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I. United States

1. DPRK Missile Test

US State Department Spokesman James P. Rubin ("STATE DEPARTMENT NOON BRIEFING," USIA Text, Washington, 07/13/99) said that another launch of a DPRK satellite will have serious implications for the prospects for improved relations between the US and the DPRK. Rubin stated, "We do view North Korea's missile activities as a serious threat to the region, and to our non-proliferation interests."

Reuters ("JAPAN WARNS N.KOREA NOT TO LAUNCH MISSILE," Tokyo, 07/13/99) reported that Japanese Prime Minister Keizo Obuchi on Wednesday warned the DPRK against launching a long-range missile. Obuchi said, "The government has judged that a North Korean missile attack is not imminent. But if North Korea does launch another missile, it will have serious effects on Japan's security and Northeast Asia's peace and prosperity. It would also definitely have effects on North Korea's relationships with other nations. That would not be beneficial to North Korea either." Obuchi reiterated that a missile launch might make it tough for Japan to go ahead with a planned US\$1 billion contribution to KEDO (Korean Peninsula Energy Development Organization). Obuchi added that Japan, the ROK and the US must cooperate closely on their stance toward the DPRK, noting that he had also asked the PRC and Mongolia to convey Japan's concerns to the DPRK. Diplomatic sources, meanwhile, said that US Defense Secretary William Cohen was expected to visit Japan around July 27 and 28 for talks with Japanese Foreign Minister Masahiko Komura and Defense Agency chief Hosei Norota about the DPRK's missile development.

2. Japan-ROK Defense Talks

The Associated Press ("JAPAN, S. KOREA TALKS CONTINUE," Tokyo, 07/14/99) reported that Koreshige Anami, chief of the Asian bureau at Japanese Foreign Ministry, and Cho Jung-pyo, head of ROK's Asia-Pacific Affairs Bureau, met on Wednesday to discuss bolstering security ties between Japan and the ROK. The two also discussed how to react to a possible ballistic missile launch by the DPRK.

3. Thailand Satellite Lease to DPRK

Dow Jones Newswires ("THAI SHINAWATRA DENIES N. KOREA SATELLITE MILITARY USE," Bangkok, 07/14/99) reported that Thailand's Shinawatra Satellite Company on Wednesday denied an ROK news report that a satellite it leased to the DPRK could be used for military purposes. Shinawatra issued a statement that said, "The recent report that originated from Yonhap news agency in South Korea that (our satellite) has a global positioning system that can be used for purposes other than broadcasting is absolutely false." Shinawatra Satellite said it provided the DPRK with a facility on its Thaicom 3 satellite, which is only capable of broadcasting television programs. The company, which operates Thaicom 1, 2, and 3, denied that it has global positioning systems on any of its satellites. Yonhap reported on Friday that the DPRK had recently signed a lease contract with the Thai company for a Thaicom 1A communications satellite that is equipped with a global positioning system that allows it to precisely locate a missile's point of impact.

4. Bombing of PRC Embassy

The Associated Press ("'SOCCER DIPLOMACY' PROVIDES BRIGHT NOTE FOR CHINA-U.S. TIES,"

Beijing, 07/14/99) reported that Susan Shirk, US Deputy Assistant Secretary of State, arrived in Beijing for two days of talks on compensation for the NATO bombing of the PRC Embassy in Yugoslavia. The PRC said on Tuesday that the compensation talks would not cover payment for damage to US diplomatic offices in Beijing. However, Bill Palmer, a spokesman for the US Embassy in Beijing, said on Wednesday that the US believed that "the Chinese will discuss with us the issue of damage to U.S. property in China."

5. PRC-US Relations

The Associated Press ("'SOCCER DIPLOMACY' PROVIDES BRIGHT NOTE FOR CHINA-U.S. TIES," Beijing, 07/14/99) reported that, according to Bill Palmer, a spokesman for the US Embassy in Beijing, PRC President Jiang Zemin and President Clinton exchanged letters congratulating the performance of each other's soccer teams in the Women's World Cup. Palmer said that Clinton and Jiang also exchanged messages through the US Embassy in Beijing. According to PRC state-run Xinhua news agency, Clinton congratulated Jiang and the PRC players and people. Clinton also noted that the two teams competed "in the finest tradition of sportsmanship and friendship, that it was the closest of the World Cup finals." Jiang replied to Clinton the same day, congratulating him and the US people for their team's victory. Xinhua reported that Jiang said that the PRC and US teams demonstrated "wonderful skills, sportsmanship and friendship, and that they had won high appreciation of the peoples of the two countries."

6. Albright-Tang Meeting

The Associated Press ("ALBRIGHT, TANG EXPECTED TO MEET," Washington, 07/14/99) reported that, according to US officials, US Secretary of State Madeleine Albright is expected to meet with PRC Foreign Minister Tang Jiaxuan next week in Singapore. It will be their first meeting since the NATO bombing of the PRC Embassy in Belgrade. Their agenda is expected to include a discussion of the impact of the recent statement by Taiwanese President Lee Teng-hui. Albright and Tang will be in Singapore as part of a series of meetings involving leaders of Pacific Rim countries.

7. PRC's View of Lee Teng-hui's Statement

The Associated Press (Joe McDonald, "CHINA, TAIWAN IN WAR OF WORDS," Beijing, 07/13/99) reported that PRC Foreign Ministry spokeswoman Zhang Qiyue said that Taiwan President Lee Teng-hui was taking "extremely dangerous steps" in his statements about PRC-Taiwan relations. She repeated that the PRC was ready to use force to block formal independence for Taiwan. Zhang stated, "We hope that Lee Teng-hui and the Taiwan authorities will stop all activities and remarks aimed at splitting the motherland. We do not undertake to give up the use of force, which is by no means directed against our compatriots in Taiwan."

Reuters ("CHINA MINISTER WARNS ON TAIWAN INDEPENDENCE," Beijing, 07/14/99) reported that PRC Defense Minister Chi Haotian on Wednesday said that the PRC military would "smash" any attempts by Taiwan to declare independence. According to the PRC's state-run Xinhua News Agency, Chi told the visiting DPRK Defense Minister that "Taiwan is a province of China, and China's sovereignty and territorial integrity allow no separation."

Reuters ("CHINESE MEDIA, SCHOLARS HEAP SCORN ON TAIWAN'S LEE," Beijing, 07/13/99) reported that the PRC media on Tuesday denounced Taiwan President Lee-Teng-hui's recent statement. PRC state-run People's Daily issued a commentary stating, "In China, where unity has been much valued, any attempt to divide the country, block its reunification or create obstacles in

the path of developing cross-straits relations is traitorous and will be opposed by all the Chinese people. Those who wilfully defy the will of the Chinese people will be cast aside by history and be reviled as national criminals." The PRC's official Xinhua news agency quoted Jiang Dianming, vice president of the Taiwan Studies Society in PRC, as saying, "Lee's separatist remarks pose a great threat to cross-straits relations and stability."

8. Taiwanese Policy toward PRC

The Associated Press (Christopher Bodeen, "TAIWAN, CHINA VERBAL WAR CONTINUES," Taipei, 07/14/99) reported that Taiwanese President Lee Teng-hui on Wednesday denied that Taiwan's policy toward the PRC had changed at all. Lee issued a statement to US representative in Taiwan Daryl Johnson that his shift in phrasing aimed to "clarify and specify" the delicate Taiwan-PRC relationship based on "legal, historical and practical realities." The statement read, "Our mainland policy has not changed. Our attitude toward exchange and dialogue between the sides has not changed. In the long run, this has active and positive significance for the relationship between the two."

The Associated Press ("TAIWAN SENDS MIXED SIGNALS OVER STATEHOOD DECLARATION," Taipei, 07/14/99) reported that Su Chi, chairman of the Taiwan government's Mainland Affairs Council, said on Wednesday that Taiwan is prepared to hold talks with the PRC based on Taiwan's new definition of their relationship. Su said that if the PRC accepts Taiwan's definition, Taiwan is "prepared to take an open attitude and have contact with the other side on any subject at all anything could be discussed." According to the UN's United Daily News, Taiwan also reportedly wants the new terminology to be employed in a bid for UN membership. The United Daily News reported that Taiwan is conveying the new designation of a "special state-to-state relationship" or "two states in one country" to its diplomatic allies for them to put forward in a proposal before the UN's annual agenda meeting this fall.

9. Analysts Views of Lee Teng-hui's Statement

Reuters (Dan Martin, "CHINA TURNS UP HEAT; TAIWAN MARKETS GO COLD," Taipei, 07/14/99) reported that, according to some analysts, although the US urged both the PRC and Taiwan to solve the recent verbal attacks peacefully, the US needs to be more forceful on Taiwan. Bill Overholt, an East Asia strategist with Nomura International in Hong Kong, said that the US should be more forceful against Taiwan's move to ensure the situation remains merely a war of words. Overholt said, "I'd say the early indications are that the thing could get controlled by the big players. But ... if Lee Teng-hui continues on this line and Washington doesn't do anything, China certainly will not wait months. It cannot. The leaders would not survive waiting months; they would be out of office."

The Washington Post (Michael Laris, "SPARKS FLY ACROSS TAIWAN STRAIT," Beijing, 07/13/99, A17) reported that, according to some analysts, several factors appear to have contributed to the decision by Taiwan President Lee Teng-hui to reverse his policy. Antonio Chiang, publisher of the Taipei Times, stated, "Before he steps down, he wants to make sure that we go this way, that Taiwan and China are two different states. He wants to use his charisma to cover his successors, so nobody can turn back the clock or change the track." Despite Taiwanese government denials, political analysts also said that Lee is trying to shake up his domestic opponents. [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for July 14.]

The New York Times (Seth Faison, "'WHAT IS CHINA?' TAIWAN'S NEW ANSWER IS PUZZLING," Beijing, 07/14/99) reported that politicians and scholars who have followed the career of Taiwan

President Lee Teng-hui said that he is driven by an overwhelming sense of mission. Fung Hu-hsiang, a Taiwan legislator who opposes Lee's moves away from the PRC, stated, "Lee Teng-hui in his heart is a romantic. In his later years, his sense of mission is pushing him to clarify Taiwan's role with the mainland." However, Fung also said that Lee might want to create a crisis to justify a postponement of next year's election so that he can remain in office. Chang Ling-chen, a political science professor at National Taiwan University, stated, "If it's like 1996 again, and missiles are raining down, he could try to justify staying on. If China is smart, they won't respond so strongly this time." An unnamed international relations scholar in Beijing said, "They're [PRC] probably trying to figure out what Lee is doing, and why he is doing it now. They may think the U.S. is behind him, telling him what to do." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for July 14.]

The Los Angeles Times (Henry Chu and Bob Drogin, "CHINA WARNS OF 'DISASTER' IF TAIWAN REDEFINES STATUS," 07/14/99) reported that analysts have different views on why Taiwan President Lee Teng-hui changed his PRC policy. James Mulvenon, a China analyst with the Rand Corporation in Washington, said, "The one-China principle is such an emotionally charged issue. This was not an accident. It was clearly determined to be a shot across the bow." Russ H. Munro, director of Asian studies at the Center for Security Studies in Washington, said Lee also might have US politics in mind. Munro said, "The U.S. presidential election figures into this. Because Taiwan is a very intense issue for many people, support for Taiwan tends to go up in election years."

USA Today (Paul Wiseman, "TAIWAN ON ALERT FOR CHINESE MANEUVERS," Hong Kong, 07/14/99) reported that, according to analysts, Taiwan President Lee Teng-hui's remarks reflected the reality that Taiwan has its own democratically elected government. Byron Weng, political scientist at the Chinese University of Hong Kong, stated, "It is simply calling a spade a spade. Taiwan has been forbidden from calling a spade a spade for so long that when they actually do, it feels like a big departure." Taiwanese government officials said that the PRC uses the "one China" label to reduce Taiwan's clout in international affairs. Taiwan's Foreign Minister, Jason Hu, stated, "They put a 'one China' blanket on us. The reality is that we need a diplomatic status." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for July 14.]

10. US Policy toward Taiwan

US State Department Spokesman James Rubin ("U.S. MAINTAINS "ONE CHINA" POLICY," USIA Text, Washington, 07/13/99) said that the US has not changed its "one China" policy. Rubin said that the US position on Taiwan "is clear and unchanging. We believe that it is a matter for the Chinese people on both sides of the Taiwan Strait to resolve" and that the US has "an abiding interest and concern that any resolution be peaceful. We do not think it is beneficial for either side to take steps which make holding this type of discussion or meeting more difficult to achieve." Rubin said that the US does not support independence for Taiwan nor Taiwanese membership in organizations where statehood is required.

11. Taiwanese Comfort Women

The Associated Press (Joji Sakurai, "EX-SEX SLAVES SUE JAPANESE GOV'T," Tokyo, 07/14/99) reported that nine Taiwanese women forced to work in brothels for Japanese soldiers during World War II sued the Japanese government on Wednesday for compensation and an apology. Former "comfort woman" Lu Man-mei said, "I want the Japanese government to restore my honor. After our return to Taiwan, we couldn't find work or get married." Japan maintains that all questions of

compensation have already been settled with the nations involved. However, Kunio Aitani, the women's attorney, said that Japan has no postwar treaty with Taiwan and cannot claim that the grievances of Taiwanese sex slaves have been satisfied.

12. Kashmir Conflict

The Associated Press (Neelesh Misra, "PAKISTAN SHELLS INDIAN HIGHWAY," Mushkoh Valley, 07/14/99) reported that Pakistani artillery shells hit an Indian town in Kashmir on Wednesday even as some Islamic fighters withdrew from India's portion of the territory. However, Pakistani Foreign Ministry spokesman Tariq Altaf denied Pakistani troops were continuing to fire on Indian positions. Altaf stated, "To my knowledge, we are not involved in any shelling."

The Associated Press (Amir Zia, "SUICIDE ATTACKS PLANNED VS. INDIA," Islamabad, 07/14/99) reported that some Islamic militants on Wednesday threatened suicide attacks to intensify their struggle in the disputed Kashmir region. Abdullah Muntazir, a primary spokesman of the Pakistani militant Lashkar-e-Tayyaba group, stated, "Dozens of volunteers are ready to carry out sacrificial missions against the enemy." He said that the "sacrificial missions" are aimed at inflicting massive losses. Muntazir said that although the Muslim groups do not call them suicide missions because Islam prohibits taking one's own life, "the desire of martyrdom is a passion among all mujahedeen (holy warriors)." Ahmed Hamza, a central leader of Al-Badar, another Pakistani guerrilla group, said his fighters will also carry out similar attacks in all parts of Kashmir.

II. Republic of Korea

1. DPRK Missile Test

Chosun Ilbo (Park Jeong-hoon, "MISSILE TEST WOULD PUT KEDO IN JEOPARDY," Seoul, 07/13/99) and Joongang Ilbo ("NK'S MISSILE TEST MAY BLOCK AID FROM JAPAN," Seoul, 07/13/99) reported that the Japanese government's spokesperson and Chief Cabinet Secretary, Hiromu Nanaka, on Tuesday reiterated Japan's position that it would freeze support for the Korean Peninsula Energy Development Organization (KEDO) if the DPRK launches another missile. Nanaka said that although Japan realizes that the issues of DPRK missiles and KEDO's efforts to prevent DPRK's nuclear development are separate, if a missile is fired once more, it would be difficult to get the Japanese people's support for the Japanese government to provide funds for KEDO.

2. Mt. Kumgang Tour

The Korea Times (Son Key-young, "HYUNDAI TO HALT PAYMENT TO N.KOREA," Seoul, 07/13/99) and The Korea Herald (Kim Ji-ho, "SEOUL REMAINS COLD TO PYONGYANG'S CALL FOR RESUMING MT. KUMGANG TOUR," Seoul, 07/14/99) reported that the DPRK has begun to signal that it wants to resume the Mt. Kumgang tour. In a radio broadcast on Monday, the DPRK emphasized that it was willing to take any measures for the safety of ROK tourists taking part in the tour. The DPRK also said that it is considering jointly activating a consultative body for dealing with the safety issue with the Hyundai Group. ROK Unification Ministry officials said that although the DPRK failed to offer any concrete measure guaranteeing the tourists' safety as demanded by the ROK, the report shows that the DPRK wants the US\$942 million business to continue. Park Kyungsuk, a director at the ministry's Information Analysis Bureau said, "The editorial clearly reveals North Koreans' apprehension over the possibility that the lucrative business may be suspended for a protracted period." Hwang Ha-soo, director general at the ROK ministry's Inter-Korean Exchanges

and Cooperation Bureau, said that the "earnest" appeal from the DPRK notwithstanding, the ROK government would not give the go-ahead for its resumption until the DPRK accepts the ROK demand with regard to tourist safety. An ROK ministry official said on condition of anonymity, "If the Hyundai cruise ships fail to leave for the North by the end of this month, the South Korean conglomerate will be discouraged from sending the money.... Hyundai also maintains exactly the same position as the government on this point."

3. Asian Democratic Forum

The Korea Times (Kim Hyoung-min, "KIM ADVOCATES 'THREE GREAT PRINCIPLES'," Seoul, 07/13/99) and The Korea Herald (Chon Shi-yong, "KIM CALLS FOR PROMOTING DEMOCRACY, MARKET ECONOMY IN ASIA," Seoul, 07/14/99) reported that ROK President Kim Dae-jung on Tuesday called for the establishment of a regional forum for discussing ways to promote democracy and market economy in Asia. "A framework for creating solidarity to defend and expand the values of democracy and free-market economy in Asia should be discussed," Kim said in a speech read by a chief organizer of the inaugural conference of the "Democracy Forum" at the Hotel Shilla in central Seoul. The Democracy Forum was established in line with an agreement made by Kim and US President Bill Clinton last November to help promote democracy and market economy in Asia. President Kim, in the speech read by Sejong President Kim Dal-choong, said that democracy is a unique system that guarantees each individual's rights, as well as political and economic freedom, and the freedom to acquire information. The President said that democracy and free-market economy can only be realized when they are accompanied by a welfare system.

III. People's Republic of China

1. Shipment of Nuclear Fuels to Japan

People's Daily (Gao Haorong, "ROK OPPOSES SHIPMENT OF NUCLEAR FUEL BY SEA," 7/13/99, A7) reported that a spokesman for the ROK trade ministry on July 12 expressed ROK concerns over Japan's shipment of nuclear fuel by sea. The ROK demanded that Japan disclose information related to the shipment as soon as possible. The report said that this is the first time that the ROK government made known its attitude towards Japan's shipment of nuclear fuel by sea. The spokesman also said that ROK would take measures to prevent the Japanese ships carrying nuclear fuel from passing through the coastal waters of the ROK.

2. Obuchi's Visit to China

China Daily (Sun Shangwu and Shao Zongwei, "PEACE VITAL FOR SUCCESSFUL TIES," 7/10/99, A1) reported that on July 9, Japanese Prime Minister Keizo Obuchi met separately with the PRC's three highest-ranking leaders: President Jiang Zemin, Premier Zhu Rongji, and National People's Congress Standing Committee Chairman Li Peng. President Jiang said that the PRC and Japan agreed to establish a "friendly cooperative partnership" dedicated to peace and development during his visit to Japan last year. Obuchi's visit is conducive to letting the two sides further confirm and consolidate the important consensus agreed last year, Jiang said. Premier Zhu, in a "friendly and sincere atmosphere," exchanged views with Obuchi on how to implement the consensus and cooperation. "The meeting achieved positive and constructive results," a spokesman said. Zhu told Obuchi that the historical issue is an "important and sensitive political issue" in Sino-Japanese relations. Obuchi reiterated that Japan will stick to its peaceful construction in line with its peace

constitution, defense-only policy, and nuclear-free principles, and will never become a military power. Zhu said that most Japanese "correctly understand and treat the history," but a handful of Japanese still repeatedly deny and prettify its aggressive history, which has hurt the feelings of the Chinese people. He urged Japan to restrict the "erroneous" acts and remarks of some extreme rightists in Japan and provide a "correct" view of history for Japanese society. Obuchi told Zhu that the Japan-US security system is totally defensive in nature and does not target any specific country or region. He reiterated Japan will not change its "one China" stance. Japan should clearly exclude Chinese Taiwan from the scope of Japan-US cooperation, Zhu stressed. During the meeting with Obuchi, Li Peng advocated multi-polarization in the world, the report said.

China Daily ("OBUCHI: CHINA VISIT 'POSITIVE, SUCCESSFUL'," 7/12/99, A1) reported that Japanese Prime Minister Keizo Obuchi said on July 10 that his visit to the PRC had been very successful. He made the remarks at a breakfast meeting hosted by PRC Vice-Premier Qian Qichen in Beijing in his honor. He said that PRC President Jiang Zemin's visit to Japan last year was a success, and so is his visit to the PRC this time. His meetings and talks with PRC leaders have been very positive and successful, he said. Qian said he believed the visit will play a positive role in the healthy and stable development of Sino-Japanese relations.

3. PRC-Japanese WTO Agreement

People's Daily ("SINO-JAPANESE WTO TALKS CONCLUDE," Gong Wen, Beijing, 7/10/99, A2) reported that after intense negotiations in recent months, the PRC and Japan had satisfactorily concluded their talks on trade in services. Since they reached an agreement framework on trade in goods in 1997, the report said, the PRC and Japan have so far "substantially concluded all bilateral negotiations" on the PRC's entry into the World Trade Organization (WTO). The two sides are satisfied with and welcome the achievements, the report said. They decide to complete necessary "technical checks" as soon as possible so that the conclusion can be officially informed to the WTO Secretariat. The two sides agree that the PRC's entry into the WTO accords with the common interests of both the PRC and Japan, and also with the interests of all WTO members. They reiterated they are determined to continue their close cooperation in working group talks in Geneva so as to realize the goal of propelling the PRC's entry into the WTO at the earliest date.

4. Across-Taiwan Straits Relations

People's Daily ("TERRITORY AND SOVEREIGNTY CANNOT BE SEGMENTED," Beijing, 7/11/99, A4) reported that the Chinese Communist Party Central Committee's Taiwan Work Office and the State Council's Taiwan Affairs Office said on July 10 that Taiwan President Lee Teng-hui's flagrant redefinition of cross-Straits relations as "state-to- state relations" exposed his political malice, intention to split the Chinese territorial integrity and sovereignty, and his attempt to separate Taiwan from China. The spokesman said that Lee's recent words clearly proved that his repeated statements that he will not and has no need to pursue a policy to seek Taiwan's independence and will never give up his pursuit for unification of the country in the future were false. Lee has been deceiving Taiwanese compatriots and misleading people internationally, he added. There is only one China in the world, the spokesman said, and Taiwan is a part of it. The Chinese territory and sovereignty cannot be segmented. Although the two parts across the Taiwan Straits have not been unified, Taiwan's status as being a part of China has not changed, and the PRC's sovereignty over Taiwan has also not been changed, he said, adding that these facts are acknowledged by most countries. "We strongly oppose any activities for producing 'Taiwan Independence', 'Two Chinas', or 'one China, one Taiwan'," he said. He solemnly warned those Taiwanese divisive forces that they should stop their dangerous acts and divisive activities immediately, and that the PRC will go along

with Taiwanese compatriots in fully developing relations across the Taiwan Straits and pushing the peaceful unification process forward.

People's Daily ("TAIWAN AUTHORITIES SHOULD STOPPING SEPARATING ACTIVITIES," Beijing, 7/13/99, A1) reported that PRC Foreign Ministry spokesman Zhu Bangzao warned Taiwan President Lee Teng-hui and the Taiwan authorities in an interview with the press in Beijing on July 12 not to underestimate the firm resolve of the PRC Government to safeguard state sovereignty, dignity, and territorial integrity, or the courage and strength of the Chinese people to fight against separation and Taiwan's independence. According to the spokesman, recently Lee Teng-hui declared in an interview with Deutsche Welle radio that the Taiwan authorities had defined cross-Straits relations as "state-to-state, or at least special state-to-state relations." It has been echoed by certain persons holding responsible positions in the relevant departments of the Taiwan authorities, who have stated that cross-Straits ties have developed from ties between "two equal political entities" to those between "two states" and that the cross-Straits talks are "talks between two states," he noted. The flagrant declaration by Lee Teng-hui marks an extremely dangerous step he has taken on the separatist road and is an out-and-out negation of and serious provocation against the universally-recognized one-China principle, the spokesman said.

People's Daily ("WANG DEMANDS KOO TO CLARIFY," Shanghai, 7/13/99, A1) reported that President of the Association for Relations Across the Taiwan Strait (ARATS) Wang Daohan said in Shanghai on July 12 that he is shocked by Mr. Koo Chen-fu's remarks, as reported by the Taiwan media, that the cross-Straits talks are "bilateral talks between two states." Koo Chen-fu is the chairman of the Taiwan-based Straits Exchange Foundation (SEF). Wang said that this new terminology undermines the foundation for ARATS's contacts, exchanges and dialogues with Taiwan's SEF. He said that he hoped Koo Chen-fu would clarify it.

China Daily ("TAIWAN URGED TO STOP SABOTAGING TIES," 7/13/99, A1) reported that Tang Shubei, executive vice-president of ARATS, said in Hong Kong on July 12 that the "one China" principle is essential to the stability of the cross-Straits relations and the cooperation between ARATS and SEF, which reached a common understanding on the "one China" principle in 1992. However, leaders in Taiwan and of SEF made the fallacious remarks that the relations between the two sides of the Taiwan Straits are special "state-to-state" relations, Tang said. He noted that this is a crude sabotaging of the cross-Straits relations and the understanding between ARATS and SEF. Statesmen should keep their work -- their failure to keep their promise will only cause disaster to the people of Taiwan, he told a press conference. Tang pledged that ARATS will resolutely support the stance of the spokesman of the Taiwan Affairs Office of the Central Committee of the Communist Party of China and of the State Council in refuting Lee Teng-hui's remarks that cross-Straits relations are special "state-to-state" relations. When asked about the Taiwan trip by ARATS President Wang Daohan, Tang said that both sides had discussed Wang's Taiwan tour this autumn, but had not yet set the specific timetable.

China Daily ("TAIWAN URGED TO STOP SEPARATIST ACTIONS," Shao Zongwei, 7/14/99, A1) reported that on July 13 PRC Foreign Ministry spokeswoman Zhang Qiyue again urged the Taiwan authorities to put an immediate stop to "splittist" actions. The "one China" principle is the basis for cross-Straits relations as well as for authorized contacts, dialogues and consultation between the Association for Relations Across the Taiwan Straits (ARATS) and the Straits Exchange Foundation (SEF), she said. "ARATS is waiting for clarification from SEF," Zhang said. According to the report, Zhang had no information on the possibility of a PRC military exercise. When asked if the PRC and the US had held consultations on Lee's remarks, Zhang said that the PRC had taken note that the US had said there would be no change to its stance of adhering to a "one China" policy.

5. PRC-US Relations

China Daily ("EMBASSY DAMAGES TO BE DISCUSSED," 7/14/99, A1) reported that PRC Foreign Ministry spokeswoman Zhang Qiyue said on July 13 that the PRC and the US will soon begin negotiations in Beijing on compensation for the casualties and property damage caused by the NATO missile attack on the PRC Embassy in Yugoslavia in May.

People's Daily ("JIANG, CLINTON CONGRATULATE EACH OTHER ON WOMEN SOCCER TEAMS' PERFORMANCE," Beijing, 7/14/99, A1) reported that PRC President Jiang Zemin and US President Bill Clinton sent congratulatory letters to each other for the outstanding performance of the two countries' women's soccer teams. The report said that US President Bill Clinton sent a letter to Jiang Zemin soon after the final of the Third Women's World Cup offering congratulations on the tremendous performance that the Chinese team delivered. President Jiang replied to the letter on the same day, saying the Chinese people were indeed proud of the tenacious Chinese women's team. He also congratulated President Clinton on the US team's winning the championship, praising their demonstration of wonderful skills, sportsmanship and friendship.

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 <a href="https://doi.org/10.1001/journal

We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

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