are undergoing significant and profound readjustments; various kinds of partnerships are gradually developing along the line of institutionalization; and each country is enhancing its consciousness of independence, unity for strength, and coordinated development. The overall strength of the developing countries is growing, and they are becoming an important force on the international stage. The sustained development of the multipolarity tendency and economic globalization has further deepened their mutual reliance and mutual condition and helped toward world peace, stability and prosperity. The factors for safeguarding world peace are growing constantly. The influence of armed conflicts and local wars on the overall international situation has been remarkably weakened. In the past, when the two major military blocs confronted each other, armed conflicts and local wars in some regions seriously disturbed world security and stability. For a time in the post-cold war period, regional conflicts were still frequent, even showing a trend of escalation. In the past few years, however, some conflicts and wars that had lasted for many years have been settled, and some are being put on the track of political settlement, or are gradually being cooled down. At present, armed conflicts and local wars touched off by disputes about territory, natural resources, ethnicity or religion are relatively limited in terms of scale, intensity and region, and are under control to varying degrees. The international community is making more and more efforts to mediate such disputes, with its capability to do so improving constantly.

Military factors still occupy an important position in state security. In the new international security environment, while stressing the settlement of disputes through political, economic and diplomatic means, most countries still regard military means and the reinforcement of military strength as important ways to safeguard their own security and national interests. A profound reform in the military field led by the development of high-tech weapons is taking place throughout the world. This reform, which is developing rapidly, will exert an important and profound influence on weaponry, military system and setup, combat training and military theory. To adapt to the new situation and strive for their own advantages, many countries have readjusted their defense policies and military strategies, reduced the scale of armaments and paid more attention to improving the quality of their armed forces.

Economic security is becoming daily more important for state security. In international relations, geopolitical, military security and ideological factors still play a role that cannot be ignored, but the role of economic factors is becoming more outstanding, along with growing economic contacts among nations. The competition to excel in overall national strength, focused on economy and science and technology, is being further intensified; globe-wide struggles centered on markets, natural resources and other economic rights and interests are daily becoming sharper; and the quickening of economic globalization and intensification of the formation of regional blocs render the economic development of a country more vulnerable to outside influences and

impacts. Therefore, more and more countries regard economic security as an important aspect of state security. The financial crisis in Asia has made the issue of economic security more prominent, and has set a new task for governments of all countries to strengthen coordination and face challenges together in the course of economic globalization.

The political security situation in the Asia-Pacific region is relatively stable. The development of the trend toward multipolarity in this region is being quickened, and the relations among the big nations are being readjusted strategically and gradually becoming stable. Despite the emergence of a financial crisis in Asia, the Asia-Pacific region remains one of the areas with the greatest economic development vitality in the world, and developing the economy is the most important task for each country. The countries in the Asia-Pacific region rely more and more on each other economically, and, to solve their disputes by peaceful means, to stress the search for the meeting points of their common interests and to strengthen cooperation and coordination are becoming the main current of the relations among the countries of the region. Various forms of regional and sub-regional multilateral cooperation are constantly being developed, and security dialogues and cooperation are being carried out at many levels and through many channels.

However, there still exist some factors of instability both globally and regionally: Hegemonism and power politics remain the main source of threats to world peace and stability; cold war mentality and its influence still have a certain currency, and the enlargement of military blocs and the strengthening of military alliances have added factors of instability to international security; some countries, by relying on their military advantages, pose military threats to other countries, even resorting to armed intervention; the old unfair and irrational international economic order still damages the interests of developing countries; local conflicts caused by ethnic, religious, territorial, natural resources and other factors arise now and then, and questions left over by history among countries remain unsolved; terrorism, arms proliferation, smuggling and trafficking in narcotics, environmental pollution, waves of refugees, and other transnational issues also pose new threats to international security.

In May 1998, in defiance of strong opposition by the international community India flagrantly carried out nuclear tests, thus provoking a nuclear arms race in South Asia. Then Pakistan followed suit, in response to India's nuclear tests. The nuclear tests successively conducted by India and Pakistan have seriously impeded the international non-nuclear arms proliferation efforts and produced grave consequences on peace and stability in the South Asian region and the rest of the world. The task for the international community to strengthen non-proliferation mechanisms has become even more pressing now.

History has proved that the concepts and systems of security with military alliances as the basis and increasing military might as the means could not be conducive to peace during the cold war. Under the new situation, especially, enlarging military blocs and strengthening military alliances run counter to the tide of the times. Security cannot be guaranteed by an increase in arms, nor by military alliances. Security should be based on mutual trust and common interests. We should promote trust through dialogue, seek security through cooperation, respect each other's sovereignty, solve disputes through peaceful means and strive for common development. To obtain lasting peace, it is imperative to abandon the cold war mentality, cultivate a new concept of security and seek a new way to safeguard peace. China believes that this new concept and way should include the following:

-- The relations among nations should be established on the basis of the Five Principles of Peaceful Coexistence: mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. These are the political basis and premise of global and regional security. Each country has the right to choose its own social system, development strategy and way of life, and no country should interfere in the internal affairs of any other country in any way or under any pretext, much less resort to military threats or aggression.

-- In the economic field, all countries should strengthen mutually beneficial cooperation, open up to each other, eliminate inequalities and discriminatory policies in economic and trade relations, gradually reduce the development gaps between countries and seek common prosperity. Such steps can form the economic basis of global and regional security. Maintaining a normal and sound economic, trade and financial order calls for not only a perfect macro-economic management system as well as a sound system of economic operations, it also calls for strengthening regional and international economic contacts and cooperation, so as to jointly create a stable and secure external economic environment.

-- All countries should promote mutual understanding and trust through dialogue and cooperation, and seek the settlement of divergences and disputes among nations through peaceful means. These are the realistic ways to guarantee peace and security. Security is mutual, and security dialogues and cooperation should be aimed at promoting trust, not at creating confrontations, still less at directing the spearhead against a third country or infringing upon the security interests of any other nation.

As a country in the Asia-Pacific region, China places great importance on the region's security, stability, peace and development. China's Asia-Pacific security strategy has three objectives, i.e., China's own stability and prosperity, peace and stability in its surrounding regions, and conducting dialogue and cooperation with all countries in the Asia-Pacific region. Hence China devotes its efforts to promoting equal treatment and friendly cooperation with other countries, and attaches importance to developing healthy and stable relations with all countries and all major forces in the region; actively participates in regional economic cooperation and promotes an open type of regionalism; insists on handling and settling disputes among countries through peaceful means; and takes an active part in the dialogue and cooperation process aimed at regional security.

On the basis of equal consultation, mutual understanding and mutual accommodation, China has solved in an appropriate manner border issues with most of its neighbors. As for remaining disputes on territorial and marine rights and interests between China and neighboring countries, China maintains that they are to be solved through consultation by putting the interests of the whole above everything else, so that the disputes will not hamper the normal development of state relations or the stability of the region. China has clearly stated that relevant disputes should be properly solved through peaceful negotiation and consultation, in accordance with commonly accepted international laws and modern maritime laws, including the basic principles and legal systems as prescribed in the United Nations Convention on the Law of the Sea.

Taiwan is an inseparable part of Chinese territory. It is a lofty mission and a common aspiration of all Chinese people, including the Taiwan compatriots, to put an end to the cleavage between the two sides of the Taiwan Straits and realize the reunification of the motherland. The Chinese

government adheres to its stand for solving the issue of Taiwan according to the basic principle of "peaceful reunification, and one country, two systems," and resolutely opposes any attempt, by words or deeds, to split the country by creating an "independent Taiwan," "two Chinas," or "one China, one Taiwan." The issue of Taiwan is entirely an internal affair of China. Directly or indirectly incorporating the Taiwan Straits into the security and cooperation sphere of any country or any military alliance is an infringement upon and interference in China's sovereignty. The Chinese government seeks to achieve the reunification of the country by peaceful means, but will not commit itself not to resort to force. Every sovereign state has the right to use all means it thinks necessary, including military means, to safeguard its own sovereignty and territorial integrity. In deciding which way to deal with the issue of Taiwan, the Chinese government has no obligation to make a commitment to any country or any person attempting to split China. The Chinese government opposes any country selling arms to Taiwan, which not only violates the basic norms of international law but also threatens China's security and regional peace and stability.

The Chinese government steadfastly follows an independent foreign policy of peace, and stands for establishing and developing relations of friendship and cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence and other commonly recognized international relationship norms. China is willing to make unswerving efforts to safeguard world peace and promote international security together with other countries.

II. National Defense Policy

The Chinese government firmly pursues a national defense policy that is defensive in nature. The Constitution of the People's Republic of China (PRC) clearly specifies the tasks of the armed forces of the PRC as being to consolidate national defense, resist aggression, defend the motherland, safeguard the people's peaceful labor, participate in national construction and strive to serve the people. China's state interests, social system, foreign policy and historical and cultural traditions postulate that China will inevitably adopt such a national defense policy. China has always attached primary importance to safeguarding the state's sovereignty, unity, territorial integrity and security. Following the Opium War in 1840, China was gradually reduced to a semi-colonial and semi-feudal country, and the Chinese nation was subject to the imperialist powers' invasion, oppression, bullying and humiliation time and time again. After a protracted, persistent and heroic struggle, the Chinese people won the independence for their country and the emancipation of the nation; therefore they hold dear their hard-earned right to independence. Defending the motherland, resisting aggression, safeguarding unity and opposing split are the starting point and underpinning of China's defense policy.

China being at the primary stage of socialism, the fundamental task of the state is to concentrate its strength on the socialist modernization program. The situation in which China has a large population, a poor foundation, uneven regional development and underdeveloped productive forces will continue for a comparatively long period of time to come. China is now confronted with the extremely heavy task of economic construction, so the work in defense must be subordinate to and in the service of the nation's overall economic construction. The social system, development strategy and way of life that China has chosen conform to the actual conditions of the country, and no factors prompting invasion of another country can emerge.

The development of China requires an environment of long-term international peace, especially a favorable peripheral environment. China unswervingly pursues an independent foreign policy of peace, advocates handling international affairs in light of the fundamental interests of the Chinese and other people of the world, and refrains from forming alliances with any big power or any group of countries. China holds that conflicts and disputes among countries should be solved in a peaceful way through consultation, and opposes the threat or use of force, hegemonism and power politics. China advocates establishing a new fair and rational international political and economic order, and developing relations of friendship and cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence. China will always be an important force defending world peace and regional stability. Even when China becomes strong and powerful in the future, it will by no means take to the road of foreign aggression and expansion.

The defensive nature of China's national defense policy also springs from the country's historical and cultural traditions. China is a country with 5,000 years of civilization, and a peace-loving tradition. Ancient Chinese thinkers advocated ``associating with benevolent gentlemen and befriending good neighbors," which shows that throughout history the Chinese people have longed for peace in the world and for relations of friendship with the people of other countries. In military affairs, this maxim means solving disputes by non-military means, being wary of war and strategically gaining mastery by striking only after the enemy has struck. During the course of several thousand years, loving peace, stressing defense, seeking unification, promoting national unity, and jointly resisting foreign aggression have always been the main ideas of

China's defense concept. The defense policy of New China has carried forward and developed such excellent Chinese historical and cultural traditions.

China's defense policy has mainly the following aspects:

-- Consolidating national defense, resisting aggression, curbing armed subversion, and defending the state's sovereignty, unity, territorial integrity and security. These are the basic objectives of China's defense policy, as well as the main tasks the Chinese Constitution has entrusted to China's armed forces. China spares no effort to avoid and curb war, and to solve international disputes and questions left over by history through peaceful means. However, as long as hegemonism and power politics still exist, a country must have the capability to defend its sovereignty, unity, territorial integrity and security by military means. The modernization program of China's national defense work is entirely for self-defense, and arises from the need to safeguard the country's modernization drive and security. The size of China's armed forces is suited to the needs of defending the country's security and interests. China builds and consolidates its national defense independently and through self-reliance.

-- Subordinating national defense work to, and placing it in the service of, the nation's overall economic construction, and achieving the coordinated development of these two kinds of work. This is China's long-term basic policy for its work in defense. The modernization of the national defense of a country requires the support of its economic and technological forces; and the modernization level of national defense can only be improved gradually along with the increase of the country's economic strength. The Chinese government insists that economic construction be taken as the center, that defense work be subordinate to and in the service of the nation's overall economic construction and that the armed forces actively participate in and support the nation's economic construction. While concentrating its efforts on economic construction, the state also endeavors to improve its national defense work and to promote a coordinated development of the two.

-- Implementing the military strategy of active defense. Strategically China pursues the defensive policy featuring self-defense and gaining mastery by striking only after the enemy has struck, and adheres to the principle: "We will not attack unless we are attacked; if we are attacked, we will certainly counter-attack." China possesses a small number of nuclear weapons, entirely for meeting the needs of self-defense. China upholds the principle of self-defense by the whole people and the strategic concept of people's war, and works hard to enhance the defense consciousness of the whole people, perfect the defense mobilization system and intensify the building of the reserve force for defense. On the basis of its existing weaponry, China carries forward and develops its fine traditions. It seeks to adapt to profound changes in the world's military sphere, and makes proper preparations for defensive combat in the situation where modern technology, especially high technology, prevails.

-- Streamlining the army the Chinese way. During the new historical period, the Chinese army is working hard to improve its quality and endeavoring to streamline the army the Chinese way, aiming to form a revolutionized, modernized and regularized people's army with Chinese characteristics. Reducing quantity and improving quality is a basic principle upon which the army is to be modernized. The Chinese army strengthens itself by relying on science and technology, and strives to make the transition from a numerically superior type to a qualitatively efficient type, and from a manpower-intensive type to a technology-intensive type. In view of the

characteristics of modern wars, no effort will be spared to improve the modernization level of weaponry, reform and perfect the army system and setup, and improve the training of troops and curricula and teaching methods of military academies.

-- Safeguarding world peace, and opposing aggression and expansion. China upholds the Five Principles of Peaceful Coexistence, and handles foreign military relations and engages in military exchanges and cooperation independently. China does not seek hegemonism, nor does it seek military blocs or military expansion. China does not station any troops or set up any military bases in any foreign country. China opposes the arms race, and maintains that effective arms control and disarmament should be carried out in accordance with the principles of fairness, rationality, comprehensiveness and balance. China supports the international community in its activities to promote world and regional peace, security and stability, and also in its efforts to fairly and rationally solve international disputes and to bring about arms control and disarmament.

III. National Defense Construction

China's national defense construction is an important part of its modernization program. Given the new historical conditions the Chinese army upholds the absolute leadership of the Communist Party of China (CPC), implements the strategic principle of active defense, emphasizes quality in army building, administers the armed forces along legal lines, engages in army building through diligence and thrift, and actively participates in and supports national economic construction. As a result, it has made great contributions to the country's security, stability and modernization drive.

Defense System

In accordance with the Constitution, the National Defense Law and other relevant laws, China has established and improved its national defense system. The state exercises unified leadership over defense-related activities.

The National People's Congress (NPC) of the PRC is the highest organ of state power. It decides on the questions of war and peace, and exercises other defense-related functions and powers provided for in the Constitution. The Standing Committee of the NPC is the NPC's permanent body. It decides on the proclamation of a state of war, decides on general or partial mobilization, and exercises other defense-related functions and powers provided for in the Constitution. The president of the state, in accordance with decisions of the NPC and its Standing Committee, proclaims a state of war, issues mobilization orders and exercises other defense-related functions and powers provided for in the Constitution. The State Council directs and administers national defense work, and the Central Military Commission (CMC) directs and assumes unified command of the nation's armed forces.

The Chinese People's Liberation Army (PLA) is organized in accordance with a system whereby the General Staff Department, the General Political Department, the General Logistics Department and the General Armament Department are placed under the leadership of the CMC. The General Staff Department organizes and leads the building-up of the nation's armed forces, and organizes and directs their military operations. The General Political Department administers the army's Party work and organizes and conducts its political work. The General Logistics Department organizes and leads the army's logistics work. The General Armament Department organizes and leads the army's work in military equipment.

The armed forces of the PRC are composed of the PLA, both the active and reserve components, the Chinese People's Armed Police Force and the militia. The active components of the PLA comprise the state's standing army, which mainly undertakes the task of defensive combat, and helps to maintain social order, if necessary, according to law; reservists undergo military training in peacetime according to relevant regulations, and help to maintain social order, if necessary, according to law, and in wartime they shall be incorporated in the forces in active service in pursuance of the state's mobilization order. The Chinese People's Armed Police Force undertakes the tasks for maintenance of security and social order entrusted by the state. The militiamen, under the command of military organs, perform combat service support and defensive operations, and help to maintain social order. The PLA, comprised of the Army, the Navy, the Air Force and the Second Artillery Force, is organized in seven military area commands nationwide.

The state exercises unified leadership and planned control over defense research and production. The State Council leads and administers defense research and production, as well as defense

expenditure and assets. The CMC approves the military equipment system of the armed forces and military equipment development plans and programs, leads and administrates defense research and production in coordination with the State Council, and manages defense outlays and assets jointly with the State Council. The state practices a state military supplies order system to guarantee the acquisition of weapons and other war materials. The state practices a financial allocation system for defense spending. It decides the size, structure and location of the defense assets and the adjustment and disposal of these assets in accordance with the needs of national defense and economic construction.

The State Council and the CMC jointly lead mobilization preparation and implementation work. In peacetime the state conducts mobilization preparation and integrates armed mobilization of the people, mobilization of the national economy, civil air defense, national defense transportation and other mobilization preparations into the state's overall development plan and program. It improves the mobilization system step by step, and establishes a strategic materials storage system. The state attaches importance to national defense education and conducts it in line with its plan for economic and social development.

Military Legislative Work

China attaches importance to the building of a military legal system, regarding the improvement of the work in this regard as a basic approach and important guarantee for realizing defense modernization and the regularization of the armed forces. In order to meet the needs of defense and army building in the new historical period, the state has laid down the principles for administrating the armed forces along legal lines. It has improved its military legislative work comprehensively to ensure that China's defense and army building advance along a legal track and to propel it in that direction.

Since 1982 the military legislation system has been further fine-tuned as part of the state legislation system: The NPC and its Standing Committee have formulated laws on defense and army building; the CMC has formulated military laws and regulations, or jointly worked out military administrative laws and regulations with the State Council; all general departments, all services and arms and all military area commands of the PLA have drawn up military rules and regulations or jointly worked out military administrative rules and regulations with the relevant departments of the State Council. The Interim Regulations on Legislative Procedures of the PLA promulgated by the CMC contains clear-cut provisions on legislation programming and planning and the drafting, examination, promulgation and enforcement of laws and regulations, which embody the standardization and systemization of military legislation.

Over the past ten-odd years, remarkable achievements have been made in military legislation. The NPC and its Standing Committee have formulated 12 defense and army-building laws and legality-related decisions, including the National Defense Law of the PRC, Military Service Law of the PRC, Military Facilities Protection Law of the PRC, Civil Air Defense Law of the PRC, Law on the Reserve Officers of the PRC, the Garrison Law of the Hong Kong Special Administrative Region of the PRC, Military Service Regulations Pertaining to PLA Officers in Active Service, and Regulations on the Military Ranks of PLA Officers. The State Council and the CMC have worked out 40-odd military administrative laws and regulations, such as the Regulations on National Defense Transportation, Regulations on Conscription Work, Regulations on Militia Work, and Military Service Regulations Pertaining to PLA Soldiers in

Active Service. The CMC has formulated 70-odd military laws and regulations, including the Regulations of the PLA Headquarters, Regulations on Political Work in the PLA, Logistics Regulations of the PLA, Routine Service Regulations of the PLA, Discipline Regulations of the PLA, and Drill Regulations of the PLA. The various general departments, services and arms and military area commands have drawn up 1,000-some items of military rules and regulations. Now, China has laws to go by basically in the principal aspects of its defense and army building, as a military legal system with Chinese characteristics now is initially in place. While adhering to the principle of suiting military legislation to its national and military conditions, China also lays stress on bringing it into line with the international military-related treaties and agreements that China has acceded to, so as to make China's military laws consistent in content with international legal norms and practices.

In the sphere of national defense construction, China has set up and improved its defense leading system and operating mechanism at both the central and local levels in accordance with the law, together with basic national defense systems and institutions, such as those of military service, mobilization, research and production, assets management and military facilities protection, as well as those of giving special care to the bereaved families of servicemen. In the area of army building, the principles defining the nature, tasks and building of the armed forces have been determined in accordance with the law, and a series of important systems and institutions are in operation, such as those of military ranks and insignia, military training, headquarters work, political work, logistic support, garrison service, and military discipline-related rewards and penalties, which ensure that national defense activities and army building can be carried out in an orderly manner, within a legal framework and along a regulatory line.

In order to guarantee the unified implementation of the nation's relevant laws and regulations in the armed forces, the state has established mechanisms of military law enforcement and military judicature, military legal institutions and legal service organizations, forming a fairly complete military legal system in the armed forces. The military-law enforcement system is mainly formed of relevant leading organs and functional departments at various levels. Besides, discipline inspection organs and financial auditing organs have been set up in units at and above the corps level, which carry out supervision and inspection over law enforcement, and garrison service organs in garrison units in large and medium-sized cities, which check, inspect and handle cases of infringements of military discipline by military personnel as well as cases of violations of relevant rules by military vehicles. The military judicial system is composed of military courts and procuratorates established by the state at the three levels of the PLA, the military area command and the corps, which, together with the PLA's security departments at various levels, exercise their respective functions and powers and handle criminal cases involving military personnel in accordance with the law. The military legal system is composed of the legal organs or personnel authorized by the Bureau of Legislative Affairs of the CMC, the various general departments, services and arms and military areas commands, and are in charge of the legal work of the entire PLA as well as the various army units. The legal service organizations are composed of legal advice offices and legal counseling stations of the army units at various levels, which provide legal advice and services to help leading military organs at various levels to make decisions as well as for individual officers and men. By the end of 1997, over 240 legal advice

offices with more than 1,360 lawyers had been set up by the PLA units, in addition to more than 4,250 legal counseling stations with 65,700-some legal consultants at the grassroots level. China attaches importance to promoting publicity and education in the law in the armed forces, bringing it into the orbit of the army's regular education and training. In order to equip officers and men with knowledge of the law in accordance with the state's unified plan on publicity and education in the law for all citizens, the Chinese armed forces carried out two sessions of the Five-Year Legal Education Program from 1986 to 1995. The Third Five-Year Legal Education Program started early in 1996.

Defense Expenditure

China has always stressed rationally scaled expenditure on defense. The costs of defense are allocated based on the needs of defense and the country's financial capacities and the principle of overall balance. Since the introduction of the policies of reform and opening to the outside world, the Chinese government has strictly controlled its defense expenditure at a comparatively low level so that it can concentrate on economic construction.

The Chinese government has consistently stuck to the principle of strict control, strict management and strict supervision of defense spending; it has established and perfected a complete administrative and regulatory system. China's defense budget and final accounts are examined and approved by the NPC, and the state and army's auditing organs exercise strict audit and supervision of the execution of the budget.

China's expenditure on national defense falls into the following categories: personnel expenses, mainly including pay, food and clothing of military and non-military personnel; costs for maintenance of activities, mainly including military training, construction and maintenance of facilities and running expenses; and costs for equipment, including research and experimentation, procurement, maintenance, transportation and storage. In terms of the scope of logistic support, these expenditures cover not only active service personnel, but also militia and reserve requirements. In addition, a large amount of spendings are used to fund activities associated with social welfare, mainly pensions for some of the retired officers, schools and kindergartens for children of military personnel, training personnel competent for both military and civilian services, supporting national economic construction, and participation in emergency rescues and disaster relief efforts.

Plain living and hard working is a fine tradition of the Chinese armed forces. China's military personnel have launched a sequence of mass movements for practicing economy, such as conducting checkups of warehouses to make better use of the stored goods and repairing or utilizing old or discarded things. They have also done everything they can to join in agricultural and sideline production or engage in business, mainly for the purpose of providing employment for dependents of military personnel and improving the material and cultural lives of officers and men in grassroots units.

Since the introduction of the policies of reform and opening to the outside world the Chinese government has placed work in national defense in a position subordinate to and in the service of overall national economic construction and has made relatively major reductions in defense inputs. From 1979 to 1994 defense spending increased by 6.22 percent annually in absolute terms, which represented in real terms a negative growth of 1.08 percent compared to the 7.3 percent annual increase of the general retail price index of commodities in the same period.

China's annual defense outlay from 1995 to 1997 came to RMB 63.672, 72.006 and 81.257 billion yuan, respectively. The annual increase in defense outlay went for the most part to ensure that the living standards of military personnel keep up with the nation's social and economic development and with the increase of the per capita incomes of urban and rural residents, so as to improve the living conditions of officers and men. Even so, defense spending in the total state expenditure declined annually in the same period, accounting for 9.3, 9.1 and 8.8 percent respectively.

The composition of China's defense expenditure in 1997 (Table 1) was as follows: 29.162 billion yuan for personnel expenses, accounting for 35.89 percent; 26.536 billion yuan for maintenance of activities, 32.66 percent; and 25.559 billion yuan for equipment, 31.45 percent. From the above, we can see that most of the defense outlay went to the personnel's living costs and maintenance of normal activities. In addition, more than four billion yuan, or about 5 percent, was spent to fund activities associated with social welfare.

Table 1 Composition of China's Defense Expenditure in 1997 (unit: billion yuan)

Compared with the defense expenditures of some other countries, China has a fairly low level of defense spending (Table 2).

Table 2 Comparison of China's Defense Expenditure with Those of Some Other

Countries in 1997 (unit: US\$ billion) Note: The exchange rate, calculated by China's State Administration of Exchange Control, was one US dollar=RMB 8.29 yuan in 1997.

Based on the above exchange rate, China's defense expenditure in 1997 was US\$ 9.80 billion, which was 3.67 percent of the USA's, 61.25 percent of Russia's, 27.53 percent of Britain's, 26.7 percent of France's, 22.79 percent of Japan's, and 56.98 percent of the Republic of Korea's (ROK).


China's defense expenditure is low in relative terms, as well as in absolute terms. In the past two decades the percentage of China's defense expenditure in the gross domestic product (GDP) has declined successively (Table 3). Compared with the USA, Russia, Britain, France, Japan and the ROK, China has a comparatively low burden of defense expenditure (Table 4).

Table 3 The Percentage of China's Defense Expenditure in the GDP in 1978-1997

Table 4 Comparison of the Percentage of China's Defense Expenditure in the GDP and Total Financial Expenditure with Those of Some Other Countries in 1997 Notes:

1.

Percentages of defense expenditure in total

financial expenditure. 

Percentages of defense expenditure in the GDP.  2. The above data are taken from defense, financial or other government reports announced by said countries.

Reducing Military Personnel

In September 1997 China solemnly announced that it would reduce the number of its military personnel by 500,000 within the coming three years on the basis of its disarmament move in the 1980s, which had cut the number by one million. This important strategic decision of unilateral disarmament once again fully expressed China's genuine wish for peace. It was a new effort made by China to further promote the lowering of the world's armament level, increase mutual trust and advance the cause of peace for humanity.

Adhering to the defensive policy for national security, China has always controlled the numbers and size of its armed forces within the limit allowed by the national strength and necessary to maintain state security. After the founding of the PRC in 1949, China undertook two

disarmament steps -- one in 1955 and the other in 1958. In the mid-1980s China's guideline for army building was strategically shifted from all-time preparedness against a large-scale war of aggression to peacetime construction, and the size and structure of the armed forces were adjusted accordingly. In 1985 the government decided unilaterally to cut its troops by one million men in real terms. By 1990, the total reduction had reached 1.039 million men. Since 1990 the size of the PLA has further shrunk through successive adjustments. When the drawdown of 500,000 has been completed the total size of the PLA will be 2.5 million men.

Different from many other countries, China includes all its border and coastal defense forces, military service mobilization organs, administration organs of military-run agricultural and sideline productions, civil cadres and active service personnel in the reserve service forces in the overall strength of the PLA.

China's latest disarmament move will be carried out actively and steadily, and completed within the planned three years. The reductions in the land, naval and air forces account for 19 percent, 11.6 percent and 11 percent respectively. While the numbers of men are being reduced, steps are being taken in tandem to optimize the structure, adjust the composition and intra-relationship, and enhance the competence of the armed forces by enhancing their scientific and technological knowledge, so as to raise the modernization of the Chinese armed forces to a new level.

Participating in and Supporting National Construction

Participating in and supporting the country's construction is an important task entrusted by the Constitution to the Chinese armed forces, and a reflection of the fundamental purpose of the people's army -- to serve the people wholeheartedly. Since the 1980s, while fulfilling its education and training tasks, the Chinese army has taken an active part in and fully supported the nation's economic construction, and through this it has made significant contributions to the country's prosperity and development.

-- Turning military facilities over to the public or converting them to civilian use. While cutting down large numbers of personnel, the Chinese armed forces have transferred part of their military facilities to local authorities or opened them to the public to support the country's construction. Over the past 20 years China's armed forces have opened 101 airports to the public, and opened or surrendered 29 harbors and docks, more than 300 special railway lines, 90 telecommunications lines, 1,000-some warehouses and over three million square meters of land on former military reserves and some barracks facilities.

-- Participating in emergency rescues and disaster relief work. China has a vast territory, and local natural disasters are frequent. Whenever a natural disaster occurs, the armed forces are always in the forefront of efforts to protect the people's lives and save the state and people's property. Over the past two decades they have participated in emergency rescues and disaster reliefs on more than 100,000 occasions. They have mobilized more than 23 million men, and organized more than one million vehicle trips, and some 15,000 plane and ship journeys to save more than 10 million people and transport more than 200 million tons of materials out of perilous conditions.

-- Participating in the construction of key national and local projects. The armed forces have participated in the construction of many key national and local projects and undertaken urgent, difficult and dangerous tasks connected with them. In the past two decades they have devoted more than 400 million work days and organized 25 million vehicle trips to participate in and

support 10,000-odd key projects, including 150 railway, expressway and underground railway projects, 340 tunnels and culverts, 260 bridges, 4,100 kilometers of highways and railways, 50 docks, 40 civil and military-civil airports, 500 energy projects, 2,000 water conservancy projects, 20,000 kilometers of optical cable telecommunication lines and 500 economic and technological development and tourism development projects.

-- Bringing the superiority of talented personnel and technology into full play and assisting people with the use of science and technology. Military academies, scientific research and medical units, as well as special technological units actively support national construction by transferring scientific and technological findings to the civilian sector or by offering it assistance in tackling key technical problems and personnel training. In the last ten years China's armed forces have supported more than 1,000 national economic construction projects with their advanced scientific and technological achievements, solved urgent and key problems for more than 150 scientific research projects, transferred 10,000-some scientific and technological findings to the civilian sector, trained nearly one million scientific and technological personnel, and helped civilian enterprises complete 900-odd technical transformation projects which enabled 320 enterprises to get out of the red and become profitable.

-- Supporting agriculture and assisting in poverty-relief and development efforts. China is a large agricultural country, so agriculture has always been the foundation of China's national economy. In the past decade, to support agricultural development China's armed forces have dredged more than 500 rivers, built 200,000-odd kilometers of irrigation channels and dams and dikes, dug more than 1,000 reservoirs, and reclaimed wasteland and leveled land of over two million hectares, thus laying a foundation for bumper harvests. Army units stationed in poverty-stricken areas have made great efforts to assist the local people to develop production, up to now helping nearly one million people in 23,000 poor areas get rid of poverty and live more comfortable lives. Especially, they have concentrated on helping the poor in 20 key areas in the Yimeng and Taihang mountains and other regions, assisting them to run 3,500-some village and township enterprises. Moreover, they have carried out 12,000 scientific and technological projects aimed at helping the poor to get rid of poverty, and offered agro-technique training courses to some 4.5 million people. Military medical organizations at various levels and army hospitals have sent medical teams to poor areas on 860 occasions, which have supported more than 8,100 township hospitals with medical equipment worth upwards of 20 million yuan, and given free training to more than 20,000 medical personnel.

-- Participating in work for the public good. In the past decade the PLA has devoted more than 100 million work days to the repair of bridges and roads, the tidying up and beautifying of the environment, and the repair and construction of water, gas and power supply projects. Altogether, it has completed over 100,000 projects for the public good and planted more than 400 million trees. Besides, it has contributed 41.5755 million yuan to the "Hope Project," together with various kinds of goods and materials worth some 11 million yuan, and helped to build 697 "Hope" primary schools, which have enabled more than 115,000 dropouts to return to school.

-- Training personnel competent both for military and civilian services. The Chinese armed forces pay great attention to training qualified personnel for the country's economic construction. To meet the needs of national economic construction and the wishes of both officers and men,

the Routine Service Regulations of the PLA stipulate that every Saturday may be reserved for training personnel competent for both military and civilian services. Saturdays are also when military personnel are organized to study scientific and cultural subjects. Since the early 1980s, when the PLA started to organize these special training courses, through on-the-job training nearly one million officers have received academic certificates at or above the junior college level; more than 85 percent of the ordinary soldiers have received in-service technical training, and nearly half of them have been awarded technician's certificates of various grades. When they leave active service they have become or will become an important force promoting the country's economic construction and the overall progress of Chinese society.

Stationing a Garrison in Hong Kong

The Chinese government resumed sovereignty over Hong Kong on July 1, 1997, and stationed a garrison of the PLA in the Hong Kong Special Administrative Region (HKSAR) to take charge of its defense affairs. The stationing of the PLA troops in the Region is an important symbol of the Chinese government's resumption of exercise of sovereignty over Hong Kong. It is also an important guarantee for the preservation of state sovereignty and security and the maintenance of the Region's long-term prosperity and stability.

The PLA troops entered Hong Kong strictly in accordance with provisions of the law. The Basic Law of the Hong Kong Special Administrative Region of the PRC, passed at the Third Session of the Seventh NPC in April, 1990, clearly stipulated that the Central People's Government shall be responsible for administering the defense affairs of the HKSAR. The Garrison Law of the Hong Kong Special Administrative Region of the PRC was approved at the 23rd meeting of the Standing Committee of the Eighth NPC in December 1996, and came into effect on July 1, 1997. The Garrison Law stipulates that the Hong Kong Garrison shall not interfere in the local affairs of the HKSAR; that its duties are to perform routine defense service, administrate military facilities, handle relevant foreign-related military affairs, and ensure the security and stability of Hong Kong; that its expenditures shall be borne by the Central People's Government; and that the garrison troops shall be rotated. The law contains specific provisions on the duties and rules of discipline of the garrison personnel, the judicature and other questions, fundamentally guaranteeing that the Hong Kong Garrison fulfils its defense functions along legal lines.

The PLA Hong Kong Garrison, composed of ground, naval and air forces, is under the direction of the Central Military Commission of the PRC. While performing its defense duties, the Hong Kong Garrison must abide by both national and HKSAR laws, as well as the current rules and regulations of the PLA.

After its entry into Hong Kong, the PLA Hong Kong Garrison abided strictly by the Basic Law and the Garrison Law, fulfilled its defense duties within legal framework, actively organized military training, strengthened army-building along regularization lines, studied Hong Kong's related laws, and acquainted the rank and file with the social conditions in Hong Kong.

According to the Garrison Law, the Garrison established working contacts with the HKSAR government, and opened the barracks on the Stonecutters Island and Chek Chu to the public to promote Hong Kong compatriots' understanding of and trust in the garrison troops.

It is a long-term task for the PLA Hong Kong Garrison to fulfil its responsibility for Hong Kong's defense affairs. The garrison troops will consistently adhere to the principle of ``one country, two

systems," strictly abide by the Basic Law and the Garrison Law, and contribute to the preservation of the long-term prosperity and stability of Hong Kong.

IV. International Security Cooperation

As a permanent member of the United Nations Security Council and a large country in the Asia-Pacific region, China attaches great importance to, and takes an active part in, international security cooperation by sticking to its principles and promises, treating others in a sincere and friendly way, and developing cooperation. In recent years, China has actively carried out exchanges with foreign armed forces on the basis of mutual equality and mutual benefit. China has also actively participated in multilateral and bilateral security dialogues and cooperation in the Asia-Pacific region, as well as in United Nations peacekeeping operations, playing its due part in keeping peace in the region and the world as a whole.

Foreign Military Contacts

As an important component of China's overall diplomacy, China's foreign military contacts are subordinate to and serve the modernization of national defense and the armed forces. China insists on dealing with its foreign military relations independently and engaging in military exchanges and cooperation based on the Five Principles of Peaceful Coexistence. In its contacts with foreign military circles, China has always advocated the principles of mutual respect, enhancing understanding, developing friendship, mutual benefit and cooperation. Chinese armed forces have been active in participating in multilateral military diplomatic activities to bring the positive role of the Chinese armed forces into full play in the sphere of international military affairs.

China has been active in developing an omni-directional and multi-level form of military diplomacy. So far, Chinese armed forces have established relations with the armed forces of more than 100 other countries. China has set up military attaché's offices in more than 90 Chinese embassies abroad, and some 60 countries have set up their military attaché offices in China. In the last 20 years, more than 1,300 Chinese military delegations, of which some 180 were headed by senior officers, have visited over 80 countries. In the meantime, 2,100-some foreign military delegations involving several tens of thousands of persons have visited China, more than half of which were high-ranking delegations headed by defense ministers, commanders-in-chief of the armed forces or chiefs of the general staff.

China has always placed the development of military contacts with adjacent countries in a prominent position. Following the principles of good-neighborliness and friendliness, mutual benefit and cooperation and long-term stability, it has developed extensive and beneficial contacts with the armed forces of those countries, especially contacts on the senior level. In 1996 and 1997 alone, China sent more than 100 military delegations to most of its adjacent countries, and hosted over 130 military delegations from such countries. China has placed special stress on friendly military exchanges and cooperation with developing countries, and has offered assistance in personnel training, equipment and health care to over 70 countries. Since 1973, China has trained nearly 10,000 officers at all levels as well as military technicians for developing countries, and sent over 8,000 experts to those countries. China is enthusiastic for expanding military relations with the United States and other Western countries in Europe. Proceeding from the objective of safeguarding world peace and the fundamental interests of the people all over the world, Chinese armed forces have successively resumed and improved their relations with the armed forces of those countries on the principle of increasing dialogue and narrowing differences, resulting in the deepening of mutual understanding.

Since the beginning of the 1990s China's naval vessels have visited nearly a score of countries. From March to May 1997, two formations of Chinese naval vessels made friendly visits to the United States, Mexico, Chile, Peru, Thailand, the Philippines and Malaysia, which have enhanced the friendship between the armed forces of China and the armed forces and people of those countries.

In their foreign contacts, Chinese armed forces stress technological exchanges in specialized fields. They have developed extensive exchanges and cooperation with armed forces in other parts of the world in the fields of scientific research, academic studies, military education, armed forces administration, culture, sports, and medical and hygiene work.

The positive, extensive foreign military contacts on the part of the Chinese armed forces have promoted mutual understanding and trust between the PLA and other armed forces. The Chinese armed forces, which have gone among the international community, have presented themselves before the world as a civilized force and a force of peace, a force which has made its due contributions to keeping regional peace and peace throughout the world.

Promoting Confidence-Building Measures

China places great stress on and actively promotes cooperation in confidence-building measures (CBM), considering the establishment of mutual trust between nations as an effective way to maintain security. In recent years, China has reached agreements with some neighboring countries on confidence-building measures and reduction of military forces in border areas, which is an important step China has taken to develop relations with other countries and promote regional peace and stability. These agreements reflect a new kind of security concept vigorously advocated by China and embody some principles and spirit of universal significance for Asian-Pacific security dialogues and cooperation. These include mutual and equal security; seeking security by establishing mutual trust, dialogue and cooperation without interfering in the internal affairs of other countries and without aiming at a third party; preventing military forces from threatening or harming other countries' security and stability; implementing and sticking to a national defense policy that is defensive in nature; adopting suitable confidence-building measures in border and disputed areas on a bilateral basis; and engaging in friendly contacts between military forces.

In April 1996, China and Russia, Kazakhstan, Kyrgyzstan and Tajikistan signed the Agreement on Confidence-Building in the Military Field Along the Border Areas, which stipulates that military forces deployed in the border areas shall not be used to attack each other; each party shall refrain from staging military exercises directing against the other; there shall be restrictions on the military exercises in terms of scale, area and the number of such exercises; all the important military activities of one party in the areas between the border and 100 kilometers from the border line shall be notified to the other which shall be invited to observe the troop exercises; measures shall be taken to prevent dangerous military activities and enhance friendly exchanges of their armed forces in the border areas.

In November 1996, China and India signed the Agreement on Confidence-Building Measures in the Military Field Along the Line of Actual Control in the China-India Border Areas. The agreement provides that each side should not engage in military activities that threaten the other side or undermines peace, tranquility and stability in the border areas; that they should strictly respect and observe the line of actual control in the border areas and neither side should overstep

the line of actual control in their activities pending ultimate resolution of the boundary question; that they should reduce or limit the size of field army, border defense forces, para-military forces and any other mutually agreed category of armed forces and armaments deployed in the mutually agreed geographical zones along the line of actual control to the mutually agreed ceilings; that each side shall refrain from staging military exercises directing against the other in the close proximity of the line of actual control in the border areas and restrict the scale of military exercises and provide prior notification to the other with regard to military exercises of certain scale in the close proximity of the line of actual control in the border areas; that they should prevent air intrusions by military aircraft across the line of actual control and dangerous military activities in the areas along the line of actual control; that both sides should strengthen exchanges and cooperation between their military personnel and establishments in the border areas along the line of actual control.

In addition, in 1994, China and Russia signed the Agreement on Prevention of Dangerous Military Activities and the Joint Statement by the President of the People's Republic of China and the President of the Russian Federation on Non-First-Use of Nuclear Weapons and Detargeting of Strategic Nuclear Weapons Against Each Other. In January 1998, China and the United States signed the Agreement Between the Ministry of National Defense of the PRC and the Department of Defense of the USA on Establishing a Consultation Mechanism to Strengthen Military Maritime Safety. In June of the same year, President Jiang Zemin of China and President Clinton of the United States announced that the two sides had decided not to target each other with the strategic nuclear weapons under their respective control. In addition, confidential direct redline telephone communication links have been established between the head of state of China and the heads of state of Russia and the United States.

Regional Security Cooperation

China advocates regional-security dialogue and cooperation at different levels, through various channels and in different forms. Such dialogue and cooperation should follow these principles: participation on an equal footing, reaching unanimity through consultation, seeking common ground while reserving differences, and proceeding in an orderly way and step by step. China has participated in the ASEAN Regional Forum (ARF), Conference on Interaction and Confidence-Building Measures in Asia (CICA), Council on Security Cooperation in Asia and Pacific Region (CSCAP), Northeast Asia Cooperation Dialogue (NEACD) and other activities, holding that all countries should further mutual understanding and trust by discussions on security issues through these important governmental and non-governmental channels, so as to promote regional peace and stability.

China has attended all the ARF foreign minister meetings and ARF senior official meetings. Chinese representatives of foreign and defense affairs have attended official and unofficial meetings within the framework of the forum, their topics of discussion including promotion of confidence-building measures, peace keeping, maritime search and rescue, the handling of emergencies and disaster relief, preventative diplomacy, non-proliferation, and guiding principles. In 1996 China and the Philippines jointly sponsored the Conference on Confidence-Building Measures in Beijing. Between sessions of the conference, which was crowned with success, foreign representatives were invited to visit Chinese military units and observe military exercises. China supports the ARF's creative explorations for the promotion of

confidence-building measures and has made a series of constructive suggestions and opinions in this regard. For example, China advocates development of military medicine, science of military law and multilateral cooperation on conversion of military technologies and facilities for civilian use. It encourages the exchange of high-level visits by senior military officers, and port calls by naval vessels, as well as exchanges of military personnel between different countries, and supports cooperation in emergency rescue and disaster relief, maritime navigation safety, and marine environmental protection. In addition, every year China submits to the forum a statement on national defense policy and other related documents.

China has always been an active participant in the process of the CICA initiated by Kazakhstan, regarding the purpose of the conference as basically suiting China's security goal in Asia. It suggests that the conference develop steadily with full consideration of Asia's regional peculiarities and diversities. In 1996 China formally joined the CSCAP, and in 1997 established the CSCAP China Committee, which has always conscientiously participated in the council's activities. Since 1993, when the NEACD was founded, China has attended all NEACD meetings and, in 1996, hosted its fourth conference in Beijing. Along with other member states, China has also helped the NEACD to achieve unanimity on the guiding principle of cooperation between Northeast Asian countries.

China has held consultations in different forms with the United States, Russia, Japan, France, Canada and Australia on issues of common interest in the areas of security and defense. Officials and scholars of China's Ministry of National Defense and other related departments have participated, in increasing breadth and depth, in various discussions and other activities on Asian-Pacific security, which has promoted understanding and trust between China and the countries concerned, and shown China's positive intentions and efforts to maintain lasting peace in the Asia-Pacific region.

Participating in the UN Peacekeeping Operations

As a permanent member of the UN Security Council, China has consistently engaged in efforts to maintain international peace and security. It cherishes and supports the role of the United Nations in keeping international peace and security under the guidance of the principles of the Charter of the United Nations. In order to help UN peacekeeping operations achieve success and develop in a healthy way, China holds that the following guiding principles should be stipulated and followed:

- The aims and principles of the Charter of the United Nations must be adhered to, especially the principles of respecting the sovereignty of all countries and non-interference in other countries' internal affairs.
- Disputes must be settled using peaceful means, such as mediation, good office and negotiation. Compulsory means should not be adopted indiscreetly, nor should military means be resorted to even for humanitarian ends.
- Double standards should be opposed. The policies and views of any one country or a few countries should not be imposed on the UN Security Council, and military interference by a small number of countries under the guise of the UN should not be allowed.
- In peacekeeping operations, the following principles, which have proved to be effective in the past, should be adhered to: obtaining agreement from the country concerned beforehand, strictly observing neutrality and prohibiting the use of force except for self-defense.

-- Be practical and realistic. A peacekeeping operation should not be undertaken when conditions are not yet ripe, nor should a peacekeeping force become a party to a conflict, which would be a deviation from the fundamental purpose of peacekeeping operations.

Adhering to the above principles, China has participated in UN peacekeeping operations. In 1990, China began to assign military observers to UN peacekeeping operations; since then it has sent 437 military observers in 32 groups to join six UN peacekeeping operations, viz, the United Nations Truce Supervision Organization (UNTSO) in the Middle East, United Nations Iraq-Kuwait Observation Mission (UNIKOM), United Nations Transitional Authority in Cambodia (UNTAC), United Nations Mission for the Referendum in Western Sahara (MINURSO), United Nations Operation in Mozambique (ONUMOZ) and United Nations Observer Mission in Liberia (UNOMIL).

In 1992, the Chinese government dispatched an engineer unit to support the UNTAC peacekeeping operations. A total of 800 men were sent in two batches, who, in 18 months, repaired or extended four airports, repaired four highways totaling 640 kilometers, built or rebuilt 47 bridges and completed many other service projects, making useful contributions to the successful operations of the United Nations peacekeeping forces in Cambodia.

China still has 32 military observers serving with the UNTSO, UNIKOM and MINURSO. In May 1997, the Chinese government decided that in principle China would take part in the UN's stand-by arrangements and would provide military observers, civilian policemen, and engineering, medical, transportation and other logistic service teams in due time for UN peacekeeping operations.

Chinese personnel assisting UN peacekeeping operations have conscientiously fulfilled their responsibilities and made great contributions to world peace. Some of them have even sacrificed their lives. In the years to come, China will continue to participate in UN peacekeeping operations in a positive and down-to-earth manner.

V. Arms Control and Disarmament

Since the end of the cold war the international security situation has tended to relax, and great advances have been made in international arms control and disarmament. The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (CWC) was concluded in January 1993, and came into effect in April 1997. The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) was indefinitely extended in May, 1995. The Comprehensive Nuclear Test Ban Treaty (CTBT) was opened for signature in the New York UN headquarters in September 1996. Nuclear-weapon-free zones continue to expand. The Protocol on Blinding Laser Weapons and the Amended Protocol on Prohibitions or Restrictions on the Use of Mines, Booby-Traps and Other Devices attached to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (Convention on Certain Conventional Weapons) were adopted in October 1995 and May 1996, respectively. And in June 1997, the International Atomic Energy Agency (IAEA) passed a protocol for the purpose of increasing the effectiveness of safeguards.

But in spite of such progress, there are still some problems crying out for solutions in the sphere of disarmament. The United States and Russia still keep their large nuclear arsenals. In addition, a few military powers continue to stick to their cold war mentality and nuclear deterrence policy, strenuously developing highly advanced and sophisticated weapons, especially advanced missile defense systems. The nuclear tests conducted by India, and then by Pakistan, in May 1998 have not only seriously impeded international non-proliferation efforts, but have produced a grave impact on regional and world peace and stability.

The Chinese government highly stresses the importance of arms control and disarmament work, and takes it as an important component of its overall diplomacy and defense policy. The Chinese government holds that the international community should promote fair, rational, comprehensive and balanced arms control and disarmament; the purpose of disarmament should be to reinforce, not weaken or undermine, the security of all countries; the universality of the international arms control treaties should be enhanced; new treaties should be concluded through a broadly representative multilateral negotiations mechanism; those countries having the largest and most sophisticated conventional and nuclear arsenals should continue to fulfil their special responsibilities for disarmament; efforts should be made to prevent a few countries directing the target of disarmament at a broad spectrum of developing countries in order to deprive them of their legitimate right and means for self-defense, at the same time taking advantage of their own advanced military technology and superior economic strength to seek absolute security and military superiority; the existing discriminatory and exclusive export control mechanisms and arrangements should be overhauled and rectified comprehensively, and a fair and rational international non-proliferation system should be set up through negotiations on the basis of universal participation.

China has steadfastly attended multilateral negotiations on arms control and disarmament, and some related international conferences. In April 1997, China and Russia, Kazakhstan, Kyrgyzstan and Tajikistan signed the Agreement on Mutual Reduction of Military Forces in the Border Areas. It stipulates that the five countries shall reduce their military forces in the border areas to the minimum level compatible with their friendly and good-neighborly relations, a level that shall

not go beyond their defense needs; none of the parties shall use or threaten to use force against the other party or parties, neither shall they seek unilateral military superiority; they shall reduce and limit the size of their ground force, air force, air aviation and border guard units as well as the quantity of main categories of their armaments and military equipment deployed in the border areas as deep as 100 kilometers from their border; they shall determine the ceilings for the reduced size, modality and the time limit for the reduction of military forces; combat vessels shall not be deployed in rivers in the above-mentioned areas; they shall exchange relevant information and data on the military forces in the border areas; and they shall monitor and verify the implementation of the Agreement. China has also set up bilateral arms control consultation mechanisms with many other countries. China has signed or ratified almost all the multilateral arms control treaties, and faithfully fulfilled its obligations under those treaties, making a positive contribution to the progress of international arms control and disarmament.

The Issue of Nuclear Weapons

As a nuclear-weapon state, China vigorously supports and participates in the international non-nuclear proliferation efforts, promotes the process of nuclear disarmament and works hard for the realization of the final goal of the complete prohibition and thorough destruction of nuclear weapons worldwide.

China has consistently advocated the complete prohibition and thorough destruction of nuclear weapons. At the 51st Session of the UN General Assembly in 1996 China clearly put forward a five-point proposal on nuclear disarmament: 1. The major nuclear powers should abandon the nuclear deterrence policy, and the states having the largest nuclear arsenals should continue to drastically reduce their nuclear weapons stockpiles; 2. all nuclear-weapon states should commit themselves not to be the first to use nuclear weapons at any time and in any circumstances, undertake unconditionally not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones, and conclude a legally binding international document as soon as possible; 3. all states which have deployed nuclear weapons outside their borders should withdraw all these weapons home, and all nuclear-weapon states should pledge to support the proposal on establishing nuclear-weapon-free zones, respect the status of such zones and undertake corresponding obligations; 4. no state should develop or deploy outer space weapons or missile defense systems, which harm strategic security and stability; 5. all states should negotiate and conclude an international convention on the complete prohibition and thorough destruction of nuclear weapons.

From the first day it possessed nuclear weapons, China has solemnly declared its determination not to be the first to use such weapons at any time and in any circumstances, and later undertook unconditionally not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones. China vigorously supports the efforts of the relevant countries to establish nuclear-free zones on a voluntary basis, and has signed and approved the relevant protocols of the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Treaty of Tlatelolco), the South Pacific Nuclear-Free Zone Treaty (Treaty of Rarotonga) and the African Nuclear-Weapon-Free Zone Treaty (Treaty of Pelindaba). In April 1995 China issued an official statement, reiterating its commitment to unconditionally provide non-nuclear-weapon states and nuclear-weapon-free zones with negative security assurance, and for the first time promised to provide them with positive security assurance.

In March 1992 China acceded to the NPT and has faithfully fulfilled its international obligations to prevent the proliferation of nuclear weapons and made contributions to the indefinite extension of the treaty. China was represented at the negotiations on the CTBT from beginning to end, and signed it on September 24, 1996, the first day the treaty was opened for signature. China supports the early conclusion of the Convention on Banning the Production of Fissile Materials for Nuclear Weapons or Other Nuclear Explosive Devices (FMCT). For this purpose, the foreign ministers of China and the United States issued a joint statement in October 1994, saying that the two countries would make joint efforts to promote an early conclusion of a multilateral, non-discriminatory and effectively verifiable FMCT. In April 1997, China and four other nuclear-weapon states -- the United States, Russia, Britain and France -- issued a statement, reiterating their stand for concluding, through negotiation, a FMCT as soon as possible on the basis of the mandate contained in the Shannon Report. China supports the IAEA's Program for Strengthening the Effectiveness and Promoting the Efficiency of the Safeguard System (93 + 2 Program), and promises that, on the basis of voluntary safeguard, China will negotiate and conclude with the IAEA a legally binding document at a proper time, and will adopt measures corresponding to the obligations China undertakes in accordance with the first article of the NPT. As the international situation is tending to relax and relations between the major powers continue to improve, China believes that the conditions are now ripe for nuclear-weapon states to undertake not to be the first to use nuclear weapons against each other. So, in January 1994, China formally presented a draft for the Treaty on the Non-First-Use of Nuclear Weapons to the United States, Russia, Britain and France, proposing that the five nuclear-weapon states hold discussions on the treaty as soon as possible. China holds that such a treaty will help to promote mutual trust among nuclear-weapon states and further reduce the danger of nuclear war. While energetically promoting negotiations for conclusion of a multilateral treaty, China also actively seeks, together with other nuclear-weapon states, to undertake, on a bilateral basis, not to be the first to use nuclear weapons against each other. So far, China and Russia have already made such a promise to each other.

The Issue of Chemical and Biological Weapons

The Chinese government has always stood for the complete prohibition and thorough destruction of chemical weapons. China signed the CWC in January 1993, ratified the convention in December 1996 and deposited the instruments of ratification on April 25, 1997, thus becoming an original signatory state to the CWC. China supports the purpose and goals of the CWC, and advocates that chemical weapons and facilities for their production should be destroyed as soon as possible, in accordance with the related provisions in the CWC. Meanwhile, China holds that the convention should promote international economic, trade, and scientific and technological exchanges in the field of chemical industry, ensuring that chemical industry technology truly benefits mankind.

China has been active and conscientious in fulfilling the obligations stipulated in the CWC. It delivered the initial declaration and annual declaration in time and in their entirety and has accepted inspections by the convention. It has also participated in every one of the convention's executive council meetings and the two conferences of states parties.

China has been a victim of chemical weapons. Large quantities of chemical weapons abandoned by Japanese aggressor troops are found in China to this day, which still threaten the lives and

property of the local people and the environment in which they live. In view of this, China demands that, in keeping with the stipulations of the convention, any country that has left chemical weapons in another country destroy, as soon as possible, such weapons wholly and thoroughly.

China advocates the complete prohibition and thorough destruction of biological weapons. It opposes the production, development and stockpiling of biological weapons by any country, and the proliferation of such weapons and related technology in any form by any country. In November 1984 China acceded to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (BWC). As a state party to the BWC, China has fully and conscientiously fulfilled its obligations under the convention. Since 1987 China has, year after year, reported to the United Nations on convention-related information and data concerning confidence-building measures, in accordance with the decisions of the Review Conferences of the BWC.

Having suffered grievously from biological weapons attacks in the past, China supports work that helps comprehensively to strengthen the effectiveness of the convention. It has actively participated in the work of drawing up a Protocol of the Ad Hoc Group of States Parties to the BWC established in 1994, and has made contributions to the progress of the negotiations on the Protocol. China holds, in view of the complexity of the problems relating to the verification mechanism, that every country should, in a down-to-earth way, seek effective and feasible verification measures, and formulate concrete steps to prevent abuse of verification, and to protect the rightful commercial and security secrets of states parties. China considers that, while improving the convention's verification mechanism, international cooperation and exchanges among states parties in the sphere of bio-technology for peaceful purposes should also be strengthened.

The Issue of Keeping Outer Space Weapon-Free

Outer space belongs to all mankind, and should be used exclusively for peaceful purposes to benefit mankind. To this end, China stands for the complete prohibition and thorough destruction of weapons deployed in outer space. It opposes the development of anti-satellite weapons. China maintains that the international community, the big powers with the capacity to utilize outer space in particular, should take the following realistic steps to prevent a weaponized outer space: A complete ban on weapons of any kind in outer space, including anti-missile and anti-satellite weapons, so as to keep outer space free of weapons; a ban on the use of force or conduct of hostilities in, from or to outer space; and all countries should undertake neither to experiment with, produce or deploy outer space weapons nor to utilize outer space to seek strategic advantages on the ground, for example, using disposition of the important parts of ground anti-missile systems in outer space for the purpose of developing strategic defensive weapons. In addition, negotiations should be held as soon as possible for the conclusion of a legally-binding international agreement with the above-mentioned contents.

Since the beginning of the 1980s, as one of the co-sponsors of the UN General Assembly resolutions on keeping outer space weapon-free, China has promoted negotiations on this problem at the Geneva Conference on Disarmament and through other multilateral mechanisms. As early as at the founding of the Ad Hoc Committee of the Conference on Disarmament on the Prevention of an Arms Race in Outer Space, China submitted to it a paper on China's Position on

the Prevention of an Arms Race in Outer Space (CD/579). Many countries have supported China's position.

The Issue of Anti-Personnel Landmines

China has all along attached great importance to the problem of threat to innocent people caused by the indiscriminate use of anti-personnel landmines (APLs). It is in favor of imposing proper and rational restrictions on the use and transfer of APLs in a bid to achieve the ultimate objective of comprehensive prohibition of such landmines through a phased approach. In the meantime, the Chinese government maintains that, in addressing the problem of APLs, consideration should be given to both humanitarian concern and the legitimate defense requirements of sovereign states. To safeguard the safety of their people by sovereign states through legitimate military means, including the use of APLs in accordance with the purposes and principles of the Charter of the United Nations itself is part and parcel of humanitarianism.

As a country with long land borders, China has to reserve the right to use APLs on its territory pending an alternative solution is found and its requirements in security and defense capability are catered for. China's use of APLs under legitimate circumstances is entirely aimed at preventing foreign military interference and aggression so as to maintain national unity and territorial integrity and safeguard its people's well-being. This not only represents China's legitimate national security and defense requirements, but also accords with the relevant provisions of the Charter of the United Nations on the right to self-defense.

The PLA has always exercised strict control over the use of APLs and prohibited the indiscriminate use and laying of such landmines while actively studying the possible alternatives to APLs. China has also actively participated in the revision of the Landmine Protocol (Protocol II) to the Convention on Certain Conventional Weapons (CCW) and the discussions on the question of APLs at the UN Conference on Disarmament.

The Chinese government has all along adopted a very prudent and responsible attitude toward landmine export. In December 1994, China joined in the UN General Assembly's consultation on its resolution concerning the moratorium on the export of APLs. In April 1996, the Chinese government solemnly declared its suspension of export of APLs that are not compatible with those APLs provided for in the Amended Landmine Protocol to the CCW.

The Chinese government is of the view that the clearance of APLs is part and parcel of the overall efforts in eliminating the threat to innocent civilians resulting from the indiscriminate use of such landmines. It has consistently adopted a responsible attitude toward post-war demining question and has done considerable fruitful work in this regard. From the beginning of 1992 to the end of 1994, the PLA conducted its first large-scale demining operation in the border areas of Yunnan Province and the Guangxi Zhuang Autonomous Region, cleared a total of over one million landmines and explosive devices and destroyed nearly 200 tons of disused or de-activated ammunitions and explosive devices, covering an area of 108 square kilometers with over 170 border trade passes and ports re-opened, and over 30,000 hectares of farmland, pasture and mountain forests restored. At the end of 1997, the Chinese government decided to conduct its second large-scale demining operation in the above areas starting from November 1997 up to December 1999.

The Chinese government has always done its utmost to assist APL-affected countries. It furnished Cambodia and some other mine-affected countries with mine-detection/clearance

equipment, and also helped train demining personnel for these countries, thus contributing to their smooth post-war rehabilitation. In November 1997, the Chinese President Jiang Zemin declared that China would continue to actively support international demining efforts and cooperation, including donation and provision of assistance in the fields of demining training, technology and equipment through the relevant international demining funds. The Chinese government also sent observers to participate in the Signing Ceremony of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction and the international demining roundtable (Mine Action Forum) held from 2 to 4 December 1997 in Ottawa.

Control of the Export of Sensitive Materials and Military Equipment

The Chinese government agrees that necessary measures should be adopted to apply effective international control to the transfer of sensitive materials and technologies in order to prevent the proliferation of weapons of mass destruction and their carriers. However, at the same time, China holds that international efforts to prevent such proliferation should follow the principle of fairness and rationality, and opposes a double standard whereby anti-proliferation is used as a pretext to infringe upon the sovereignty of other countries and harm normal international cooperation and exchanges in the fields of economy, trade and science and technology. China attaches great importance to control over the export of sensitive materials, and has implemented a series of administration measures regarding the transfer of sensitive materials on the basis of international practice.

Regarding nuclear exports, China, a signatory to the NPT, has pursued a policy of not supporting, encouraging or engaging in the proliferation of nuclear weapons and not assisting any other country to develop such weapons. It has laid down three principles regarding nuclear exports: They should serve peaceful purposes only; they should accept the safeguards of the IAEA; and they should not be retransferred to a third country without China's consent.

In November 1991 the Chinese government declared that it would report on a continuing basis to the IAEA any export to or import from non-nuclear-weapon states of nuclear materials of one effective kilogram or above. In July 1993 China officially promised that it would voluntarily report to the IAEA any imports or exports of nuclear materials, nuclear equipment and related non-nuclear materials. In May 1996 China promised that it would not offer help to nuclear facilities which had not accepted the IAEA's safeguards, including bans on exports of nuclear materials and personnel or technology exchanges and cooperation. In May 1997, the Chinese government published the Circular on Questions Pertaining to the Strict Implementation of China's Nuclear Exports Policy, which explicitly stipulates that no nuclear materials, facilities or related technologies exported by China may be supplied to or used by nuclear facilities which have not accepted the IAEA's safeguards. The circular also has strict provisions regarding exports of dual-use nuclear-related materials. In May 1997, China sent observers to attend a meeting of the Zangger Committee, one of the mechanisms of international nuclear export control, and formally joined the committee in October of that year. In September 1997, the Chinese government issued the Regulations of the People's Republic of China on Nuclear Export Control, banning any kind of assistance to nuclear facilities which have not accepted the IAEA's safeguards. In addition, nuclear exports are monopolized by the units designated by the State Council and can not be operated by any other units or individuals. The state practices a licensing

system for nuclear exports, and has drawn up the Detailed List of Nuclear Export Control in light of the commonly accepted listings of this kind in the international sphere. On June 10, 1998, China promulgated the Regulations on the Control of the Export of Dual-Use Nuclear Materials and Related Technology, imposing strict control on the export of nuclear-related dual-use materials and related technology.

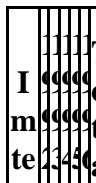
China has always been cautious and responsible regarding the exports administration of chemicals. It does not export chemicals that can be used to manufacture chemical weapons, nor does it export related technologies and equipment. It supports normal international cooperation in chemical industry and exchanges of related scientific and technological materials in accordance with the CWC, and opposes any export control mechanism conflicting with the purpose of the convention.

In September 1990, the Chinese government drafted measures for strict control of the export of chemicals and their production technologies and equipment. In December 1995, it issued the Regulations of the People's Republic of China on the Supervision and Control of Chemicals, and, in accordance with these regulations, issued the List of Chemicals Subject to Supervision and Control and the Bylaws for the Implementation of the Regulations in June 1996, stipulating that import and export of related chemicals are under the centralized management of the competent departments of the chemical industry under the State Council and operated by special companies designated by such departments.

With regard to the transfer of military equipment and related technology, China respects the right of every country to independent or collective self-defense and to acquisition of weapons for this purpose in accordance with the principles contained in the Charter of the United Nations, but at the same time it is concerned about the adverse effects on world security and regional stability arising from excessive accumulations of weaponry.

For many years until the early 1980s, China did not engage in weapons exports, and since then the volume of such exports has been limited. Beginning in the mid-1980s, China's export of military products has been on the decrease: The volume of contracted business was just over two billion US dollars-worth in 1987, dropped to US\$ 600 million-worth in 1991, and did not exceed one billion US dollars-worth in the following years. The 1993-97 records of the UN register of conventional arms exports and imports of various countries show that China's exports of conventional weapons are small compared to those of some other countries.

China practices strict control of the transfer of conventional military equipment and related technologies, and observes the following principles: The export of weapons must help the recipient nation enhance its capability for legitimate self-defense; it must not impair peace, security and stability of the relevant region and the world as a whole; and it must not be used to interfere in the recipient state's internal affairs. Since 1992 China has participated in the United Nations' register of conventional arms transfers (Tables 5 and 6). **Table 5 Data of China's Participation in the United Nations Register of Conventional Arms Transfers in 1992-1996 (Exports)**



[illegible]

practiced for China's weapons exports, and all external transfers of domestic military products shall be carried out by the departments authorized by the government and companies approved and registered by the government. The Regulations state that the business activities of such departments and companies must remain strictly within the projects approved by the government, that contracts of military products transfers must require approval from the relevant competent government departments before taking effect, and that important items of arms exports must be submitted to the State Council and the Central Military Commission for approval.

China has been consistently cautious and responsible regarding the transfer of missiles. China is not a member state of the Missile Technology Control Regime (MTCR) and has not joined its formulation and revision, but, in accordance with China's consistent position on non-proliferation and its principles concerning arms exports, the Chinese government promised to observe the then guidelines and parameters of the MTCR in February 1992. In October 1994, China reaffirmed its promise and undertook the obligation of not exporting ground-to-ground missiles inherently capable of reaching a range of at least 300 kilometers with a payload of at least 500 kilograms. In line with the above policy, China has exercised strict and effective control over the export of missiles and related materials and has never done anything in violation of its commitments. The principles and measures to prevent the proliferation of weaponry and unwarranted transfers of military equipment that China has consistently upheld have helped to promote the development of international arms control and disarmament in a wholesome way, and to maintain world peace and regional stability.