

NAPSNet Daily Report 12 March, 2001

Recommended Citation

"NAPSNet Daily Report 12 March, 2001", NAPSNet Daily Report, March 12, 2001,
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-12-march-2001/>

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I. United States

1. US-DPRK relations

Newsweek's Periscope ("ON AGAIN: TALKS WITH NORTH KOREA," 3/19/01) reported that the US Bush administration will back the ROK's drive for detente with the DPRK and is "highly likely" to resume the Clinton team's talks with the DPRK on curbing its missile program. One senior US administration aide said, "We're reviewing how to move forward, not whether." The review focuses on how to verify the DPRK's compliance with any new deal. Newsweek has learned that the intelligence community is sifting reports that the DPRK have been seen in Pakistan "at places associated with the production of fissile material," according to a well-placed source. The DPRK has long sold missiles to Pakistan, but the source said, "the question for the intelligence community is what are they getting in return?" [Ed. note: This article was included in the US Department of Defense's Early Bird news service for March 12, 2001.]

2. Food Aid to DPRK

Associated Press (Jae-Suk Yoo, "SEOUL ANNOUNCES AID TO NORTH KOREA," Seoul, 3/12/01) reported that the ROK said Monday that it would ship US\$18 million of aid to the DPRK in hopes of boosting reconciliation. The plan to send clothes, food, medicine and other supplies came one day after ROK President Kim Dae-jung returned to Seoul after a meeting in Washington with US President George W. Bush. At that meeting, Bush expressed support for Kim's policy of engaging the DPRK but said he was skeptical of DPRK leader Kim Jong-Il, and would not immediately resume negotiations on the DPRK's missile program. Kim Dae-jung said he would relay US concerns to the DPRK, a promise that his government might be able to fulfill at a fifth round of Cabinet-level talks with the DPRK that begin on March 13 in Seoul. ROK officials said they plan to discuss the reconciliation process that began last year and set new projects for the rest of 2001. The topics are expected to include the arrangement of more reunions of separated family members, sports games and other exchanges, and a planned visit to the ROK by the DPRK leader.

3. US Report on Taiwan

The Washington Times (Bill Gertz, "SENATE REPORT URGES ARMS FOR TAIWAN," 3/12/01) and Agence France Presse ("US survey finds Taiwan needs advanced weapons: report," Washington, 3/12/01) reported that a new US Senate report on Monday finds that Taiwan urgently needs access to high-tech arms, training and intelligence from the US if it is to repel a growing military threat from the PRC. The survey was done by the staff of the Senate Foreign Relations Committee and was leaked to the Washington Times. The report suggested that current US policy toward Taiwan is "outdated, dangerous," and far from heading off a conflict with the PRC over the island, could in fact trigger a confrontation. The Times quoted the report as saying, "It is time to admit that continuing our current policy toward Taiwan will guarantee the destruction of that island democracy by China's rapidly expanding military forces." The survey also called for the establishment of direct links between the Taiwanese and US militaries, including hot lines or video conferencing with the US Defense Department. Training programs with US and Taiwanese forces and joint exercises were also desired. The Times report said this year's request for arms by Taiwan is detailed in the Senate report, and includes four missile destroyers equipped with the Aegis early warning system. Other items reportedly on the list include submarine hunting aircraft, missiles, AIM-120 air-to-air missiles, ship-to-ship missiles, anti-aircraft missiles and submarines.

4. PRC Military Budget

The New York Times (Craig S. Smith, "CHINA SENDS ITS ARMY MONEY, AND A SIGNAL TO THE US," Shanghai, 3/11/01) and Agence France Presse ("CHINA SAYS HIGHER DEFENSE SPENDING NOT AIMED AT TAIWAN," Beijing, 3/12/01) reported that the PRC announced an increase its military budget by 17.7 percent jump to \$17.2 billion this year. Shen Dingli, a PRC military expert at Shanghai's Fudan University, described the logic in a way that parallels what Western experts say. He said, "We're increasing our military capability in order to ensure that Taiwan doesn't declare independence. But what China is adding to its arsenal is far from what's necessary to challenge the United States in the Asia-Pacific." For those who had followed this chain of events, the increased budget came as no surprise. The question now is where the PRC will spend the money. Most of the spending, according to Shen and others, is intended to enhance the country's ability to intimidate Taiwan. Shen said, "For Taiwan, to deter separatists, we need third-generation fighters, missiles and precision-guided weaponry, amphibious landing equipment, electronic warfare equipment, all of which can be domestically manufactured." However, Phil Saunders, director of the East Asia Nonproliferation Program at the Monterey Institute of International Studies, said, "Although R. & D.

spending will eventually produce something, given the inefficiencies of the Chinese system this might be one of the least threatening areas for them to spend defense dollars." Evan Medeiros, a senior research associate at the Monterey Institute's nonproliferation program, said, "If the concern is that China will challenge U.S. interests, that is a long, long way off. But if the concern is that they will make the U.S. more cautious in their operations in the Asia-Pacific region, that's more realistic." David Finkelstein, deputy director of CNA Corp.'s Center for Strategic Studies, put it another way: "They want to be the regional hegemon, so that no Asian- Pacific nation can make serious decisions without taking China into account." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for March 12, 2001.]

5. US Visit by PRC Official

The New York Times (Craig S. Smith, "VISITING CHINESE TO URGE BUSH NOT TO SELL ARMS TO TAIWAN," Shanghai, 3/12/01) reported that PRC Deputy Premier Qian Qichen, the highest-ranking PRC official to visit the US in two years, is expected to urge US President George W. Bush next week not to sell more advanced weapons to Taiwan. Perry Link, a China scholar at Princeton University, said: "Qian is a skilled diplomat and smooth talker and wants, I think, to smooth things out with the new Bush people, try to get them as far as possible back to where the Chinese government had the Clinton people, both in general - viewing China as a partner more than an adversary - and on the particular issue of arms sales to Taiwan." Qian was quoted on March 9 by the state-run, English-language China Daily as saying that the Taiwan issue was "not only a problem left over by China's civil war, it is also the result of U.S. military intervention as the United States has kept selling advanced weapons to Taiwan." Those comments followed a warning on Tuesday by PRC Foreign Minister Tang Jiaxuan that the US should recognize the "serious dangers involved" in providing more weapons to Taiwan. Qian said he would also discuss with US officials China's opposition to the proposed development of a missile defense system. Qian's five-day visit to Washington and New York will begin March 18. He is scheduled to see Bush on March 22, and is likely to ask him if he will visit China for the Asia-Pacific Economic Cooperation forum to be held in Shanghai in October. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for March 12, 2001.]

6. Future PRC Political Structure

Associated Press (Christopher Bodeen, "CHINA PREPARES FOR POWER TRANSITION," Beijing, 3/12/01) reported that the PRC leaders look united at the 11-day National People's Congress (NPC) which ends on March 15 but behind the scenes, backroom maneuvering has been feverish as PRC President Jiang Zimen and other leaders try to install proteges to look after their interests. However, there was no sign that renewed debate sparked by the publication abroad of documents that purport to show a leadership divided by the protests spilled over to political circles. The government has denounced "The Tiananmen Papers," a book released in the US in January and said to be based on secret government records, as a fabrication. Diplomats and scholars predict that, lacking a strong leader or public mandate, the new leaders will focus on maintaining the party's grip on power, unwilling to risk any meaningful reform. Joseph Cheng, director of the Contemporary China Research Center at the City University of Hong Kong, said, "What will emerge is a collective leadership inherently more fragile, without one overreaching authority." Hu Jintao, the current PRC Vice-President and expected successor, has avoided identifying himself too closely with any faction or policy, minimizing the chances of making enemies or tying himself to a fatal political failure. Viewers of PRC state television got a glimpse of the forces backing Hu when he was shown last week walking onto the red flag-bedecked dais of the legislature ahead of Jiang. But close behind Hu are as many as a dozen other potential candidates backed by influential leaders.

II. Republic of Korea

1. DPRK Desire to Join World Bank

The Korea Herald (Kim Ji-ho, "N. KOREA WANTS TO JOIN WORLD BANK," Seoul, 03/12/01) reported that DPRK officials expressed hope it will become a member of the World Bank during their visit to the US early this month, ROK diplomatic sources said on March 11. Han Song-ryol, a senior official from the DPRK's Foreign Ministry who led a five-member economic mission in Washington from February 27-March 4, voiced the hope while meeting with the staff of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) March 2. At the meeting, the DPRK delegates focused their inquiries on possible benefits of Pyongyang's entry into the two international financial agencies as well as requirements to get loans and a planned visit to the DPRK by a World Bank-IMF joint survey team. Analysts said that if the DPRK joins the World Bank, it would enable its government to receive a loan of between US\$1 billion and US\$4.5 billion. A possible entry by the DPRK, however, would mean that a number of diplomatic preconditions would have to meet.

2. ROK Policy towards DPRK

The Korea Herald (Shin Yong-bae, "KIM ADJUSTS N.K. POLICY FOR BUSH'S HARD-LINE STANCE," Seoul, 03/12/01) and The Korea Herald (Chon Shi-yong, "SEOUL WANTS NONAGGRESSION PACT DEAL," Washington, 03/10/01) reported that analysts in the ROK said on March 11 that ROK President Kim Dae-jung appears to have adjusted his strategies on how to approach the DPRK in the face of the new US administration's firmer stance toward the DPRK. They said Kim's withdrawal of a plan to promote an inter-Korean peace declaration during a visit by DPRK leader Kim Jong-il to Seoul came as a result of tougher US position on the DPRK. Kang Sung-yoon of Dongguk University in Seoul said, "The decision shows that the ROK and the US differed on the adoption of the peace declaration during their summit talks." After talks with US President George W. Bush in Washington last week, Kim said he would reactivate a non-aggression pact included in the 1992 Basic Agreement between the two Koreas, rather than to push for the peace declaration. He has said the government would seek an inter-Korean peace treaty or declaration during the DPRK leader's trip to Seoul probably in April at the earliest in an effort to put an end to the Cold War animosity on the Korean Peninsula.

3. DPRK-EU Relations

The Korea Herald ("12 MORE N. KOREANS ARRIVE IN SEOUL," Washington, 03/10/01) reported that the ROK's main government intelligence agency said on March 10 that twelve DPRK citizens arrived in Seoul after escaping their country. The group included five factory workers, a high school teacher and three children, the National Intelligence Service said in a news release. The defectors fled the DPRK one to four years ago and had lived in hiding in a third country that the agency did not identify.

4. ROK-US Policy Coordination

The Korea Herald (Shin Yong-bae, "SEOUL TO PUSH FOR EARLY N. KOREA POLICY COORDINATION TALKS WITH U.S.," Washington, 03/10/01) reported that the ROK is pushing for early policy coordination talks with the US to resolve the differences over their DPRK stances revealed at the recent summit talks between the two countries. ROK Foreign Ministry officials said

on March 10 that the government expects a meeting at senior levels between the ROK and the US to fine-tune DPRK policies to take place later this month at the earliest. At the deputy minister-level talks, the ROK hopes to discuss detailed policies on the DPRK, including its development of missile and conventional weapons, the officials said. Observers said that in particular, the ROK government is expected to focus on dispelling the US' negative stance on the DPRK and their leader Kim Jong-il.

5. ROK Lawmaker on US Missile Program

The Korea Times (Sohn Suk-joo "LAWMAKER STRESSES INVALIDITY OF NMD PLAN IN E-MAIL MESSAGE TO US LEADERS," Seoul, 03/10/01) reported that amid a controversy over the US missile defense program, a young ruling party lawmaker has stepped forward to tell US political and Congressional leaders and researchers that the National Missile Defense (NMD) system will bring negative consequences to the fledgling detente on the Korean peninsula. In an e-mail dispatch sent to US Secretary of State Colin Powell and tens of other prominent Americans over the weekend, Representative Jang Sung-min of the Millennium Democratic Party (MDP) said NMD conflicts with ROK's national interests, claiming that Korea should clarify its view on NMD as the Bush administration's defense policy is being drawn up. Given that not only Russia and the PRC but also European allies of the US are opposed to NMD, the US government's push for the system will inevitably disrupt the international nuclear balance, which will in turn trigger a new arms race, Jang said in the e-mail dispatch. Jang said, "The two Koreas' efforts to establish a peace regime and seek arms reduction could be undermined if the NMD is established to safeguard the U.S. mainland from possible missile attacks by rogue states."

6. US Policy towards DPRK

Chosun Ilbo (Kang Hyo-sang, "US STRESSES SIX ELEMENTS IN NK POLICY," Seoul, 03/11/01) reported that US State Department Spokesman Richard Boucher said during a briefing Friday that there are six "essential elements" to the new US administration's policy towards the DPRK. Boucher said: "The first and foremost is the issue of consultation; consulting with the Japanese, consulting with our Korean allies, and having them consult with us on their various tracks and prospects of moving forward with North Korea. The second is support for President Kim Dae-jung's policy of pursuing a reduction of tensions on the Peninsula. The third element is realism. It is a clear understanding of the nature of this regime, no illusions about what they are and why they are willing to open up a little at this point. And I think you heard that from the secretary, the president, and Kim Dae-jung yesterday. The fourth is a chance to review the policy, and that's what we're still doing now. So it is a good look at the entire policy. The review, the examination of the policy, is still going on so the precise outcomes; timetables, things like that; have yet to be decided and announced. The fifth sort of stems from the earlier comment about the regime, the need for verification. Verification and monitoring remain very essential to whatever we do. And the other is the stress, the emphasis on North Korea's proliferation activities, which are of concern to the entire administration. I think there are, actually some Defense Department and the CIA reports that have been put out recently which describe it probably in more detail than I will now. But concern about those activities, possible export activity, as well as missile developments in North Korea, but also concern about the level of tensions on the Peninsula. And as you know, the South Koreans in their dialogue are having defense ministers meetings and looking at confidence-building measures or tension- reduction steps. And so those are things that we will be talking to the South Koreans about." Avoiding direct answers to a battery of questions about the immediate future of US policy towards the DPRK, Mr. Boucher would say only that us policy was under "review."

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:
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