

# NAPSNet Daily Report 06 March, 2001

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## Recommended Citation

"NAPSNet Daily Report 06 March, 2001", NAPSNet Daily Report, March 06, 2001,  
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-06-march-2001/>

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## I. **United States**

### 1. **US-DPRK Missile Deal**

The New York Times (Michael R. Gordon, "HOW POLITICS SANK ACCORD ON MISSILES WITH NORTH KOREA," Washington, 3/5/01) reported that Wendy R. Sherman, senior policy coordinator on the DPRK for the Clinton administration, said this week that a US-DPRK agreement to end the DPRK's long-range missile program was in reach near the end of the US President Bill Clinton administration. An unnamed US government specialist said that several important issues remained unresolved, including how to verify the agreements, whether the DPRK was willing to destroy missiles already produced, and the value of the non-monetary aid that the DPRK should receive in lieu of cash. Leon V. Sigal, the author of a book on Korean diplomacy, said, "They did not run out of time; they ran out of courage." He pointed to statements that Clinton did not send Sherman to the

DPRK to conclude the deal because the Clinton administration would not consult with the Bush team before the election was decided for fear of lending legitimacy to Bush's claim to the presidency.

Reuters ("POWELL SEES PROMISE IN CLINTON'S NORTH KOREA LEGACY," Washington, 3/6/01) reported that US Secretary of State Colin Powell said he saw "promising elements" in former US President Bill Clinton's bid to end the DPRK's missile program. He also said that future US contacts with the DPRK would become clearer after a visit by ROK President Kim Dae-jung this week

## **2. DPRK-Luxembourg Relations**

The Associate Press ("N KOREA, LUXEMBOURG OK RELATIONS," Seoul, 3/6/01) reported that the DPRK's official KCNA news outlet reported that Luxembourg had agreed to establish full diplomatic ties with the DPRK. Luxembourg is the 12th European Union member to agree to establish full ties with the DPRK, and follows Germany, which opened full ties on March 1.

## **3. US Weapons Sales to Taiwan**

The Associate Press ("CHINA INCREASES MILITARY SPENDING," Beijing, 3/6/01) reported that PRC Foreign Minister Tang Jiaxuan said that selling upgraded Patriot missile batteries and warships with state-of-the-art radars would send "a very wrong signal" to Taiwan's government, inflame tensions and encourage Taiwanese who want to remain separate from the PRC. He said, "The U.S. side should recognize the serious dangers involved and rein in its wild horse at the brink of the precipice."

## **4. PRC Defense Budget**

The New York Times (Erik Eckholm, "CHINA DENIES INVOLVEMENT IN IRAQI AIR DEFENSES; INCREASES MILITARY BUDGET," Beijing, 3/6/01) reported that the PRC announced a 17.7 percent increase in its defense spending. Deputy Prime Minister Qian Qichen will visit the US beginning March 18 for talks.

The Associate Press ("CHINA INCREASES MILITARY SPENDING," Beijing, 3/6/01) reported that US Defense Department spokesman Rear Admiral Craig Quigley declined to state whether the 17.7 percent defense spending increase announced by the PRC exceeded US expectations, but said the PRC military modernization plan was well known. PRC Foreign Minister Tang Jiaxuan defended the budget increase, and said the US proposed US\$310 billion defense budget dwarfed the PRC's US\$17.07 billion. The PRC's actual defense spending is thought to be up to five times the official budget.

The Washington Times ("BEIJING PLANS DEFENSE SPENDING BOOST," Beijing, 3/6/01) reports that PRC Finance Minister Xiang Huaicheng stated today that the PRC plans to raise defense spending by 17.7 percent this year. The Washington Times also speculated that five of the seven members of the all-powerful Politburo are set to step down at the upcoming 16th Communist Party congress, and that PRC President Jiang Zemin is thought likely to give way to Vice President Hu Jintao.

## **5. PRC-US Relations**

Joseph A. Bosco, a lecturer in China-Taiwan Relations at Georgetown University's School of Foreign

Service, published an editorial in the Los Angeles Times ("HAS CHINA TURNED INTO A FRANKENSTEIN?" 3/5/01) in which he argued that, because of the PRC's aid to the weapons programs of countries like Iraq, Pakistan and the DPRK, its anti-US, "anti-hegemonism" policy can no longer be dismissed as mere rhetoric. Bosco argues that the PRC is operating on the principle that "the enemy of my enemy is my friend," and has fashioned alliances with proclaimed or potential adversaries to the US.

## **6. PRC Aid to Iraq**

The New York Times (Erik Eckholm, "CHINA DENIES INVOLVEMENT IN IRAQI AIR DEFENSES; INCREASES MILITARY BUDGET," Beijing, 3/6/01) reported that PRC Foreign Minister Tang Jiaxuan rejected US allegations that PRC companies helped improve Iraqi air defenses in violation of UN sanctions. Tang stated, "Relevant agencies in China have carried out some serious investigations. Chinese enterprises and corporations have not assisted Iraq in building the project of fiber optic cable for air defense." Tang also warned the US of grave consequences if it sells Taiwan advanced weapons systems.

## **II. People's Republic of China**

### **1. DPRK-Germany Relations**

People's Daily ("DPRK ESTABLISHES DIPLOMATIC RELATIONS WITH GERMANY," 03/02/01, P3) reported that according to the DPRK's Central News Agency, the DPRK Government issued a communique declaring that the DPRK and Germany establish formal ambassadorial diplomatic relations from March 1. The communique said that a DPRK Foreign Ministry delegation and German Foreign Ministry delegation held formal talks from February 26 to 28 in Berlin, during which they exchanged relevant documents on diplomatic relations.

### **2. ROK-Russia Statement on ABM**

China Daily ("ROK JOINS RUSSIA TO BACK ABM TREATY," Seoul, 02/28/01) reported that in a joint declaration issued after talks between ROK President Kim Dae-jung and visiting Russian President Vladimir Putin, the ROK joined Russia in describing the Anti-Ballistic Missile (ABM) treaty "the cornerstone of strategic stability and an important foundation of international efforts on nuclear disarmament and non-proliferation." The declaration said that both countries "expressed their hope for the early settlement of the issues regarding the development, export and deployment of missiles on the Korean Peninsula through continued dialogue among the parties concerned." "Russia considers DPRK and ROK relations are very important for Russia's view of the region's geopolitical framework," Putin told a gathering of ROK businessmen, adding that Russia would work towards a thaw on the peninsula.

### **3. US Increases Military Expenditure**

People's Daily ("US INCREASE ITS MILITARY EXPENDITURE," Washington, 03/02/01, P3) reported that on February 28 US President George Bush submitted to the Congress the defense budget in the fiscal year of 2002, totaling US\$318.9 billion. It increased US\$8.9 billion compared with the 2001 defense budget ratified by the Congress. This is the fourth time since the end of the Cold War that the US had such a large increase on its annual defense budget. According to US officials, at least

US\$1 billion of the new budget will be allocated to the National Missile Defense.

#### **4. Japanese History Textbook**

People's Daily (Zhang Jinfang, Li Zhengyu, "DPRK CONDEMNS JAPANESE HISTORY TEXTBOOK," Pyongyang, 03/02/01, P3), People's Daily (Zhang Jinfang, Li Zhengyu, "DPRK AND ROK HISTORIANS ACCUSED JAPANESE TEXTBOOK," Pyongyang, 03/04/01, P4) and People's Daily (Gu Ping, "LET US SEE HOW JAPAN ENDS," 03/06/01, P7) reported that DPRK and PRC condemned the Japanese revision of its history textbook. The DPRK's Nodong News commented that history education is of vital importance to the formation of the world outlook of the Japanese teenagers. It urged that Japan should make up for its historical wrongdoing by sincere apology and compensation. On March 2 in Pyongyang, DPRK and ROK historians issued a joint declaration accusing Japan of trying to whitewash its history of aggression. The declaration said that it is a widely-recognized fact that Japan militarily invaded the Korean Peninsula, slaughtered innocent people and plundered cultural wealth and resources. Chinese commentary said that the crucial point of the Japanese history textbook is its ignorance of its colonial history and its whitewashing of Japan's invasion. This issue is definitely not a simple internal problem, but a problem that is relevant to Asian peace and stability.

#### **5. PRC-US Human Rights Dispute**

China Daily (Hu Qihua, "PRC LAMBASTS 'UNREASONABLE' REPORT BY US," 02/28/01, P1) reported that the PRC government has responded to a US State Department review of its human rights record by saying it is "totally unreasonable" for the US to interfere in the PRC's internal affairs under the pretext of so-called human rights. Commenting on the US annual report on human rights issued on February 26, PRC Foreign Ministry spokesperson Zhang Qiyue urged the US to observe the norms of international relations and correct its wrongdoing. Countering US assertions about the worsening of the human rights situation in PRC, Zhang pointed to the substantial rise in quality of life experienced by Chinese people in the past few years, saying it is a well-known fact that the human rights and basic freedoms Chinese people are enjoying have been raised to an unprecedented level. Turning to the Falun Gong, she said that numerous people and organizations have proven the organization to be an evil, manipulative cult that has brought severe harm to society by deceiving, deluding and harming people. She also noted that the Government has banned and cracked down on the Falun Gong according to law, in a manner designed to maintain and safeguard the basic human rights and freedoms of Chinese citizens. "Any government with a sense of responsibility would refuse to adopt a laissez-faire policy with regard to such destructive cults," Zhang said. She criticized a number of serious US human rights violations, noting that the US Government keeps silent about its own problems while using human rights as an excuse to meddle in the affairs of other countries by willfully distorting the facts and even openly defending evil cults that harm humankind. The US move reflects its "double standard" on human rights, she said.

China Daily (Meng Yan, "NPC VOTES ON HUMAN RIGHTS COVENANT," 03/06/01, P1) and China Daily (Jiang Zhuqing, "SIGNING REFLECTS NATION'S RESOLVE," 03/02/01, P1) reported that Zhou Jue, president of the China Society for Human Rights Studies, said that the ratification of the International Covenant on Economic, Social and Culture Rights fully demonstrates that the PRC's attitude on the adoption of international covenants of human rights is positive and prudent. Speaking after the Standing Committee of the Ninth National People's Congress ratified the covenant on February 28, Zhou stated, "The covenant confirms the basic human rights, such as people's rights to subsistence and development. To some degree, it reflects the demands and nature of human rights in developing countries." PRC lawmakers agreed that the content of the covenant is

in agreement with related laws, policies and practices in the PRC. The directives of the covenant are also consistent with the basic goals of the PRC's opening-up policy and the building of socialism with Chinese characteristics, according to the legislators. In response to China Daily's question about why the PRC ratified the covenant three years after it signed the pact, Zhou said that although the spirit and content of the pact are in line with the PRC's Constitution, laws, policies and practices, time was needed to probe the fine points of the articles. Also, he added, in-depth and wide studies were needed before the PRC approved the covenant, which would have a comprehensive impact on the life of the people and the country. With the accomplishment of the nation's Ninth Five-Year Plan (1996-2000), the PRC has solved the food problem for its population of almost 1.3 billion. A basic framework of the country's social security system has been established and breakthroughs have been made in reemployment and housing reform. The nation has also witnessed an all-round development in culture, education, science and technology, broadcasting, publication, health and sports, legislators said.

## **6. Russia-Vietnam Relations**

People's Daily (Zhang Jiaxiang, Hou Hexiang, "RUSSIA AND VIET NAM ISSUED JOINT DECLARATION," 03/02/01, P3) and China Daily ("VIET NAM TO BUY ARMS FROM RUSSIA IN NEW DEAL," Hanoi, 03/02/01) reported that Russian President Vladimir Putin declared a new strategic partnership with Vietnam on March 1. The declaration pointed out that the two countries are determined to strengthen and develop a traditional friendly relationship and cooperation in various aspects. In the declaration, Vietnam supported Putin's stance on US missile defense, while the Russian President said that Vietnam wanted to buy new Russian armaments. Putin arrived in Vietnam on February 28 on the second leg of an Asian tour. He is the first Kremlin chief to visit Vietnam. Asked at a joint news conference with his Vietnamese counterpart Tran Duc Luong about prospects for further military cooperation between the two countries, Putin replied, "Vietnam needs to maintain its existing weapons bought from the Soviet Union and Russia and modern weapons. Vietnam wants and can afford to buy new weapons." Putin did not elaborate on the types of weapons sought by Vietnam, where the armed forces remain reliant on Russian arms. Serious talks were expected during his visit to the strategic naval base Cam Ranh Bay, for which Russia's lease expires in 2004. Analysts do not expect final agreement on Cam Ranh Bay during Putin's visit, but said that the issue will set the tone of future ties as well as Russia's strategic aims in Asia. Analysts say the base in south-central Vietnam, used by Japan in World War II and then by the US in the Vietnam War, is vital to Russian strategic interests in the region. Vietnam does not object to Russian's presence but wants it to boost lease payments. Russian Deputy Foreign Minister Alexander Losyukov said last week that Russia expected "long and difficult talks on the problem." What leverage Russia has, in addition to arms supplies, in Soviet-era debt still owed by Vietnam, estimated at US\$ 1.7 billion. Russian Deputy Premier Viktor Khristenko told reporters the debt issue was "completely solved" and Russia was looking at ways of using part of it to train Vietnamese students and specialists in Russia.

## **7. US Arms Sales to Taiwan**

China Daily (Hu Qihua, "US ARMS SALES TO TAIWAN HURT TIES," 03/02/01, P1) reported that the PRC warned the US on Thursday not to sell weapons to Taiwan. "Sales of a large number of weapons to Taiwan will not only undermine the security of China but will also threaten the security of the Asia-Pacific region," Foreign Ministry spokeswoman Zhang Qiyue said, arguing that continued weapons sales by the US to Taiwan constitute serious interference in the PRC's sovereignty and territorial integrity. The PRC government is against all provision of weapons to Taiwan in any form, she said. Zhou Mingwei, deputy Director of PRC Taiwan Affairs Office of the State Council, who is

leading the first cabinet-level delegation to visit the US since US President George W. Bush took office in January, said that with PRC about to enter the WTO, a growing number of American business corporations will make long-term investments in the country, and therefore a more peaceful and stable climate in the entire region is needed. The Bush Administration is expected to decide in April if it will approve a new weapons package to Taiwan.

PLA Daily (Liu Jiang, "US ARMS SALES TO TAIWAN WILL UNDERMINE ITS INTEREST," Washington, D.C., 03/02/01, P4) reported that the visiting deputy Director of PRC Taiwan Affairs Office of the State Council, Zhou Mingwei, pointed out at a press conference at the PRC Embassy in Washington on February 28 that the continuing US arms sales to Taiwan will not only affect PRC-US relations, but also sabotage peace and stability in the Taiwan Straits, which will in turn undermines US economic and security interest. Zhou said that the situations in the PRC and Taiwan and PRC-US economic relations have changed greatly in the past 10 years. US enterprises have been flowing to China and more will follow after the PRC enters the WTO. For their interest, he said, the companies wish to maintain peace and stability across the Straits. He argued that US arms sales will only whet the ambitions of Taiwan pro-independence forces, which will make it more difficult for dialogues across the Straits, thus threatening the investment environment. He reiterated the PRC Government's Taiwan policy as "peaceful unification, one country and two systems." However, he warned, currently there are people who when talking about Taiwan question only emphasize "peace" and "two systems" while ignoring "unification" and "one country," which will definitely not do.

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.

Produced by [the Nautilus Institute for Security and Sustainable Development](#) in partnership with:  
International Policy Studies Institute Seoul, Republic of Korea  
Center for American Studies,  
[Fudan University](#), Shanghai, People's Republic of China  
[Monash Asia Institute](#),  
[Monash University](#), Clayton, Australia

Timothy L. Savage: [napsnet@nautilus.org](mailto:napsnet@nautilus.org)  
Berkeley, California, United States

Gee Gee Wong: [napsnet@nautilus.org](mailto:napsnet@nautilus.org)  
Berkeley, California, United States

Robert Brown: [napsnet@nautilus.org](mailto:napsnet@nautilus.org)  
Berkeley, California, United States

Kim Hee-sun: [khs688@hotmail.com](mailto:khs688@hotmail.com)  
Seoul, Republic of Korea

Hiroyasu Akutsu: [akutsu@glocomnet.or.jp](mailto:akutsu@glocomnet.or.jp)  
Tokyo, Japan

Peter Razvin: [icipu@glas.apc.org](mailto:icipu@glas.apc.org)

Moscow, Russian Federation

Yunxia Cao: [yule111@sina.com](mailto:yule111@sina.com)

Shanghai, People's Republic of China

Dingli Shen: [dlshen@fudan.ac.cn](mailto:dlshen@fudan.ac.cn)

Shanghai, People's Republic of China

John McKay: [John.McKay@adm.monash.edu.au](mailto:John.McKay@adm.monash.edu.au)

Clayton, Australia

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Nautilus Institute

2342 Shattuck Ave. #300, Berkeley, CA 94704 | Phone: (510) 423-0372 | Email:

[nautilus@nautilus.org](mailto:nautilus@nautilus.org)