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## I. United States

#### 1. ROK-DPRK Maritime Border

Reuters (Kim Myong-hwan, "S.KOREA SAYS TO DEFEND SEA BORDER WITH NORTH," Seoul, 09/03/99) and The Associated Press (Paul Shin, "NORTH, SOUTH KOREA ARGUE OVER WATERS," Seoul, 09/03/99) reported that Colonel Hwang Dong-kyu, spokesman for the ROK Joint Chiefs of Staff, said Friday that it would not tolerate any DPRK intrusion into waters south of the Northern Limit Line (NLL). Hwang stated, "Our military will firmly defend the Northern Limit Line. If North Korea crosses over the line, we will regard it as a provocation and will never tolerate it." He said that the ROK could not accept the DPRK's redrawing of the NLL because the line has been in place for the past 46 years and was still the practical boundary. He added, "We see only routine exercises by the North Korean navy. But we are perfectly prepared for all kinds of provocations from the North." ROK Maritime Affairs Minister Chung Sang-chun told maritime authorities and ships earlier Friday, "Precautionary measures should be stepped up against a possible emergency situation involving ships fishing near the northern limits at the East and West seas." Kim Ki-soon of the Wungjin county office that governs five ROK-held islands in Yellow Sea said Friday that his office was surveying the amount of emergency food and other daily necessities of 6,900 residents on the islands. Kim stated, "We plan to supply food and other basic goods if and when ferry service to the islands is halted."

The Los Angeles Times (Sonni Efron, "N. KOREA UNILATERALLY SHIFTS MARITIME BORDER," Seoul, 09/03/99) reported that analysts said that it is not clear whether the DPRK's declaration that it will not recognize the Northern Limit Line (NLL) would lead to armed conflicts. An anonymous US official in Seoul stated, "It depends on what they actually do, not what they say. There's a big difference between asserting things--especially on this peninsula--and trying to enforce things." Former US Ambassador to the ROK Donald Gregg stated, "This is just one of many issues that the North and South need to discuss if they're really going to move toward reconciliation." He added that the DPRK's seemingly contradictory behavior is "typical behavior by a totalitarian state," arguing that such tactics were employed for years by the Soviet Union, the PRC, and other countries. Gregg said, "They constantly negotiate at the brink." Chi Man-won, an independent ROK military analyst, argued, "North Korea needs an excuse to be angry. So they will be very stern and strong about this issue and tension will develop, and then they will use that tension as an excuse to test-fire the missile." An unnamed well-placed ROK source said last month that the previous naval clash in the Yellow Sea "was a bonanza of intelligence on the North Korean military." The source said that the ROK concluded that the skirmish was unplanned and showed that the morale and materiel of the DPRK forces were in "a pathetic state."

#### 2. US Policy toward DPRK

The US House of Representatives International Relations Committee issued a press release ("GILMAN QUESTIONS NORTH KOREAN POLICY," Washington, 09/02/99) which quoted US Representative Benjamin A. Gilman, Republican-New York, Chairman of the House International Relations Committee, as saying on Thursday that stopping a DPRK missile test is an insufficient measure of the success of US policy toward the DPRK. Gilman stated, "I am concerned that the Administration will once again attempt to reward Pyongyang's recalcitrance in order to temporarily prevent North Korea from test launching the ICBM." He argued, "The United States and its allies should not again fall into the cycle of rewarding bad behavior by North Korea. By past experience, the North Koreans have learned that creating a crisis and then feigning cooperation can result in concessions and benefits from the Administration." He added, "Prevention of the launch of the Taepo

Dong II is a short-term answer to a long-term problem. The North Koreans can still deploy this missile or sell it to other rogue nations like Iran or Iraq. We should not be deluded into thinking that stopping the missile launch is a lasting achievement.... If we stop this fall's presumed launch, we can fully expect that North Korea will probably once again play the 'missile card' against the U.S. its allies." Gilman stated, "The Clinton Administration's counter-proliferation program against North Korea has been a failure.... It probably makes more sense to spend the taxpayer dollars (which would be used to prevent this launch) on National/Theater Missile Defense and improved early warning systems which can actually be used to defend against the North Korean threat." He warned, "It is clear that if the North Koreans launch this missile now, support in Congress for the Clinton Administration's policy toward North Korea will erode. Moreover, South Korean public backing for President Kim's 'sunshine policy' and Japanese public support for KEDO could collapse. It should also be understood that delaying or stopping the missile launch will not decrease the North Korean threat to our nation and our allies." Gilman said that the US Congress's North Korea Advisory Group plans "to take a close look at the development of North Korea's nuclear, chemical and biological weapons and long-range missile programs. We will also be looking into North Korea's recent decision to move into the illegal narcotics trade in a big way. After waiting nearly a year for Dr. William Perry's report, we intend to report to the Congress and the American people the dimensions of the growing North Korean threat as soon as possible."

Reuters carried an analytical article (David Storey, "MOVES TO DEFUSE N. KOREA ENSNARED IN U.S. POLITICS," Washington, 09/02/99) which said that Republicans believe that they can make gains in next year's election by attacking US President Bill Clinton's policy toward the DPRK. Michael Green, who directed a task force on DPRK policy organized by the Council on Foreign Relations, said that lifting sanctions on the DPRK "is a political loser." Condoleezza Rice, foreign policy adviser to Republican presidential candidate George W. Bush, stated, "There's plenty of skepticism in the Bush camp about whether we're getting anything from North Korea in exchange for our promises of economic cooperation." US Representative Christopher Cox, Republican-California, issued a statement Thursday which said, "The Clinton-Gore administration has made the North Korean dictatorship the largest recipient of U.S. foreign aid in Asia -- while that same dictatorship uses the aid to oppress its own population, and to build ballistic missiles that can reach American territory."

#### 3. PRC Policy toward Taiwan

The Associated Press ("TAIWAN UNIMPRESSED BY CHINA'S VOW NOT TO USE NUCLEAR ARMS," Taipei, 09/03/99) reported that Sheu Ke-sheng, vice chairman of the Taiwan cabinet's Mainland Affairs Council, said Friday that the PRC must drop its threat to use force against Taiwan altogether, and not just rule out the use of nuclear weapons. Sheu stated, "Dialogue, communication and negotiations (are needed) to resolve problems, not violence in any form to solve issues." Taiwan Foreign Ministry spokesman Henry Chen said that the PRC should "get to the root of the issue and express clearly that they give up the threat of force against us." A survey by the Mainland Affairs Council showed that 88 percent of Taiwanese believe that the PRC is hostile toward Taiwan's government and 66 percent believe the PRC is hostile toward the people of Taiwan, while 87 percent oppose the "one-country, two- systems" formula.

#### 4. US Policy toward Taiwan

Christian Science Monitor (Jonathan S. Landay, "HOW FAR WOULD US GO TO PROTECT TAIWAN?" Washington, 09/03/99, 3) reported that US government refused to say the extent to which the US would be willing to defend Taiwan in case of a war with the PRC. An unnamed senior administration

official stated, "We don't get into hypotheticals. You state a policy and then apply that policy as the real world requires." The official added that current US policy "creates the right incentives for both sides to create a productive relationship rather than slip into tragedy." Harvey Feldman, a former US ambassador and Asia expert at the Heritage Foundation, stated, "The policy of strategic ambiguity has probably run its course. It is time for the US to say very affirmatively that [it] could not sit idly by and watch an armed assault on Taiwan." Ronald Montaperto of the Institute of National Strategic Studies, said that guaranteeing Taiwan's defense "would bring us to the brink of war with China. We would win that war, but the costs would be high." David Shambaugh of the George Washington University argued, "Ambiguity is a critical element of deterrence, and to keep the mainland guessing about what we would do may well deter them from taking action." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 3, 1999.]

#### **5. PRC Ascension to WTO**

The United States Information Agency (Steve La Rocque, "CHINA, U.S. TO SCHEDULE 'TECHNICAL LEVEL' REVIEW OF WTO ACCESSION," Washington, 09/02/99) reported that Deputy US Trade Representative for Asia, Latin America, and Canada Richard Fisher said Thursday that the PRC wants to have a "technical level review" with the US regarding its accession to the World Trade Organization (WTO). Fisher said that such a "stock taking" meeting could take place the week of September 6, "most likely in Beijing," but added that the discussion could also take place in Auckland, New Zealand, the site of the upcoming Asia-Pacific Economic Cooperation (APEC) Ministerial and Economic Leaders meetings. Fisher stressed that the meeting would be to review efforts to date, and would not be a negotiation.

#### 6. PRC-Russian Military Relations

The Washington Times (Bill Gertz and Rowan Scarborough, "RUSSIA-CHINA TIES," 09/03/99) reported that US intelligence agencies are conducting a major intelligence estimate of ties between Russia and the PRC at the request of Central Intelligence Agency (CIA) Director George J. Tenet. US officials said that they were alarmed by Russian-PRC missile cooperation and by the visit to Russia in June by PRC General Zhang Wannian of the Central Military Commission. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 3, 1999.]

The Washington Times ("RUSSIA DENIES SUBMARINE PLAN, Moscow, 09/03/99, 12) reported that an unnamed Russian foreign ministry official denied reports that Russia had agreed to sell the PRC two nuclear submarines capable of carrying ballistic missiles. The official stated, "No talks are being held or could be held on the delivery of nuclear submarines to China. This is absolutely untrue." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 3, 1999.]

#### 7. US-Russian Y2K Cooperation

The Associated Press ("RUSSIA AGREES TO DISCUSS U.S. PROPOSAL FOR JOINT Y2K MISSILE MONITORING," Washington, 09/02/99) reported that US Defense Department officials said Thursday that Russia has agreed to consider a US proposal for placing Russian representatives at a monitoring center in Colorado to ensure that any Year 2000 computer glitch will not cause unintended US missile launches. The officials said that US Defense Secretary William Cohen is expected to discuss the proposal with Russian Defense Minister Igor Sergeyev during a trip to

Moscow in mid-September. One anonymous official said that it appeared likely that Russia would agree to participate in the monitoring project.

#### 8. US Troops in Okinawa

The Los Angeles Times carried an analytical article by Chalmers Johnson, President of the Japan Policy Research Institute ("U.S. ARMED FORCES ARE ON TENTERHOOKS IN OKINAWA, 09/03/99) which said that a serious aviation accident in Okinawa would end Japanese tolerance for US military bases on the island. The author stated, "The U.S. military not only occupies 20% of Okinawa's territory, it also controls virtually all of Okinawa's air space. Okinawans and Japanese may not know it, but U.S. military personnel who oversee the safety of these skies are being pushed to the brink with overwork, poor equipment and training, and a lack of enforcement of air safety regulations." He argued, "The solution to these accidents-waiting-to-happen is very simple, and it could be set in motion by either the Japanese or the American governments. Prime Minister Keizo Obuchi could ask the Americans to give up their Marine bases in Okinawa and the Americans, as they did in the Philippines, would have no choice but to comply. This would not involve a rupture of the U.S.-Japan security treaty, as American ships could continue to call at Japanese bases and American military airplanes and troops could reach any trouble spot in Asia from either Guam or Hawaii or the West Coast of the U.S. Alternatively, President Clinton could order the reduction of forward-deployed American troops in Okinawa and a return of the bases to Japan without insisting that alternative sites be found." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 3, 1999.]

### II. Republic of Korea

#### 1. DPRK declares NLL invalid

The Korea Herald (Kim Ji-ho, "PYONGYANG DECLARES UNILATERAL NULLIFICATION OF SEA BORDER," Seoul, 09/03/99), Joongang Ilbo (Shim Shang-bok, "NK DECLARES THE NLL INVALID," Seoul, 09/02/99), Chosun Ilbo ("NK DECLARES OWN MARITIME BORDER," Seoul, 09/02/99) and The Korea Times ("NK DECLARES SEA BORDER INVALID; GENERATING FEARS OF NEW CLASH," Seoul, 09/02/99) reported that the DPRK on Thursday unilaterally declared the Northern Limit Line (NLL) "invalid." "Our self-defensive right to the military demarcation line in the West Sea will be exercised by various means and methods," the DPRK's military said in a special statement issued through its media. "The NLL is an illegal line which the U.S. army unilaterally drew ignoring international law and the armistice agreement," the statement said. "It accordingly is a serious infringement of the sovereign right of our republic." The ROK government refused to acknowledge the DPRK's declaration, stressing that the NLL is an effective borderline that should be maintained by the two sides. ROK Defense Ministry spokesman Yoon Il-young said, "They're just up to their old, worn out tricks." "The government would definitely defend the NLL until a new border line is set in a future joint committee between the two Koreas, " he added.

#### 2. ROK View of Berlin Talks

The Korea Herald ("NORTH KOREA EXPECTED TO CONFIRM MORATORIUM ON MISSILE TEST IN BERLIN," Seoul, 09/03/99) reported that an ROK top presidential aide said on Thursday that he expects DPRK officials to clear up their position on the move to suspend plans to test-fire a missile when they meet their US counterparts in Berlin next week. "We expect a lot from the talks," Hwang

Won-tak said in a background briefing for Chong Wa Dae correspondents. "I believe we can pin some hopes on the talks in view of the recent developments and signals from the North," said Hwang, the senior presidential secretary for foreign policy and national security. "We expect that the North will make convincing indications that it will put a moratorium on the missile launch during the Berlin talks," he said. Hwang, however, did not rule out the possibility that the DPRK might ignore the international pressure and not offer commitment to suspending the missile launch in Berlin. Hwang added that "Perry report" would be put high on the agenda in the upcoming US-DPRK negotiations.

#### 3. ROK-DPRK Cultural Exchange

The Korea Herald (Kim Ji-ho, "GOVERNMENT ALLOWS HYUNDAI TO CONSTRUCT GYM IN NORTH KOREA," Seoul, 09/03/99) and Joongang Ilbo (Kang Joo-an, "HYUNDAI TO HOLD BASKETBALL MATCH WITH NK IN PYONGYANG," Seoul, 09/02/99) reported that the ROK Unification Ministry said on Thursday that it has approved Hyundai Asan's project to build an indoor sports complex in Pyongyang, to help facilitate inter-Korean sports exchanges. Hyundai Asan's project plan calls for building a 11,788-seat gymnasium with a total investment of US\$580 million over the next two years with cooperation from its DPRK partner, the Asia-Pacific Peace and Cooperation Committee, company officials said. "Details, such as the amount of the investment and the timing of the groundbreaking, will be determined after Hyundai signs a contract and obtains the government's project approval," an ROK ministry official said. Meanwhile, a Hyundai official said that the group has tentatively agreed with the DPRK to hold friendly men's and women's basketball games September 28-29 in Pyongyang. Chung Ju-yung, Hyundai Group's founder and honorary chairman, is also scheduled to visit the DPRK September 27 via the truce village of Panmunjom and return home three days later, he said.

#### 4. DPRK Participation in Olympics

The Korea Herald ("NORTH KOREA EXPRESSES INTENTION TO PARTICIPATE IN SYDNEY OLYMPICS," Seoul, 09/03/99) and The Korea Times ("NK WANTS TO SET UP CONSULATE OFFICE IN AUSTRALIA, AMB. HELY SAYS," Seoul, 09/02/99) reported that the Australian ambassador to the ROK said on Thursday that the DPRK has expressed its intention to participate in the Sydney Olympics next year, as the DPRK and Australia are engaged in talks for improving bilateral ties between the two countries. Tony Hely said that the DPRK government has requested that it be allowed to dispatch a consular official to Sydney in connection with its plans to attend the 2000 Summer Olympic Games in the Australian city. Ambassador Hely said that the Australian government is ready to restore ties with the DPRK if the DPRK government improves its "international behavior" and shows responsiveness to the ROK's offer of talks.

#### 5. DPRK Refugees in PRC

The Korea Herald (Kim Ji-ho, "CHINESE ENVOY EXPRESSES DISCONTENT WITH SEOUL'S RAISING ISSUE OF N. KOREA REFUGEES' HUMAN RIGHTS," Seoul, 09/03/99), The Korea Times ("CHINA AMB. WARNS AGAINST 'NEO-INTERVENTIONISM' ON NK REFUGEES," Seoul, 09/02/99) and Chosun Ilbo (Kwon Dae-yol, "ENVOY REPEATS CHINA'S POSITION ON NK DEFECTORS," Seoul, 09/02/99) reported that PRC Ambassador to Seoul Wu Dawei on Thursday expressed strong dissatisfaction with the involvement of the ROK and other parties in the DPRK defector issue, issuing warnings against what he dubbed "new interventionism." "The issue of North Korean defectors is strictly between China and North Korea," Wu said. "Any move to complicate the problem (by foreign governments and non-governmental organizations) would not help any party involved." Wu's remarks were the strongest objection to ROK's involvement in the human rights issue of DPRK defectors in the PRC, causing concerns about a new diplomatic row between the countries, depending on the ROK's response to it, analysts said. When asked about the DPRK's suspected missile launch and the PRC's role in resolving the issue, Wu reemphasized that his government is opposed to the development of nuclear weapons and weapons of mass destruction on the Korean Peninsula.

#### 6. ROK-Japan Talks

The Korea Herald (Shin Yong-bae, "KIM, OBUCHI REAFFIRM COOPERATION TO PREVENT N.K. FROM FIRING MISSILE," Seoul, 09/03/99) reported that the prime ministers of the ROK and Japan on Thursday reaffirmed their watertight cooperation in dealing with DPRK's threatened missile launch. "In order to deter the North from going ahead with a second missile test, we decided to respond sternly (to the missile threat)," ROK Prime Minister Kim Jong- pil said at a joint news conference with Japanese Prime Minister Keizo Obuchi held after their talks. "In addition, we shared the view that it is important to implement the KEDO (Korean Peninsula Energy Development Organization) project smoothly because it has helped prevent the North from developing nuclear weapons," Kim said. At the talks, Obuchi told Kim that Japan may find it difficult to uphold public support for the KEDO project if the DPRK test- launched a missile. However, Obuchi said, if the DPRK gives up its plan to launch a missile, Japan would seriously consider improving its relations with the DPRK. Kim also conveyed to Obuchi concerns among Koreans over the resurgence of the right wing in Japan. "I believe that Japan will keep three principles (peace constitution, defenseoriented military and non-nuclear policy), but concerns are rising in our country," Kim told Obuchi. Obuchi responded that his country would bear the concerns in mind and try to take "proper" steps in order not to escalate such fears, ROK officials said.

The Korea Herald (Shin Yong-bae, "PRIME MINISTER SUGGESTS CREATION OF EAST ASIAN ECONOMIC COMMUNITY," Tokyo, 09/03/99) reported that ROK Prime Minister Kim Jong-pil on Thursday proposed the creation of an East Asian economic community involving the ROK, Japan, the PRC and Russia. "There are mounting demands that the four nations build up an economic cooperation body in East Asia," Kim said in a lecture before the Association for ROK-Japan Cooperation. Pointing out that many countries are trying to maximize their own interests through formation of regional communities like the EU and ASEAN, he said that East Asia has made little progress in having such a cooperative body. As a way to realize regional cooperation in East Asia, the prime minister reiterated his call for the creation of the so-called Asian Monetary Fund (AMF). "It is necessary for us to have a mindset that problems that take place in Asia should be resolved by the hands of Asians," he added.

#### 7. ROK-Russia Joint Military Exercise

The Korea Herald (Lee Sung-yul, "SEOUL, MOSCOW AGREE ON JOINT NAVAL DRILL," Seoul, 09/03/99) and The Korea Times ("SEOUL, MOSCOW AGREE TO HOLD JOINT MARITIME DRILL NEXT YR," Seoul, 09/02/99) reported that the ROK and Russia on Thursday agreed that their navies will begin undertaking joint maritime search and rescue exercises next year. The agreement was reached at a meeting between ROK Defense Minister Cho Sung-tae and his Russian counterpart Igor Sergeyev. Sergeyev arrived in Seoul earlier in the day for a four-day visit to the ROK. ROK Defense Ministry officials said that working-level officials from the two countries will discuss details of the exercise. Cho and Sergeyev also agreed to closely cooperate to dissuade the DRPK from testing another ballistic missile, which they said would pose a threat to security in the Northeast Asia. Sergeyev expressed Russia's support for the ROK's "sunshine policy" toward the DPRK, which he

said contributes to maintaining peace on the Korean Peninsula. The two defense ministers also agreed to the need for signing a pact "to prevent dangerous military actions" between their two countries. The pact, first suggested by Russia in 1994, is intended to prevent hostile military action at sea between the navies of the two countries, officials said. The ROK Defense Ministry said that working-level officials from the two countries would discuss the early signing of the treaty. They will also discuss the proposed establishment of an "emergency communication channel" between their two navies, the ministry said. To increase the frequency of exchange visits of military personnel, Cho and Sergeyev also signed an agreement on military exchanges between their countries for the next two years.

#### 8. ROK Diplomatic Policy

The Korea Herald (Kim Kyung-ho, "FOREIGN MINISTER SETS 4 DIPLOMATIC TASKS," Seoul, 09/03/99) reported that ROK Foreign Affairs and Trade Minister Hong Soon-young said on Thursday that ROK diplomacy in the 21st century should focus on four major tasks - management of ROK-DPRK relations, development of ties with surrounding powers, pursuit of the open market economy, and realization of universal human values. Hong, expressing his personal view, envisioned that the two Koreas would achieve unification or economic integration by the year 2020. He emphasized the need to push the engagement policy toward the DPRK with patience, regardless of occasional incidents, to lay the groundwork for a unified Korea. Hong predicted that the DPRK would have no option but to respond to the engagement policy. The minister also said that Mongolia should be included in the proposed Northeast Asian dialogue framework involving the two Koreas, the US, Japan, the PRC, and Russia so that it can deal with a whole range of regional issues beyond security. He stressed that the ROK's diplomacy should fit its status as a middle power to carry through the major tasks he suggested. Prof. Lho Kyong-soo of Seoul National University noted that ROK diplomacy is facing new challenges arising from rapid changes in the post-Cold War era. He said that the ROK should try to cement a cooperative relationship with the PRC, Japan, and Russia, indicating that the US leadership role in Northeast Asia may not last indefinitely.

#### III. Japan

#### 1. Japanese-ROK Talks

The Yomiuri Shimbun ("OBUCHI, KIM AGREE TO MEND TIES WITH N. KOREA IF MISSILE TEST HALTED," 09/02/99) and the Daily Yomiuri ("OBUCHI, KIM AGREE TO MEND TIES WITH N. KOREA IF MISSILE TEST HALTED," 09/03/99) reported that Japanese Prime Minister Keizo Obuchi and ROK Prime Minister Kim Jong-pil agreed on September 2 to improve relations between their two countries and the DPRK if the DPRK was deterred from test-firing another ballistic missile, Japanese officials said. "We reconfirmed that Japan, the US and the ROK would cooperate (in dealing with the missile issue), and agreed to do our utmost to ensure that the DPRK would respond positively," Obuchi said during a joint press conference shortly after his talks with Kim. "The three countries will find it possible to make headway in improving their relationship (with the DPRK) if the DPRK freezes its (reported) plan to test-launch another missile," Obuchi said. During the 90-minute meeting at the State Guesthouse in Tokyo, Obuchi also told Kim that Japan was prepared to resume dialogue with the DPRK if the DPRK responded positively to Japanese concerns about various issues between the two countries, including the alleged abduction of several Japanese by DPRK agents. The two leaders also agreed that their governments would work to smoothly implement the 1994 US-DPRK Agreed Framework.

#### 2. Japanese Policy Toward the DPRK

The Asahi Shimbun ("KOMURA SIGNALS EASING OF SANCTIONS AGAINST N. KOREA," 09/02/99) reported that Japanese Foreign Minister Masahiko Komura said on September 1 that the Japanese government could ease the yearlong sanctions imposed on the DPRK if progress is made in forthcoming missile talks between the US and the DPRK. Komura said that Japan's move to ease the sanctions that were imposed last September in retaliation for the DPRK's ballistic missile launch would come in coordination with the US and the ROK. Komura said, "It is not just that moves by the US (to ease its sanctions) that will prompt Japan into that direction, but it is also possible that Japan's moves could affect the United States." With regard to summit talks between Japan, the US, and the ROK scheduled in Auckland, New Zealand, Komura said, "It is hoped that there will come an environment that allows for dialogue with the DPRK." Komura also said that the Japanese government would be ready to improve its relations with the DPRK if the DPRK takes constructive steps to ease concerns in the international community and to address problems between Japan and the DPRK.

#### 3. Japanese-Russia Relations

The Yomiuri Shimbun ("JAPAN AND RUSSIA EXCHANGE STATEMENTS ON FREE VISITS TO NORTHERN TERRITORIES," 09/03/99) reported that Japan and Russia formally exchanged statements on September 2 agreeing on free visits to the Northern Territory by former residents of the territory and their spouses. The report added that based on the statements, the first group consisting of about 40 people will visit Shibotus of the Habomai islands on September 11 and 12.

#### 4. Japanese Maritime Security Policy

The Japan Times ("NEW COAST GUARD UNIT SOUGHT AGAINST INTRUDERS," 08/27/99) reported that the Japanese Defense Agency (JDA) plans to set up a coast guard unit separate from the Maritime Safety Agency (MSA) that would use high-speed patrol boats, according to papers submitted to a Liberal Democratic Party (LDP) meeting on August 27. Details of the new unit are included in the agency's draft budget request for fiscal 2000. The request totals 4.99 trillion yen, up 1.6 percent from the current fiscal year. Of the total, 31 billion yen is earmarked for countermeasures against vessels that intrude into Japanese waters. The plan envisions a 60-member coast guard within the MSDF that sources say would likely be deployed to Etajima, Hiroshima Prefecture, by early 2001. Funding would also be allocated to the construction of two missileequipped patrol boats that could reach speeds of up to 75 kph and to the purchase of machine guns and infrared night scopes to be used on MSDF destroyers and patrol helicopters. To counter any threat of biological and chemical weapons, JDA will establish a research unit at the Ground Self-Defense Force's (GSDF) Camp Asaka in Saitama Prefecture. With a 2.4 billion yen budget, the army unit will engage in studies on antinuclear, biological and chemical warfare, as well as medical issues. JDA also hopes to secure 2.7 billion yen to prepare for the formation of an antiguerrilla warfare unit in the near future, said the report.

#### 5. Japanese Nuclear Nonproliferation Policy

The Yomiuri Shimbun ("GOVERNMENT PUSHING NUCLEAR STATES TO RATIFY CTBT," 08/28/99) and the Daily Yomiuri ("GOVERNMENT PUSHING NUCLEAR STATES TO RATIFY CTBT," 08/28/99) reported that the Japanese government plans to propose at the Comprehensive Test Ban Treaty (CTBT) conference in Vienna in early October the adoption of a declaration urging nuclear states

that have signed the treaty to ratify it as early as possible, government sources said on August 27. The Japanese government hopes that submitting the proposal at the conference will speed up the process of the treaty's ratification and secure a leadership role for Japan, including the possible chairmanship of the conference. The signing of the treaty by relevant countries began in September 1996. The treaty stipulates that if it has not been put into effect within three years of the first signing, a conference be held to promote its ratification. The United Kingdom and France have ratified the treaty and are expected to attend the meeting, along with Japan. The US, Russia, and the PRC are also expected to attend, as are India and Pakistan. Japanese Prime Minister Keizo Obuchi in July sent letters to US President Bill Clinton, Russian President Boris Yeltsin, PRC President Jiang Zemin, and Pakistani Prime Minister Nawaz Sharif, urging that their countries ratify the treaty. Foreign Minister Masahiko Komura has met with and made known to his Indian counterpart, Jaswant Singh, Japan's desire that India sign and ratify the treaty as soon as possible. If a declaration urging nations to ratify the treaty is adopted at the conference, the government thinks it will give each country the impetus to reach a domestic consensus on the issue. The report quoted a Foreign Ministry official as saying that the government hopes to make the upcoming conference a forum in which the three major nuclear states--the US, Russia, and the PRC--take steps toward the treaty's ultimate ratification.

#### 6. DPRK Banks in Japan

The Sankei Shimbun ("DPRK BANKS' SUSPECTED ILLEGAL REMITTANCES TO DPRK," 08/29/99) reported that among 32 DPRK banks in Japan, 13 of them have gone bankrupt. Local governments decided on August 28 to investigate the bankruptcies in detail. According to the report, some Diet members already pointed out during sessions that part of the debts owned by these banks may have been sent to the DPRK. The report said that these banks will be grouped into five blocks to be supervised by local governments. These banks were located in Aomori, Miyagi, Chiba, Niigata, Nagano, Fukui, Shimane, Hiroshima, Yamaguchi, Fukuoka, and Nagasaki Prefectures, and in Tokyo.

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of <u>other NAPSNet resources</u>.

We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

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