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*** DEMOCRATIC REPUBLIC OF KOREA

1. Analysis of DPRK-US Relations

The Korean Herald (Shin Yong-bae, "N.K. WANTS TO BETTER TIES WITH U.S. BEFORE POLL," 10/3/00) reported that ROK officials and analysts said the recent announcement about the scheduled visit to the US by DPRK's Cho Myong-rok demonstrates DPRK's eagerness to improve ties with the US before US President Bill Clinton leaves the White House. ROK analysts said the DPRK must have decided to dispatch Cho to the US in an apparent hope to lift bilateral relations to some extent before Clinton steps down early next year. Professor Kim Sung-han of the Institute of Foreign Affairs and National Security (IFANS) said, "The North's decision reflects its fret about the possible retreat of bilateral relations (if the Republicans win the November presidential poll)." Song Young-dae, a former vice unification minister, offered a similar analysis. He said, "The North would like to establish improved relations with the United States in advance because the next Washington government is likely to be less flexible than the Clinton government in promoting the North Korea policy, whoever the president may be." Another expert said the US government might have requested the DPRK to show "tangible gestures" to improve relations before the presidential poll. The analysts also took note of DPRK leader Kim Jong-il's choice of Cho as the special envoy, saying it demonstrates the DPRK's willingness to discuss military issues with the US. Lee Hun-kyung, an analyst for ROK's semi-official Korea Institute for National Unification, said, "Pending issues between the two countries are mainly military-related problems like the North's missile program. Cho is the person in charge who can speak about the matter."

2. Warning Against Outside Aid

Associated Press ("KOREA WARNS ON OUTSIDE AID," Seoul, 10/4/00) reported that the DPRK on October 4 warned against the dangers of outside aid. DPRK's official Workers Party daily, a commentary in the Rodong Sinmun said, "The imperialists' aid is a tool of aggression ... a dangerous toxin which brings about poverty, famine and death, not prosperity." The remark came as UN relief agencies were urging international donors for new food aid to avert mass famine in the DPRK. The paper did not specifically target UN food aid, but criticized the policies of the US and other Western countries for using aid to gain political control over foreign countries. The commentary said, "The United States gives dollars to those countries suffering from financial shortage, technology to those countries backward in technology and food to those countries lacking food in the name of aid, and instead forces the introduction of American way of democracy and human rights." The commentary was carried by the DPRK's official foreign news outlet, Korean Central News Agency (KCNA). The ROK began shipments of US$100 million worth of food to the DPRK on October 3.

3. Invitation to Party Anniversary

The Korean Herald (Kim Ji-ho, "N.K. INVITES SOUTHERN LEADERS TO PARTY ANNIVERSARY," 10/4/00) reported that the DPRK invited ranking ROK officials, political party leaders, and social and religious group leaders on October 3 to attend the 55th anniversary of DPRK's ruling Workers Party on October 10. ROK official said that a total of 30 invitation letters, relayed through the border truce village of Panmunjom, were delivered to two government organs, six political parties, seven religious groups and 15 social organizations. The letter, jointly signed by DPRK representatives from government, parliament and organizations, said, "The coming Oct. 10 is a meaningful day, which is the 55th anniversary of the Korea Workers Party. If the South's dignitaries from various walks of life visit Pyongyang and celebrate this holiday together, it will present the whole nation a great joy and

fresh hopes for national unification." Among its recipients were the main opposition Grand National Party (GNP), the Korean Confederation of Trade Unions (KCTU), the National Alliance for Democracy and Reunification of Korea (NARDK) and the ROK Federation of University Student Councils, or Hanchongnyon. Most political parties made clear they would turn down the offer. The GNP and the United Liberal Democrats raised the possibility that ROK leaders could be exploited by the DPRK's tactics, while the ruling Millennium Democratic Party said it was pressed by tight schedules. Most social groups, however, said that they would "positively consider" the invitations. Park Se-gil, a NARDK policy chief, told the ROK's Yonhap News Agency that the visit to the DPRK by ROK leaders is an "event symbolizing the inter-Korean reconciliation and upgrading the South-North relations that have been developing since the summit."

The Korean Herald ("SEOUL UNLIKELY TO ACCEPT INVITATION FROM WORKERS' PARTY OF N. KOREA," 10/5/00) reported that the government has yet to make final decisions on whether it will allow the invited people to join the DPRK's 55th anniversary of its Workers Party on October 10. The ROK's ruling and opposition parties immediately made clear their rejections, but social groups hailed the proposal. However, officials indicated that the ROK would turn down the offer in light of the "political natures" of the Workers Party ceremony and people's negative sentiments. An ROK Unification Ministry official said, "We think it quite difficult to permit their visits this time. In addition, it would not be good if some of them go, while the others do no." The DPRK invitation marked the first time that the DPRK government has invited ROK government officials and other leaders to its party anniversary without attaching any preconditions.

4. Improvement of Foreign Relations

Agence France Presse ("NORTH KOREA EASIER TO DEAL WITH, SAYS ENVOY," Seoul, 10/05/00) reported that according to Italian Foreign Minister Lamberto Dini, the DPRK has become an easier country to deal with in the past six months. After meeting ROK President Kim Dae-jung and other ROK leaders on October 5, Dini appealed for opponents of the president's policy of engagement with the DPRK to give more time to see concrete results. Dini said at an ROK press conference, "I noticed a great difference in attitude, in the kind of rhetoric that was used during my visit to Pyongyang and the way the North Korean authorities are looking at problems today." He said that before the inter-Korean talks, discussions had been dominated by objections to ROK policy and opposition to the US military presence in the ROK. However, Dini noted that the benefits of the reconciliation would not be seen in the short term. Dini said, "No-one is expecting rapid change in North Korea. We have to keep braced for a long dialogue. But the peace dividend will come before too long. It must be clear that Italy has no commercial, trade or economic interest with regard to the links to North Korea. It is because of our experience that I was asked directly by the most interested countries in order to try to establish a better stability in Northeast Asia."

*** REPUBLIC OF KOREA

1. New Peace Initiative with DPRK

Agence France Presse ("SOUTH KOREAN LEADER URGES NEW KOREAN PEACE INITIATIVE," Seoul, 10/1/00) reported that ROK President Kim Dae-jung on October 1 proposed a new peace initiative with the DPRK which would replace the 47-year-old armistice signed at the end of the Korean War. Kim said in a speech marking ROK's Armed Forces Day, "We will push forward the four-party meeting among the two Koreas, the United States and China in a continuing effort to put an end to the anachronistic Cold War on the peninsula." Kim said the four-party meeting must be held

to "realize viable peace in its place. He added, "In that way, we will have peaceful coexistence, peaceful exchanges and eventual unification." Kim did not specify what his peace initiative would involve, but ROK officials said Kim meant a "two-plus-two" format to formally end the Korean War. Under the proposal, the ROK and the DPRK would first reach an agreement on a new peace regime, which would then be endorsed by the US and the PRC as guarantors. ROK officials want the US to take up the issue of negotiating an inter-Korean peace treaty when DPRK's Vice Marshall Cho Myung-nok visits the US from October 9-12. Cho, outranked only by DPRK leader Kim Jong-il in DPRK's powerful National Defense Commission, will be the most senior DPRK politician ever to visit the US. The US State Department said the DPRK and the US hope the visit will "contribute to the goal of ending the long-standing state of hostility on the Korean peninsula."

2. Reunification of Korean Peninsula

Reuters ("SEOUL SAYS REUNIFICATION OF KOREAS TO TAKE TIME," Seoul, 10/1/00) and the Associated Press ("S. KOREA HEAD: MILITARY IMPORTANT," Seoul, 9/30/00) reported that the ROK said on October 1 that it would push ahead with four-way talks between the DPRK, the PRC, the US, and itself to maintain stability and its national security on the Korean peninsula. ROK President Kim Dae-jung said in a speech marking ROK's Armed Forces Day, "To get stability, we must keep our national security firm and our defense cooperation with the US will remain strong." He said that even though the ROK and the DPPK were committed to achieving peaceful reunification, that goal could take several decades to reach. He added, "Hurrying into reunification will hurt our economy and heighten mutual hostility and mistrust." Kim said the two Koreas had agreed to refrain from hostile confrontation at June's inter-Korean talks and also at defense ministers' talks in Cheju. Kim said, "At the summit, I felt the North has went through a big change and desired improving relations with the U.S. and Japan. Even after the reunification, I told Kim the U.S. army will help prevent a war on the peninsula and balance the big powers surrounding us, and his answer was unexpectedly 'I am deeply with you.' "

3. Inter-Korean Ministerial Talks

The Korea Times (Seo Soo-min, "THIRD INTER-KOREAN MINISTERIAL TALKS SHORT OF SUCCESS," 10/1/00) reported that delegates from the DPRK and the ROK failed to come up with visible progress at third ministerial talks which ended on October 1. However, they were able to assess inter-Korean relations and ongoing projects, and agreed on forming a joint economic consultation committee. After the four-day talks held on the island of Cheju, the DPRK and the ROK announced a joint press communique on the morning of September 30. A set of agreements including exchange visits of students, professors and revival of the goodwill soccer games between the capitals of the two countries was agreed upon. Also promised were "active cooperation on confirming the whereabouts of dispersed families, correspondence exchange, setting up meeting points ... for a swift resolution of the separated family issue," as well as "cooperation to soon reach an agreement on (trade) dispute-settling procedures and introduction of an open-account clearance system (of trade bills)." Exact details on the measures to be taken on many of the key issues, including the separated family issue, as well as the date for the agreed visit of Kim Yong-nam, DPRK's Presidium of the Supreme People's Assembly were noticeably missing. The specific place for the fourth inter-Korean ministerial talks from November 28 - December 1, was also not reached or postponed.

4. Reunion of Separated Families

The Korean Herald (Kim Ji-ho, "SEOUL BEGINS SEARCH FOR SEPARATED KIN," 10/3/00) reported that the ROK government unveiled on October 2, the list of 100 DPRK Nationals hoping to locate their separated family members in the ROK. ROK officials said the ROK and the DPRK exchanged a list of 100 separated families from each country in the border village of Panmunjom on September 30. DPRK observers said that unlike the reunions, most of the DPRK applicants are ordinary people this time. Forty-five of the 100 DPRK applicants were engaged in farming when they lost their family members five decades ago, 22 were students and 18 others were laborers. One of the most distinguished people on the DPRK list is Paek Yong-chol, dean of the electrical engineering department at the prestigious Kim Chaek University of Technology. Most are elderly, with 39 in their 70s and 61 in their 60s. Fifteen of them are women. The ROK and the DPRK also exchanged on October 2, the list of 200 people from each side who want to confirm the whereabouts of their relatives in the other side for temporary reunions slated for November 2-4.

5. Food Aid to DPRK

Associated Press ("KOREAS GRAIN SHIPMENT HIGHLIGHTS POLICY CONCERNS," Seoul, 10/3/00) reported that ROK officials insist that the shipment of 500,000 tons of ROK food aid to the DPRK, announced last week, was not a giveaway but a loan. The loan would be on a one percent annual interest, a 10-year grace period and repayment in 30 years. The debate in the ROK over how to define the aid, however, reveals an undercurrent of edginess about how to deal with the DPRK. Critics say that the ROK is ceding too much in its pursuit of peace. Opposition leaders cite the food loan as another sign that the DPRK is dictating the terms of the rapprochement with the ROK for its own benefit. The ROK government hailed the shipment as a pioneering economic deal that will help unite the two nations. Skeptics, however, doubted that the DPRK, would ever pay back the ROK. They accused the ROK government of trying to disguise the fact that the grain was a handout. Lee Han-koo, a legislator with the main opposition Grand National Party, said, "We don"t know whether the food goes to the needy or the military. We should get something in return from the North, like signing a peace treaty or allowing more family reunions." Kim Young-sam, a former president and longtime rival of ROK President Kim Dae-jung, said in an interview last week with foreign reporters, "I think he is selling out the nation."

Reuters ("SOUTH KOREA TO BEGIN FOOD AID TO NORTH THIS WEEK," Seoul, 10/4/00) and Agence France Presse ("SOUTH KOREA TO SHIP FIRST BATCH OF FOOD AID TO NORTH KOREA," Seoul, 10/4/00) reported that ROK official said the ROK will begin shipments of US$100 million worth of food to the ROK on October 4-5. Kim Hyun-doo, spokesman for the ROK Unification Ministry, said the ROK signed an agreement on October 4 to provide 600,000 tons of food to the DPRK on credit. Kim said, "The first batch of food, 22,050 tons of Chinese corn, will be headed for North Korea late on Wednesday or on Thursday." He said representatives from ROK's Export-Import Bank and the DPRK's Foreign Trade Bank formally signed the food aid deal in the border town of Panmunjom on October 4. The ROK earlier said it would provide 300,000 tons of Thai rice and 200,000 tons of Chinese corn on credit to the DPRK. Another 100,000 tons of corn are to be donated through the United Nations World Food Program (WFP).

*** PEOPLE'S REPUBLIC OF CHINA

1. Warning Against Arms Sales to Taiwan

Agence France Presse ("CHINA WARNS U.S. AGAINST 'SERIOUS CONSEQUENCES' OF ARMS SALE TO TAIWAN," Beijing, 9/30/00) reported that the PRC's official Xinhwa news agency the US on

Friday against going ahead with a planned US$1.3 billion arms sale to Taiwan, or otherwise face "serious consequences." Xinhua reported that the PRC ministry spokesman Sun Yuxi said the US should live up to previously signed communiqués and commitments and abandon the planned arms sale. He said the sale amounted to interfering in the PRC's internal affairs and said his ministry had lodged a strong protest with the US government.

2. Warning Against ABM Treaty Violation

New China News Agency ("CHINESE ENVOY WARNS AGAINST VIOLATION OF ANTI- BALLISTIC MISSILE TREATY," United Nations, 10/4/000) reported that Hu Xiaodi, the PRC ambassador on disarmament, said on October 3 that the Anti-Ballistic Missile Treaty (ABM) should be strictly observed. The statement was made when he was speaking to the general debate of the First Committee of the 55th General Assembly session. The First Committee is in charge of disarmament and international security. Hu said, "This treaty has direct bearings on the security interest of all countries, and should be strictly observed. Any move in violation of the ABM treaty, whatever disguise it takes, will undermine global strategic balance and stability, jeopardize trust between states, and produce far-reaching negative impacts on international peace, security and multilateral disarmament and arms control process." The General Assembly session last year adopted a resolution, titled "Preservation of and Compliance with the Anti-Ballistic Missile Treaty," mirroring the hope of most countries in the world to maintain global strategic balance and stability. Hu said, most countries in the world "wish to keep intact the efforts and achievements in the field of arms control, disarmament and nonproliferation since the end of the Cold War. They are reluctant to see the trust and cooperation between states being jeopardized by the national missile defense system (NMD)." Hu praised US President Bill Clinton for his decision not to deploy the NMD at this time. However, he said, "We think this is a wise decision. Meanwhile, we have also noticed that the NMD program has not yet been given up, and the research and development of this system is now still intensifying. As an important forum for international security and disarmament, the UNGA (UN General Assembly) First Committee should pay serious attention to this issue." Hu also said that at the current GA session, the PRC will join Russia, Belarus and other countries in submitting a draft resolution on ABM treaty for the second time. He said, "We expect more countries to support this draft resolution, so as to contribute to the maintenance of global strategic balance and stability in a spirit of sincerity and cooperation. We also hope that the United States will heed the appeals of the international community, consult other countries on this issue, and drop the NMD program as soon as possible."

3. Legislation Against Russian Arms Sales to PRC

The Washington Times (Bill Gertz, "HOUSE PASSES BILL TO PUNISH RUSSIA FOR ARMS SALES TO CHINA," 10/5/00) reported that the US House of Representative passed legislation on October 3 that would punish Russia with economic sanctions for selling supersonic cruise missiles to the PRC. It would prohibit the US from providing debt relief for Moscow unless Russia agrees to stop all sales of SSN-22 Sunburn missiles to the PRC. US Representative Dana Rohrabacher, California Republican and chief sponsor of the bill, said that he hopes the legislation is a wake- up call to Russian leaders. He said, "The Russians cannot continue to send deadly weapons and technology that is designed to kill American military personnel to our potential enemies and expect that we're going to do them any favors when it comes to debt restructuring." The White House said in a statement it opposes the bill because it "does not believe [the measure] would be effective in accomplishing its aim of dissuading Russian arms sales to China. Russia's economic stability can best be advanced through a reasonable and considered approach to dealing with Russia's indebtedness." The statement also said the administration is concerned that the legislation would be

"inconsistent" with other US goals toward Russia. It continued, "The security of the American people is the first priority in our relationship with Russia," noting that the administration closely monitors Russian arms sales and the PRC's military development. The legislation, known as the Russian Anti-ship Missile Nonproliferation Act, would block any rescheduling of unpaid bilateral debts owed to the US by Russia until the president certifies to the US Congress that Russia permanently ends all transfers of Sunburns that endanger US national security. It contains a provision that would allow the president to waive the sanctions in the US national security interest. The president also is required to report to Congress every six months on the status of Russia-PRC missile sales. Representative Sherrod Brown, Ohio Democrat, said he supported the bill because the Sunburns "pose a danger to our navy and the Taiwan Straits. Russian sales of Moskit anti-ship missiles to the [People's Republic of China] pose a great threat to the security of Taiwan and to our country. These missiles arrived in China at a time when the mainland has enormously increased the number of other types of missiles on China's coast facing Taiwan. Taiwan is a vibrant democracy and a key economic player in the Asia-Pacific region, and it is unacceptable that the PRC continues to boast to the world about its missile threat to Taiwan and, by extension, of the United States."

4. US-PRC Arms Control Agreement

The Los Angeles Times (Jim Mann, "U.S. TAKES NEW TACK ON CHINA ARMS EXPORTS," Washington, 10/5/00) reported that according to US Clinton administration officials, the administration is quietly attempting to complete a new arms-control agreement in which the PRC would promise to stop supplying missile technology to Pakistan, Iran and other countries. The official said that under the proposed deal, the PRC would adopt its own new export-control laws covering missile technology. The PRC has indicated a willingness to work out a deal in accord with the administration's approach. The negotiations, which are continuing this month in Beijing, center on how detailed and explicit the PRC laws will be. The aim is to have an agreement ready to be signed during US President Bill Clinton's last months in office, perhaps at his final meeting with PRC President Jiang Zemin in November. However, the deal now envisioned would fall short of Clinton's goal of bringing the PRC into the Missile Technology Control Regime (MTCR). Some experts argue that the PRC holds out the prospect of joining the MTCR, without intending to ever do so, as a way of gaining leverage over the US in other areas such as US arms sales to Taiwan and plans for a US missile defense system. Bates Gill, a specialist on Chinese weapons proliferation at the Brookings Institution, said, "The more we seek it [China's MTCR membership], the more leverage they have over us. Why should we invest the political capital when they can extract concessions bit by bit from us, and when in the end they're not going to join?"

5. PRC-Japan Sea Border Talks

Agence France Presse ("CHINA-JAPAN SEA BORDER TALKS END WITHOUT RESOLUTION," Beijing, 9/29/00) reported that Japanese diplomatic sources said on September 28 that Japan and the PRC were unable to reach a resolution on their sea border dispute following two days of talks. A diplomat said, "The meetings were very useful, although the positions are still at some distance from each other. But we can further understand each other's position." Japan and the PRC have yet to sign a treaty delimiting their exclusive economic zones due to a dispute over where their maritime borders lie. According to the Japanese diplomat, the negotiators were unable to reach an accord, but agreed to meet twice a year, the next time in Tokyo at the start of 2001. Japan wants to agree to a sea border that is halfway between the country's two coastlines, but the PRC has argued for a demarcation in line with the "natural extension of continental shelf," claiming territorial waters that almost reach the Japanese island of Okinawa.

6. PRC Prime Minister to Japan

The Washington Times (Edward Neilan, "ZHU'S TRIP TO JAPAN HAS ULTERIOR MOTIVE," Tokyo, 10/5/00) reported that the PRC is placing unusual emphasis on the upcoming visit to Japan by PRC Prime Minister Zhu Rongji. Analysts say the visit will have as much to do with leadership maneuvering in the PRC as with Zhu's ceremonial meetings during the October 12-17 visit. Some analysts, however, look behind bilateral issues to the 16th Chinese Communist Party Congress in 2002, viewing the visit as a showcase for Zhu in his efforts to advance in the PRC's party leadership. Analysts say that PRC's number two party leader, Li Peng, the National People's Congress chairman, is expected to retire, and Zhu could move up. Insiders believe Zhu will be given a chance to exercise his economic prowess in relations with the US, particularly with the PRC's accession into the World Trade Organization, and with Japan. Some analysts said Zhu's other role would be as lead man in contact with a Republican administration led by Texas Govenor George W. Bush, should he win. Analysts said PRC President Jiang feels too closely identified with US President Clinton and the Democrats. In a gesture to Japan, Zhu recently told a group of visiting Japanese lawmakers he believes that the PRC should stop research activities and naval operations in what Japan considers its economic waters. The comments marked the first time that a high-ranking PRC official suggested a halt to the maritime operations by Chinese ships near Japan. Analysis said Zhu wants to show his consideration for Japanese public opinion, which has recently been against the PRC over the naval operations.

7. Future US-PRC Relations

The Washington Times (Ben Barber, "BUSH WOULD GIVE UP CHINA PARTNERSHIP," 9/28/00) reported that George W. Bush plans a major overhaul of US policy in Asia if elected president. Top Bush advisers said the plan would include elevating the role of Japan as the key regional US ally and abandoning US President Bill Clinton's "strategic partnership" with the PRC. Bush would commit US troops to the region for the long haul and extend a proposed missile shield to protect both US troops and allies. He would also ease labor and environmental restrictions in trade pacts and beef up links to nations such as Thailand and Indonesia, which have long-standing security ties with the US. Richard L. Armitage, a former assistant secretary of defense, gave a talk at the Asia Society on September 27 where he said, "Japan is the key to US strategic interests in Asia. Without the use of [Japanese] bases we cannot be what we need to be in Asia." He warned that any attempt to withdraw the 37,000 U.S. troops stationed in ROK would probably lead to Japanese public pressure for a US troop withdrawal from Japan as well. Armitage added, "There is a need for a robust U.S. military presence in Asia. What counts is military clout." Robert B. Zoellick, another top adviser to the Bush campaign, said the US Clinton administration had mishandled the plan to build a national missile defense, leading to concern among allies as well as potential adversaries such as Russia and China. Zoellick said, "Governor Bush has said we need [the anti-missile system] to protect our allies, U.S. troops overseas and the United States. We're not worried about a sudden launch. We worry about a repeat of Iraq." The Bush advisers were cautious on the PRC, welcoming progress toward democracy and free markets. Zoelick said, "China is not the new enemy." But he warned the PRC that threats against Taiwan "will not succeed" and rejected the Clinton administration policy of "strategic partnership" with the PRC.

*** TAIWAN

1. US Approves of Arms Sales

Associated Press ("PENTAGON APPROVES ARMS SALES TO TAIWAN," 9/29/00) reported that the US Department of Defense said on September 28 that it plans a series of arms sales to Taiwan valued at US$1.3 billion. The US Defense Department said it plans to sell Taiwan 200 AIM-120C medium- range air-to-air missiles to enhance the defensive capabilities of Taiwan's F-16 fighters. Although Taiwan had previously asked to buy this type of missile, this is the first time the US Defense Department has approved the sale. In written statements announcing each part of the arms sale, the US Defense Department said the additional weaponry in Taiwan would "not affect the basic military balance in the region." The US Defense Department said it would also sell Taiwan a military communications system known as the Improved Mobile Subscriber Equipment system, for US$513 million. The system will provide secure voice and data communications to all levels of Taiwan's field military forces.

2. Cross-Strait Relations

Agence France Presse ("TAIWAN OFFERS GOODWILL HANDSHAKE TO CHINA," Taipei, 10/2/00) reported a Taiwanese official said on October 2 that Taiwan has demonstrated goodwill to the PRC in the opening of "three mini links" (TML) with the PRC amid hopes for reciprocation the PRC. Lin Chong-pin, spokesman of Taipei's Mainland Affairs Council (MAC) said that in a show of "goodwill", Taiwan will, in mid-December, allow sea transportation, trade and tourist exchanges between the two frontline islands of Kinmen and Matsu and Fujian province along the PRC's southeastern coast. Lin said, "The TML is another show of our goodwill...we hope Beijing would reciprocate us in concrete terms." He added that Taiwan authorities would also consider opening trade links between Taiwan's Penghu island group (Pescadores) and the mainland coast sometime in the future. He also said that the risk to Taiwan's security by opening the TML was "manageable. Security is our top consideration...there is risk but the assessment by the defense ministry showed the risk is managable."

Reuters ("TAIWAN READY FOR DIRECT SHIPPING LINKS WITH CHINA," Taipei, 10/2/00) reported that Taiwan said on October 2 that it would ease a decades-old ban on direct trade and shipping links with the PRC from mid-December. Lin Chong-pin, vice chairman of Taiwan's Mainland Affairs Council said, "We are waiting for them. Our arms are open. We are smiling." The council concluded that allowing "mini three links" - direct trade, transport and mail links between Taiwan-held offshore islands and designated PRC cities - was feasible. Lin said, "The security risks involved...are manageable." Taiwan has said mini links would precede full-scale direct links between Taiwan proper and PRC cities. Lin said a broader opening would require consultations.

3. Taiwan Premier Resigns

Associated Press (William Foreman, "TAIWAN PREMIER TANG FEI RESIGNS," Taipei, 10/3/00) reported that Taiwanese Premier Tang Fei resigned on October 3 after four months in office. Tang, 68, said poor health forced him to step down, but many believed that his disagreement with Taiwan President Chen Shui-bian over a nuclear power plant was a major reason for his departure. Tang favored finishing the US$5.4 billion nuclear plant while Chen said he would like to scrap it. Presidential spokesman Chen Che-nan said Tang had asked to resign several times because of poor health. Lin Jih-wen, a political scientist at Academia Sinica, Taiwan's top state research institute, said Tang's resignation would cause serious problems for the government. Lin said that switching premiers so soon will create a major disruption in the government's current campaign to pass its budget. Lee Si-kuen, a political science professor, said Tang's strong personality made him ill-suited for the premiership and that Tang was fed up with his job. He added that because the premier is not elected, he has little real power and in the end must do the bidding of the president. Lee said, "The

premier can only do a good job if he's a good friend of the president's or is willing to be the president's slave."

4. Chang Chun-hsiung Appointed New Taiwan Premier

South China Morning Post ("CHINA: CHEN POLICIES SET FOR SMOOTHER RIDE," 10/5/00) reported that Taiwan President Chen Shui-bian appointed Chang Chun-hsiung on October 4 as Taiwan's new premier. Analysts said the appointment will pave the way for the Taiwanese government to formulate consistent policies. Chang, 62, a ruling Democratic Progressive Party (DPP) lawmaker who served as vice-premier under outgoing premier Tang Fei, is a close confidant of Chen and is expected to carefully execute the President's agenda. The relationship would in effect make the cabinet premier the equivalent of Chen's chief of staff, ending controversy over whether the premier or the president should be in charge of making policy. DPP legislator Lin Cho-shui said, "With Chang in command, there will be fewer disputes between the cabinet and President Chen in decision-making on major issues." Daniel Chen, executive vice-president of the Industrial Bank of Taiwan, said, "It will be a unified government under the Democratic Progressive Party which shares the same belief and ideology, and speaks the same language. But just keep in mind it will be a minority government against a strong opposition party. It's a bumpy road ahead."

The Associated Press (Annie Huang, "NEW TAIWAN PM SEEKS END TO FEUDING," Taipei, 10/6/00) and Reuters ("TAIWAN PRIME MINISTER URGES PARTIES TO GIVE UP ANTAGONISM," Taipei, 10/6/00) reported that Taiwan's new Premier Chang Chun-hsiung on Friday urged opposition parties to halt a "war of attrition" that has shaken confidence in the island's government and stock market. Chang, who took office Wednesday, urged the island's parties to work together. He said, "In this new age, let's stop this war of attrition where there are no winners, no bottom lines. In the past 10 years, our political culture has been more of confrontation and antagonism than cooperation. I believe cooperation will replace confrontation in the new century." However, analysts said Chang's call for cooperation was wishful thinking and that opposition legislators were unlikely to dance to the ruling party's tune. Nationalist deputy Chu Li-lun said, "It's all empty talk. The DPP doesn't negotiate. It wants to dictate."

5. Internal Struggles in Taiwan

The Washington Post (John Pomfret, "TAIWANESE LEADER VOICES CONFIDENCE IN FACE OF TURMOIL," Taipei, 10/5/00) reported that Taiwan President Chen Shui-bian expressed confidence Thursday that his fledgling government can deal with the "temporary doubts and concerns" aroused by Taiwan's plunging stock market and political turmoil that includes the resignation of Prime Minister Tang Fei. Chen said, "Many people aren't used to the coming of a new government in Taiwan. Even we are not used it. Even mainland China is not used to it. . . . But we have firm confidence. We have no right to be pessimistic." The resignation of Prime Minister Tang Fei on October 3 intensified the impression in Taiwan that Chen has failed in his attempt to lead a broad-based government. Observers in Taiwan are split on Chen's prospects. His opponents, especially the Nationalist Party, smell blood. Since his inauguration, the Nationalists have worked to create the impression that political chaos reigns. Ma Ying-jeou, the mayor of Taipei and a Nationalist leader said, "The whole country is paralyzed. Chen and his people are just not ready to govern." However, others such as Parris Chang, a senior legislator and an influential figure in Chen's party, said, "This will help ensure that we have not abandoned our principles," he said. "Our party stands for things. We should not abandon our roots." Chen expressed alarm on Friday at the PRC's tactics and gave a sense that the PRC's policy of trying to isolate the president seemed to be touching a nerve. Chen said, "They are working very hard to sabotage the internal unity of Taiwan, so this something that

we must be worried about. We are concerned that some people and some groups here are receptive to China's wooing and can't distinguish between friend and foe, lack a sense of caution and a sense of crisis. Our most urgent matter in internal affairs is to establish a sense of friend and foe, a sense of caution and a sense of crisis."

South China Morning Post ("CHINA: OPPOSITION PARTIES FLEX THEIR POLITICAL MUSCLES," 10/5/00) reported that Taiwan's Kuomintang Party (KMT) forced the Taiwanese government to re-submit a new budget for 2001 but its legislative caucus also passed a motion barring party members from accepting positions in Taiwan president Chen Shui-bian's government without approval from party headquarters. The KMT required that Chen's DPP to enter into formal negotiations, aimed at setting up a coalition government, before any KMT figures would be allowed into the new Government.

*** UNITED STATES

1. Review of US Forces in ROK and Japan

The Washington Times (Richard Halloran, "GROUND FORCES IN JAPAN, S. KOREA UNDER REVIEW," Honolulu, 9/29/00) reported that senior US military officials say they are reviewing strategy to determine whether US ground forces could be reduced or removed from Japan and the ROK without a loss of military power in the region. Under such a plan, the US would rely on warships, air power and rapidly deployable ground forces to maintain the US military presence in Asia. Senior US officials emphasized that no decisions have been made, as the examination is still under discussion among military leaders in the US Defense Department, Pacific Command in Hawaii and US Forces Korea in Seoul. They stressed the review was not intended to lessen US security commitments in Asia. However, official said, a fundamental shift in the composition of US forces in Asia is being contemplated over the next five or so years. Navy Lieutenant Commander Terry Southerland, spokesman for Asia Pacific affairs said, "There is no [Department of Defense] study or report that is reviewing the strategy of stationing U.S. ground forces in South Korea and Japan." However, an anonymous senior US military official said a review was being conducted in anticipation that the next president will want to consider US military commitments overseas. The official said, "We are going through this review to get ready for the new administration and for the QDR (Quadrennial Defense Review)." Regarding the possible reconciliation of the DPRK and the ROK, General Henry Shelton, chairman of the US Joint Chiefs of Staff told the US Senate Armed Services Committee on October 4, "Even if you had a reconciliation and eventually . . . a reunification, there still is the issue of America's forward presence and the peace and stability that we bring to the region. Certainly, it could be reviewed, but I think it would be premature to say that I can foresee the day right now when we would necessarily want to reduce those forces." The review is being undertaken in response to several converging events. US military leaders have begun to realize that they must respond to protests in the ROK and Japan against the presence of US forces. A senior US officer said, "I don't think this is anti-Americanism so much as anti-base-ism. The Japanese and Koreans want their alliances with us, but they don't want our troops on their sovereign soil."

2. US-DPRK Talks

Reuters ("U.S., N. KOREA END FIVE DAYS OF 'POSITIVE' TALKS," Washington, 10/3/00), the Associated Press (Malcolm Foster, "U.S., NORTH KOREA WIND UP TALKS," New York, 10/3/00), and the Washington Times (Tom Carter, "HIGH-RANKING NORTH KOREAN DUE TO MEET CLINTON," 10/3/00) reported that the US State Department said on October 3 that the DPRK and

the US ended five days of New York talks focused largely on preparations for a visit to the US by DPRK's second top official. The talks covered a broad range of subjects, including the DPRK's nuclear and ballistic missile programs and what US calls DPRK's support of terrorism. The highlight was the announcement that the vice chairman of DPRK's Defense Commission, Cho Myong-rok, would come to the US. US State Department spokesman Phillip Reeker said, "The talks were very positive, and ... much of the time was spent discussing the upcoming visit of Vice Marshal Cho." Cho will visit the US for talks with US President Bill Clinton and Secretary of State Madeleine Albright from October 9-12.

The Korean Herald (Shin Yong-bae, "PROGRESS IN N.Y. TALKS TO IMPROVE U.S.-N.K. TIES," 10/5/00) reported that the DRPK and the US ended five day talks aimed at improving relations on October 3. Chief negotiators from the US and the DPRK said they had made some progress on the outstanding issues between the two sides. ROK analysts said they expect the two countries to accelerate moves to normalize their relationship. Paik Hak-soon, a research fellow at the private Sejong Institute, said, "The progress demonstrates that relations between the two countries are going headed in a positive direction." Chief delegates to the talks US envoy for Korean affairs Charles Kartman and DPRK Vice Foreign Minister Kim Gye-gwan did not elaborate on the outcome of the talks, saying details of the meetings will come later. The announcement on the progress spawned speculation in the ROK that the two sides might have narrowed their differences over key issues, including the DPRK's missile program and the removal of DPRK from US' list of state sponsors of terrorism. One expert said, "The two sides might have felt the need to iron out differences to some extent before a planned visit by Cho Myong- rok to Washington for high-level talks."

3. Joint Submarine Rescue Exercises

Associated Press ("U.S., JAPAN, SOUTH KOREA, SINGAPORE HOLD JOINT SUB RESCUE EXERCISE," Singapore, 10/2/00) reported that navies from the US, Japan, the ROK and Singapore on October 2 began the first combined submarine rescue exercise in the Pacific. The 13-day Exercise Pacific Reach 2000, involves 600 people, four ships, four submarines and three sophisticated underwater craft that can rescue personnel from submarines in distress. Russia, the PRC, Britain, Australia, Canada, Chile and Indonesia were invited as observers. Lieutenant Leslie Hull-Ryde, a Navy spokeswoman in Singapore, said, "This is the first time we've really had the chance to work together in a regional submarine rescue exercise in the Pacific." She added that working together with the other navies will promote "greater understanding and also a commitment to stability" in the Asia-Pacific region.

4. US-ROK-Japan Talks on DPRK

The Korean Herald (Shin Yong-bae, "SEOUL, WASH., TOKYO TO MEET ON N.K. LEADER'S U.S. VISIT," 10/6/00) reported that officials said on October 5 that the ROK, the US, and Japan will hold talks in Washington on October 7 to coordinate their positions on the upcoming landmark visit by Cho Myong-rok to the US. A senior ROK foreign ministry official said, "At the Trilateral Coordination and Oversight Group (TCOG) meeting, the three governments will discuss the outcomes of contacts they had with North Korea separately, particularly with respect to Cho Myong-rok's planned trip to Washington." ROK officials said the government will deliver its position on those security issues during the TCOG meeting, a consultative forum among senior officials from the three allied nations. Chief delegates to the three-way talks are ROK Deputy Foreign Minister Jang Jai-ryong, US State Department counselor and recently appointed DPRK policy coordinator Wendy Sherman, and Japanese Vice Minister for Foreign Policy Yukio Takeuchi. The ministry official said, "Japan's plan to

additionally provide food aid to famine-stricken North Korea and the recent progress in inter-Korean relations will be also discussed at the TCOG conference." Prior to the three-way session, the chief delegates plan to hold separate bilateral talks on areas of mutual concerns.

*** JAPAN

1. Food Aid to DPRK

The Japan Times ("FOOD AID TO NORTH KOREA GAINS APPROVAL," 10/5/00) and Agence France Presse ("JAPAN AGREES 500,000 TONNES OF RICE AID FOR NORTH KOREA," Tokyo, 10/6/00) reported that one of Japan's key Liberal Democratic Party (LDP) panel approved a plan on October 4 to send 500,000 tons of rice as food aid to the DPRK. The plan was endorsed at a meeting of the LDP's Foreign Affairs Division in the afternoon and now awaits approval by two other LDP panels, which is expected on Friday. Japan's Chief Cabinet Secretary Hidenao Nakagawa said the Japanese government hopes the aid will help promote normalization talks with the DPRK. He said the announcement of the aid will "clarify the government's intention (to help the North)." He added that that it will also enhance a recent series of positive developments concerning the Korean Peninsula. Under the aid program, Japan will contribute funds to the UN World Food Program (WFP) to purchase the rice from Japan's own stockpile. Foreign Minister Yohei Kono said Japan should send the rice not only as humanitarian assistance but also to help bring North Korea into the international fold. Kono said, "We want to provide the assistance to back various changes since June." According to the Japanese Foreign Ministry, the WFP estimates that a total of 870,000 tons of rice will be needed to cover the DPRK's needs through next year. The 500,000 tons of rice is worth 17.5 billion yen at international prices, but Japan is also expected to provide more than 100 billion yen so that the WFP can buy more expensive Japanese-grown rice. The total cost of the aid is estimated at 120 billion yen because Japan will also shoulder shipping costs inside Japan. The rice shipments are expected to begin this year and run through summer.

Associated Press (Chisaki Watanabe, "JAPAN ANNOUNCES AID TO NORTH KOREA," Tokyo, 10/6/00) reported that Japan announced Friday that it would dramatically increase food aid to help the DPRK and encourage its government to continue improving relations with other countries. The 500,000 tons of rice promised by Japan would be a fivefold increase in its shipments to the DPRK. Japanese government spokesman Hidenao Nakagawa said Friday that Japan decided to increase its aid to the DPRK at the request of the UN World Food Program. Nakagawa said Japan wants to encourage the DPRK to continue working toward reunification with the ROK, to normalize relations with Japan and to establish diplomatic ties with other democratic countries. He said, "The purpose of the aid is to support the positive movement taking place in North Korea." The donation was approved Friday by Prime Minister Yoshiro Mori's Cabinet but still requires the Diet's approval.

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