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# **I. United States**

## **1. US-DPRK Underground Site Agreement**

The United States Information Agency ("U.S.-DPRK JOINT PRESS STATEMENT," 03/16/99) issued the following press release: "Delegations from the United States and the Democratic People's Republic of Korea met in New York from February 27 through March 15, 1999. The delegations led respectively by U.S. Special Envoy Charles Kartman and DPRK Vice Foreign Minister Kim Gye-gwan, continued discussions the two sides had held in Pyongyang, Washington, New York, and Geneva since November 1998. The two sides reaffirmed their commitment to the Agreed Framework of October 21, 1994, in its entirety, as well as to the principles of their bilateral relations expressed in the U.S.-DPRK Joint Statement of June 11, 1993. The U.S. and the DPRK, believing that successful cooperation to remove U.S. concerns about an underground site at Kumchang-ri will contribute to improved relations between the two countries, agreed as follows:-- The DPRK has decided to provide the United States satisfactory access to the site at Kumchang-ri by inviting a U.S. delegation for an initial visit in May 1999, and allowing additional visits to remove U.S. concerns about the site's future use. -- The United States has decided to take a step to improve political and economic relations between the two countries."

The Washington Post (John M. Goshko, "NORTH KOREA TO ALLOW U.S. INSPECTIONS SUSPECTED NUCLEAR SITE DUE FIRST VISIT IN MAY," New York, 03/17/99) and the Washington Times (Betsy Pisik, "DEAL PERMITS U.S. TO SEE N. KOREAN SITE FOR PRICE," 03/17/99) reported that a senior US official said that the US is satisfied that it will be able to make multiple visits to the Kumchangri site for as long as is necessary. US Secretary of State Madeleine K. Albright stated, "The agreement we've reached addresses all of our concerns, and it will enable us both to confirm and monitor the current and future use of the suspect site." Albright also announced that the US and the DPRK agreed to resume talks in Pyongyang on March 29 about the DPRK's missile development program. Senior US officials stressed that the current agreement is limited strictly to the Kumchangri problem and stands apart from the many other issues between the US and the DPRK. Even if another suspect nuclear site were to be detected elsewhere in the DPRK, the officials said, its effect on US-DPRK relations would have to be assessed separately and the question of US access dealt with on the particular merits of the new situation. The officials also noted that the agreement on access to Kumchangri is separate from the question of lifting US sanctions on the DPRK.

The New York Times (David E. Sanger, "U.S. AIDES IN PACT WITH NORTH KOREA ON A SUSPECT SITE," Washington, 03/17/99) reported that during the negotiation between the US and the DPRK, the DPRK officials repeatedly asked for food aid in return for the access to the alleged underground nuclear site. The officials were unsatisfied with assurances by the US State Department that food aid would continue. One member of the US delegation noted that DPRK leader Kim Jong-il was planning a new program to plant potatoes, and suggested that could be used as a negotiating tool. A US official stated, "This lit them up. It was a suggestion that they seized upon."

## **2. ROK Reaction to US-DPRK Agreement**

Reuters ("S.KOREA WELCOMES U.S.-N.KOREA DEAL ON SUSPECT SITE," 03/17/99) reported that the ROK said Wednesday that it welcomed the agreement reached in New York allowing US access to an alleged underground nuclear site in the DPRK. The foreign ministry said in a statement, "The Government of the Republic of Korea welcomes that the fourth round of the US-DPRK negotiations over the Kumchangri underground construction ... has reached a desirable settlement." It added that the ROK government "expects the DPRK to fully comply with the latest agreement, thereby

completely dispelling suspicion over the Kumchangri site."

### **3. Japanese Reaction to US-DPRK Agreement**

Reuters ("JAPAN WELCOMES U.S.-NORTH KOREA NUCLEAR DEAL," Tokyo, 03/17/99) reported that Japan said on Wednesday that it welcomed the deal reached in New York allowing US access to a suspected underground nuclear site in the DPRK, but added that the DPRK should also defuse other security concerns. Japanese Foreign Minister Masahiko Komura said in a statement, "Opening a negotiated path to a solution to the suspected underground facility -- one of the international concerns involving North Korea -- is very favorable for future relations between the countries concerned, including Japan and North Korea." He added, "We hope North Korea will also properly deal with the missile and other issues which the international community is concerned about." US State Department spokesman James Rubin said that there would be another round of talks between the DPRK and the US in Pyongyang on March 29 on US concerns over the DPRK's missile production and sales.

### **4. Recovery of Sunken DPRK Spy Boat**

The Associated Press ("SUNKEN N. KOREAN SPY BOAT RECOVERED," Seoul, 03/17/99) reported that the ROK Navy on Wednesday recovered a DPRK spy boat that had gone down in a gunbattle off the southern coast three months ago. ROK Defense Ministry Spokesman Lieutenant Colonel Chung Ji-yong said that at least two severely decomposed bodies, believed to be DPRK crewmen, were found inside. The ROK military spotted the DPRK boat on December 17, 1998, as it approached a port on the southern coast, pursued it for hours with warships and planes and then sunk it after exchanging fire.

### **5. DPRK-ROK Sports Exchanges**

The Associated Press ("SEOUL GOAL: TO KICK OFF TALKS WITH N KOREA ON SOCCER PITCH," Seoul, 03/17/99) reported that in an effort to promote political discussion, ROK legislators will propose a soccer match with their DPRK counterparts this year. Kim Jae-il, a spokesman for the ruling National Congress for New Politics, said Wednesday, "The soccer match would help promote mutual understanding, and we hope that would lead to political talks." Kim said the proposal has full support from both the ruling and opposition parties. The proposal, he said, will be conveyed through Chung Mong-joon, president of ROK Football Association. Chung, also a legislator, plans to make a six-day visit to the DPRK starting on Friday to discuss, among other things, the possibility of holding some of the 2002 World Cup games in the DPRK.

### **6. DPRK Diplomat's Defection**

The Associated Press ("N.KOREA SENDS TEAM TO THAILAND TO DISCUSS KIDNAPPING," Bangkok, 03/17/99) reported that a high-ranking delegation from the DPRK met Thai Foreign Ministry officials Wednesday in an effort to ease relations strained by the alleged kidnapping by DPRK diplomats of one of their own colleagues in Thailand. The team from the DPRK was led by the protocol director of the DPRK Foreign Ministry, Li Do-sop, who served as Ambassador to Thailand from 1991-1995. Li stated, "We are here on the behalf of the North Korean government to officially express regret to Thailand because we value highly our long-time bilateral relationship." He added, "I think we could find a solution." Veerasak Phutrakul, director of the Thai Foreign Ministry's East Asia division, declined to discuss the talks.

## **7. Alleged PRC Missile Espionage**

Reuters ("TWO MEN ACCUSED IN CHINA MISSILE PLOT PLEAD NOT GUILTY," Boston, 03/16/99) reported that two men accused of plotting to smuggle missile technology from the US to the PRC pleaded not guilty at their arraignments on Tuesday. Yao Yi, 33, of Beijing, China and Collin Xu, a naturalized Canadian citizen, were arraigned separately on federal charges they conspired to smuggle gyroscopes used in weapons systems from a Massachusetts-based defense contractor to the PRC. Yao's lawyer, Jeffrey Denner, described him as an entrepreneur whose company, Lion Photonics, Inc. of Beijing, represented numerous manufacturers from the US, Japan, and Australia. Denner told Magistrate Joyce Alexander while arguing his client should be granted bail, "This man is one of a new breed of Chinese entrepreneurs." He added, "He heads a company that has the cable TV franchise for Beijing ... nothing could be further from the military and spying."

## **8. US Missile Defense**

Reuters (John Whitesides, "SENATE CLEARS PATH FOR MISSILE DEFENSE PASSAGE," Washington, 03/17/99) reported that the US Senate on Tuesday approved of a compromise designed to ensure that a national missile defense bill does not impede arms control negotiations with Russia, clearing the way for the bill's final passage. The compromise amendment, approved 99-0, led the White House to drop a veto threat of the bill, which commits the US to deployment of a national missile defense system as soon as technologically possible. The bill does not specify the time frame, the costs or specifics of the missile system. The Senate also voted 99-0 in favor of an amendment by the bill's sponsor, Mississippi Republican Thad Cochran, to ensure that the cost of any eventual missile defense system be subject to the annual congressional appropriations process.

## **9. Russian Y2K Bug**

The Associated Press ("RUSSIA'S NUCLEAR ENERGY MINISTRY READY FOR Y2K - OFFICIAL," Moscow, 03/17/99) reported that Russian Atomic Energy Minister Yevgeny Adamov said Wednesday that the Nuclear Power Ministry has resolved all major Y2K glitches in agencies under its jurisdiction. He added that glitches in other systems may arise, but are expected to cause only internal problems for specific companies. He said that the ministry would prefer to put off paying for those, rather than spend money in hopes of preventing the problems.

## **10. India-Pakistan Talks**

The Associated Press ("INDIA, PAKISTAN FOREIGN MINISTERS TO MEET FRIDAY," Nuwara Eliya, 03/17/99) reported that Foreign Ministers of India and Pakistan will meet on the sidelines of a regional conference Friday in their latest effort to narrow their differences. Meera Shankar, a spokeswoman for the Indian foreign ministry, declined to give details on Wednesday. She said only that Indian Foreign Minister Jaswant Singh and his Pakistani counterpart Sartaj Aziz were taking advantage of a Foreign Ministers' meeting of the South Asian Association for Regional Cooperation in Sri Lanka. The two ministers are expected to follow up a February meeting during which their prime ministers agreed to try to reduce the risk of an accidental nuclear war.

# **II. Republic of Korea**

## **1. US-DPRK Underground Site Agreement**

JoongAng Ilbo ("NORTH KOREA TO ALLOW US INSPECTIONS," Seoul, 03/17/99) reported that the DPRK agreed on March 16 to allow US officials to inspect a suspected underground nuclear facility. The agreement, announced by US Ambassador Charles Kartman and DPRK Vice Foreign Minister Kim Gye-gwan after four rounds of talks at the US mission to the UN in New York over the past three weeks, calls for the first inspection to take place in May. Kartman said that the US will be able to make as many visits to the site at Kumchangri as it desires, for as long as it is necessary to determine what it is actually being used for. He added, "We are satisfied, and the US refused North Korean demands for food aid in return for allowing the inspections." However, earlier this month, the US pledged 500,000 tons of additional foodstuffs in response to a worldwide appeal by the Rome-based UN World Food Program. In addition, the joint statement made by both sides said, "The US has decided to take a step to improve political and economic relations between the two countries."

## **2. ROK Aid to DPRK**

Korea Herald ("KNRC PLANS TO SEND 5,000 TONS OF FERTILIZER TO NORTH ON MARCH 30," Seoul, 03/18/99) reported that the ROK's Korean National Red Cross (KNRC) plans to send 5,000 tons of fertilizer aid to the DPRK on March 30, according to a KNRC official. The 5,000 tons of fertilizer, worth about 1.9 billion won, will be delivered from Yosu in the ROK to Nampo in the DPRK by ship, the KNRC official said. The shipment will be the first batch of 100,000 tons of fertilizer the KNRC is aiming to send to the famine-stricken DPRK. The ROK government has expressed its willingness to help the KNRC's campaign to raise funds for the aid. The ROK Ministry of Unification said it will officially announce on Thursday its plan to join the fund-raising drive, which started Monday for a three-month run. "The volume of government fertilizer aid has yet to be decided. But it will be fixed in consideration of public opinion and the outcome of the KNRC's campaign," a ministry official said. It is reported that the ROK government's aid scale will be fixed between 50,000 and 60,000 tons of fertilizer.

## **3. ROK Lawmakers' Resolution to DPRK**

Korea Herald ("KNRC DELIVERS ASSEMBLY RESOLUTION TO NORTH KROEA," Seoul, 03/18/99) reported that the ROK's Korean National Red Cross (KNRC) on Tuesday delivered a lawmakers' resolution to the DPRK Red Cross society calling for faithful implementation of the 1991 inter-Korean basic accord. The KNRC also conveyed National Assembly Speaker Park Jyun-kyu's letter to his northern counterpart Kim Yong-nam, when Red Cross liaison officials met at the truce village of Panmunjom. The ROK National Assembly, urging the DPRK to carry out the agreement for inter-Korean reconciliation and cooperation, adopted the resolution on March 8. In the letter to Kim, the No. 2 man after Kim Jong-il, Speaker Park asked for a favorable response to the ROK lawmakers' call.

## **4. ROK-Japan Fishery Pact**

Chosun Ilbo ("COMPROMISE REACHED IN NEW FISHING PACT," Seoul, 03/17/99) reported that starting in early April, a total of 80 ROK fishing boats may engage in double trawler fishing in an area west of 128 degrees longitude in Japan's Exclusive Economic Zone (EEZ). In addition, 74 ROK fishing vessels will be allowed to catch blowfish and 18 vessels for hair-tail in Japanese and PRC territories in the East China Sea. Kim Sung-kil, the Minister of Maritime Affairs and Fisheries, worked out the final settlement with his Japanese counterpart, Shoichi Nakagawa, and both signed the accord on Wednesday. However, the agreement will almost certainly invite strong opposition

from ROK fishermen as the ministry had initially demanded that 220 double trawler boats be allowed access to the EEZ. The ROK delegation reportedly pursued additional quotas from the Japanese, but without success.

## **5. ROK-PRC Fishery Pact**

Korea Times ("KOREA, CHINA DISCUSS EARLY EFFECTUATION OF FISHERIES AGREEMENT," Seoul, 03/17/99) reported that the ROK and the PRC began negotiations in Seoul on Tuesday for an early effectuation of their fisheries agreement. Officials of the two countries discussed follow-up measures to have the agreement go into effect as soon as possible, a spokesman for the Ministry of Maritime Affairs and Fisheries said. Vice Minister Chun Sung-kyu headed the ROK side, while Vice Agricultural Minister in charge of fisheries Chi Jingpa led the PRC team. Chun stressed the need for an early effectuation of the binational fisheries agreement to build a new fishing order in the Yellow and South Seas, the spokesman said. He also proposed that the two countries hold a working-level talk on the fisheries accord either in Seoul or Beijing at the earliest possible date, the spokesman added. The PRC side expressed concern about the ROK's developed technology of cultivation, and asked for an exchange of know-how in that field.

## **III. People's Republic of China**

### **1. DPRK View of Theater Missile Defense**

People's Daily ("US USES TMD SYSTEM TO DOMINATE THE WORLD," Pyongyang, 3/15/99, A6) reported that a DPRK Foreign Ministry spokesman said on March 12 that the purpose of the US to establish theater missile defense (TMD) systems under the excuse of the DPRK missile threat is to establish its dominating status in East Asia depending on its overwhelming military superiority, and finally to realize its strategy of dominating the world. According to the spokesman, during the US Secretary of State's recent visit to the PRC, she asked the PRC to cooperate with the US on stopping the DPRK's missile program, but the PRC clearly expressed its opposition against the US intention to use the DPRK's missile as an excuse to enhance US defense. The spokesman said the DPRK missile problem claimed by the US absolutely falls under the DPRK's sovereignty. To the DPRK, it is a matter related to the country's survival on which it cannot make any concessions, the spokesman said.

### **2. PRC's View of Theater Missile Defense**

People's Daily ("PREMIER ZHU RONGJI MEETS WITH REPORTERS," Beijing, A1 and A4, 3/16/99) reported that when commenting on a Japanese reporter's question on theater missile defense (TMD), PRC Premier Zhu Rongji said at a press conference on March 15 that "we are opposed to TMD and we are particularly and firmly opposed to including Taiwan in TMD." The reason given for the development of TMD is the allegation that the PRC has deployed 600 missiles along the Taiwan Straits and that in the past only several dozen were deployed there, Zhu said. However, he said, he did not know about that. According to Zhu, the deployment of the missiles falls under the PRC's sovereignty and these missiles have by no means been targeted at "our brothers and sisters" in Taiwan. "And it is not very likely that we will use these missiles, or would treat their use very lightly and easily," Zhu said. Another reason given for developing TMD is that the DPRK has launched missiles and is doing research and development on nuclear weapons and that the PRC has not exerted its influence on the DPRK to prevent this. Then, the premier asked "how can we exert

influence or how can we interfere in the DPRK, which is an independent country?" Zhu also said that it is true that Russia supports the PRC on its stand against TMD, but the two countries have not discussed how to respond to TMD. According to him, the PRC's relationship with the US has been very good so far. The two countries are still engaged in developing a constructive and strategic partnership. The PRC's relationship with Russia is also good.

### **3. Alleged PRC Nuclear Espionage**

People's Daily ("PREMIER ZHU RONGJI MEETS WITH REPORTERS," Beijing, A1 and A4, 3/16/99) reported that when answering reporters' question on the accusation that the PRC stole sensitive information from the US, PRC Premier Zhu Rongji said that some people in the US have made two mistakes. One is that they have underestimated the ability of the US to guard its secrets. The other is that they have underestimated the PRC's military research development capability. The alleged Chinese theft of US military technology is only a fiction, the premier concluded.

### **4. US-Japan Defense Cooperation**

People's Daily ("FM SPOKESMAN ANSWERS QUESTIONS," Beijing, 3/17/99, A4) reported that PRC Foreign Ministry spokesman Sun Yuxi urged Japan on March 16 to stick to its defensive policy and maintain its commitment not to become a military power. When commenting on the Japanese Diet commencing the review last weekend of new bills relating to the Japan-US Guidelines on Defense Cooperation, Sun said that the PRC's position on this issue is "clear and consistent," adding that the PRC has time and again asked Japan to take a prudent attitude on this matter and Japan has also made a series of commitments in this regard. The PRC hopes that during the review, Japan will keep to the observance of peace as laid down in its constitution, pursuing a defensive policy and never seeking to be a military power. Japan should handle all Taiwan-related issues strictly in accordance with the principles laid down in the PRC- Japan Joint Declaration and the PRC-Japan Peace and Friendship Treaty, the spokesman said.

### **5. Across-Taiwan Straits Relations**

China Daily ("CONTINUED DIALOGUES DESIRED," 3/17/99, A1) reported that Tang Shubei, secretary-general of the Beijing-based Association for Relations Across the Taiwan Straits (ARATS) suggested that political dialogues across the Taiwan Straits should continue. While meeting reporters with the Hong Kong and Taiwan news pool on March 16, Tang refuted the allegation from the Taipei-based Straits Exchange Foundation (SEF) that ARATS has been dilatory in preparing for its chairman Wang Daohan's visit to Taiwan. Tang said that Wang and Koo Chen-fu, chairman of the SEF, reached a consensus in October regarding Wang's visit, which they said would take place at an appropriate time. ARATS proposed this year's visit, Tang added. To date, ARATS and SEF have not contacted each other regarding Wang's visit. However, Tang said, it is unlikely Wang will be able to visit Taiwan before May, due to his tight schedule.

### **6. Asian Economic Meeting**

People's Daily ("FM SPOKESMAN ANSWERS QUESTIONS," Beijing, 3/17/99, A1) reported that PRC Foreign Ministry spokesman Sun Yuxi said on March 16 that the upcoming "nine-plus-three" meeting of vice-finance ministers and vice-governors of central banks will have a positive impact on further stabilizing the regional economy and finances. Sun said that the meeting to be held in Hanoi, Vietnam, will concentrate on controlling short-term capital flows and reforming the international

financial system. PRC Vice-Minister of Finance Jin Liquan and Vice-Governor of the People's Bank of China Xiao Gang will join their counterparts from Japan and the ROK and the nine members of the Association and Southeast Asian Nations. Control of short-term capital flows is the most prominent and urgent problem affecting the region's economic and financial stability and development, according to Sun.

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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