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I. United States

1. DPRK Ships in ROK Waters

The New York Times ("FREER PASSAGE FOR NORTH KOREAN SHIPS," Seoul, 6/5/01) reported that the ROK government agreed Tuesday to let DPRK commercial ships use the sea lanes between Cheju Island and the Korean peninsula. The ROK National Security Council asked only that DPRK tell ROK authorities in advance. The decision avoids what had threatened to become a major incident after three DPRK ships sailed through the strait without informing the ROK Defense Ministry, which tracked the passage. An ROK military spokesman, explaining why the ships were not challenged, invoked the spirit of the joint communique signed at the inter-Korean summit last June, resolved to seek better relations.

2. US-PRC Relations

Agence France Presse ("FORMER PRESIDENT WANTS U.S. TO TREAT CHINA AS A FRIEND," Washington, 6/5/01) reported that former US president Gerald Ford urged the administration of George W. Bush to treat the PRC as a friend, arguing a more confrontational approach to that country would be counterproductive. Ford told a news conference on June 4, "I firmly believe we should proceed in our relationship with China on the basis that they are a friend, not an adversary, and that any differences we may have on human rights, military programs or anything else, we should work with them in trying to resolve the issues, not to treat them as an enemy." Ford said he firmly believed the White House "can and must work in conjunction with the current leadership in China in a constructive way, not in an adversarial way." At the same time, Ford offered Bush full support on his plan to develop a national missile defense system.

3. Japanese View of US Missile Defense

Associated Press ("MINISTER ISSUES DENIAL," Tokyo, 6/5/01) reported that Japanese Foreign Minister Makiko Tanaka denied voicing doubts about the US missile defense plan, saying Chief Cabinet Secretary Yasuo Fukuda inaccurately portrayed her remarks to Australia's top diplomat. Fukuda said Tanaka told former prime minister Ryutaro Hashimoto that she expressed her doubts in a meeting last week with Australian Foreign Minister Alexander Downer. Japan has refrained from openly supporting a US missile defense shield proposed by US President George W. Bush, saying only that it "understands" the US government's plans.

II. Republic of Korea

1. DPRK-Malaysia Relations

The Korea Herald (Kim Ji-ho, "MALAYSIAN FOREIGN MINISTER TO VISIT NK," Seoul, 06/05/01) reported that ROK officials said Malaysian Foreign Minister Syed Hamid Albar arrived in the DPRK on June 4 for a four-day visit. Albar will discuss Malaysia's plans to offer technological assistance to the DPRK. He will also pay a courtesy call to DPRK leader Kim Jong-il. The two countries established diplomatic relations more than 20 years ago.

2. ROK-US Talks on DPRK

The Korea Herald ("FOREIGN MINISTER TO VISIT US FOR TALKS ON NK," Seoul, 06/05/01) reported that ROK Foreign Minister Han Seung-soo will leave for the US on Tuesday for a weeklong trip to discuss the new US policy toward the DPRK and an expected resumption of US-DPRK talks. Han will meet with US Secretary of State Colin Powell, National Security Adviser Condoleezza Rice, Deputy Secretary of State Richard Armitage and other senior US foreign and security policy officials.

3. DPRK Trade Volume

Joongang Ilbo (Lee Young-jong, "NORTH KOREA OVERSEAS TRADE REAPS $1.97 BILLION FOR LAST YEAR," Seoul, 06/04/01) reported that DPRK's trade volume showed an overwhelming 33.1 percent growth last year (US$1.97 billion) compared to its previous growth of 2.6 percent. The DPRK's overseas trade volume surged by 33.1 percent from 1999, its export recording US$556.33 million and import, US$1.41321 billion. The total volume of trade for the year 1999 amounted to

US$1.48 billion as revealed by the Korea Trade Investment Promotion Agency (KOTRA) on June 3. According to the report, last year's export showed an 8 percent increase and import a whopping 46.5 percent increase from its previous year resulting into US$515 million in total. The DPRK's export products largely included mechanical, electrical, chemical and plastic parts. Most of the DPRK's import included facilities needed to build power plants, factory, computer and vehicles, implying that the big investment the country is pouring on industrial sector. The PRC and Japan used to be the big trade partners of the DPRK, but Thailand and Hong Kong have since emerged as new partners. KOTRA said, "The increased transactions has much to do with aids from abroad such as surplus in inter-Korean trade and foreign currency earned from Mt. Kumgang business rather than the uprise in the export."

4. DPRK Officials to Study Capitalism

Joongang Ilbo (Ko Soo-suk, "NEARLY 400 N.K. OFFICIALS OUT TO STUDY CAPITALISM ABROAD," Vienna, 06/04/01) reported that the ROK Unification Ministry in its latest report on "North Korea's Change since the Inter-Korean Summit Meeting" reported that the DPRK has been sending off special training delegations to the PRC, Australia, Hungary and other nations with the help from United Nations Development Program (UNDP), Asia Foundation and other international organizations. Over 400 officials have been sent since 1998. The report said, "This is part of the North's efforts to make speedy adaptation to capitalistic economy. The reform in this particular sector is faster than any other sectors pursuing change in the North. The North also amended its constitution in 1998 to promote establishment of new firms in special economic zone and in February 1999 enacted 60 laws in relations to foreign investments and tax laws for overseas firms."

5. DPRK on Talks with US

Joongang Ilbo ("WE ARE NOT BEGGING FOR A DIALOGUE' N.K. CENTRAL NEWS," Seoul, 06/04/01) reported that the DPRK on June 3, once more referred to the US's 'hard-line, oppressive policy' and that the DPRK will not beg for the normalization of ties with the US. The Central News in its commentary titled 'We shall Pour Relentless Blow on Those that Threaten Our Sovereignty' said, "we have got along fine without any relations with U.S. and could continue so forth." The commentary then referring to those responsible for spreading 'North Korea threats' to include US Secretary of State Colin Powell and other head US officials in politics, diplomacy, and military sectors. The commentary went on to say, "They mean to justify their oppressive policy toward our nation and therefore start the second Korean War in the Peninsula. We pose no military threats. It is just a telltale from the U.S. to built up its own military defense system. It is only our natural rights to defend the nation. If the American imperialists raise a fist we shall counter it with a club, and if by a rifle, we shall answer it with cannon - that shall be our style of response. It is not our wish to make confrontations and war but if the U.S. dares to violate our sovereignty we shall forgive no more."

III. People's Republic of China

1. PRC-US Relations

People's Daily (Xinhua News Agency, "BUSH IS TO PUSH FOR PRC'S NTR STATUS,"Washington, 05/31/01, P3) reported that in a speech at the Los Angeles World Affairs Council on May 29, US President George W. Bush declared that he will push on June 1 for Congress to extend Normal Trade Relations (NTR) to the PRC for another year. He said he was in favor of NTR for the PRC because

trade is a good policy for US economy and for US national security.

China Daily (Xinhua News Agency, "PRC: NTR STATUS BASIS OF SINO- US TRADE LINKS,"Beijing, 06/01/01, P1) reported that PRC Foreign Ministry spokesman Zhu Bangzao said on May 30 that PRC welcomed US President George W. Bush's request to US Congress to extend NTR status with the PRC for another year. This represents the basis of normal trade between the two countries, said Zhu, adding that NTR is not a favor bestowed by one country to another, but rather a kind of reciprocal trade arrangement given to each other because it is mutually beneficial. Zhu added that the US annual review of the PRC's trading status should have been stopped long before and that the early realization of PNTR will be conducive to the healthy advancement of economic and trade cooperation between the two countries.

2. PRC Response to Japan PM's Visit to Yasukuni Shrine

PLA Daily (Xinhua News Agency, Wu Liming, "PRC: WHY JAPAN WILL NOT STOP,"Beijing, 06/01/01, P3) reported that PRC Foreign Ministry spokesman Zhu Bangzao said on May 31 that the PRC has reiterated on many occasions that visits to the Yasukuni Shrine by Japanese leaders, in essence, shows how the Japanese Government looks at and handles it history of aggression. He made this remarks when in light of Japanese Prime Minister Junichiro Koizumi's recent announcement of a planned visit to the Yasukuni Shrine. Zhu said that while claiming to value international co-ordination and the development of friendly relations with Asian countries, the Japanese Prime Minister recently announced plans to visit the Yasukuni Shrine, which is puzzling to the PRC. He added that if the Japanese leader insists on making this wrong decision, his act would ignite the indignation of people in Asian countries who were subject to Japanese militarist aggression during World War II.

3. NATO Refuses to Back US NMD

People's Daily (Xinhua News Agency, Liu Weimin, Yi Gaochao, "NATO FAILS TO REACH AGREEMENT ON US NMD PROGRAM," Budapest, 05/31/01, P3) reported that NATO Foreign Ministers on May 29 decided not to back a US missile defense plan but agreed to continue consultations with the US on this issue. Although US Secretary of State Colin Powell hoped to persuade skeptical European allies to be more supportive of the US missile defense plan, the US approach met with resistance from France and Germany at the meeting of the Council of NATO foreign ministers. The final statement by the Council of NATO foreign ministers only said the NATO allies welcomed consultations initiated by US President George W. Bush on the American strategic review, including missile defense. The statement also welcomed the US's assurance that the views of allies will be taken into account as it considers its plans further. However, the statement did not mention the role of the 1972 ABM treaty in preventing arms race, while a NATO joint statement signed in 2000 described it as "the cornerstone for strategic stability."

4. Russia's View on US NMD Program

PLA Daily (Xinhua News Agency, Liu Weimin, Yi Gaochao, "RUSSIA: NMD ISSUE AFFECT US-RUSSIAN AND US-PRC RELATIONS,"Budapest, 05/31/01, P4) reported that after the joint meeting between Russia and NATO on May 29, Russian Foreign Minister Ivanov said the proposed US NMD system not only involves US-Russian bilateral relations, but also relates to bilateral relations between US and the PRC and other countries. He stressed that when NATO cooperates with Russia, it should take into account of all countries'interests. Creating a unified Europe is the central point of

NATO-Russian cooperation, he added. Ivanov said the non- strategic missile defense system proposed by Russian President early this year fully showed Russia's positive efforts to eliminate any potential threats.

5. Russia Denies Missile Rumors

People's Daily (Xinhua News Agency, Yi Gaochao, Liu Weimin, "RUSSIA DENIES THAT US WILL BUY ITS MISSILES,"Budapest, 06/01/01, P3) reported that on May 30, Russian Foreign Minister Igor Ivanov dismissed as speculation reports that the US was trying to woo Russia into accepting the idea of a missile defense shield by offering to buy missiles from Russia. After talks with US Secretary of State Colin Powell, Ivanov said the two men had mainly discussed preparations for the first summit between their countries' presidents on June 16. He said Russia has not received the proposal from the US about buying its missiles, and no discussions have even been held between the two sides. Powell's spokesman also expressed that the missile defense system issue will be discussed in the upcoming summit.

6. Cross-Straits Relations

PLA Daily (Xinhua News Agency, Chen Binhua, "TAIWAN SHOULD BEAR FULL RESONSIBILITY FOR POLITICAL STALEMATE,"Beijing, 05/31/01, P4) reported that the spokesman of PRC Taiwan Affairs Office of the State Counci, Zhang Mingqing, said on May 30 that Taiwanese authorities should bear full responsibilities for the current cross-Straits political stalemate. Zhang refuted the comment made recently by Taiwan leader Chen Shui-bian that cross-Straits relations have been stabilized or eased. Zhang said the comment disregarded basic facts and presented a false picture of improved relations. He added that the fact is the impasse in relations between the two sides of the Taiwan Straits has not yet been broken and that cross-Straits relations are unstable, which is the basic cause of political chaos in Taiwan, the island's poor economic performance, and decreasing public support for the leader of the Taiwan authorities. Responding to the question whether the military exercises reportedly to be conducted by the PLA in coastal Fujian Province has a specific target, Zhang said there is no doubt that the exercises has a purpose. He said it is the duty of PLA to safeguard the country's sovereignty and territorial integrity, and it is necessary to hold military exercises to improve the battle effectiveness of the armed forces. He stressed cross-straits issues are affairs of the Chinese and should be dealt with by the Chinese themselves, and no international venue is needed to discuss such issues. He also pointed out that there is no possibility for the leader of the Taiwan authorities to attend the APEC meeting in Shanghai later this year.

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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