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I. United States

1. ROK-DPRK Naval Confrontation

US State Department Spokesman James Rubin ("STATE DEPARTMENT NOON BRIEFING," Washington, USIA text, 06/15/99) said that the US government is working closely with the ROK government to try to diffuse the situation in the Yellow Sea and to reduce tensions. Rubin stated, "We have contacted the North Korean authorities, through the New York channel, to urge strongly that they remain north of the Northern Limit Line. This line has served as an effective means of preventing military tension between North and South Korean military forces for 46 years. It serves as a practical demarcation line, which has contributed to the separation of forces. We urge North Korea to recognize this practicality and to avoid exacerbating the situation by keeping its craft north of the line." Rubin added that the US troops in the ROK remain in their normal state of readiness.

Reuters (Yoo Choon-sik, "KOREA TENSIONS EASE, BOATS LEAVE BORDER AREA," Seoul, 06/16/99) reported that, according to an ROK Joint Chiefs of Staff official, DPRK fishing boats briefly moved up to the Yellow Sea boundary with the ROK on Wednesday but later pulled back into DPRK waters. The DPRK's official Korean Central News Agency (KCNA) quoted Pyongyang's Rodong Sinmun newspaper as saying, "the Workers' Party of Korea policy of giving priority to the army is the perfect mode of politics in the present times."

2. DPRK Reaction to the Naval Confrontation

Reuters ("NORTH KOREAN TV BLAMES US FOR NAVAL CLASH," Moscow, 06/15/99) reported that, according to Russia's Itar-Tass news agency, DPRK television blamed the US and the ROK for the naval confrontation on the Yellow Sea. Tass said that the DPRK also claimed that NATO's air strikes on Yugoslavia had been intended as a dress rehearsal for a planned US invasion of the DPRK. Tass quoted a report on DPRK television as saying, "Seoul, urged on by Washington, staged another premeditated provocation. The operation in Yugoslavia has been conceived by the United States to rehearse strikes at a hilly land more or less similar to Korean territory."

3. Analysis of the Naval Confrontation

The Associated Press (George Gedda, "U.S. SENDING AIRCRAFT TO KOREA," Washington, 06/15/99) reported that Richard Fisher, an Asia expert at the Heritage Foundation, said that the DPRK provoked the Yellow Sea incident because there is "too much peace going on." Fisher stated,

"That is something the North Koreans don't know how to live with. They created another incident to keep everybody on edge... Their diplomacy requires conflict and confrontation. They hope to produce scraps of concessions from the West that will allow the ruling elite to survive."

The Washington Post (Kevin Sullivan, "TENSIONS DIMINISH AFTER KOREAN CLASH," Seoul, 06/16/99, A24) reported that, according to analysts, the DPRK signaled its willingness to continue diplomatic dialogue with the ROK by sending its generals to a previously scheduled meeting with the UN Command (UNC). Moon Chung-in, a political science professor at Yonsei University in Seoul, stated, "If the North had not shown up for that meeting, it would have been a bad omen. A lot of conservatives had been criticizing the sunshine policy, but this shows Kim believes in a strong national security first. In that sense, it's a political score." Lho Kyong-soo, a political science professor at Seoul National University said, "I think they want to up the ante and put us on the defensive. I think the intent is to test us."

The New York Times (Sheryl WuDunn, "KOREAN FIGHT AT SEA EVOLVES INTO EXCHANGE OF CHARGES," Tokyo, 06/16/99) reported that military experts said that while there were still risks of more skirmishes, confrontation between the two Koreas is not likely to intensify. Suh Choo-suk, an analyst at the Korea Institute for Defense Analyses, stated, "The chances of today's incident escalating into a full-scale battle is low. The North merely wanted to turn the area into disputed territory." However, others warned that there were still risks of miscalculation and that the situation was volatile. An unnamed ROK government official stated, "This is more serious than before. It's a buffer zone. They are fighting with each other and there are battle ships. This is how wars begin." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for June 16.]

The Wall Street Journal (Jane L. Lee, "TENSION MOUNTS AS SOUTH KOREA SINKS NORTH KOREAN SHIP," Seoul, 06/16/99) reported that Yoo Dong-ryul, a researcher at the Institute for Public Security, said that the DPRK could be using the Yellow Sea incident to purge certain factions in its government. Yoo, referring to a DPRK radio report, stated, "Since the war, North Korea has never reported defeats to its people. This could be staged to purge some government officials who would take the blame." He also said that, although unlikely, the radio report could be the DPRK's way of preparing for limited warfare.

4. ROK Policy towards DPRK

Reuters (Bill Tarrant, "NKOREA CLASH FAILS TO DERAIL ENGAGEMENT," Seoul, 06/16/99) reported that the ROK President Kim Dae-jung said that he would continue to pursue the sunshine policy despite the Yellow Sea confrontation. Kim stated, "The Korean Peninsula remains the world's only island of the Cold War. Our engagement policy towards the North, seeking peace and expanded exchanges and cooperation on the basis of a strong security posture, will remain firm."

The Los Angeles Times (Sonni Efron, "SEOUL HOLDS STEADY DESPITE SEA SKIRMISH KOREAS," Seoul, 06/16/99) reported that Park Young-kyu, senior fellow at the Korea Institute for National Unification, defended the ROK's sunshine policy despite the Yellow Sea incident. Park stated, "Let's face it, the stronger side can afford to be softer." Park argued that it is unrealistic to expect five decades of hostility and mistrust to be swept away overnight. Park added, "All the Sunshine Policy means is that we provide them help, we assist them, and wait, wait patiently, for them to change. We have used the hard-line policy in the past and found out it is not effective."

5. ROK Fertilizer Aid for DPRK

The Associated Press ("S. KOREA RESUMES SHIPPING FERTILIZER TO N. KOREA," Seoul, 06/16/99) reported that the ROK resumed shipping fertilizer to the DPRK. As tension eased on Wednesday, the ROK government allowed a freighter to sail to the DPRK with 14,000 tons of fertilizer. The ship had been stopped on Tuesday just before it was to cross a disputed border and into DPRK waters. The ROK government has reconfirmed its policy of seeking greater economic and diplomatic exchanges with the DPRK.

6. ROK-DPRK Talks

Reuters ("S.KOREA TO GO AHEAD WITH BEIJING TALKS," Seoul, 06/15/99) reported that, according to Hwang Won-tak, Senior Secretary to the President for foreign policy and national security, the ROK will participate in vice-ministerial talks with the DPRK in Beijing on June 21. Hwang said that the ROK Security Council strongly protested the DPRK's intrusion and would "deal firmly" with further intrusions. The ROK Security Council also demanded that the DPRK resolve all matters through dialogue, but council members agreed that the ROK would maintain its "sunshine policy" of engagement toward the DPRK while seeking to strengthen security.

The Associated Press ("N KOREA TO LIMIT OR SUSPEND CONTACTS WITH SOUTH KOREANS," Seoul, 06/16/99) reported that DPRK's Committee for the Peaceful Unification of the Fatherland issued a statement on Wednesday that said that the DPRK will limit contact with the ROK "for the time being." The statement read, "In connection with the grave situation, we solemnly declare that visits to Pyongyang by South Koreans and contact with them will be restricted or suspended for the time being." However, the statement did not mention the vice ministerial meeting with the ROK set for June 21 in Beijing. Lee Soo-young, a spokesman for the ROK's Unification Ministry, said, "We are still trying to find out what exactly North Korea is up to, but I think that it is going too far to say that the vice ministerial talks will be canceled." The statement also asked the ROK to apologize, calling it "an unbearable challenge to us and unpardonable crime to the nation."

7. ROK-DPRK Economic Cooperation

The Wall Street Journal (Jane L. Lee, "TENSION MOUNTS AS SOUTH KOREA SINKS NORTH KOREAN SHIP," Seoul, 06/16/99) reported that, despite the military tension in the Yellow Sea, the ROK's Samsung Group sent a delegation to Pyongyang, and Hyundai Group's cruises to the DPRK stayed on schedule. Hyundai's spokesman said that two cruise ships with a total of 1,250 tourists aboard were already in the DPRK, and a third ship left for the DPRK on Tuesday evening. He added that Hyundai officials in Beijing, meeting with the DPRK officials to discuss business, received an oral guarantee of the tourists' safety.

The Los Angeles Times (Sonni Efron, "SEOUL HOLDS STEADY DESPITE SEA SKIRMISH KOREAS," Seoul, 06/16/99) reported that, according to Park Chung-ho, ROK President Kim Dae-jung's spokesman, the DPRK sent a message that said it would guarantee the safety of the tourists in Mt. Kumkang, as well as of the ROK construction workers who are building a nuclear power plant in the DPRK. Although the ROK issued a stern protest and warned that any future DPRK provocation would be countered "with full force," ROK officials insisted that it was important to maintain a policy of offering the DPRK peaceful coexistence while tolerating no aggression.

8. DPRK Missile Test The Associated Press ("N. KOREA TO TEST MISSILE," Tokyo, 06/15/99) and Reuters ("N.KOREA PREPARING TEST-FIRE OF MISSILE," Tokyo, 06/16/99) reported that, according to Japan's Nihon Keizai Shimbun newspaper on Wednesday, the DPRK has been preparing

to test-fire a Taepodong missile with a range of more than 930 miles in July or August. The paper also said that information provided by US spy satellites and ROK government officials confirmed that the DPRK has started to expand and improve facilities for missile launching. The paper quoted an unnamed Japanese government source as saying, "There is no sign at this point of North Korea launching a missile immediately. But it has reached a stage where it could do so within a month or two."

Reuters ("JAPAN SEES NO SIGN OF N.KOREA MISSILE TEST SOON," Tokyo, 06/16/99) reported that the Japanese government does not see any signs that the DPRK is preparing to test-fire a medium-range missile. Japanese Chief Cabinet Secretary Hiromu Nonaka stated, "We have not come to the conclusion that a North Korean missile launch is imminent. It is a matter of grave concern. We will watch the situation carefully."

The Associated Press ("N. KOREA SAID SET TO TEST MISSILE," Tokyo, 06/16/99) reported that Akitaka Saiki, a spokesman for Japanese Prime Minister, on Wednesday said that the Japanese government did not believe a launch was imminent. Saiki stated, "The newspaper report said in a month or two, but we're not looking at this time range." Saiki also said that Japan is keeping a close watch on the Yellow Sea standoff between the ROK and the DPRK, and hopes the situation will settle down. Saiki added, "We feel very regretful that North Korea has taken that kind of action in waters close to Japan."

9. Remains of US Soldiers from Korean War

The Associated Press ("N. KOREA TO RETURN AMERICAN MIAS," Seoul, 06/15/99) reported that, according to the US Military Command in the ROK, remains believed to be those of US soldiers killed in the Korean War will be returned on Thursday by the DPRK. The command did not specify how many sets of skeletal remains would be repatriated in a brief ceremony at Panmunjom.

10. ROK-Russia Relations

The Associated Press ("YELTSIN CALLS FOR EXPANSION OF TRADE WITH SOUTH KOREA," Moscow, 06/16/99) reported that, according to a statement issued by Russian Kremlin Press Service, Russian President Boris Yeltsin ordered top government officials on Wednesday to work on expanding trade ties with the ROK. The statement also indicated that Yeltsin ordered a Russian-ROK business center to be opened in Moscow to assist small and medium companies in expanding trade between the two countries. Yeltsin's foreign policy aide Sergei Prikhodko said that the order reflected plans discussed during ROK President Kim Dae-jung's visit to Moscow last month.

11. Bombing of PRC Embassy

The Associated Press (Charles Hutzler, "U.S. ENVOY MAKES PITCH TO CHINESE," Beijing, 06/16/99), Reuters (Matt Pottinger, "U.S. SEEKS TO FIX CHINA TIES," Beijing, 06/16/99) and the Washington Post (Michael Laris, "U.S., CHINA DISCUSS BOMBING ENVOY ARRIVES IN BEIJING," Beijing, 06/16/99, A34) reported that US Undersecretary of State Thomas R. Pickering met with the PRC Foreign Ministry officials to report on the bombing of the PRC Embassy in Belgrade. An unnamed diplomat in Beijing said, "The report goes through, in a very detailed manner, where the mistakes occurred and how they occurred." The diplomat added that it remains unclear whether anyone will be punished. He said that there are no plans to publicly "identify any individual who is at fault. It's an institutional issue and any corrective measures that need to be taken should be done institutionally." A PRC foreign policy adviser said, "The explanation is quite similar to what the U.S.

government said already. The key point is how the Chinese government will take its stand, and how it will explain it to the Chinese people. The ball is on the side of the Chinese government." [Ed. note: The Washington Post article was included in the US Department of Defense's Early Bird news service for June 16.]

12. PRC Accession to WTO

The Associated Press (Charles Hutzler, "U.S. ENVOY MAKES PITCH TO CHINESE," Beijing, 06/16/99) and Reuters (Matt Pottinger, "U.S. SEEKS TO FIX CHINA TIES," Beijing, 06/16/99) reported that the PRC Foreign Trade Minister Shi Guangsheng was quoted by state-run China Daily as saying that a resumption of World Trade Organization (WTO) talks with the US would depend on a "satisfactory explanation." Shi stated, "A proper atmosphere for negotiations with the U.S. and other NATO countries on China's entry into the WTO will not be restored unless the U.S.-led NATO gives a satisfactory explanation."

13. PRC View on Nuclear Disarmament

The International Herald Tribune carried an opinion article by PRC President Jiang Zemin ("THE WAY TO GET ON WITH NUCLEAR DISARMAMENT, Beijing, 06/16/99) which argued that nuclear weapons have never ceased to threaten humanity's survival. Jiang, pointing out that the nuclear reduction process of the US and Russia has stopped after a brief period of progress, stated, "The aim of disarmament is to increase security. Disarmament should not become a tool for stronger nations to control weaker ones." Jiang said that the countries with the largest nuclear arsenals, the US and Russia, should implement their nuclear reduction treaties and continue to cut down their nuclear weapons arsenals, paving the way for the other nuclear weapons states to participate in the multilateral disarmament process. Jiang also urged countries that have not yet signed the Nuclear Nonproliferation Treaty join the treaty at the earliest possible date "so as to make it truly universal." Jiang added that the PRC is "ready to push for the early conclusion of an international legal instrument on this issue." Jiang concluded, "The international community should pay attention to all of this and adopt measures to preempt such dangers. Disarmament is not the prerogative of the few." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for June 16.]

14. Russia-PRC-US Shipping Talks

The Associated Press ("RUSSIA, U.S., CHINA DISCUSS NEW SEA ROUTE FOR CARGO, Vladivostok, Russia) reported that officials from Russia, the US and the PRC met on Wednesday to discuss a proposed new route for shipping cargo between the US and the PRC. The proposed route, which would take cargo through Russia's Far Eastern ports instead of via the ROK and Japan, is expected to shorten the sea journey to the US west coast by nearly 1,500 miles.

15. Japanese Aid to Russian Nuclear Disarmament

Agence France Presse ("JAPAN TO UNVEIL AID FOR RUSSIA'S NUCLEAR DISPOSAL," Tokyo, 06/16/99) reported that, according to Yomiuri Shimbun, Japan plans to offer some US\$200 million in aid to Russia to help it dispose of nuclear weapons. Japanese Prime Minister Keizo Obuchi will announce the aid during summit talks of the world's major powers starting Friday in Cologne, Germany. The fund will be used in a Russian project to dispose of plutonium from dismantled nuclear missiles and nuclear-powered submarines. No immediate confirmation was available from

Japan's Foreign Ministry. During a trip to Russia last month, Japan's Foreign Minister Masahiko Komura promised an unspecified sum of aid to dismantle nuclear submarines, dispose of plutonium, and convert military facilities to the production of consumer goods.

16. US Policy towards Kashmir Crisis

US State Department Spokesman James Rubin ("STATE DEPARTMENT NOON BRIEFING," Washington, USIA text, 06/15/99) said that the US was encouraged that the Indian and Pakistani Prime Ministers continued their discussions of the Kashmir fighting by telephone on Sunday, following up on the meeting of their Foreign Ministers on Saturday. Rubin stated, "In our view, neither party has an interest in seeing this crisis escalate. At the same time, we were disappointed that India and Pakistan have been unable to make more progress towards a resolution of this crisis. We therefore have encouraged continued efforts by the two parties to work together to reach a peaceful settlement soon. The United States remains in contact with the Indian and Pakistani Governments to express our strong concern and urge them to show restraint and respect the line of control that they agreed to 27 years ago as part of the Simla agreement."

The Associated Press (Amir Zia, "US ASKS PAKISTAN TO WITHDRAW FORCES," Islamabad, 06/16/99) reported that US President Bill Clinton has urged Pakistan to withdraw guerrilla forces from Kashmir. In a telephone conversation with Pakistani Prime Minister Nawaz Sharif on Tuesday, Clinton called on Pakistan to withdraw its troops. On Monday, Clinton made a similar call to Indian Prime Minister Atal Bihari Vajpayee, urging him to return to the peace process begun earlier this year with Pakistan. P.J. Crowley, spokesman for the US National Security Council, said that Clinton urged Sharif to continue talks with his Indian counterpart, but warned that until Pakistan withdraws troops from Indian-held Kashmir it was difficult to see how tensions could be reduced. Crowley stated, "The president said he did not see how progress could be made on this issue until (Pakistani) forces are withdrawn back across the line of control." However, Brigadier Rashid Quereshi, Pakistani army spokesman, stated, "The Americans are unaware of the ground situation. We are within our side of the border." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for June 16.]

II. Republic of Korea

1. DPRK-ROK Naval Confrontation

Choongang Ilbo (Shim Shang-bok, "S.KOREA NAVY SINKS NK'S WARSHIPS," Seoul, 06/16/99) and Chosun Ilbo ("DEFCON 3 DECLARED IN WEST SEA," Seoul, 06/16/99) reported that ROK naval forces sank a DPRK torpedo ship on Tuesday morning as a gun battle erupted at 9:25 am in the West Sea (Yellow Sea). The ROK put its entire armed forces on combat-level alert. Another DPRK vessel was sinking and appeared to be towed away, and three other DPRK warships were heavily damaged in the 10-minute firefight. There were no immediate reports of deaths. Two ROK navy vessels reportedly received minor damage, and seven navy sailors were slightly injured. Colonel Hwang Dong-kyu, spokesman for the ROK Joint Chiefs of Staff, said three DPRK ships shot first and their fire was returned by at least some of the eight ROK ships patrolling the area. "In response to firing by the DPRK's navy, our naval vessels fired immediately, according to military regulations," said Hwang. He added "We have placed all naval forces in the area on combat alert status." Combat alert is a state of emergency below a state of war.

2. UNC-DPRK Talks

The Korea Times ("BORDER TALKS FAIL TO PRODUCE AGREEMENT," Seoul, 06/15/99) reports that generals from the UN Command (UNC) and the DPRK met on Monday at Panmunjom to discuss the latest naval confrontation in the West Sea, but the two sides failed to reach agreement on the issue of reducing tensions, the UNC announced on Monday. The UNC said that the DPRK showed, in principle, its continued support for the 1953 Armistice Agreement, but the two sides were unable to reach agreement on the naval incident. During the 90-minute talks, UNC generals recommended that both sides withdraw their naval forces to their respective sides of the Northern Limit Line (NLL), expressing concern that continued naval intrusions could further escalate tensions in the region. The UNC stressed to the DPRK's delegates that the NLL has existed for many decades and that the two Koreas have acknowledged that a practical separation line exists in the waters off the east and west coasts of the Korean peninsula. The UNC presented measures to reduce tension to the DPRK delegates and urged immediate DPRK cooperation. Additionally, it recommended that the communication channels remain open at Panmunjom while attempts were made to resolve the situation. The UNC did not elaborate on the DPRK delegates position during the talks, but the delegates were unofficially reported as demanding that the ROK provide compensation for damages incurred to their ships during a ship-to-ship collision in the West Sea on Friday.

3. DPRK View of Naval Confrontation

Chosun Ilbo ("DPRK DEMANDS APOLOGY," Seoul, 06/16/99) reported that the DPRK claimed Tuesday that the exchange of gunfire between the navies of the two Koreas was caused by ROK's "blatant armed acts of infiltration" and demanded an immediate apology over the incident. The DPRK's state-operated Korean Central News Agency (KCNA), stated that the ROK's navy rammed and sank one DPRK Navy warship while seriously damaging three others through an exchange of fire in the DPRK's territorial waters and due to this engagement, the lives of DPRK Navy servicemen were jeopardized. It continued that the ROK's acts of provocation were a premeditated plot to undermine peace on the Korean peninsula and bring the escalating tension between the two Koreas to the brink of war. KCNA also said that the DPRK Navy avoided worsening the situation and praised the navy's "self-control and dedication for peace" as the sole reason a state of all out war did not result. According to the DPRK government, the ROK owes an immediate apology to the DPRK and if it continues its provocative acts, the DPRK would be forced to retaliate one thousands times greater than the "ROK's naval attack."

4. US Reaction to Naval Confrontation

The Korea Times ("US PLEDGES TO REINFORCE DEPLOYMENT," Seoul, 06/16/99) reported that the ROK Joint Chiefs of Staff (JCS) announced that the US on Tuesday vowed to reinforce the combined ROK-US military posture on the Korean peninsula in connection with the exchange of gunfire between the navies of the ROK and the DPRK. General John H. Tilelli, commander-in-chief, Combined Forces Command, made the pledge during talks with General Kim Jin-ho, the ROK's JCS chairman, during a meeting of the ROK-US Military Council. "The United States will step up its military presence on the Korean peninsula to cope with the latest inter-Korean military showdown. Depending on the situation, U.S. forces, including aircraft and naval vessels, will be deployed to the ROK from the U.S. mainland or Japan." General Tilelli sent the DPRK a strong warning and demanded that Pyongyang refrain from further provocations. "In the meeting, both countries recognized that the DPRK's first strike is a manifest act of provocation and a violation of the armistice agreement. Both sides agreed to closely consult on combined measures regarding the incident," said a statement released at the end of the meeting.

5. Japanese Reaction to Naval Confrontation

The Korea Times ("JAPAN BACKS S.KOREA OVER CLASH WITH DPRK," Seoul, 06/16/99) reported that Japanese Foreign Minister Masahiko Komura said Wednesday that Japan supports the ROK's efforts to solve the conflict with the DPRK in the Yellow Sea. "ROK is taking a firm stance and at the same time trying to seek a negotiated resolution, which we highly value and support," Komura told the Diet. Prime Minister Keizo Obuchi separately told reporters, "We want to keep an eye on developments. I hope the situation will be settled."

6. PRC Reaction to Naval Confrontation

The Korea Times ("CHINA EXPRESSES DEEP CONCERN OVER KOREAN CLASH," Seoul, 06/16/99) reported that the PRC expressed concern Tuesday over a military clash at sea between the DPRK and the ROK, and called on both sides to exercise restraint. Foreign Ministry spokeswoman Zhang Qiyue said that the PRC hoped the two Koreas would settle their differences through talks. "China is deeply concerned about the confrontation," Zhang said at a briefing for reporters. "We hope that both sides will exercise restraint and not exacerbate the situation." The PRC has "always stood for the maintenance of peace and stability on the Korean Peninsula," she added. "We've all along played or contributed our bit in this regard."

7. ROK-DPRK Economic Cooperation

The Korea Herald (Oh Young-jin, "NAVAL CLASH TO DAMPEN S-N ECONOMIC TIES," Seoul, 06/16/99) reported that businesses expressed fears that the escalation of tensions between the ROK and the DPRK will put a major damper on their private inter-Korean economic initiatives. The Hyundai Group is particularly concerned that its initiatives would likely face a barrier unless tensions are cooled quickly. In addition to the heightened inter-Korean tensions, the government's attitude will have an affect on Hyundai and other inter-Korean corporate initiatives. Last year in its first year in office, the government took pains to keep up its engagement policy in the face of a series of DPRK provocations and the subsequent anti-DPRK sentiment.

8. ROK Policy toward DPRK

The Korea Times ("SUNSHINE POLICY TO CONTINUE DESPITE NAVAL CLASH," Seoul, 06/16/99) reported that Chong Wa Dae said that ROK's DPRK policy will be pursued in a consistent and sustained way despite the naval confrontation. ROK President Kim Dae-jung, however, warned against the DPRK's military provocations. The opposition Grand National Party on Tuesday called for scrapping the Sunshine Policy as well as suspending all humanitarian aid to the DPRK. Representative Lee Sang-deuk of the opposition party argued that the engagement policy is a failure in that it instigated the DPRK's provocation instead of reform. Chong Wa Dae officials responded that in the past, knee-jerk reactions to the DPRK's provocations merely froze all inter-Korean exchanges. They added that the opposition must come out with a realistic alternative to the Sunshine Policy. A Chong Wa Dae official, requesting anonymity, noted that all superpowers surrounding the Korean peninsula, including the US and Russia, have described the Sunshine Policy as the most realistic approach to inter-Korean relations.

9. US Forces in Asia-Pacific

The Korea Times (Lee Chang-sup, "KIM, GOH URGE PRESENCE OF US FORCES IN ASIA-PACIFIC,"

Seoul, 06/15/99) reported that ROK President Kim Dae-jung and Singaporean Prime Minister Goh Chok Tong on Monday agreed that peace and stability in the Asia-Pacific region can be maintained effectively only through the continued presence of US forces. During summit and dinner meetings on Monday, the two leaders said as long as there is tension on the Korean peninsula, the presence of US forces is very important. Goh said any type of instability on the Korean peninsula is a broad threat to the Asia-Pacific region. He also said his country backs whatever kinds of mechanism will bring inter-Korean dialogue and build confidence. He said that he hopes that the ROK's Sunshine Policy of engaging the DPRK will bear fruit.

III. People's Republic of China

1. DPRK-ROK Naval Confrontation

People's Daily (Zhao Jiaming, "DPRK AND ROK NAVY VESSELS EXCHANGE FIRE," Pyongyang, 6/16/99, A6) said that according to the report from DPRK's Korean Central News Agency, ROK warships bumped against DPRK naval vessels and fired at them on the morning of June 15. One DPRK vessel sunk and three were damaged seriously, the report said. The DPRK report said that since June 4, ROK warships have provoked incidents every day in DPRK territorial waters. The report said that on the morning of June 15, the ROK sent 12 ships to intrude into the DPRK's territorial waters, which bumped against and fired at DPRK ships. The DPRK side said that this incident is an unbearable insult and a military provocation. The reason that the incident has not comprehensively expanded is the high endurance and self-restraint of DPRK People's Army, according to the DPRK report. It said that the ROK's military provocations are deliberate and planned ones aimed at driving the situation of the Korean Peninsula to the brink of war. The DPRK demanded the ROK side apologize for the serious consequences of the incident. Another report sent back by Wang Linchang from Seoul said that the ROK Joint Chiefs of Staff announced that DPRK boats, including three torpedo boats, "crossed border" and shot first against ROK vessels, which went to check them. ROK ships responded immediately, according to the spokesman. In a ten-minute exchange of fire, one DPRK Torpedo boat sunk and one ROK vessel was damaged, but there were no casualties, according to the report.

2. UNC-DPRK Military Talks People's Daily (Zhao Jiaming, "DPRK-US TALKS NO RESULTS," Pyongyang, 6/16/99, A6) reported that according to the report from Korean Central News Agency, the DPRK People's Army and US military officials in the ROK held talks in Panmunjom on June 15 to discuss the naval clashes in western waters. There was no result reached at the talks, the report said, and the time for the next round of talks had not been fixed either.

3. PRC Reaction to Naval Confrontation

China Daily ("WB URGED TO AID QINGHAI," 6/16/99, A2) reported that at a news briefing in Beijing on June 15, PRC Foreign Ministry spokeswoman Zhang Qiyue expressed the PRC's concern on the skirmish between the DPRK and the ROK. "China is deeply concerned over the confrontation, collision and exchange of fire between military vessels from DPRK and ROK at sea," Zhang said. The PRC hopes the two countries, still at war, will stay put and resolve disputes through peaceful consultations, Zhang said.

4. Nuclear Inspection in DPRK

People's Daily (Zhang Li, "UNDERGROUND FACILITIES IN KUMCHANGRI HAS NO RELATIONS WITH NUCLEAR," Pyongyang, 6/11/99, A6) reported that a DPRK Foreign Ministry spokesman said on June 9 that the US delegation's recent visit to Kumchangri proved that the underground facilities in Kumchangri have no relations with nuclear issues. The spokesman made the remarks when he was asked by a reporter from the Korean Central News Agency to comment on some discussions in the US after the US delegation's visit to Kumchangri.

5. PRC-US Relations

People's Daily ("FM SPOKESPERSON COMMENTS ON US BILL," Beijing, 6/16/99, A4) reported that the US Senate has passed a bill, called the Financial Year 2000 National Defense Appropriation Act, and an amendment concerning Taiwan, which demands that the Pentagon assess its enforcement of relevant articles of the Taiwan Relations Act. When commenting on this issue, PRC Foreign Ministry spokesperson Zhang Qiyue said on June 15 that the bill is a serious intervention in China's internal affairs and a violation of the three joint communiques between the PRC and the US. "The Taiwan issue is entirely an internal matter of China, and no foreign country is entitled to interfere," Zhang said. She urged the US administration to take practical and effective measures to prevent the amendment from becoming a law.

6. PRC Views on Missile Defense

People's Liberation Army Daily ("ZHANG WANNIAN HOLDS TALKS WITH RUSSIAN DM," Zhang Tiezhu, Moscow, 6/11/99, A1) reported that Vice-Chairman Zhang Wannian of the PRC Central Military Commission met with Russian Defense Minister Igor Sergeyev in Moscow on June 9. They exchanged their views on current international and regional security situations. When talking about the national missile defense (NMD) and theater missile defense (TMD) which are being developed by the US, Zhang and Sergeyev agreed that those systems would upset regional and global peace and stability. Zhang said the US move runs against the trend of the times and will have a major adverse impact on global and regional strategic balances and stability. China is gravely concerned about this, according to Zhang. "Any country's supply of TMD systems to China's Taiwan Province, or attempt to include Taiwan in its TMD plans in any form, or directly or indirectly put China's Taiwan into the sphere of Japan-US security cooperation, will be considered moves that seriously infringe on China's sovereignty and territorial integrity and grave interference in China's internal affairs, and will be confronted with strong opposition from all the Chinese people," Zhang said.

7. PRC Entry into WTO

China Daily ("WTO ENTRY PROMISES WIDER ACCESS," 6/14/99, A1) reported that the PRC reaffirmed last week that it will offer wider market access to foreign businesses once it joins the World Trade Organization (WTO). "Investors will face few restrictions and get easier access to new areas," Vice Minister of Foreign Trade Sun Zhenyu told China Daily during an interview. Sun's remarks came shortly after Assistant Foreign Trade Minister Ma Xiuhong announced plans to remove geographic limits for foreign banks and law firms hoping to expand in the country. However, it is still not clear when Sino-US negotiations will resume on the PRC's entry into WTO, according to the report. The talks have been suspended since the US-led NATO bombed the PRC Embassy in Yugoslavia, but US President Bill Clinton has reaffirmed the US commitment to bring the PRC into the WTO within this year, the newspaper said.

8. PRC Satellite Launch

China Daily ("SATELLITES LAUNCHED SUCCESSFULLY IN TAIYUAN," Taiyuan, 6/14/99, A1) reported that two iridium satellites were successfully launched into orbit atop a Chinese Long March 2C rocket fired from the Taiyuan Satellite Launch Center in PRC's northern Shanxi Province at 1:15 am on June 12. Sources in Taiyuan said this proves that launch vehicles independently developed by the PRC are reliable and that the country's space launch and control technologies are now more sophisticated and mature. The two satellites launched by the PRC will join with and further enhance the existing iridium satellite system, a global telecommunications network developed by the Motorola company. Insiders in the telecommunications industry believe the new satellites' range will enable the company to reach more customers.

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.

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