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I. United States

1. US-DPRK Talks

Agence France-Presse (Michael Adler, "UNITED STATES AND NORTH KOREA PAUSE IN BERLIN TALKS," Berlin, 09/09/99), Reuters (Martin Schlicht, "N.KOREA, U.S. TO RESUME BERLIN TALKS FRIDAY," Berlin, 09/08/99) and The Associated Press ("US HOPES TO EASE TENSIONS IN KOREA," Berlin, 09/08/99) reported that the US and the DPRK paused on Thursday after holding two days of talks on Tuesday and Wednesday in Berlin. The talks are scheduled to resume at the US embassy in Berlin on Friday. US special envoy Charles Kartman made no comment after leaving the DPRK mission in eastern Berlin on Wednesday. A DPRK official said that the talks had been "sincere." Unnamed analysts said that it was a good sign that aides were leaving at several points during the talks so that Kartman and Kim and their closest advisors could talk directly. The analysts predicted that the two sides could agree on a freeze in the DPRK's missile program in return for the US allowing private investment in the DPRK and unfreezing DPRK assets in the US.

Agence France-Presse ("US PROPOSES LIFTING SANCTIONS IN RETURN FOR N.KOREA MISSILE MORATORIUM," Seoul, 09/09/99) reported that the ROK's Yonhap news agency on Thursday quoted sources from Berlin as saying that the US has proposed lifting sanctions against the DPRK in return for a moratorium on its missile test launches.

Reuters (Katarina Kilian, "N.KOREA SAYS ONUS ON U.S. TO EASE TENSION," Berlin, 09/07/99) reported that DPRK Vice Foreign Minister Kim Gye-gwan said Tuesday that the success of bilateral talks with the US depended on the US. Kim added that the atmosphere of the talks was good "and we were very serious."

2. US-Japan-ROK Talks

Reuters ("U.S., JAPAN, S. KOREA PREPARE FOR SUMMIT," Auckland, 09/09/99) reported that US Secretary of State Madeleine Albright met Japanese Foreign Minister Masahiko Komura and ROK Foreign Minister Hong Soon- young in New Zealand on Thursday to prepare for a trilateral summit on the DPRK Sunday. Albright briefed her counterparts on US-DPRK talks in Berlin. An unnamed US official said that the Japanese were "hopeful but vigilant" about the DPRK. ROK Foreign Minister Hong stated, "North Korea is finding itself in an increased isolation from the international community. Even China and Russia are supportive to [the ROK's] policy of engagement because it contributes to the peace and stability of the peninsula." He added that if the DPRK were to fire off another missile, "What lingering sympathy the international community has toward North Korea ... will decrease definitely."

3. DPRK-Japan Relations

Agence France-Presse ("JAPAN SEEKS TO REOPEN DIALOGUE WITH NORTH KOREA," Tokyo, 09/09/99) reported that Japanese Chief Cabinet Secretary Hiromu Nonaka said Thursday that Japan is interested in resuming dialogue with the DPRK. Nonaka stated, "I hope the North Korean issue

will be settled through US-North Korean talks. If tensions are reduced following the recent move and if we can make contact and resume dialogue with North Korea officially or unofficially, we want to maintain that momentum." He added, "If North Korea does not launch a Taepodong missile, we will hold full discussion with South Korea and the United States, and will be ready to consider the future of our stance on North Korea. Anyhow, we will continue both deterrence and dialogue."

4. DPRK Missile Development

The Associated Press (Robert Burns, "CIA WARY ON N. KOREA, IRAN MISSILES," Washington, 09/09/99) reported that the US Central Intelligence Agency (CIA) said that the DPRK is likely to pose a long-range missile threat to the US within the next 15 years. The CIA said that the DPRK's emerging missile forces "potentially can kill tens of thousands, or even millions, of Americans, depending on the type of warhead, the accuracy and the intended target." The report characterized the prospect of the DPRK acquiring a long-range missile by 2015 as "most likely." The report is a summary of a classified National Intelligence Estimate.

5. DPRK Missile Test

Newsweek International carried an opinion article (Leon V. Sigal, "THE METHOD TO THE MADNESS," 09/13/99) which said that the DPRK's missile threats are designed to bring the US to negotiations to move toward normalization of relations. The author argued that, despite skepticism in the US Congress that the DPRK will not honor any agreement, "there is plenty of evidence to suggest the skeptics are wrong." He pointed out that, in the early 1990s, the DPRK could have pursued nuclear weapons, but instead waited until a deal was reached with the US, and then froze its program. He added, "Similarly, if North Korea was committed to building ballistic missiles to launch nuclear warheads, it would have been testing missiles for much of the last decade. Instead, Pyongyang has fired off just two ineffectual launches - both out of pique at U.S. reluctance to negotiate." He concluded, "cooler heads will recognize this for what it is: a typically crazy Pyongyang invitation to talk, not to fight. A missile deal would ease fears in Asia and open the door to peace in Korea."

6. DPRK Anniversary

The Associated Press ("NORTH KOREA MARKS 51ST ANNIVERSARY," Seoul, 09/09/99) and Reuters (Bill Tarrant, "NORTH KOREANS MARK 51ST ANNIVERSARY WITH REVERENCE," Seoul, 09/09/99) reported that the DPRK celebrated the 51st anniversary of the its founding on Thursday. The Korean Central News Agency (KCNA) said, "Every face of people enjoying the holiday is overflowing with the feelings of infinite reverence for the respected President Kim Il-sung, the father of Socialist Korea and great sun of the nation." An unnamed DPRK watcher in Seoul stated, "It's the world's first necrocracy -- rule by a dead guy." DPRK Premier Hong Song-nam, in a speech Wednesday night at a national meeting marking the anniversary, stated, "We should further strengthen the government as a powerful weapon for reliably carrying into practice the idea and politics of great leader Kim Jong-il." Hong said that a durable peace on the Korean peninsula is impossible unless the US pulls out its troops from the ROK and signs a peace treaty with the DPRK. He also called on Japan to pay compensation to the PDKR for its colonial rule of Korea.

7. US-PRC Talks

Reuters (Jonathan Wright, "U.S., CHINESE MINISTERS PREPARE FOR SUMMIT," Auckland,

09/09/99) reported that US Secretary of State Madeleine Albright and PRC Foreign Minister Tang Jiaxuan held a meeting Thursday in advance of a PRC-US summit. A US official said that the two talked about the DPRK, Taiwan, human rights, PRC membership in the World Trade Organization (WTO), and weapons proliferation. The official stated, "The atmosphere was both cordial and businesslike, certainly free of any acrimony. The clear purpose of both ministers was to help set the stage for the meetings of the two presidents a few days from now." He added, "There was a clear desire on each side to see significant improvement in the relationship coming out of the meeting of the two presidents, to get as much normalcy restored post the bombing of the embassy in Belgrade." He said that the US asked the PRC to resume discussions on all subjects, and expects an answer from PRC President Jiang Zemin when he meets with US President Bill Clinton. The two did not discuss the crisis in East Timor. Tang told Albright that the PRC did not want an arms race on the Korean peninsula and would "play its due role," the official said. He added, however, "The Chinese indicate what their policy goals are but don't indicate the specific actions that they taking with North Korea, so it's difficult to get a measure of that."

8. APEC Response to East Timor

The Associated Press (Dirk Beveridge, "APEC MINISTERS CRITICIZE INDONESIA," Auckland, 09/09/99) reported that foreign ministers at the Asia-Pacific Economic Cooperation (APEC) summit on Thursday held an emergency session to discuss the crisis in East Timor. An anonymous senior US administration official said that the only top-level Indonesian official at the APEC meetings, Economic Minister Ginandjar Kartasasmita, refused to attend the East Timor session. A lower-level Indonesian official attended but only listened. Ginandjar stated, "If we need assistance, we will ask for it, but I don't think we like to be pushed." He also expressed concerns that some leaders had called for Jakarta to restore order quickly. He stated, "The term 'quickly' is ambiguous, because, 'How quick?' The factions in East Timor have been fighting for a long time." New Zealand Prime Minister Jenny Shipley said that the foreign ministers are putting "as much pressure as we can on the Indonesian government." British Foreign Secretary Robin Cook said that Great Britain was dispatching the Glasgow, a guided-missile destroyer, to the East Timor area in case it is needed. He added that the British government also is considering the possibility of sending in ground troops as part of a peacekeeping force.

II. Republic of Korea

1. US-DPRK Talks

The Korea Herald (Shin Yong-bae, "NORTH KOREA, U.S. IN TENSE TUG-OF-WAR OVER CONCESSIONS AT BERLIN NEGOTIATIONS," Seoul, 09/09/99), Chosun Ilbo (Park Doo-shik, "US AND NK HOLD SECOND DAY OF TALKS," Seoul, 09/08/99), The Korea Times ("US, N.KOREA BEGIN TALKS IN BERLIN," Seoul, 09/08/99) and Joongang Ilbo ("NK AND US MEET FOR MISSILE TALKS IN BERLIN," Seoul, 09/08/99) reported that ROK officials said on Wednesday that although the DPRK and the US finished their first-day talks in a relatively smooth atmosphere in Berlin on Tuesday, they are expected to engage in a tense tug-of-war over who should make bigger concessions in the remaining negotiations. On the first day of talks, chief negotiators from the US and the DPRK reportedly exchanged views on their positions in regard to the DPRK's missile threat. DPRK chief delegate Kim Gye- gwan said after the meeting with his US counterpart Charles Kartman, "We confirmed each other's positions through keynote speeches and exchanges of opinions in general," adding that the atmosphere was good. Kim added, "The outcome of the future talks depends on the attitude of the United States." Diplomatic observers in Seoul said that the DPRK

probably demanded that the US first put forth action programs to carry out proposals it has made in return for a moratorium on the DPRK's plan to test-fire a missile. ROK officials at the Ministry of Foreign Affairs and Trade also thought that the DPRK pressed the US to accept its demand during the talks. "The North must have asked the United States about the details of economic incentives it would receive and demanded its action plan," said a ministry official on condition of anonymity. In response, however, the US reportedly conveyed to the DPRK its position that it would lift economic sanctions only after the DPRK declares a halt to its missile testing. According to news reports in the ROK, the US proposed that it remove the DPRK from the list affected by its Trading with the Enemy Act if the DPRK took such action. ROK analysts said that the DPRK's demand for US action programs stems from its concerns that the US may temporize as in the past.

2. ROK at APEC

The Korea Herald (Chon Shi-yong, "KIM TO DISCUSS KOREAN PEACE AT APEC," Seoul, 09/08/99) reported that ROK President Kim Dae-jung said on Tuesday that he would hold "crucial discussions" on Korean peace when he meets the leaders of the US, Japan, and the PRC during the Asia-Pacific Economic Cooperation (APEC) summit in Auckland, New Zealand, next week. Kim, who mentioned the upcoming summits while talking about the DPRK's threat to ignore an inter-Korean sea borderline, did not give further details. Senior administration officials in Seoul, however, have said that the tripartite talks among Kim, Clinton, and Obuchi along with ROK-PRC discussion will mark a turning point in their dealings with the DPRK. The three leaders are expected to issue a joint statement after the summit, which the officials said would focus on the DPRK.

The Korea Herald (Shin Yong-bae, "HONG TO ATTEND APEC MINISTERIAL MEETING," Seoul, 09/08/99) reported that ROK Foreign Affairs and Trade Minister Hong Soon-young left for Auckland, New Zealand on Tuesday to attend the two-day Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting beginning Thursday. During the talks, Hong and other participants will discuss economic cooperation and trade liberalization in Asia and the APEC's future role, ROK officials said. On the sidelines of the meeting, Hong will also hold bilateral talks with US Secretary of State Madeleine Albright on Thursday and Russian Foreign Minister Igor Ivanov on Saturday. Hong and Albright will fine-tune their governments' DPRK policies while watching the progress of the ongoing missile talks between the US and the DPRK in Berlin, said an official at the Ministry of Foreign Affairs and Trade in Seoul. The two ministers are also expected to discuss when to make public the so-called Perry report. At talks with his Russian counterpart Ivanov, the ministry official said Hong will exchange views with him regarding security on the Korean Peninsula.

The Korea Times (Son Key-young, "DEPUTY MIN. JANG TO PREPARE FOR 3-WAY SUMMIT," Seoul, 09/07/99) reported that ROK Deputy Foreign Minister Jang Jai-ryong left for New Zealand on Monday to prepare for a three-way summit between the ROK, Japan and the US, set for September 12 on the sidelines of the Asia-Pacific Economic Cooperation (APEC) forum. Jang is set to meet his counterparts from the US and Japan separately on Friday to discuss how to organize the summit of ROK President Kim Dae-jung, Japanese Prime Minister Keizo Obuchi, and US President Bill Clinton designed to deliver a crucial message to the DPRK. The US side will be represented by Wendy Sherman, counselor to the State Department, and Japan is sending Assistant Foreign Minister Ryozo Kato. "The leaders are expected to issue a message to North Korea. However, the contents of the message depend on how the U.S.-North Korea talks in Berlin are concluded," an ROK ministry official said.

3. DPRK-ROK Maritime Border

Joongang Ilbo (Bong Hwa-shik, "PRESIDENT KIM REPUDIATES NORTH'S SEA BORDERLINE," Seoul, 09/07/99) reported that ROK President Kim Dae-jung on Tuesday emphasized, "We cannot recognize North Korea's one-sided claim to a new maritime borderline in the West Sea which ignores the current Northern Limit Line, and firm countermeasures will be taken in the case of infiltration and provocation." He stressed this resolution in a regular cabinet meeting at the Blue House (Chong Wa Dae) adding, "The summit talks with the United States, China and Japan during the Asia-Pacific Economic Cooperation (APEC) session will be a significant watershed for peace around the Korean peninsula."

Chosun Ilbo (Yoo Yong-won, "VIOLATION OF NLL SEES SHARP INCREASE," Seoul, 09/08/99) reported that the ROK Ministry of National Defense (MND) announced on Wednesday that while DPRK vessels violated the Northern Limit Line (NLL) in the West Sea 4-11 times annually from 1994 to 1997, in 1998 they did so 35 times. This steep increase of violations came from an increase in blue crab fishing assignments for DPRK fishermen. Warships crossed the NLL mostly in June, with a total of 37 crossings in the last five years.

4. Rand Report on DPRK Reform

The Korea Times (Lee Chang-sup, "NK UNLIKELY TO UNDERTAKE MAJOR REFORM, RAND SAYS," Seoul, 09/07/99) reported that according to a US research institute, it is highly unlikely that the DPRK will undertake major reform of its own accord as a larger shift in economic policy would entail substantial political risks to its regime. The Rand Institute said, however, the status quo in the DPRK cannot be maintained indefinitely, with a heightening of internal contradictions ultimately undermining regime stability and viability. It noted that the Kim Jong-il regime has three basic choices to reverse the decline of the DPRK economy. First, it can implement major economic reforms, beginning with the introduction of more market-oriented policies. Second, it can permit piecemeal cosmetic changes, including the solicitation of foreign investment for special economic zones. Third, it can seek to "muddle through" by tactical economic adjustments and expectations of open-ended international provision of foodstuffs, energy, and various forms of humanitarian assistance. The institute said that if the DPRK launched major market-oriented economic reforms, the country would very likely face massive socioeconomic disruption and a growing challenge to its political legitimacy. However, if the leadership resists major change, the country's economic base will decline further, ultimately threatening its viability. This is a dilemma for which the DPRK leadership has no long-term answer, though it will seek to delay a major reckoning as long as possible, according to the report titled "Preparing for Korean Unification: Scenarios and Implications." It said that the DPRK will in all likelihood pursue a "muddling through" strategy for the present, since this could yield critical infusions of external assistance without requiring major internal changes. However, this alternative cannot be considered a long-term solution, it said. [Ed. note: This report is available at: http://www.rand.org/publications/MR/MR1040/]

5. DPRK Refugees in PRC

The Korea Herald (Kim Min-hee, "CIVIC GROUPS DEMAND CHINESE ENVOY WITHDRAW REMARKS ON N.K. REFUGEES," Seoul, 09/09/99) reported that ROK civic groups held rallies on Wednesday to protest PRC Ambassador Wu Dawei's admonishment last week of the ROK for interfering with PRC treatment of DPRK escapees. A committee affiliated with the Christian Council of the ROK held a protest rally Wednesday in front of the PRC Embassy in Myongdong. About 100 DPRK defectors showed up for the protest, along with Christian elders and other social figures. The committee is currently staging a campaign to collect 10 million signatures with which to petition the UN to grant legal refugee status to DPRK escapees in the PRC. Earlier, another organization also

held a rally in Myongdong denouncing Wu's remarks and calling on the PRC to stop the forced repatriation of DPRK citizens. "According to the U.N. Declaration of Human Rights, these people have the right to be treated and protected as refugees and be sent to wherever they want to go," a group official said. In a protest letter to Wu, the group said that the DPRK defector issue has neither to do with interfering in the PRC's domestic affairs nor with new interventionism. "Rather, it is a basic issue based on the idea of human rights."

6. ROK-DPRK Economic Cooperation

The Korea Herald (Kim Ji-ho, "SOUTH KOREA TO INVEST IN N. KOREAN PORT FACILITIES TO SAVE LOGISTICS COSTS," Seoul, 09/09/99) reported that a top ROK unification official said on Wednesday that the ROK will invest in improving the DPRK's port facilities to reduce excessive logistics costs and help stabilize the sluggish inter-Korean economic exchanges. "We are considering investing in the improvement of facilities at North Korean ports to reduce demurrages and use designated berths, thus resolving the problem of the high cost of physical distribution, one of the biggest stumbling blocks to expanding inter-Korean trade," ROK Unification Minister Lim Dong-won told a seminar. In addition, the government plans to sharply increase financial aid for small- and medium- sized enterprises that want to do business with the DPRK, he added. "We will also push for the vigorous transfer of idle facilities here to the North with the help of private businesses and industry groups," Lim said. The DPRK's reluctance to open its secretive system has made it extremely difficult for foreign countries, let alone the ROK, to do business in the DPRK. This has aggravated the already lagging economy, Lim said, noting that the DPRK's gross domestic product (GDP) amounts to just 4 percent of that of the ROK. "Against this backdrop, the government's North Korea policy is aimed mainly at opening the North to the outside world through pushing for persistent exchanges and cooperation, while creating an environment for Pyongyang to shift to a market economy," Lim said. Such exchanges between the Koreas, if materialized, could eventually lead the DPRK to recognize the superiority of capitalism, facilitating the entrance of the DPRK into the international economic arena, he added.

The Korea Times ("GNP RIDICULES HYUNDAI GROUP AS 'DUPE' FOR NORTH," Seoul, 09/08/99) reported that upon the reported demand of the DPRK for Hyundai's supply of 10,000 TV sets, the ROK opposition Grand National Party called the business group a "dupe" for the DPRK. "Hyundai is now even pressured to donate TV sets to the North, in addition to such 'tributes' as bulls, vehicles and dollars. Is Hyundai a pleasure squad for the North Korean officials?" asked GNP spokesman Representative Lee Sa-churl in a statement issued on Tuesday. The spokesman also deplored Hyundai's playing "vassal" to the DPRK, referring to Hyundai's efforts to cater to the DPRK demand by importing foreign TV sets tuned to the DPRK broadcasting system.

7. DPRK defectors

The Korea Herald ("FOUR N.K. DEFECTORS ARRIVE IN SEOUL," Seoul, 09/09/99) reported that the ROK Ministry of Foreign Affairs and Trade said that four DPRK defectors arrived in Seoul on Wednesday after taking refuge in a third country for several years. The four were identified as Park Dong-kun, 40, a driver in Hoeryong County, his son Kang-hyon, 9, Kim Jun-ho, 28, a manual worker in Iwon County, and Ha Yong-chol, 24, a manual worker in Hamhung.

8. ROK Policy toward East Timor

The Korea Times ("SEOUL EXPRESSES CONCERNS OVER EAST TIMOR VIOLENCE," Seoul,

09/07/99) and The Korea Herald ("KOREA ORDERS EVACUATION OF CIVILIAN POLICEMEN, ELECTION MANAGEMENT OFFICIAL IN EAST TIMOR," Seoul, 09/08/99) reported that the ROK government expressed deep concerns on Monday over violence taking place in East Timor. "We hope that the situation in East Timor could be resolved in a peaceful way under the control of the United Nations," said ROK Foreign Affairs-Trade Ministry spokesman Chang Chul-kyoon. Meanwhile, five ROK policemen dispatched to East Timor at the request of the UN were ordered to retreat to Darwin, Australia, as violence has become aggravated since last week's referendum. All the other ROK citizens in East Timor, including an election management official, correspondents, and a volunteer, were evacuated to avoid violence, the spokesman said.

9. APEC Response to East Timor

Chosun Ilbo (Sung In-bae, "APEC MINISTER MEET ON EAST TIMOR VIOLENCE," Seoul, 09/08/99) reported that foreign ministers of countries belonging to the Asia-Pacific Economic Cooperation (APEC) forum opened an emergency meeting on Wednesday in Aukland, New Zealand to prepare countermeasures to the East Timor violence. Although East Timor was not included on the original agenda, APEC members gathered to discuss this as violence escalated. The 13th APEC meeting will open officially on September 9 and the main focus of this year's meeting is to confirm APEC's position with regard to the World Trade Organization (WTO) meeting in Seattle at the end of November. APEC has to decide if it will act as a group or settle for individual negotiations at the so-called "Millenium Round" talks.

10. ROK calls for Asian Unity

The Korea Herald (Chon Shi-yong, "KIM CALLS FOR ASIAN SOLIDARITY IN ENSURING RULE OF LAW; STRESSES FIGHT AGAINST DRUGS, TERRORISM," Seoul, 09/09/99) reported that ROK President Kim Dae-jung on Wednesday opened the biennial conference of legal and judiciary professionals in the Asia-Pacific in Seoul, calling for the region's solidarity in ensuring the rule of law and democracy. The President also urged the nations in the region to step up their fight against global problems such as drugs, terrorism, environmental pollution and the production of weapons of mass destruction. "I ask you, the distinguished lawyers in the region, not to spare your wisdom and efforts in helping all the nations in the Asia-Pacific to come together for regional peace and stability, the development of democracy and common prosperity," Kim said. Kim gave a congratulatory address at the opening ceremony of the 16th conference of the Law Association for Asia and the Pacific at the Lotte Hotel. Kim said that the law must fulfill its role as a guardian of human rights and ensure the proper operation of the system of democracy. Kim said that he hopes that ROK's efforts and experience in pushing reform will become a useful reference for other nations in the Asia- Pacific region.

III. People's Republic of China

1. DPRK-ROK Maritime Border

China Daily ("KOREANS TALKS TOUGH ON SEA BORDER," Seoul, 9/8/99, A11) reported that the DPRK urged the ROK on September 6 to recognize the West Sea border line declared by the DPRK last week, saying it will take firm actions in self-defense against any violations. "If they intrude into the military demarcation line at the West Sea of Korea proclaimed by the DPRK to commit provocation, we would exercise the strong self-defense right by various means and methods," the

Korean Central News Agency said. The warning came as the DPRK indicated that it would raise the issue at talks with the US in Berlin on September 7 that were supposed to focus on the DPRK's missile program. ROK President Kim Dae-jung rejected the DPRK's attempt to redraw the border and said he would talk about tensions on the Korean Peninsula when he holds a summit with the US and Japan, followed by one with the PRC, next week in New Zealand. Kim said, according to the report, that he remained firmly committed to his "sunshine policy" of engagement with the DPRK.

2. DPRK-UNC Talks

People's Daily (Zhao Jiaming, "DPRK-US GENERAL-LEVEL TALKS REACH NO PROGRESS," Pyongyang, 9/2/99, A6) said that according to a report from the DPRK's Central News Agency, Lieutenant General Ri Chan-bok from the DPRK's People's Army and Major General Michael Dunn from US Forces in the ROK held talks again in Panmunjom on September 1 to discuss the military demarcation line on the West Sea of the Korean Peninsula. The talks did not make any progress. Lieutenant General Ri Chan-bok emphasized at the end of the talks that the DPRK side will no longer participate in any DPRK-US general-level talks which cannot reach progress. He warned that, in conformity with the armistice agreement of the Korea War, the DPRK People's Army will take firm and decisive measures to defend the DPRK's militarily controlled waters at sea.

3. PRC Attitude toward Korean Peninsula

China Daily ("JAPANESE ENCROACHMENT ON TERRITORY CONDEMNED," Zhao Huanxin, 9/8/99, A1) reported that when answering question about the situation on Korean Peninsula at the regular news briefing on September 7, PRC Foreign Ministry spokesman Sun Yuxi said that the PRC has urged the two sides in the peninsula to resolve the problem over disputed waters in an appropriate manner for the sake of peace and stability. "We hope the parties concerned will resolve the problem through talks and consultations and find a proper solution to the issue, so as to maintain peace and stability in the Korean Peninsula," he said.

4. Taiwan Issue

People's Daily ("JIANG OUTLINES STANCES ON TAIWAN AND WTO ENTRY ISSUES," Zhao Suyun and Li Xuejiang, Canberra, 9/9/99, A1) reported that at a press conference held after a meeting with Australian Prime Minister John Howard on the morning of September 8, PRC President Jiang Zemin emphatically set forth the PRC government's stance on the Taiwan issue and on the issue of the PRC's entry into the World Trade Organization (WTO). Jiang said that the Taiwan issue belongs purely to the internal affairs of China. "Our principle of resolving the Taiwan issue is peaceful reunification and one country and two systems." However, he said, the PRC will on no account abandon the possibility of the use of force to solve the problem should Taiwan seek independence or external forces interfere in this issue. Jiang said that the Taiwan issue is very sensitive in the Sino-US relationship. After Lee Teng-hui made his "two states" remarks, Jiang said, US President Clinton repeatedly expressed that the US government adhered to the "one China" policy and abided by the three US-PRC joint communiques and its "three nos" commitments. "However, in the meantime, the US has sold advanced weapons worth US$550 million to Taiwan, an act which is totally incomprehensible to the Chinese people," Jiang said. According to Jiang, the US is suggesting that Wang Daohan, president of the Beijing-based Association for Relations Across the Taiwan Straits, visit Taiwan as planned. Jiang thinks there are two preconditions for Wang to carry out his planned visit to Taiwan. One is that Lee Teng-hui publicly retract his "two states" remarks, while the other is that Lee can only receive Wang as leader of Kuomintang Party, rather than as "president."

People's Daily ("MISSILE SPECIALISTS CONDEMN LEE," Beijing, 9/4/99, A2) reported that experts from China Aerospace Machinery and Electronics Corp (CAMEC), a missile manufacturer, held a meeting recently in Beijing, strongly refuting Taiwan leader Lee Teng-hui's "two states" remarks. The specialists said that they resolutely support the Chinese Communist Party General Secretary Jiang Zemin's eight-point proposal for developing cross-Straits relations and promoting the process of the peaceful reunification of the motherland. CAMEC has developed several dozen models of missiles including strategic, tactical, ground-to-ground, ground-to-sea and ground-to-air missiles, the report said. It said CAMEC has made some breakthroughs in missile manufacturing technology in accelerating the development and manufacturing of a new generation of missiles. The specialists said that Lee Teng-hui has underestimated the military strength of the People's Liberation Army (PLA) and of the special position and capacity of missiles in national defense. They have pledged to speed up the development of missiles to enhance the PRC's national defense capabilities in a bid to maintain the country's sovereignty and territorial integrity.

5. PRC-US Relations

China Daily ("COMMITMENT ON TAIWAN MUST BE HONORED," Shao Zongwei, 9/3/99, A1) reported that the PRC has urged the US to honor its commitment on the Taiwan issue with "concrete action." Noting that the US has made it clear that it adheres to the "one China" policy, PRC Foreign Ministry spokesman Su Yuxi said at a routine news briefing on September 2 that the PRC attaches great importance to the US commitment. "The Taiwan issue has always been the most important and sensitive issue at the core of Sino-US relations," Sun said. "(That the US honors its commitment) will be conducive to maintaining stability across the Taiwan Straits and to restoring and improving Sino-US relations." The Taiwan issue is expected to be discussed during the scheduled meeting between PRC President Jiang Zemin and US President Bill Clinton later this month at the Informal Leadership Meeting of the Asia Pacific Economic Cooperation (APEC) group, the report said. The basic principles of the PRC Government on the issue are "peaceful reunification" and "one China, two, systems," said the spokesman. "But we cannot renounce the use of force," he added. The use of force is not aimed at the Taiwan people, but at foreign forces meddling in reunification and abetting Taiwan independence, Sun said. He also promised that the PRC "will not target its nuclear weapons at compatriots in Taiwan."

China Daily ("LIAONING DELEGATION HEADS TO US," Song Lijun, Shenyang, 9/2/99, A1) reported that an 80- strong trade delegation headed by the Governor of Liaoning Province, Zhang Guoguang, would set off to the US on September 5. This will be the first high-level PRC delegation to visit the US in recent months. The delegation will hold trade talks in Los Angeles, Seattle, Chicago and Detroit, before heading for the Canadian cities of Toronto and Montreal to complete their 12-day journey. The Liaoning delegation hopes to find investors for 163 projects in the transportation, telecommunications, water supply, environmental protection, tourism and high-tech sectors, the report said.

6. PRC Stance on WTO Entry

China Daily ("TALKS ON WTO ENTRY RESUMED," Liu Weiling, Canberra, 9/9/99, A1) reported that visiting PRC President Jiang Zemin said in Canberra on September 8 that the PRC and the US have resumed negotiations on the PRC's accession to the World Trade Organization (WTO), but whether a deal will emerge depends "to a large extent" on the US. At a press conference held after a meeting with Australian Prime Minister John Howard on September 8, Jiang said that since August, the US had been pressing to resume WTO negotiations, suspended after NATO's bombing of the PRC Embassy in Yugoslavia. After the bombing, the US proposed that the two sides continue WTO

negotiations but "we thought the timing was not appropriate," Jiang said. Some reports in Western media claiming that it was the PRC that was eager to resume the talks with the US "do not tally with facts," he added. "China and the US should continue their negotiations on the basis of equality and mutual benefit," Jiang said. He reaffirmed that there was no change in the three principles regarding the PRC's entry to the WTO, which he first put forward in a meeting with Clinton in Seattle in 1993: The WTO, as an international organization, is incomplete without the PRC, the world's largest developing country; the PRC can only join the WTO as a developing country; and there must be a balance between rights and obligations if the PRC joins the world trade club.

7. PRC View on PRC-US Summit

People's Daily ("HOPE AFTER SETBACKS," Wang Jisi, 9/3/99, A7) carried an article on current Sino-US relations, which was written by Wang Jisi, head of the Institute of American Studies, Chinese Academy of Social Sciences. Wang said in this article that, in a comprehensive and long-term view, the PRC and the US have contradictions on political system and strategic goals, while also having common interests and cooperative foundations on economic and social developments. Hence, Wang said, the improvement of bilateral relationship will have limits, but comprehensive conflicts are also avoidable. According to Wang, currently, opportunities and difficulties co-exist in Sino-US relations. To change the low tide in Sino-US relations in recent months, Wang said, the key is whether the US can take concrete actions at least on the following three aspects to prove its sincerity for improving Sino-US relations. The first is that the US government should meet the justified demands raised by the PRC side after NATO bombed the PRC Embassy in Yugoslavia. Secondly, the US should fulfill its repeatedly reiterated commitment to support the PRC's entry into the World Trade Organization. And the third is that the US must respect the PRC's sovereignty over Taiwan. Among those three, the Taiwan issue is most important and most sensitive, Wang said. According to the author, the forthcoming summit between PRC President Jiang Zemin and US President Bill Clinton is expected to bring new hope for the Sino-US relationship, which has suffered severe setbacks.

8. PRC-Japanese Relations

People's Daily ("CHINA CONDEMNS JAPANESE ENCROACHMENT ON TERRITORY," Beijing, 9/8/99, A4) reported that PRC Foreign Ministry spokesman Sun Yuxi expressed strong indignation at the recent landing by Japanese rightists on Diaoyu Island in the East China Sea. According to Sun, three members of Seinensha, a Japanese right-wing group, landed on the Diaoyu Island on September 5. It constituted a serious encroachment on Chinese territorial sovereignty, Sun said. "It is common knowledge that China had indisputable sovereignty over the island and adjacent islands since ancient times, and China's claim to sovereignty over the islands is based on historical and legal evidence," Sun said. The PRC Foreign Ministry made solemn representations on September 7 to the Japanese Government, and expressed its strong condemnation, he said. The PRC side demanded the Japanese government to take effective measures immediately to punish the troublemakers, clean up the very bad influence brought about by the incident, and stop this kind of incident from happening again.

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