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I. United States

1. Four Party Peace Talks

Reuters (Elif Kaban, "MISSILE ROW CASTS SHADOW ON KOREAN TALKS," Geneva, 08/06/99) reported that officials said that the opening day of the latest round of the four party peace talks ended on Thursday with no progress amid disagreement over the agenda. The talks are expected to last until Monday. PRC Ambassador Qian Yongnian, chair of the session, warned that there were "possibilities of more military conflict" in the region and urged the two Koreas to do more to ease tensions. Qian stated, "All parties should fully understand that under such circumstances, the inappropriate handling of any chance occurrence could bring about unexpected serious consequences." He added, "Progress at the four-party talks falls far short of the aspirations and expectations.... It is still far from reaching the ultimate objectives."

2. DPRK Missile Test

The Associated Press (Robert Burns, "US: N. KOREAN MISSILE LAUNCH LIKELY," Washington, 08/06/99) reported that an anonymous senior US official said Friday that the DPRK delivered rocket fuel this week to a missile launch site. The official said that the fuel deliveries were an additional indication that the DPRK may test launch a missile as early as this month, although no missile has yet been detected at the site. The official added that US intelligence also has detected activity by DPRK radars at the launch facility this week, including those radars expected to be used in tracking a ballistic missile in flight.

Reuters (Elif Kaban, "MISSILE ROW CASTS SHADOW ON KOREAN TALKS," Geneva, 08/06/99) reported that DPRK Vice Foreign Minister Kim Gye-gwan said there had been no progress at a bilateral US-DPRK meeting earlier this week on the DPRK's missile development. Asked whether the missile issue would be discussed during the four- party talks, Kim stated, "I said there was no progress. That means it's not decided."

US State Department spokesman James Rubin ("STATE DEPARTMENT NOON BRIEFING," USIA Transcript, 08/05/99) on Thursday refused to give details of US-DPRK discussions on the DPRK's missile programs. Rubin stated, "we are continuing to talk with them bilaterally; we're having good discussions with them. We think those discussions are constructive in laying out what the possibilities are and we'll work through private diplomatic channels rather than through public diplomacy at this stage."

3. UNDP View of DPRK Missile Test

Reuters ("UNDP CHIEF PLEDGES N.KOREA AID EVEN AFTER MISSILE," Tokyo, 08/05/99) reported that UN Development Program (UNDP) Administrator Mark Malloch Brown said on Friday that the UNDP will keep its office in Pyongyang open even if the DPRK test-fires a missile. Brown stated, "By keeping our voice in Pyongyang, we can hopefully act as a voice for mediation." He added, however, that a missile test would reduce donors' funds to the DPRK from such countries as Japan and Great Britain. He warned, "North Korea's action will determine the level of developing programs. In case of a missile threat, the UNDP will not be able to sustain major developing programs in North Korea. There is no incentive for North Korea to continue that kind of behavior."

4. Alleged DPRK Uranium Procurement

The Washington Times (Bill Gertz and Rowan Scarborough, "NORTH KOREANS IN CONGO," 08/06/99) reported that US military intelligence agencies are watching several hundred DPRK military advisers training Congolese government forces. Officials said that US agencies are concerned that the DPRK will be paid for the military training in uranium ore from the Congo's Shinkolabwe uranium mine. The mine was the source of ore for the first US nuclear weapons in the 1940s. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for August 6.]

5. DPRK View of Japanese Military Posture

Reuters ("N.KOREA SAYS JAPAN IS REAL THREAT IN ASIA," Tokyo, 08/05/99) reported that the DPRK's Korea Central News Agency (KCNA) quoted a DPRK Foreign Ministry spokesman as saying on Wednesday that the real threat to Asian stability is Japan's desire to remilitarize. The spokesman said, "Potential threat to the Asia-Pacific region does not come from the DPRK but from Japan." He argued that Japan is "stepping up nuclear weaponization and its conversion into a military giant." He added that Japan was "working hard to realize at any cost its old dream of the 'Greater East Asia Co-Prosperity Sphere." The spokesman said Japan tried last month to persuade participants at the Association of South East Asian Nations Regional Forum (ARF) last month to express concern over the possible launch. He argued that the reference in the ARF statement to a "payload launch" was official acknowledgment of the DPRK's stance that the purpose of last August's rocket was the launch of a satellite, not a missile test.

6. ROK-Japan Military Exercises

US State Department spokesman James Rubin ("STATE DEPARTMENT NOON BRIEFING," USIA Transcript, 08/05/99) on Thursday endorsed ROK-Japan joint military exercises. Rubin stated, "We understand there is a search and rescue exercise ongoing and we do not believe that such exercises raise tensions in the region. We regard them are routine training that will enhance the stability of the region."

7. ROK Naval Visits to Japan

The Associated Press ("S.KOREAN DESTROYERS ANCHOR IN JAPAN," Tokyo, 08/06/99) reported that the Japanese Defense Agency said that two ROK destroyers on Friday made the first-ever port call in Japan by combat ships from the ROK navy. Defense Agency spokesman Tatsuhiko Fukui said that the goodwill visit was scheduled to last until Sunday, when the ships would return home.

8. ROK Student in DPRK

The Associated Press ("S. KOREAN STUDENT ENTERS N. KOREA," Seoul, 08/06/99) reported that the ROK National Intelligence Service said Friday that Hwang Hae-ro, a senior at Yonsei University in Seoul, entered the DPRK on June 1 by way of Japan, Italy, and Switzerland. Hwang was sent by the outlawed student group Hanchongryon to attend an annual festival to mark the August 15 anniversary of liberation from Japanese colonial rule. The agency said that Hwang will be arrested if and when she returns home, adding that it was looking for other student leaders involved in her unauthorized trip.

9. ROK-DPRK Cultural Exchanges

The Associated Press ("KOREAS HOLD FRIENDLY SOCCER MATCHES," Seoul, 08/06/99) reported that the ROK's Korean Confederation of Trade Unions said that labor leaders from the ROK and the DPRK on Friday agreed to hold a soccer match among their workers next Thursday in Pyongyang. The teams will play a second match the next day. Thirty-seven ROK workers and labor leaders will travel to the DPRK. No journalists will be allowed.

Reuters ("S.KOREA APPROVES POP CONCERT PLAN IN NORTH," Seoul, 08/05/99) reported that the ROK government on Thursday approved the ROK company SN21 Enterprise's plan for a series of pop concerts in the DPRK in September. The ROK Ministry of Unification said in a statement that the plan was in line with the government's "sunshine policy." SN21, which imports and distributes DPRK movies, said it would send a negotiating team to the DPRK in August. SN21 General Manager Heinz Zo stated, "We are planning pop music concerts in Pyongyang and Mt. Kumgang in September, featuring pop stars from both countries." He said that SN21 would pay US\$750,000 to the DPRK government for the concerts. He added, "This show is not for money, but for reconciliation." Zo said that if all went well, the show would be broadcast live in the ROK and Japan.

10. Korean Peninsula Floods

The Associated Press ("S KOREA MAY ASK NORTH TO BUILD JOINT FLOOD CONTROL DAM," Seoul, 08/06/99) reported that ROK government officials said Friday that ROK President Kim Daejung might propose in his Independence Day speech on August 15 that the ROK and the DPRK jointly build a flood control dam on the Imjin River. Construction and Transportation Minister Lee Kunchoon stated, "Obviously, we need a dam. We will study by the end of the year where to build it." Lee admitted that construction of a dam along the border area would require careful political consideration.

The Associated Press (Sang-Hun Choe, "42 DIE IN NORTH KOREAN FLOODING," Seoul, 08/05/99) reported that the ROK Defense Ministry said that the bodies of three DPRK soldiers were found washed into the Demilitarized Zone on Thursday. Overall, the floods reportedly left 42 dead in the DPRK. The Red Cross said that rains in the DPRK had hit hardest in areas near the western part of the border with the ROK, with nearly 3,000 people left homeless. At least 40 people have died in the ROK.

11. Kuril Islands Talks

The Associated Press (Andrew Kramer, "RUSSIANS, JAPANESE OPEN ISLAND TALKS," Moscow, 08/06/99) reported that Japanese and Russian diplomats opened talks on Friday on four Kuril islands claimed by both nations. Russian Deputy Foreign Minister Grigory Karasin said before talks with his

Japanese counterpart, Minoru Tamba, "Progress is evident. An absolutely new, positive atmosphere has taken shape."

12. Anniversary of Hiroshima Bombing

The Associated Press (Katsumi Kasahara, "HIROSHIMA RECALLS ATOMIC BOMBING," Hiroshima, 08/06/99) and Reuters (Eriko Sugita, "JAPAN MOURNS, CALLS FOR ARMS CUTS ON HIROSHIMA DAY," Hiroshima, 08/06/99) reported that about 50,000 people gathered for a silent prayer in the Peace Memorial Park in Hiroshima at 8:15 a.m. on Friday to commemorate the 54th anniversary of the dropping of the atomic bomb. 66-year-old Hiroshi Takei stated, "India and Pakistan are building atomic weapons because they've never experienced a nuclear disaster. We need events like today's memorial to educate people." Japanese Prime Minister Keizo Obuchi pledged anew that Japan would continue to endorse nuclear abolition. He stated, "The course toward the abolishment of nuclear weapons is still in a severe situation." Hiroshima Mayor Tadatoshi Akiba praised the blast's survivors and urged the world to adopt their willpower in the struggle for disarmament. He added, "We also call upon the government to place the highest priority on forging the will to abolish nuclear weapons." Akiba stated, "It is imperative that the government of Japan follow the philosophy outlined in the preamble of the Constitution." Greenpeace Japan Executive Director Sanae Shida said, "The people of Japan have had direct experience of the use of plutonium in nuclear weapons. As a result, Japan has long sought to become a world leader in nuclear non-proliferation." She added, however, "If it continues with a plutonium program, its actions may threaten its words."

13. Cross Taiwan Straits Relations

The Los Angeles Times carried a commentary by Chien-jen Chen, Director General of the Taiwan Government Information Office ("TAIWAN MERELY AFFIRMED CURRENT REALITY," Taipei, 08/06/99) which said that Taiwan President Lee Teng-hui's reference to Taiwan-PRC relations as a "special state-to-state relationship" reflects the historical, political, and legal facts. Chen stated, "The Republic of China (ROC), founded in 1912, has solely exercised effective jurisdiction over the Taiwan, Penghu, Kinmen (Quemoy) and Matsu area since Japan surrendered the territory in 1945. The ROC therefore makes no claims to the mainland area that is under the effective jurisdiction of the People's Republic of China.... Lee's point was that neither the ROC nor the PRC can claim to rule the other, yet they share common language, ethnic and, to some extent, historical ties. This makes their interaction a 'special state-to-state relationship,' rather than the unequal ties of a local government to the central government, or a province to a country, which Beijing pretends to be the case." He added, "Pretending that the Republic of China has not existed for the past 50 years or that it has not exercised effective jurisdiction over the Taiwan area has only emboldened those in Beijing intent upon intimidation and military adventurism. Beijing has grown increasingly intolerant of any legitimate action in the international community on the part of the ROC government, no matter how minor, that does not accord with its own hard-line shift toward defining the term 'one China' to mean the mainland itself." Chen argued, "Acknowledging the 'special state-to-state relationship' between the ROC and the PRC merely accords respect of the fundamental human rights to which the people of Taiwan and all people in the world are entitled. Beijing's vilification of Taiwan as a 'renegade province,' its refusal to renounce the use of force against Taiwan to press its specious claim over the Taiwan area and its continuing military buildup are a growing source of instability in the Asia-Pacific region." He concluded, "If cross-strait talks are to be meaningful and substantive, then the two parties have to regard each other as equals. Asserting the ROC government's inherent equality in the dialogue is a far cry from advocating or promoting 'Taiwan independence' and in no way implies a lesser commitment to achieving peacefully a democratic, prosperous and free China one day."

14. Taiwan Aircraft Purchase

The Associated Press ("TAIWAN DENIES PRESSURE OVER BOEING," Seattle, 08/06/99) reported that Taiwan Transportation Minister Lin Fong-cheng on Friday denied pressuring government-controlled China Airlines not to buy 12 Boeing 777 airplanes in retaliation against US policy. Lin stated, "We haven't given (China Airlines) any pressure whatsoever. It is entirely up to China Airlines to decide on plane purchases based on their needs." China Airlines spokesman Scott Shih also denied the reports, saying that the airline had "formed consensus" on the plane purchases at least six weeks ago. US Senator Patty Murray met with Stephen Chen, Taiwan's unofficial representative in the United States. Murray stated, "With the security threats they face, they need all their friends. They shouldn't want to damage that relationship."

15. US-PRC WTO Talks

The Wall Street Journal (Ian Johnson and Helene Cooper, "CHINA SEEKS TO RESTART TALKS WITH U.S. ON ENTRY TO WTO," Beijing, 08/06/99) reported that PRC officials said that the PRC hopes to restart talks with the US on the PRC's entry to the World Trade Organization (WTO) within a month, but leaders are still plotting strategy at their annual summer retreat at Beidaihe. Ma Yu, a senior researcher in a think tank affiliated with the Ministry of Foreign Trade and Economic Cooperation, stated, "I believe we'll see a breakthrough in September. We may not have a deal then, but talks will restart then." An unnamed PRC trade official stated, "The decision has been made to restart talks. It's just a question of timing."

16. Indian Missile Development

Reuters ("TWO INDIA MISSILES TO ENTER PRODUCTION - SCIENTIST," New Delhi, 08/06/99) reported that A.P.J. Abdul Kalam, India's top military scientist, said on Friday that India will put into production two missiles, new electronic warfare systems and an aerial reconnaissance vehicle this year. India will also test fly its first light combat aircraft this year. Kalam did not identify the missiles that will enter production. Defense officials said that two short- range surface-to-air missiles, the Trishul and Akash, and an anti-tank missile, Nag, are in the user trials phase at the moment.

17. Alleged Pakistan-Saudi Nuclear Cooperation

The Washington Times (Toni Marshall and Bill Gertz, "VISIT TO PAKISTANI FACILITY RAISES MISSILE- BUYING QUESTION," 08/06/99) reported that US intelligence analysts said Thursday a visit by Saudi Arabian Defense Minister Prince Sultan bin Abdul-Aziz to a secret Pakistani nuclear facility this spring may have been a preliminary step toward the purchase of a new medium-range missile. One US intelligence official said Thursday that there was no evidence that the Saudis are seeking nuclear-weapon technology from Pakistan. An unnamed US State Department said official Thursday, "We have no reason to believe that Saudi Arabia is any way in violation of [the Non-Proliferation] treaty."

Reuters ("PAKISTAN DENIES NUCLEAR LINK WITH SAUDI ARABIA," Islamabad, 08/06/99) said that an unnamed Pakistan Foreign Ministry spokesman on Friday denied reports that Saudi Arabia was seeking to acquire nuclear weapons from Pakistan. The spokesman stated, "Pakistan has repeatedly reaffirmed its commitment not to transfer nuclear and sensitive technologies to any country. Pakistan has been abiding by this immutable and unilateral commitment in the past and will continue to do in the future."

18. US Sanctions Policy

Reuters ("SENATE VOTES TO CHANGE U.S. TRADE SANCTIONS POLICY," Washington, 08/04/99) reported that the US Senate passed a proposal on Wednesday that would require congressional approval for any unilateral US embargoes on food and medicine. On a voice vote, senators added the language to an agriculture funding bill that was nearing a final vote. Senator John Ashcroft, Missouri Republican who sponsored the amendment, said that the proposal also calls for a 180-day review after the plan became law to decide whether to maintain broad sanctions against "authoritarian" nations. That list now includes Cuba, Iraq, Iran, Libya, Sudan, and the DPRK.

II. Republic of Korea

1. Four Party Peace Talks

The Korea Times ("SEOUL CALLS FOR END TO STATE OF WAR BETWEEN TWO KOREAS," Seoul, 08/05/99) reported that Ambassador Park Kun-woo, ROK delegate to the four-party peace talks in Geneva, on Wednesday proposed that the two Koreas officially end the state of war and create a "peace agreement" containing such provisions as non-aggression and the peaceful settlement of conflicts. Park made the remarks in a keynote speech in the opening session of the talks. Park reiterated that the two countries should initially create devices to reduce tension on the Korean Peninsula, such as the establishment of a hotline between military authorities and prior notification of military exercises. Following the plenary sessions, the four countries were scheduled to convene two subcommittee meetings on tension reduction and the establishment of a peace structure from Thursday. The countries were represented by US special envoy for Korean peace talks Charles Kartman, PRC Ambassador Qian Yongnian, and DPRK Vice Foreign Minister Kim Gye-gwan.

The Korea Times ("KOREAN PEACE TALKS CLOUDED BY MISSILE FEARS," Seoul, 08/05/99) reported that the DPRK warned on Wednesday that pressure on it not to stage a long-range missile test will not help the search for peace with the ROK. Speaking before the start on Thursday of the four-party peace talks, one diplomat reiterated the DPRK's right to decide its own defense arrangements. "If the United States continues to press us it only serves to increase our determination to strengthen our defense capacity," the DPRK diplomat said. "It will not help to resolve anything," said the diplomat, requesting anonymity. "We repeated our concerns about a long-range missile launch," said one US official after talks between US chief negotiator Charles Kartman and the DPRK's vice foreign minister, Kim Gye-gwan. Diplomats are playing down prospects of progress at the five-day talks. "It will be difficult to expect any significant progress in a short period," said a PRC diplomat, whose country is chairing the latest session.

2. ROK-Japan Naval Exercise

The Korea Times ("SOUTH KOREA, JAPAN HOLD JOINT MILITARY EXERCISE," Seoul, 08/06/99) and Chosun Ilbo (Park Jeong-hoon, "FIRST KOREA-JAPAN JOINT SEA EXERCISE," Seoul, 08/05/99) reported that the navies of the ROK and Japan held a joint search-and-rescue exercise in international waters on Thursday. The training session, during which the two countries' ships responded to a mock SOS call from an ROK civilian vessel on fire, was part of the first joint military exercise between the two. ROK military officials in Seoul said that the joint drill was conducted on seas roughly equidistant from the two countries off the ROK island of Cheju. Two ROK navy vessels and three Japanese destroyers participated. Also taking part were about a dozen P-3C antisubmarine reconnaissance aircraft and helicopters from the two countries, the officials said. The

search-and-rescue drill was the final phase of a five-day training exercise, which began Sunday with the arrival and deployment of Japanese ships in ROK waters.

3. US Forces in ROK

Joongang Ilbo (Shim Shang-bok, "US TO DEPLOY ITS FLEET TO S.KOREA IN CASE OF NK'S MISSILE," Seoul, 08/05/99), The Korea Herald (Roger Dean du Mars, "U.S. NAVY ENTERS NEW WATERS IN ASIA," Seoul, 08/06/99), and The Korea Times ("SEVENTH FLEET HEAD SAYS US PREPARED FOR WORST IN KOREA," Seoul, 08/05/99) reported that Vice Administrator Walter F. Doran, commander of the US 7th Fleet, said in an international symposium in Seoul on Thursday that the US will deploy one of its main naval forces to the Korean Peninsula in the event that the DPRK test-fires a long-range ballistic missile. "We hope that the eventual outcome is peaceful, but we remain prepared for the worst," he added. He told the symposium, organized by the ROK Navy, that the US Navy has been in close collaboration with the ROK Navy "just as we were in June when we rapidly deployed Aegis cruisers and USS Vincennes to the region."

4. Light-Water Reactor Project

The Korea Herald (Shin Yong-bae, "HONG REAFFIRMS KEDO PROJECT WILL CONTINUE," Seoul, 08/06/99) reported that ROK Foreign Affairs and Trade Minister Hong Soon-young on Thursday reaffirmed the government's position that the construction of two light-water reactors in the DPRK should be continued regardless of a second missile test by the DPRK. "Our government is planning to proceed with activities related to the reactor project, including the early effectuation of the agreement signed between Korea and KEDO on loans," Hong said in testimony made before an ROK parliamentary committee. He added, "It is necessary to maintain the Geneva agreement because it was directly related to the North's nuclear development programs."

5. DPRK Adherence to UN Human Rights Pact

The Korea Times ("N.KOREA SUGGESTS A RETURN TO UN RIGHTS PACT," Seoul, 08/05/99) reported that the DPRK said on Wednesday that it was ready to re-commit to a UN treaty on civil and political rights that it renounced two years ago. "We are ready to submit the second periodic report on International Covenant on Civil and Political Rights that we prepared in 1997," DPRK representative Ri Tcheul said. He made his statement before the UN Sub- Commission on Protection and Promotion of Human Rights, meeting in Geneva.

6. ROK-Japan Talks

The Korea Times (Son Key-young, "PM KIM'S VISIT SYMBOLIZES DEEPENING ROK-JAPAN TIES," Seoul, 08/05/99) reported that ROK Prime Minister Kim Jong-pil, set to visit Japan on September 1-5, will receive special treatment from Japanese leaders. During his stay in Tokyo, Kim will pay a courtesy call on Emperor Akihito and attend a luncheon hosted by the royal couple. The highlight of Kim's five-day visit is his meeting with Japanese Prime Minister Keizo Obuchi, set for September 2. The two prime ministers are set to launch discussions on how to deepen bilateral relations on the basis of a joint declaration on a partnership for the 21st century issued last October during ROK President Kim's visit to Tokyo. At the same time, Kim and Obuchi will discuss ways to strengthen policy coordination between the two countries in a bid to effectively cope with threats from the DPRK.

7. Mt. Kumgang Tour

The Korea Herald ("MT. KUMGANG TOUR RESUMES," Seoul, 08/06/99) reported that tours to Mt. Kumgang resumed on Thursday as a cruise liner with 533 passengers departed for the scenic DPRK mountain, ending a 46-day suspension. Along with 409 tourists, 124 Hyundai Group employees who will join the facility construction project in the Mt. Kumgang area were aboard the luxury liner "Pongnae." The vessel was scheduled to arrive at the DPRK's Changjon port at around 7:00 a.m. on Friday to start a three-day tour schedule. Two other cruise ships, the "Pungak" and "Kumgang," will set sail on Friday and Saturday, respectively.

8. ROK-DPRK Cultural Exchange

The Korea Herald (Kim Ji-ho, "INTER-KOREAN JOINT POP CONCERT LIKELY TO BE HELD," Seoul, 08/06/99) and The Korea Times (Son Key-young, "S-N POP CONCERT TO BE STAGED IN NK IN SEPT.," Seoul, 08/05/99) reported that an unprecedented joint pop concert starring about 20 top singers from the ROK and the DPRK will likely be held in Pyongyang and Mt. Kumgang next month, its organizers said on Thursday. The inter-Korean pop music festival will be staged in the Mansudae Art Theatre in the DPRK capital and at an open-air theater in the DPRK's scenic mountain. It will be broadcast via satellite on TV and radio stations in the ROK and Japan, said SN21 Enterprise, an importer and producer of motion pictures. It got the go-ahead from the ROK Unification Ministry on Thursday, a company official said. The company and its DPRK counterpart, the Korea Asia-Pacific Peace Committee (KAPPC) responsible for business with the ROK, have agreed on the first concert of pop music stars from the two Koreas, which is expected to bring in about US\$750,000 to the DPRK, an ROK ministry official said.

III. Japan

1. DPRK Missile Test

The Daily Yomiuri ("N. KOREA BUILDING PIPELINES AT BASE," 08/04/99) reported that, according to Japanese and US military sources on August 2, the DPRK is building pipelines on its Taepodong missile base in the eastern part of the country. One pipeline already reaches the launch pad and the other is half finished, the sources said. The pipelines will probably be used to deliver fuel to the missiles. When a Taepodong missile was fired at the end of last August, fuel tankers were used to transport fuel, the sources said. Japanese government officials fear that if the DPRK builds fixed pipelines, reconnaissance satellites may not be able to detect when the injection of fuel into the missiles begins. At the Security Committee of the Japanese House of Representatives, Foreign Minister Masahiko Komura said that when signs that the DPRK will launch a missile become evident, the US, the ROK, and Japan will issue a warning. Komura said that it is very important to issue the most effective warning, and stressed that the warning will include sanctions if the DPRK goes ahead with the missile launch. The chairman of Liberal Democratic Party's Research Commission on Foreign Affairs, Taro Nakayama, said that the DPRK may launch the missile on August 15, the same day as last year's launch--the North's national foundation day on August 31--or on September 9. Nakayama, a former foreign minister, made the statement at a general meeting of a suprafactional study group, Japan Reconstruction Council, in Tokyo on August 2. Nakayama also said that the DPRK will insist that the Taepodong missile it launches is carrying a satellite.

2. Japanese Policy toward DPRK

The Yomiuri Shimbun ("LDP DECIDED TO REVISE FOREIGN EXCHANGE LAW TO HALT REMITTANCES TO DPRK," 08/06/99) reported that the Foreign Affairs Division subcommittee of the LDP's Policy Affairs Research Council agreed on August 6 to revise the current foreign exchange law to halt remittances to the DPRK, hoping to propose a bill calling for the revision to the Diet. The majority at the meeting argued, "(Remittances are halted only when) such measures are necessary from the viewpoint of maintenance of the peace and security of Japan," according to the report. The report added that the subcommittee will discuss the revision of the law with a nonpartisan group of Diet members, led by LDP member Shigeru Ishizuka, also working on DPRK issues.

The Japan Times ("LDP LAWMAKERS WANT REMITTANCES TO NORTH HALTED," 08/04/99) reported that Liberal Democratic Party (LDP) lawmakers said on August 4 that Japan should suspend cash remittances to the DPRK if it test-launches a second ballistic missile. The proposal came up during a meeting of the Foreign Affairs Division subcommittee of the LDP's Policy Affairs Research Council, according to sources who had access to the meeting. Several subcommittee members said the government should revise the foreign exchange law to halt the payments, but a Financial Supervisory Agency (FSA) official told the meeting that such measures can be taken through Japanese financial institutions even under current law. One lawmaker at the session said public money should not be used to bail out ailing credit unions linked with the DPRK. The FSA official, however, said that credit unions cannot be discriminated against as long as they pay premiums for deposit insurance. A nonpartisan parliamentary group on August 2 also called for halting financial dealings with the DPRK, including remittances, if another test-firing is made. The seven-member group, which formulates strategies for dealing with the DPRK, was set up in October by Ichita Yamamoto of the LDP and Keiichiro Asao of the largest opposition force, the Democratic Party of Japan. The two lawmakers said at a luncheon at the Foreign Correspondents' Club of Japan in Tokyo that the action would send a strong message to the DPRK. Asao estimated that about 60 billion yen is sent to the DPRK on an annual basis.

3. Japanese-ROK Naval Exercise

The Japan Times (Toshi Maeda, "JAPAN, SOUTH KOREA HOLD FIRST JOINT NAVAL DRILL," 08/05/99) reported that Japan and the ROK conducted their first-ever joint naval exercise on August 5 west of Kyushu. The search-and-rescue drill was carried out by three Maritime Self-Defense Force (MSDF) destroyers and two ROK Navy warships, along with antisubmarine patrol aircraft and helicopters. The drill was held on the assumption that the two nations' vessels "happened to be near" a civilian ship in distress and on fire during regular patrols, leading the two forces to join hands and rescue survivors before any coast guard contingent could arrive on the scene. Later in the day (following the search and rescue drill), the five vessels engaged in formation training and tactical maneuvers on their way to Sasebo, Nagasaki Prefecture. The vessels left the ROK port of Pusan for Sasebo. It was the first time in history that the two countries conducted a joint exercise. ROK Navy officials refused to meet the press about the joint exercise, saying that anti-Japanese sentiment still runs deep among many Koreans. The report cited Rear Admiral Toru Izumi, commander of the MSDF contingent in the drill, as saying that the exercise would write a new chapter in the history of defense exchanges between Japan and the ROK. After the exercise, Izumi noted there were no communication problems between the MSDF and the ROK Navy. The report also said that regarding the joint exercise, the DPRK state-run Korean Central News Agency claimed on August 3 that the exercise "is aggressive and criminal in its nature because it is a DPRK-targeted maneuver under the simulated conditions of a real battle.... It is a foolish dream for the Japanese reactionaries and the ROK war hawks to think they can go scot-free in military provocation."

4. PRC Missile Test

The Japan Times ("LDP LAWMAKERS WANT REMITTANCES TO NORTH HALTED," 08/04/99) reported that Japanese Foreign Ministry officials said on August 3 that they were concerned over the PRC's recent test-launch of a new long-range missile. The concern was expressed to a PRC counselor from the PRC Embassy in Tokyo who was summoned to the Foreign Ministry on August 3. Chief Cabinet Secretary Hiromu Nonaka said in a regular news conference that the PRC's missile test was unfortunate in light of efforts being made to promote the nonproliferation and reduction of weapons of mass destruction. Nonaka said, "We cannot say it is something that should be welcomed.... We are expressing our concern."

5. US-Japan TMD Agreement

The Asahi Shimbun ("SEA-BASED TMD PLAN SET," 08/04/99) reported that Japan and the US will finalize details next week on joint development over three years of a ship-based theater missile defense system. Formal documents on the accord for the Navy's Theater-Wide Defense system are expected to be signed as early as August 13 by Japanese Foreign Minister Masahiko Komura and US Secretary of State Madeleine Albright, and the defense chiefs of the two nations. The Japanese government plans to limit release of details of the agreement at the request of the US, government sources said. A draft of the exchange of notes to be signed by Komura and Albright, obtained from the same sources, said the two governments are to agree on developing a seaborne version of the Theater Missile Defense (TMD) missile-to-missile system now being tested by the US. The naval version of TMD would be mounted on AEGIS cruisers or destroyers, enhancing their early-detection capability, and putting up a missile capable of destroying an incoming missile. The two governments will agree to share the cost of the three-year study, but the draft of their agreement does not specify the amount. The US government has estimated the cost at US\$36 million. Both nations will agree to invite participation from industry, according to the note. The draft points out that Japan's involvement will cover four specific areas of research. One is an infrared target-recognition and acquisition system. Another is a heat-resistant covering to protect the detection system. Japan will also work on a warhead that can counter ballistic missiles, and a second-stage booster rocket to deliver the payload. The overall design of the system and control elements will be developed by the US, according to the document. The two countries are to agree on prior approval for exporting technology resulting from their joint study in a way that does not violate Japan's prohibition against export of military hardware.

6. Japanese Defense Budget

The Japan Times ("5 TRILLION YEN DEFENSE BUDGET SOUGHT," 07/31/99) reported that the Japanese Defense Agency (JDA) will seek 4.999 trillion yen for its fiscal 2000 budget, up 1.6 percent from that of the current fiscal year, Japanese Defense Agency chief Hosei Norota said Friday. The 79.5 billion yen increase is largely attributed to costs related to the increase in the number of retiring Self-Defense Forces officers, whose number rose by 1,300 from the year before to roughly 4,700, he said. The draft budget amount excludes expenses for relocating US military installations in Okinawa, for which Tokyo spent 12.1 billion yen last year.

7. Japanese Public's Views on Defense

The Yomiuri Shimbun ("70 PERCENT OF JAPANESE CONCERNED OVER DEFENSE," 08/04/99) and the Daily Yomiuri ("POLL: 70 PERCENT OF JAPANESE CONCERNED OVER DEFENSE," 08/05/99) reported that more than 70 percent of Japanese are concerned about the possible outbreak of a war or conflict in the area surrounding Japan that will threaten the nation's security, according to a

nationwide opinion poll conducted by the Yomiuri Shimbun last month. This represents an increase of seven percentage points from a similar survey two years ago. According to the article, the survey was conducted by personally interviewing 3,000 eligible voters nationwide. Fifty- seven percent of pollees--eight percentage points above the previous poll--think Japan will become a target of military attack. 72 percent of respondents showed interest in defense issues, representing an increase of three percentage points from a similar survey in 1991, when the Gulf War broke out. The figure is the highest percentage since The Yomiuri Shimbun started conducting similar surveys in 1978. Also, 46 percent of respondents approved of establishing legislation to deal with emergencies, while only 24 percent answered otherwise. Meanwhile, 64 percent of pollees expressed approval for strengthening provisions for territorial surveillance, by entrusting the Self-Defense Forces with patrol operations, which are currently handled by the Maritime Safety Agency. Asked whether the government should revise the law to allow direct attacks on suspicious vessels that intruded upon its waters, 32 percent of respondents approved, while 36 percent did not. As to whether municipal governments and the private sector should accept a request from the government to cooperate in the event of contingencies, 18 percent of respondents said they should not cooperate, while 48 percent said they should.

8. Nuclear Nonproliferation Form

The Japan Times (Eric Johnston, "ASIAN INSTABILITY MAY FORCE JAPAN'S NUCLEAR HAND," Kyoto, 07/31/99) reported that the Fourth UN Conference on Disarmament Issues in Kyoto concluded on July 31 with delegates warning that the Asian region is growing more unstable and that Japan may be forced to introduce nuclear weapons if tensions escalate. "Unilateral suspension cannot be considered in the current Northeast Asian security environment. The India-Pakistan nuclear tests left the Japanese people faced with the need to re-examine Japan's traditional nonnuclear principles and reliance on the US nuclear umbrella," said Canadian delegate Peggy Mason in summing up the discussion in one plenary session. Thai delegate Kusuma Snitwongse said, "One solution to preventing a Northeast Asian arms race is to make every effort to strengthen the Nonproliferation Treaty (NPT).... In order to prevent a Northeast Asia arms race, the NPT, which will be formally reviewed next year, needs to create strict safeguards and an effective compliance mechanism to ensure that the provisions of the treaty are followed by the member states," he said. Some of these concerns were addressed by the Tokyo Forum report, which was already released and made available to an international audience during the Kyoto conference. Many of the Kyoto conference delegates criticized the report for being pessimistic about the overall security situation in the region, hostile toward the PRC, and unrealistic in its recommendation that India and Pakistan sign treaties as nonnuclear states. However, others applauded the report for identifying the root cause of negotiation deadlocks, which they said is the need for consensus by all members on any agreement. The Kyoto forum is an unofficial event, with 60 members from 24 countries invited on a personal basis. The conference will issue no formal report to the UN General Assembly, UN officials said. However, they added that conference recommendations will be incorporated into other UNrelated disarmament talks.

The Yomiuri Shimbun ("PRIME MINISTER CALLS FOR INTERNATIONAL DISTRIBUTION OF TOKYO FORUM REPORT," 08/06/99) reported that during a press conference at the Hiroshima Peace Memorial Ceremony on August 6, Prime Minister Keizo Obuchi said, "I would like to express my wish that the final report issued by the Tokyo Forum on Nuclear Nonproliferation and Disarmament should be distributed at the United Nations."

9. Japanese War Shrine

The Yomiuri Shimbun ("LDP MAY MOVE TO ALLOW OFFICIAL VISITS TO YASUKUNI," 08/06/99) and the Daily Yomiuri ("LDP MAY MOVE TO ALLOW OFFICIAL VISITS TO YASUKUNI," 08/06/99) reported that the Liberal Democratic Party (LDP) is considering setting up a panel of experts to discuss ways to make changes to Yasukuni Shrine, which is dedicated to the war dead, to pave the way for official visits by the prime minister. Postwar prime ministers and cabinet ministers refrained from making visits to the shrine in an official capacity until August 15, 1985, when Yasuhiro Nakasone became the first prime minister to do so. The move drew strong protests from the PRC and other Asian countries, which said visits to the shrine by those in public office were offensive as the shrine is dedicated to the spirits of military war dead, including Class-A war criminals. Many LDP members hope to settle the issue of official visits to the shrine by the prime minister now that a bill to give legal recognition to the Hinomaru and "Kimigayo" as the national flag and anthem is set to be passed on August 9. The articles said that according to sources, the panel would study two main proposals. The LDP wants the panel to study a proposal to make Yasukuni Shrine a public corporation, in consideration of the view held by some that official visits by the prime minister would violate Article 20 of the Constitution, which prohibits the government from engaging in any religious activity. That proposal is expected to meet with opposition, as many believe the move would lead to a revival of prewar state Shinto. The other proposal, to dedicate different shrines to the souls of Pacific War Class-A war criminals, including Prime Minister Hideki Tojo, is likely to be opposed by Yasukuni Shrine itself. Furthermore, it remains to be seen if the LDP's proposals will win the understanding of New Komeito, a prospective coalition partner whose support group is the Soka Gakkai lay Buddhist organization. The LDP submitted a bill to make Yasukuni Shrine a public corporation on five occasions between 1969 and 1974, but the bill was scrapped in the face of resistance from all other opposition parties, including the defunct Japan Socialist Party.

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