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CONTENTS

I. [United States](#)

1. [DPRK Missile Test](#)
2. [DPRK-US Bilateral Meeting](#)
3. [Flood in DPRK](#)
4. [DPRK-ROK Soccer Match](#)
5. [ROK-Japan Military Exercises](#)
6. [Japan's DPRK Policy](#)
7. [PRC Missile Test](#)
8. [Taiwan Military Exercises](#)
9. [US View on PRC-Taiwan Military Exercises](#)
10. [US Policy toward Taiwan](#)
11. [PRC Film on Nuclear Bomb](#)
12. [PRC-US WTO Talks](#)
13. [Taiwan Ascension to WTO](#)
14. [Kashmir Conflict](#)
15. [Indian Fighter Production](#)

II. [Republic of Korea](#)

1. [DPRK Missile Test](#)
2. [ROK Policy toward DPRK](#)
3. [DPRK Floods](#)
4. [Mt. Kumgang Tour](#)
5. [DPRK-ROK Workers Soccer Match](#)

III. [People's Republic of China](#)

1. [Mt. Kumgang Tour](#)
2. [US Arms Sales to Taiwan](#)

3. [Bombing of PRC Embassy](#)
4. [PRC Missile Test](#)
5. [Across-Taiwan Straits Relations](#)
6. [PRC View on Taiwan Issue](#)
7. [PRC Military Modernization](#)
8. [Japanese Chemical Weapons Left in PRC](#)

I. United States

1. DPRK Missile Test

The Associated Press ("MILITARY EXERCISE FOR JAPAN, SKOREA," Seoul, 08/04/99) reported that Japanese Prime Minister Keizo Obuchi's spokesman Akitaka Saiki said that the Japanese government does not believe that a DPRK missile test is imminent, but remains on alert. Saiki said, "We have intelligence information and we don't think a launch will take place within a week or two."

The Los Angeles Times (Mark Magnier, "CHINA TEST SEEN AS IMPETUS FOR N. KOREA MISSILE LAUNCH," Tokyo, 08/04/99) reported that, according to analysts, the PRC launch this week of a new long-range missile could complicate efforts to keep the DPRK from following suit. Ichita Yamamoto, a parliament member in Japan's upper house and a member of the ruling Liberal Democratic Party, said, "It's really bad timing. I'm sure it will give an excuse to North Korea that this is [justified by] national sovereignty." Yamamoto said that the best way to discourage the DPRK may be to threaten its access to Japanese technology and the estimated US\$600 million in cash remittances the country receives each year from Japan. However, Osamu Yatabe, secretary-general of Japan's New Socialist Party who just returned from Pyongyang, said his meetings with officials there convinced him that no launch is imminent. Yatabe said, "Japan makes too much noise." A Western diplomat based in Tokyo said that the PRC's action could seriously complicate recent efforts by the US, the ROK, and Japan to contain the DPRK. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for August 4.]

2. DPRK-US Bilateral Meeting

US State Department spokesman Jamie Rubin ("STATE DEPARTMENT NOON BRIEFING," Washington, USIA Text, 08/03/99) said that the latest in a series of bilateral talks between the DPRK and the US were held in Geneva on Wednesday. Rubin said that at the bilateral meeting, the US stressed to the DPRK the advantage of taking steps to improve its relations with the US and the international community. Rubin said, "At the same time, we also expressed our concern -- that we have expressed in the past and that we don't miss an opportunity to express - about the dangers of another long range missile launch by North Korea."

3. Flood in DPRK

Reuters ("RED CROSS SAYS 42 DEAD, 39,000 HIT IN N.KOREA FLOOD," Geneva, 08/04/99) reported that, according to Marcel Fortier, head of the DPRK desk at the Geneva-based International Federation of Red Cross and Red Crescent Societies (IFRC), 42 people were killed and another 39,000 affected by the recent floods in the DPRK. Fortier said that Kaesong, Kaepung, Panmun, and Changpung counties had been worst hit by the floods. Fortier added that in addition to the dead, at least 92 people were badly wounded in the floods and mudslides, according to figures provided by the IFRC and the local Red Cross. He stated, "Communication lines have been damaged, homes have

been destroyed, fields inundated with water and drinking water supplies affected. Our staff observed numerous villages and communities were under water." Fortier said that a joint field mission by IFRC staff and local Red Cross workers on Tuesday found 19 homes buried under a mudslide in just one area in Kaesong. According to Fortier, the IFRC was urgently dispatching emergency supplies, including rice, blankets, cooking sets, and medicine. He said, "It is the highest number of dead in floods in North Korea in recent times. This was a sudden disaster that will have an impact on the food production in North Korea."

4. DPRK-ROK Soccer Match

The Associated Press ("KOREANS TO HOLD FRIENDLY MATCH," Seoul, 08/03/99) reported that, according to the ROK's Korean Confederation of Trade Unions (KCTU), the ROK and the DPRK plan to hold a workers' friendly soccer match. The KCTU said on Tuesday that it received an invitation to play soccer from the DPRK General Federation of Trade Unions. The KCTU added that thirty ROK players were invited to participate.

5. ROK-Japan Military Exercises

The New York Times (Howard W. French, "TOKYO AND SEOUL UNITE TO CONFRONT NORTH KOREA ARMS," Tokyo, 08/04/99) and the Associated Press ("JAPAN, S. KOREA HOLD NAVAL EXERCISE," Seoul, 08/04/99) reported that Japan and the ROK held a joint naval exercise on Wednesday for the third day. According to the ROK Defense Ministry, the six-day exercise is the first joint military exercise between the two countries. The Ministry said that the exercise, which is a mock search and rescue of a wrecked civilian vessel in international waters, is being held in the East China Sea between Japan's southwestern island of Kyushu and the ROK's Cheju Island. The Ministry also said that the drill involved a destroyer, an escort vessel and a helicopter from the ROK, and three destroyers, one patrol plane, and three helicopters from Japan. The Ministry emphasized that the exercise, involving 1,200 ROK and Japanese sailors, was for peaceful purposes. The Ministry blocked media coverage and said that it did not want to provoke the DPRK. [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for August 4.]

The Associated Press ("MILITARY EXERCISE FOR JAPAN, SKOREA," Seoul, 08/04/99) reported that the DPRK's Korean Central News Agency (KCNA) denounced the joint military exercise between Japan and the ROK. KCNA stated, "The exercise is ... aggressive and criminal in its nature because it is (a) targeted maneuver under the simulated conditions of a real war."

6. Japan's DPRK Policy

The New York Times (Howard W. French, "TOKYO AND SEOUL UNITE TO CONFRONT NORTH KOREA ARMS," Tokyo, 08/04/99) reported that, according to Japanese analysts, people in Japan have increasingly questioned aspects of the Japanese government's constitutionally mandated antimilitarism. Tomohisa Sakanaka, president of the Research Institute for Peace and Security, a private policy organization, said, "Gradually Japanese people are becoming aware that they are facing a threat from North Korea, and this has been a very good chance for the society to re-evaluate our security posture." Toshiyuki Shikata, a retired general with Japan's National Self Defense Force, said, "We have four options. We could just keep smiling and continuing the 'sunshine policy' toward North Korea, or develop our own long-range missile, which people in the region and our own public opinion would oppose." However, Shikata said that between the two extremes, the Japanese government has decided to develop a theater missile-defense system with the US and to

give Japan a retaliation capability through its air force. Shikata said, "If a Korean missile should fall in Japanese territory, the Prime Minister could then order the destruction of North Korean missile sites, and I believe the Japanese public would support the Government in these measures." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for August 4.]

7. PRC Missile Test

US Defense Department Spokesman Kenneth Bacon ("PENTAGON REGULAR BRIEFING," Washington, USIA Text, 08/03/99) said that the US had known for a long time that the PRC had been planning to test a long-range missile. Bacon said, "There's nothing surprising about that. The test they announced was successful. They are not close to deploying a new mobile missile as far as we can tell. If they choose to deploy, it will be several years off. So I don't think this was a direct response to what's going on in the strait. I think they've been working on this for some time, and it is part of an evolutionary improvement in their strategic force which remains quite a small force -- some 20 or slightly more intercontinental ballistic missiles.... I would say it does not give them a significantly enhanced military capability."

Reuters ("JAPAN TELLS CHINA OF CONCERN OVER MISSILE TEST," Tokyo, 08/04/99) reported that Japanese government spokesman Hiromu Nonaka said on Wednesday that the Japanese Foreign Ministry had formally voiced its concern to the PRC over its test earlier this week of a new long-range missile. Akitaka Saiki, a spokesman for Japanese Prime Minister Keizo Obuchi, said, "Generally speaking ... the Japanese government is concerned about missile launches at a time when the international community is striving for arms reduction. When such efforts are being made by the international community as a whole, we cannot be pleased with anything that would go counter to these joint efforts." Saiki said, however, that Japan did not intend to link the PRC's reported missile test with the situation in the DPRK since the missile test was conducted within PRC territory.

8. Taiwan Military Exercises

The Associated Press (Christopher Bodeen, "TAIWAN PLEDGES RESTRAINT," Taipei, 08/04/99) reported that, according to Taiwan's Defense Minister Tang Fei, Taiwan's armed forces will be tough but restrained. Tang said that the Taiwan Strait is in international waters and Taiwan's key interest is ensuring safe usage for civilian aviation and shipping. Tang said, "We follow international law and are extremely self-disciplined in the spirit and in the means we use to handle these matters. We don't wish to see any provocation but will do what is necessary." Taiwanese Defense Ministry Spokesman Kung Fan-ding said that military activity in the strait has been "more than normal," but added that July and August have traditionally been the high season for PRC training due to optimum weather conditions. Kung also denied reports that PRC military planes and ships have crossed the Strait's center line.

9. US View on PRC-Taiwan Military Exercises

US Defense Department Spokesman Kenneth Bacon ("PENTAGON REGULAR BRIEFING," Washington, USIA Text, 08/03/99) said that there has been an increase of military activities by both the PRC and Taiwan. Bacon stated, "We urge both sides to show restraint, and we continue to urge restraint. We've made it very clear that we want disputes resolved peacefully. We want both sides to avoid provocative acts. We hope that all problems will be solved by dialogue, and that's our policy. That's what we're urging."

US State Department Spokesman James Rubin ("NO EVIDENCE TAIWAN, CHINA PREPARING FOR MILITARY ACTION," Washington, USIA Text, 08/03/99) said that there is no evidence that either side is preparing for military action. However, Rubin noted that "any time you have military aircraft flying this close to each other in these numbers, there is concern about accidents. We have not seen extraordinary developments that constitute preparations for military action. We continue to urge both sides to exercise restraint."

10. US Policy toward Taiwan

The Associated Press (Tom Raum, "U.S. ON CHINA-TAIWAN TIGHTROPE," Washington, 08/04/99) reported that US administration officials voiced strong opposition to legislation introduced by US Senate Foreign Relations Committee Chairman Senator Jesse Helms and US Senator Robert Torricelli to increase military support for Taiwan. US Assistant Secretary of State Stanley Roth said that the legislation "could risk a dangerous response from the other side." US State Department spokesman James P. Rubin also urged the US Congress on Tuesday against any such effort. Rubin said that the Taiwan Relations Act of 1979 should not be modified, arguing, "We don't think that given the sensitivity of Taiwan, both to Taiwan and to China, that there's ever a good time to make adjustments in a policy that has served our nation well." However, Helms stated, "This government is a bunch of nervous nellys afraid that they will offend mainland China. The need to enhance our defense relationship with Taiwan is obvious." Helms also said that the US Clinton administration has "a boundless desire to appease the Chinese communists." The Helms- Torricelli "Taiwan Security Enhancement Act" would prohibit limitations on arms sales to Taiwan, establish direct communications between the US and Taiwanese military forces, and authorize the sale of a broad array of new weaponry, including missile defense systems and advanced air-to-air missiles.

The Washington Post carried an editorial ("TAIWAN TENSIONS," 08/04/99, 20) which argued that US President Bill Clinton believes that an accommodating attitude toward the PRC is the best way to maintain peace in Asia. The article said, "Clinton wants to develop a 'strategic constructive partnership' with China's regime, and to do so he treats friendly democracies in the region -- Taiwan, South Korea, even Japan -- as if they were of secondary importance. That's why Mr. Clinton accepts China's fiction that Taiwan is not a separate state." The article noted that the US maintains a policy of "strategic ambiguity"--warning the PRC against the use of force without explicitly promising to defend Taiwan against PRC attack--to discourage Taiwan from declaring independence. It argued, "The danger, though, is that China, rather than Taiwan, will misjudge U.S. steadfastness. In the long run, there will be more chance of deterring war, securing peace and even fostering good relations with China if the United States opts for clarity, not ambiguity, in showing support for its true friends in the region." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for August 4.]

11. PRC Film on Nuclear Bomb

The Associated Press ("CHINA COMMEMORATES ITS ATOMIC BOMB," Beijing, 08/03/99) reported that, according to the PRC's state-run Xinhua news agency, the PRC plans to mark the 50th anniversary of its foundation on October 1 with a US\$1.8 million feature film, "Birth of the Chinese A-bomb." According to Xinhua, the film, which is about how the PRC built its first atomic weapon without foreign help, was filmed on location in Lop Nor, a desert nuclear test site where the PRC exploded its first atomic bomb on October 16, 1964. Xinhua said that formerly confidential documents and digital effects were used in filming the movie.

12. PRC-US WTO Talks

The Associated Press ("U.S. SEES IMPROVED CHANCES FOR RENEWED TRADE TALKS WITH CHINA," Washington, 08/03/99) reported that US Commerce Undersecretary for International Trade David Aaron said that he was encouraged by the comments made by PRC officials when he visited Beijing last week. Aaron also said discussions on the PRC's accession to the World Trade Organization (WTO) could be restarted soon, even though the PRC has yet to agree formally to return to the negotiating table. Aaron said that once talks resume, the agreement could be wrapped up fairly quickly, in time to win congressional approval this year even though "the time is clearly shortening up. There are important issues to be resolved, but I think it could be negotiated expeditiously."

13. Taiwan Ascension to WTO

Reuters ("TAIWAN TO PUSH WTO BID DESPITE CHINA'S SPOILING," Taipei, 08/04/99) reported that Taiwan director of the Board of Foreign Trade Chen Ruey-long said on Wednesday that Taiwan would not give up its bid to enter the World Trade Organization (WTO). Chen stated, "We are not surprised at all over attempts by the Chinese Communists to block us from entering WTO, and we will not change our goal to gain access to the WTO by the end of this year.... All I can say is Taiwan's membership should be decided by its own merits."

14. Kashmir Conflict

Reuters ("TEN KILLED AND THREE WOUNDED IN KASHMIR GUN BATTLE," Jammu, 08/04/99) reported that, according to Indian Deputy inspector-general K. Rajinder Kumar, ten people were killed and three wounded in a gun battle between security forces and armed militants in the north Indian state of Jammu and Kashmir. Kumar said that five foreign mercenaries, four army personnel, and a civilian died on Tuesday in the battle in the border district of Rajouri, 176 km (110 miles) north of Jammu. Kumar stated, "The encounter is over, but combing operations in the adjoining areas are still on." Indian police said that most of the foreign mercenaries were from the Lashkar--Taiba, a Pakistan-based guerrilla group that has refused to withdraw from Kashmir.

15. Indian Fighter Production

The Washington Times (Uday Khandeparkar, "INDIA TO UPGRADE ITS AIR STRENGTH BY MAKING NEW MIGS'," Bombay, 08/04/99, 13) reported that India will shortly begin series production of upgraded Russian MiG-21bis fighters at the state-owned Hindustan Aeronautics Ltd. factory. Indian Air chief Marshal A.Y. Tipnis said, "This project is well under way ... the prototypes in Russia have done close to 40 evaluation sorties. A few more are required, and the series production of 125-odd air-craft ... will start shortly." Tipnis said that the MiG-21bis upgrade project, initially due for completion by 1996, had fallen behind schedule because the fighters were to be upgraded in phases. Tipnis added, "There is no direct relation between the [Kashmir] operation and the advanced jet trainer, but I think the awareness that the air force has to be at the pinnacle of its readiness at all times has been underlined very strongly."

II. Republic of Korea

1. DPRK Missile Test

Chosun Ilbo (Park Cheong-hun, "NK BUILDING PIPELINE AT MISSILE SITE," Seoul, 08/03/99) reported that the Japanese newspaper Sankei Shimbun reported on Tuesday that the DPRK is building a fuel pipeline at its Musudan-ri missile facility, host to its new Taepodong 2 missile. Quoting US and Japanese sources, the paper said that US spy satellites have confirmed the construction of a pipeline within the facility able to transport liquid fuel and oxidizing agents. The Taepodong 2 is reported to use two to three times the fuel used by the Taepodong 1 missile.

2. ROK Policy toward DPRK

The Korea Times (Son Key-young, "MISSILE FIRING WILL LEAD TO NK'S ISOLATION: HONG," Seoul, 08/03/99) reported that ROK Foreign Affairs-Trade Minister Hong Soon-young told CNN on Monday that the DPRK will face diplomatic isolation if it launches a missile despite the warnings of the international community. Hong stated, "We are also prepared for the eventuality of a missile launch. If it happens, we will take diplomatic and economic measures, deeply isolating the North Korean regime. This is a big penalty to the regime." However, the minister made it clear that such countermeasures to be taken in the event of a missile being test-fired would not affect the implementation of the Agreed Framework. He defined the DPRK's missile launch as a threat for the whole region as well as a "challenge to a non-proliferation regime, which is one of the main pillars of the current world order. So it is not a matter of sovereign matters, but a matter of peace and security." Hong added, "The solution to the threat lies in how to get North Korea engaged in a regime of peaceful coexistence. The solution doesn't lie in military reactions and measures being taken against North Korea's provocation." He added that the DPRK is developing weapons of mass destruction and missile technologies because it is "so much obsessed with its own security and its own survival." Hong stated, "If North Korea decides against committing another act of provocation, we will reward them with security guarantees, an easing of sanctions, more food aid supplies, economic cooperation, and the improvement of relations with the outside world. This is why I call it a package of incentives and disincentives." In the meantime, he urged the international community to help the ROK in dissuading the DPRK from firing another missile. Hong also said that the overall food situation in the DPRK is improving. He stated, "Unless North Korea restructures its whole economic system and ... changes from a command economy to a market economy, there is no real solution to their problem of economic deterioration." He described the DPRK ship detained in India as "a matter of concern. The ultimate aim of containing the North Korean missile program is to prevent North Korea from exporting missiles to other countries. We are very concerned about these reports. We are waiting for evidence proving the material is from North Korea and intended for a third country."

3. DPRK Floods

Chosun Ilbo (Kim In-ku, "NK SUFFERS HEAVY FLOOD DAMAGE," Seoul, 08/03/99) reported that the DPRK's official Central News Agency announced on Tuesday that severe flooding has occurred in central parts of the country due to intense rainfall. It said that 100,000 acres of land were flooded with substantial areas of farmland washed away, and that there had been considerable loss of life. The city of Kaesong experienced 564mm of rain, and high tides coincident with the rainfall saw 37,000 acres of land flooded and 2,700 acres washed away. The agency reported similar damage in the provinces of Pyongbuk, Pyongnam, Hwanghae and Kangwon. The ROK government sources said that the DPRK is defenseless against the weather, as it has no long-term meteorological forecasting capability. They added that damage in Pyongnam and Kangwon would be particularly bad, as occupants had just restructured farms in the area. This will in all probability lead to further food shortages as the area is considered the DPRK's breadbasket.

4. Mt. Kumgang Tour

Joongang ilbo (Kang Joo-an, "FEWER RESERVATIONS FOR RESUMED MT.KUMGANG TOURS," Seoul, 08/03/99) reported that reservations for the Mt. Kumgang tour, which will be resumed on Thursday, have not recovered the levels seen before the suspension on June 21. The Hyundai Merchant Marine announced on August 3 that the number of reservations for the tour ship Bongrae-ho, which will depart on Thursday, totaled 500 as of the morning of August 3, which is less than 70 percent of the vessel's capacity of 750 seats. Among those, only 50 reservations have been newly made, while 152 people made reservations before the tour's suspension and some 300 people are taking up reservations postponed due to the suspension. Before the suspension, the reservation rate exceeded 80 percent. A source within Hyundai said, "Although the resumption of the cruise tour has been announced, a lot of people are wary of the situation. The reservation rate will increase to the level of above 80 percent seen before the suspension by the middle of this month."

5. DPRK-ROK Workers Soccer Match

Joongang ilbo (Kang Joo-an, "NK'S UNIONISTS INVITE S.KOREAN COUNTERPARTS TO WORKERS SOCCER MATCH," Seoul, 08/03/99) and The Korea Times ("S-N WORKERS SOCCER GAME DUE NEXT TUE.," Seoul, 08/03/99) reported that the ROK's Korean Confederation of Trade Unions (KCTU) announced on August 3 that it has received an invitation to finalize the details of the proposed DPRK-ROK Workers' Soccer Game from the General Federation of Trade Unions (GFTU) of the DPRK. In the letter, which was sent through the Asia-Pacific Peace Committee's Beijing branch, the vice-Chairman of the GFTU, Lee Jin-soo, suggested the soccer game be scheduled for August 10. The KCTU summoned an urgent executive meeting at 11 am to discuss the preparation and details. Lee said in the invitation that they have decided to hold the soccer game in Pyongyang, and he invited about 30 members of the KCTU soccer team, including KCTU Chairman Lee Kap-yong, while assuring the safety, convenience, and safe return of the delegation. The GFTU added that they would accept working-level talks in preparation for the game, at the request of the KCTU.

III. People's Republic of China

1. Mt. Kumgang Tour

People's Daily ("ROK RESUMES TOURS TO DPRK," Wang Linchang, Seoul, 8/2/99, A11) reported that the ROK Government said on August 1 that it decided to resume the tour program to the DPRK's Kumgang Mountain. The program was suspended on June 20 after DPRK authorities detained an ROK woman for allegedly preaching defection, the report said. Media in Seoul said that the ROK Unification Ministry made the decision to resume the tour program after the ROK's Hyundai Group signed agreements on July 30 with the DPRK's Asia-Pacific Peace Commission on safety guarantee measures and on detailed rules for the tour. An ROK Unification official said on August 1 that the government allowed the Hyundai Group to mail the sightseeing and development fare of July worth US\$8 million to the DPRK side, and the Kumgang Mountain tour program will resume on August 5. ROK media believe that resuming the Kumgang Mountain tour program will be conducive to relaxing the ROK-DPRK relationship, which is cool at present.

2. US Arms Sales to Taiwan

People's Daily ("CHINESE GOVERNMENT LODGES A STRONG PROTEST TO THE US," Beijing, 8/3/99, A4) reported that PRC Vice Foreign Minister Yang Jiechi on August 2 summoned James

Moriarty, charge d'affaires ad interim of the US Embassy, to his office. On behalf of the PRC Government, Yang lodged a strong protest against the US Government's announcement of plans to sell a large number of advanced weapons and equipment to Taiwan. Yang said that the US Government made the announcement recently, clearly in defiance of the firm objection and solemn arguments of the PRC Government. The weapons to be sold to Taiwan include a number of E-2T early-warning planes and parts and equipment for F-16 fighters. The deal is valued at US\$550 million. The erroneous practice seriously violates the three Sino-US joint communiques, especially the August 17 communique signed in 1982, Yang said. It is also a gross sign of interference in China's internal affairs and an encroachment on Chinese sovereignty and territorial integrity, he said. In addition, it will further intensify tensions across the Taiwan Straits, and cause severe damage to Sino-US relations, he said. He added that the determination of the Chinese Government and people to safeguard national sovereignty and territorial integrity is unchangeable and that the Taiwan issue will surely be resolved and China completely reunified. The PRC believes in certain principles in developing Sino-US relations, he said. Improved and expanded relations must be based on the three joint communiques between the PRC and the US and the principles of these communiques should not be violated, he said. The US needs to fully understand the seriousness and danger of selling arms to Taiwan and must correct its mistake through concrete actions by canceling the arms sales, Yang said.

3. Bombing of PRC Embassy

China Daily ("US TO PAY FOR EMBASSY CASUALTIES," 7/31/99, A1) reported that according to the PRC Foreign Ministry, PRC and US delegations reached an agreement on July 30 on compensation for the personnel casualties and property losses caused by the US bombing of the PRC Embassy in the Federal Republic of Yugoslavia on May 8 of this year. The US side will soon pay a compensation fund of US\$4.5 million to the PRC Government, which will then distribute the fund to family members of the three "revolutionary martyrs" and those injured during the bombing. The PRC and US sides will continue negotiations about the compensation for the property losses of the PRC side.

4. PRC Missile Test

People's Daily ("CHINA SUCCESSFULLY TESTS A NEW TYPE OF LONG-RANGE GROUND-T-GROUND MISSILE," Beijing, 8/3/99, A1) reported that the PRC successfully conducted a test launch of a new type of long-range ground-to-ground missile within its territory on August 2.

5. Across-Taiwan Straits Relations

People's Daily ("ARATS COMMENTS ON KOO'S SPEECH," Beijing, 7/31/99, A1) reported that the Association for Relations Across the Taiwan Straits (ARATS) said on July 30 that a written speech by Koo Chen-fu sent by Taiwan's Straits Exchange Foundation (SEF) continues to preach more fallacies on the "special state-to-state relations." An ARATS official said that the speech once again lays bare attempts by Taiwan President Lee Teng-hui to cling to splittism. He said that Lee's acts have seriously deteriorated cross-Straits relations and destroyed the basis of contacts, exchanges, and dialogues between ARATS and SEF. Lee Teng-hui should bear full responsibility for all the consequences arising from this, the ARATS official said.

People's Daily ("SEF LETTER UNACCEPTABLE," Beijing, 7/31/99, A1) reported that the Association for Relations Across the Taiwan Straits (ARATS) said on July 30 that the letter and the written speech by Koo Chen-fu sent by the Taiwan-based Straits Exchange Foundation to ARATS at 2:00

p.m. on July 30, seriously violates the "one China" principle, on which the two organizations reached an agreement in 1992. The letter and the written speech cannot be accepted and was sent back, ARATS said.

6. PRC View on Taiwan Issue

China Daily ("ARMY READY TO FIGHT SPLITTISM," Sun Shangwu, 8/2/99, A1) reported that PRC Defense Minister Chi Haotian said on July 31 in Beijing that the People's Liberation Army (PLA) is ready to use force to stop any activities conducted for Taiwan independence. "The PLA stands ready and prepared to defend the country's sovereignty and territorial integrity at any time and will firmly smash any attempts to split the motherland," Chi said. He made these remarks at a reception held by the Ministry of Defense in the Great Hall of the People to celebrate the 72nd anniversary of the founding of the PLA. Chi, who is also vice-chairman of the Central Military Commission, warned Lee Teng-hui and Taiwan authorities "not to underestimate our firm resolution to safeguard State sovereignty and territorial integrity, and not to underestimate our courage and strength against separation and Taiwan's independence."

7. PRC Military Modernization

China Daily ("DEFENSE FORCES SHARPEN EDGES," Guo Nei, 7/31/99, A1) reported that the People's Liberation Army (PLA) has made substantial progress in strengthening the national defense power over the past five decades, a Beijing-based magazine reported. The army has become a technically and organizationally advanced force and is now much smaller, better equipped with high-tech weapons, quicker in mobilization, and able to cope with high-tech wars, said Outlook weekly in its July 26 issue. In terms of weapons, the modernization process has witnessed rapid progress since the foundation of the People's Republic of China 50 years ago, the article said. By 1997, the PRC had developed scores of missiles, many of which can match the leading missiles of the world. The PRC is also the fifth country in the world able to launch missiles from submarines, the article said. The Outlook stressed, however, that the PRC's nuclear weapons only serve its self-defense needs. The quantity and quality of the PRC's nuclear arsenal cannot compare to those of the world's super military powers, the magazine said.

8. Japanese Chemical Weapons Left in PRC

People's Daily ("CHINA AND JAPAN SIGN MEMO ON DESTRUCTION OF CHEMICAL WEAPONS LEFT IN CHINA," Beijing, 7/31/99, A2) reported that the PRC and Japanese governments signed a memorandum on July 30 in Beijing on the destruction of chemical weapons left by Japan in Chinese territory. PRC Vice Foreign Minister Wang Yi presented the PRC's principles and positions on this issue. He also emphasized that the Japanese side has clearly admitted in the memorandum the fact of leaving the chemical weapons in the PRC and committed that it will seriously implement the responsibility and obligations of destroying those weapons. The PRC side urged the Japanese side to start the destruction process immediately and completely resolve the important historical issue as early as possible.

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 [other NAPSNet resources](#).

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

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