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# I. United States

#### **1. US Sanctions Against DPRK**

White House Press Secretary Joe Lockhart ("EASING SANCTIONS AGAINST NORTH KOREA," 09/17/99) issued the following press release: "Today the President announced his decision to ease some sanctions against the Democratic Peoples Republic of Korea, administered under the Trading With the Enemy Act, Defense Production Act, and the Department of Commerce's Export Administration Regulations. The United States is taking this action in order to pursue improved overall relations with North Korea, support the Agreed Framework, and as a result of U.S.-North Korean discussions in Berlin September 7-12, 1999. On the basis of these discussions, it is our understanding that North Korea will continue to refrain from testing long-range missiles of any kind as both sides move toward more normal relations. The easing of sanctions will allow most consumer goods to be available for export to North Korea and will allow the importation of most North Koreanorigin goods into the United States. To support this easing of sanctions in the trade of goods, most personal and commercial funds transfers will be allowed between U.S. and North Korean persons. The relaxation of transportation restrictions will allow commercial air and sea transportation between the U.S. and North Korea for passengers and cargo, subject to normal regulatory requirements. This easing of sanctions does not affect our counterterrorism or nonproliferation controls on North Korea, which prohibit exports of military and sensitive dual-use items and most types of U.S. assistance. Statutory restrictions, such as U.S. missile sanctions, will remain in place. Restrictions on North Korea based on multilateral arrangements also will remain in place, such as the Wassenaar Arrangement."

The White House Office of the Press Secretary ("EASING SANCTIONS AGAINST NORTH KOREA," 09/17/99) issued the following fact sheet. "The Departments of Commerce, Transportation and Treasury have begun the process of modifying regulations to implement the President's decision [on easing DPRK sanctions]. That process may take several months. Examples of activities on which restrictions will be eased are: the importation of most North Korean- origin goods and raw materials; the export and re-export of most non-sensitive goods and services of U.S. companies and their foreign subsidiaries, such as most consumer goods, most financial services, non-sensitive inputs for investment in non-sensitive industrial sectors; investment in such sectors as agriculture, mining, petroleum, timber, cement, transportation, infrastructure (roads, ports, airports), travel/tourism; remittances from U.S. nationals to North Koreans; the transport of approved (i.e., non-sensitive) cargo to and from North Korea by commercial U.S. ships and aircraft ... ; commercial flights between the U.S. and North Korea.... Restrictions associated with North Korea's designation as a terrorist-supporting state will remain in place.... Examples of activities that still will not be permitted due to these restrictions are: the export of United States Munitions List goods or technology; the export of dual-use goods or technology on the Commerce Control List without a license; any assistance under the Foreign Assistance Act, the Agricultural Trade and Development Act, the Peace Corps Act, and the Export-Import Bank Act; support for loans to North Korea by international financial institutions; the transfer of spoils of war; the duty free treatment of exports to the United States; financial transactions between U.S. persons and the North Korean government unless authorized by regulation by the Secretary of the Treasury; and claiming foreign tax credits on corporate or individual income in North Korea. In addition, statutory restrictions such as U.S. missile technology sanctions remain in place, as do restrictions based on multilateral arrangements

and nonproliferation controls.... Finally, assets currently blocked under the Trading With the Enemy Act remain frozen, and claims settlements issues are not addressed by this initiative."

The US House of Representatives International Relations Committee ("GILMAN REACTS TO LIFTING NORTH KOREA SANCTIONS; URGES BIPARTISAN APPROACH," Washington, 09/17/99) issued the following press release. "U.S. Rep. Benjamin A. Gilman (20th-NY), Chairman of the House International Relations Committee, released the following statement today concerning President Clinton's decision to ease sanctions on North Korea: 'We appreciate the efforts Dr. Perry has made to address the North Korean threat, but I am concerned that we are once again entering cycle of extortion with North Korea. I am opposed to lifting any sanctions on North Korea at this time. North Korea is one of the most significant threats to American national security in the world today. North Korea proliferates missiles to terrorist states and has been pursuing weapons of mass destruction. It has been starving its own people, producing and trafficking in illegal narcotics, threatening American and South Korean forces and generally destabilizing the East Asian region. Although we met this week with North Korea policy coordinator William Perry, our committee was not consulted by the administration before lifting specific sanctions. I had hoped that the Administration would have proceeded in a more bipartisan manner on Dr. Perry's report. At this time, however, this approach does not have support in Congress and would not be sustainable into the next administration. If this decision is based on the Berlin Agreement, then it is premature. The de facto moratorium that was agreed to in Berlin is limited. The Berlin Agreement is far from comprehensive and the lack of transparency regarding the North Korean missile program and our inability to verify their compliance are troubling issues. Ultimately, we have no assurances that North Korea has halted missile development."

#### 2. US-DPRK Relations

Reuters ("ALBRIGHT SAYS MORE HOPEFUL ROAD OPENING TO N KOREA," Washington, 09/17/99) and Dow Jones Newswires (Alex Keto, "ALBRIGHT: N. KOREA SANCTION MOVE SUPPORTED BY ALLIES," Washington, 09/17/99) reported that US Secretary of State Madeleine Albright said Friday that the US was starting down a new and more hopeful road in its relations with the DPRK. Albright stated, "It's a road America and its allies want to walk down with the North but it is not a one-way street. If circumstances warrant that we go back to square one we can do so without damage to our interests. If circumstances require that we go down a different road altogether we will do so to defend our interests."

# 3. DPRK Missile Test

Dow Jones Newswires (Alex Keto, "WHITE HOUSE: N.KOREA TEST TO BRING NEW SANCTIONS," Washington, 09/17/99) reported that White House Spokesman Joe Lockhart said Friday that the US would reinstate economic sanctions if the DPRK conducts a long-range missile test. Lockhart stated, "This is a very conditional lifting of sanctions. I think, as we've made it very clear, that if they resume testing, that sanctions will be put back on." He added, "I think you have to look at the importance of promoting our relations with North Korea and the influence it has on the Korean peninsula. And I think it is vitally important to the stability of that region (that) North Korea...refrain from the long-range testing."

# 4. Light-Water Reactor Project

Nucleonics Week (Mark Hibbs, "KEDO, KEPCO AIM TO NAIL DOWN TURNKEY LIABILITY,

FINANCING," Bonn, 09/16/99) reported that unnamed sources close to the Korean Peninsula Energy Development Organization (KEDO) light-water reactor project said September 13 that leading firms and banks involved in the project will meet this week and next to try to finalize the terms of the turnkey contract. This week's meeting will include officials from KEDO, the Korean Electric Power Corporation (Kepco), its potential equipment vendors and engineering sub- contractors, ABB-Combustion Engineering, and export-import banks. According to officials involved, the KEDO executive board has agreed on liability terms, and KEDO will hold meetings with Kepco this week to try to reach a final agreement. Sources said that ROK officials have made clear to ROK institutions involved in the project that export authorization will be required for a larger share of the work than some officials had originally anticipated. Kepco has not yet chosen all subcontractors for equipment and services for the two reactors, and is "still negotiating" with potential suppliers over terms of purchase and delivery schedule. The export-import banks of Japan and the ROK will meet with KEDO in Japan next week to discuss commercial financing terms for the loans to build the reactors. Officials said that there is still no formal agreement by any other state party to cover the outstanding US\$400 million to supplement the commitment by Japan and ROK to finance US\$4.2-billion for the project.

# 5. DPRK-Thailand Relations

The Associated Press ("N KOREA TRIES TO REBUILD RELATIONS WITH THAILAND," Seoul, 09/17/99) reported that the DPRK's official Korean Central News Agency said in a one-sentence dispatch on Friday that Jo In- chol has been appointed as the new DPRK ambassador to Thailand. The post has remained vacant since March, when Thai police arrested four DPRK diplomats for the kidnapping of defector Hong Sun-gyong and his family.

# 6. ROK National Security Law Arrests

The Associated Press ("SIX S KOREANS FACE INDICTMENT FOR ILLEGAL TRIP TO NORTH," Seoul, 09/17/99) reported that the ROK National Intelligence Service (NIS) on Friday asked prosecutors to indict six dissidents on charges of making illegal visits to the DPRK. The NIS said that the six must be punished because while in the DPRK, they supported key DPRK demands, including the withdrawal of US troops from the ROK.

# 7. ROK Participation in East Timor Peacekeeping

The Associated Press ("S KOREA TO SEND INFANTRY BATTALION TO EAST TIMOR," Canberra, 09/17/99) reported that ROK President Kim Dae-jung on Friday said that the ROK would send an infantry battalion to the international peacekeeping force for East Timor. Kim stated, "Under the authority of the United Nations and in close cooperation with Australia, we will do our share to bring about peace in East Timor, so that the free will of the East Timorese people can be fully implemented." The ROK's commitment, which must be formally approved by the National Assembly, is expected to involve some 700 troops.

# 8. US Weapons Sales to Taiwan

South China Morning Post (Greg Torode, "INCREASED WEAPONS TO TAIPEI OPPOSED," Washington, 09/17/99) reported that US Deputy Assistant Secretary of State for Asia and Pacific Affairs Susan Shirk and her Defense Department counterpart, Kurt Campbell, on Thursday told the House of Representatives' International Relations Committee that the Taiwan Security Enhancement Act would do little to protect Taiwan. Shirk stated, "The administration believes that this legislation could have serious, unintended negative consequences that would weaken Taiwan's security and impinge on our security interests in the region." She added, "It will be seen as an effort to reverse our commitment to an unofficial relationship and to recreate in its place a formal military relationship with Taiwan." Campbell said that the 1979 Taiwan Relations Act "gives us every necessary legal authority to do our job." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 17].

#### 9. PRC Missile Sales to Pakistan

The United States Information Agency (Ralph Dannheisser, "HELMS DEMANDS ADMINISTRATION SANCTION CHINA FOR MISSILE PROLIFERATION," Washington, 09/16/99) and the Associated Press (David Briscoe, "HELMS DEMANDS SANCTIONS FOR CHINA," Washington, 09/17/99) reported that US Senate Foreign Relations Committee Chairman Jesse Helms said Thursday that he will block Senate confirmation of Robert Einhorn as assistant secretary of state for nonproliferation affairs until US President Bill Clinton imposes sanctions on the PRC for missile sales to Pakistan. Helms stated, "I am not inclined to stand back in silence as the Clinton administration continues dodging the Arms Control Export Act and breaking the law without suffering the consequences." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 17].

#### **10. US Forces on Okinawa**

The Washington Times ("U.S. GENERAL PLEDGES TO TACKLE OKINAWA WOES," Tokyo, 09/17/99, 14) reported that a Japanese official said that Lieutenant General Paul Hester, appointed commander of the US Forces Japan on September 3, told Japanese Foreign Minister Masahiko Komura on Thursday that he would work hard to resolve problems stemming from the US military presence in Okinawa. The two agreed on the importance of resolving problems and steadily implementing a 1996 bilateral agreement for reducing by 21 percent the land area occupied by the US military in Okinawa Prefecture. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 17].

# **II. Republic of Korea**

#### **1. US Sanctions on DPRK**

The Korea Times (Son Key-young, "US LIFTS ECONOMIC SANCTIONS ON NK," Seoul, 09/17/99) reported that US President Bill Clinton on Thursday announced a wide-ranging lifting of economic and trade sanctions on the DPRK. The announcement called for the lifting of almost all restrictions on trade and investment in relations with the DPRK, except for some sensitive commodities, including weapons. "The rationale behind Clinton's lifting of sanctions is based on the suggestion by a report of the Council on Foreign Relations, which advocated a comprehensive lifting of sanctions. In case the DPRK does not respond positively to these progressive measures, the US is set to revoke its decision regarding sanctions," an ROK Foreign Affairs-Trade Ministry official said. Although the sanctions on economic and trade relations were lifted, the regulations on DPRK's frozen assets in the US will remain intact, because they need further technical consideration.

Chosun Ilbo (Kang Hyo-sang, "US REP. GILMAN AGAINST PERRY REPORT," Seoul, 09/16/99) reported that Ben Gilman, Republican of New York and head of the US House of Representatives

Committee on International Relations, said on Wednesday that he will oppose the US Administration's move to relax economic sanctions against the DPRK. Making the announcement immediately after hearing a briefing on the Perry Report, Gilman said that the DPRK would be getting "long term advantages" for yielding for "the short term," and thus he would oppose the easing of economic sanctions, expected to be announced by US President Bill Clinton on Friday.

Joongang Ilbo (Kang Joo-an, "NK WILL OBTAIN DIPLOMATIC BENEFIT IF DECLASSIFIED AS HOSTILE NATION BY U.S.," Seoul, 09/17/99) and The Korea Times ("NK TO ENJOY POLITICAL GAINS: LIM," Seoul, 09/17/99) reported that ROK Minister of Unification Lim Dong-won said on September 17 at a directors' meeting of the Central Committee for the National Unification of Korea held at Lotte Hotel in Seoul, "If North Korea is released from classification by the U.S. as a hostile nation, it will benefit in the political and diplomatic sectors rather than in business." Lim insisted that, "NK is unlikely to get much practical benefit from the U.S.'s lifting of some portion of economic sanctions. However, western countries, which have hesitated to invest in North Korea, are likely to make inroads into NK in the event that the U.S. excludes NK from its list of hostile countries." He added, "The dollars which we paid to NK as Mt. Kumkang tour fees were the main foreign capital that NK has earned this year. As a result of our efforts to increase NK's dependence on the South, we will obtain unification."

#### 2. Japanese Sanctions on DPRK

The Korea Times (Son Key-young, "JAPAN SET TO LIFT SANCTIONS ON N.KOREA," Seoul, 09/16/99) reported that Japan has shown a lukewarm response to the US-DPRK deal in Berlin and the Perry Report. Japanese Foreign Minister Masahiko Komura said, "It is not a matter of what the United Sates has done, but the way in which the Japanese government assesses North Korea will be in response to the concerns of the international community." At present, Japan seems unprepared to lift sanctions, unless the DPRK declares a complete moratorium on missile tests. "I don't think there are any facts showing that North Korea has frozen its missile program, nor has the U.S. side said it would remove sanctions completely," said Defense Agency chief Hosei Norota. However, officials and observers in the ROK are of the view that Japan has no option but to follow the international trend set by the breakthrough in Berlin.

#### 3. Japanese-DPRK Talks

Joongang Ilbo (Kang Joo-an, "JAPANESE WOMEN'S ORGANIZATION VISITS PYONGYANG," Seoul, 09/16/99) reported that members of the "Women's Peace Line" of Japan, which is led by the vice-leader of the Social Democratic Party, Shimizu Sumiko, arrived in Pyongyang on September 16 for an 8-day visit to the DPRK. According to a government source, the delegation, headed by Councillor Shimizu, is to discuss with DPRK organizations, including the Workers' Party of Korea, the return of Japanese citizens held in the DPRK and the relationship between the DPRK and Japan. The Women's Peace Line, which was established in 1981, has urged the Japanese government to lift its sanctions on the DPRK and to reopen the air-route currently closed between the DPRK and Japan. The women's group suggested on August 19 that Japanese Prime Minister Obuchi Keizo establish a channel of dialogue with the DPRK.

# 4. ROK-DPRK Talks

The Korea Herald (Kim Ji-ho, "VICE UNIFICATION MINISTER URGES PYONGYANG TO RETURN TO DIALOGUE TABLE WITH SEOUL," Seoul, 09/17/99) and The Korea Times (Son Key-young,

"SEOUL CALLS FOR IMPLEMENTATION OF 'BASIC AGREEMENT'," Seoul, 09/16/99) reported that ROK Vice Unification Minister Yang Young-shik reiterated on Thursday that problems of the Korean Peninsula should be solved through dialogue and cooperation between the parties most concerned. "No one can deny that it is the two Koreas that have the most direct and substantive interests in matters happening on this peninsula," Yang said. He then called for the DPRK to faithfully implement the Inter-Korean Basic Agreement. Yang, the ROK's chief delegate to the high-level inter-Korean talks, demanded that the DPRK come forward immediately to reactivate its four subcommittees. "I firmly believe that North Korea would not give up this 'historic opportunity' in the international situation to meet its desperate goals-overcoming the economic crisis and keeping its system alive," the official told a seminar.

#### 5. ROK-DPRK Economic Cooperation

Joongang Ilbo (Kang Joo-an, "TVS MADE IN SOUTH KOREA TO BE EXPORTED TO NORTH," Seoul, 09/17/99) reported that color televisions made in the ROK will be directly exported to the DPRK for the first time. Hyundai Corporation announced on Friday that it is to transport 160 televisions from Inchon harbor in the ROK to Nampo harbor in the DPRK on September 27. The televisions to be delivered are a portion of 30,000 units on the export of which the Hyundai Asan Company has signed an easy-payment contract with the DPRK's Asia-Pacific Peace Committee. The remaining televisions will be sent to the DPRK in October. Hyundai Asan said that it is negotiating with its partner in the DPRK on additional exports. Labels in Korean script will be removed from the televisions prior to their export.

# 6. Hyundai Founder's Visit to DPRK

The Korea Herald ("CHUNG JU-YUNG LIKELY TO VISIT PYONGYANG SEPT. 28," Seoul, 09/17/99) reported that Chung Ju-yung, founder and honorary chairman of the Hyundai Group, plans to visit Pyongyang September 28 to attend a ground-breaking ceremony for a gymnasium and watch friendly basketball games between the two Koreas. The ROK Unification Ministry said, "The conglomerate's men's and women's professional basketball teams will enter Pyongyang on a charter flight via Beijing September 27 for two days of games from September 28." Although the DPRK has not approved for sportscasters and commentators from the ROK to visit Pyongyang, the group is continuing to negotiate with the committee, the official explained.

# 7. DPRK Drug Trafficking

Joongang Ilbo (Bong Hwa-shik, "NORTH KOREA EXPORTS 4,500 TONS OF HEROIN ANNUALLY," Seoul, 09/16/99) reported that the DPRK has been producing large amounts of opiate products near the PRC border, mostly in the form of heroin. A source from the ROK government, quoting statistics released by the US Department of State, revealed on Thursday that the DPRK authority supports drug cultivation, producing 3,000-4,500 tons of heroin every year in the northern region. He said, "The reason why the Perry Report indicated that the North Korean drug- cultivation issue should be discussed was to send a reminder to Pyongyang of the seriousness of open drug production." The drugs flow into Asia and Europe via Russia and the PRC. Use of the drug philopon is now spreading in Japan. The report said it is becoming clear that the DPRK has been overseeing drug production in order to obtain more income. It added that the US does not appear to be a targeted market for DPRK drugs, but the possibility remains that the DPRK will be listed as a drug-watch nation.

#### 8. ROK-Australia Summit

The Korea Times (Lee Chang-sup, "KIM, HOWARD PRESS FOR PEACE IN EAST TIMOR," Canberra, 09/17/99) reported that leaders of the ROK and Australia on Thursday called for an early resolution of the situation in East Timor. In a summit between ROK President Kim Dae-jung and Australian Prime Minister John Howard here on Thursday, they welcomed the Indonesian government's acceptance of an international peacekeeping force to help settle the situation in East Timor and the UN Security Council's adoption of a resolution to that end. Howard expressed special appreciation for the ROK's dispatching the peacekeeepers to East Timor. The two leaders also agreed to keep in close consultation until the resolution of the situation in East Timor, including participation in the international peacekeeping force. Kim and Howard welcomed the results of recent talks between the US and the DPRK on missiles, hoping that their future talks will also reach a good outcome. "In particular, Prime Minister Howard evaluated Seoul's engagement policy toward North Korea as the most realistic alternative for peace and stability on the Korean peninsula and expressed Canberra's active support for it," Kim said. A post-summit joint statement said that both countries will continue to cooperate, including through the Korean Peninsula Energy Development Organization (KEDO), in encouraging the DPRK to refrain from behavior that threatens regional stability and to take advantage of the benefits of positive engagement with its Asia-Pacific neighbors.

#### 9. ROK Peacekeeping Force for East Timor

The Korea Herald (Shin Young-bae, "U.N. OFFICIALLY REQUESTS SEOUL TO SEND TROOPS TO EAST TIMOR," Seoul, 09/17/99) reported that ROK officials said that the United Nations on Thursday officially requested the ROK join the UN multinational force to be dispatched to East Timor to restore order. "U.N. Secretary-General Kofi Annan sent a letter to Foreign Affairs and Trade Minister Hong Soon-young asking for South Korea's participation in the multinational force," ministry spokesman Chang Chul-kyoon said. "I would like to express my hope that South Korea's contribution could be maintained once the multinational force is transformed into a U.N. peacekeeping force," Annan said in the letter. The ROK will soon decide on the nature and size of the forces to be dispatched to East Timor, spokesman Chang said, adding that the government has already agreed in principle to send troops.

The Korea Herald (Lee Sung-yul, "SOUTH KOREAN PEACEKEEPERS TO ARRIVE IN E. TIMOR OCT. 10," Seoul, 09/17/99), The Korea Times (Son Key-young, "SEOUL TO SEND 400 MILITARY PERSONNEL TO E. TIMOR," Seoul, 09/16/99), Chosun Ilbo (Yoo Young-won, "COMBAT TROOPS FOR E. TIMOR CONFIRMED," Seoul, 09/16/99), The Korea Times (Kim Yong-bom, "GNP HITS DECISION TO SEND COMBAT TROOPS TO E. TIMOR," Seoul, 09/17/99) and The Korea Times ("SEOUL TO SEND FACT-FINDING TEAM TO E. TIMOR NEXT WEEK," Seoul, 09/16/99) reported that the Defense Ministry said on Thursday that a team of fact-finders will be dispatched late next week to East Timor to discuss with Australian forces on the ROK troops' mission, areas of operation and other matters. "The South Korean troops will fly to East Timor 10 or 15 days after parliamentary approval, so I think they will be leaving between Oct. 5 and 15," said a ministry official who demanded anonymity. As soon as the government obtains the National Assembly's approval, a Navy ship will depart Inchon for the tropical island region, carrying equipment and logistics for the troops, he said, adding that the ministry expects to get parliamentary approval September 27. He said it will take 10 days for the Navy ship to arrive in East Timor. Sources said that the exact number of troops to be sent to East Timor will be decided early next week after ROK President Kim Dae-jung returns from the Asia-Pacific Economic Cooperation summit in New Zealand. The ROK Defense Ministry hopes to send a battalion of about 400 fully armed infantry soldiers, plus a company of support troops.

#### **10. ROK Economic Policy**

The Korea Herald (Chon Shi-yong, "INT'L COMMUNITY NEED NOT WORRY ABOUT KOREA'S REFORM COMMITMENT, KIM SAYS," Sidney, 09/17/99) reported that ROK President Kim Dae-jung on Thursday tried to dispel international doubt over the ROK's commitment to economic reform and an open-door policy. "As the economy is recovering, I am well aware that there are concerns in some quarters of the international community over the loosening of our resolve and the weakening of our reform drive," Kim said in a luncheon with Korean and Australian business executives. "I would like to make it clear here that this is a groundless concern," Kim said. "For the Korean economy to survive and make another leap forward, continuing reform and openness are a must." The Korean government's drive for reform will never be weakened, he said.

# III. Japan

# 1. Japanese View on the Perry Report

The Asahi Shimbun ("CHIEF CABINET SECRETARY SUPPORTS PERRY'S REVIEW ON US POLICY TOWARD DPRK," 09/17/99) reported that Japanese Chief Cabinet Secretary Hiromu Nonaka told reporters on September 16 that he supports the report by US coordinator for DPRK policy William Perry. Nonaka said, "(The report) deals properly with the issues of the DPRK's missile and the DPRK's suspected abduction of Japanese civilians based on the views that Japan, the US and the ROK closely discussed to agree on. The report is well-balanced. I fully support it." Nonaka also said in response to the recent talks on economic sanctions between the US and the DPRK in Berlin, "If the DPRK shows some positive attitude toward canceling its missile launch and solving the issues that Japan is concerned about, then the US and the ROK should also consider (promoting) such an attitude."

# 2. DPRK Community in Japan

The Yomiuri Shimbun ("CHOSENSOREN REVIEWS ITS ORGANIZATION WITH EMPHASIS ON 'COEXISTENCE'," 09/16/99) reported that Chosensoren (Association for Korean Residents in Japan) revealed on September 16 that the organization is reviewing it policy to adjust to generational changes, with emphasis on coexistence with the Japanese people. According to the report, the review is based on Kim Jong-il's instruction. The report said that the review began after the first vice chairman of the organization was directly instructed by Kim Jong-il in Pyongyang in late April. According to Japan-DPRK sources, the organization is trying to adjust to the fact that many younger generations of pro-DPRK residents in Japan have chosen to become Japanese nationals, and also to ensure the channels through which remittances from Japan to the DPRK remain open, especially in the wake of the bankruptcies of pro-DPRK credit unions and private companies in Japan. The report added that Chosensoren was established in 1955 with Juche thought as its guiding principle. The organization's new policy of "coexistence" will likely be announced at the next Central Committee Extended Conference slated for September 21 in Tokyo, and more than 800 people are expected to participate in the conference, according to the report.

# 3. Japanese-PRC Security Relations

The Japan Times (Hisane Masaki, "JAPAN, CHINA CONSIDER UPGRADING SECURITY FORUM," 09/14/99) reported that governmental sources revealed on September 14 that Japan and the PRC are considering upgrading a bilateral forum for security affairs to the deputy ministerial level as part of efforts to promote mutual understanding of each other's security policy. According to the report, the

sources said that an agreement on upgrading the security dialogue may be reached at the next meeting, slated for as early as next month in Tokyo. The report said that the bilateral forum is currently headed by bureau chief-level officials of the Japanese and PRC foreign and defense ministries. It is also attended by the two countries' uniformed defense officials. The move is in line with a joint declaration issued by Prime Minister Keizo Obuchi and President Jiang Zemin in Tokyo last November. The declaration said that Japan and the PRC "actively evaluate the useful role the bilateral security dialogue (forum) has played in deepening mutual understanding" and that they have agreed to further strengthen the forum. Jiang's presence was the first visit to Tokyo of a PRC head of state in the history of the bilateral relationship. The report added that at the next meeting of the bilateral security forum, Japan is expected to continue pressing the PRC for enhanced transparency in its defense policy, in light of a rapid increase in the giant communist country's defense spending over the past several years.

#### 4. Japanese Contribution to East Timor Peacekeeping

The Japan Times ("JAPAN TO FINANCE PEACEKEEPING FORCE FOR EAST TIMOR," 09/16/99) reported that Japan will contribute a "substantial" sum to a United Nations trust fund to finance a multinational force intended to restore order in East Timor, but will not dispatch any personnel until stability has been established, Foreign Minister Masahiko Komura said at a press conference on September 16. According to Komura, Japan will also provide US\$2 million in "initial" emergency humanitarian aid, mainly to East Timorese refugees, by giving US\$1 million each to the UN High Commissioner for Refugees and the World Food Program. The report said that the Japanese government intends to come up with longer-term assistance to help rehabilitate and develop East Timor. Komura also said, "Japan is ready to make large contributions to restore stability in East Timor. The nature of these contributions will be financial." Komura added, however, that Japan will consider sending personnel on the "humanitarian side" after order is restored. Chief Cabinet Secretary Hiromu Nonaka said the same day that Japan welcomes the UN Security Council's resolution to send international troops to East Timor to restore order in the violence-ridden territory. Nonaka said, "I hope the situation in East Timor will be made stable soon through the activities of the multinational force, in cooperation with the Indonesian government." The report added that according to Komua, for the time being, Japan will closely monitor the situation in East Timor and send a research mission there to assess what kind of humanitarian contributions Japan can make.

#### 5. Japanese Policy toward CTBT

The Yomiuri Shimbun ("JAPAN TO CHAIR CTBT CONFERENCE NEXT MONTH," 09/15/99) reported that Japan will chair the next conference of Comprehensive Test Ban Treaty (CTBT) slated for October 6 in Vienna. The report said that the Japanese government will officially call for a declaration explicitly asking the US, Russia, the PRC and others to ratify the treaty as soon as possible. The report quoted Japanese Foreign Minister Masahiko Komura as saying, "We will strive to convey a strong message to the international community to ratify the treaty as soon as possible."

# IV. Australia

#### 1. East Timor

The following is a summary of Australian newspaper articles and features on East Timor from Wednesday, September 15 to Friday, September 17, 1999. It was compiled by the Asia Institute of

Monash University.

Wednesday, September 15 1999.

Australian Prime Minister John Howard (The Australian, Robert Garran, "SHOOT-TO-KILL ORDERS") warned that any Australian-led peacekeeping operation in East Timor would have orders to shoot to kill, and that the Australian public should expect casualties in what has become a much more dangerous mission. Awaiting authorisation from the United Nations Security Council to lead the peace force, the Australian government named Major-General Peter Cosgrove as Australia's choice to lead the operation, which will include troops from some ASEAN nations. The composition of the international peacekeeping force remains a sticking point (The Australian, Peter Romei, "ALATAS PUSHES ASEAN TROOPS"), in talks between the Indonesian government and UN Secretary-General Kofi Annan, with the Indonesian Foreign Minister Ali Alatas indicating that Indonesia prefers a majority of the peacekeeping force to be Asian.

Australian Foreign Minister Alexander Downer (The Australian, Robert Garran) is urging the United Nations to approve rules of engagement for a peace-enforcement operation that will allow the disarmament and pacification of hostile elements, permitting UN soldiers to shoot to kill if necessary. UN soldiers entering East Timor will face an extremely dangerous situation, with the militias having access to up to 20,000 weapons of varying sophistication, according to Australian intelligence agencies (The Age, Paul Daly, "ADF: FOREWARNED IS FOREARMED"). A jingoistic campaign by Indonesian MPs and political leaders has been highly critical of Australian "interference" in Indonesian affairs, and has led to fears that Australian soldiers will be the target of militia and Indonesian military attack (The Age, Craig Skehan, "JAKARTA'S ANGRY MOOD POSES NEW RISKS").

Meanwhile, Australian and international jurists have begun preparations for war crimes prosecutions, with the International Commission of Jurists adding its weight to the proposal for an international war crimes tribunal on East Timor, proposed by UN Commissioner for Human Rights Mary Robinson. Indonesian politicians and human rights activists have seized on this as an opportunity to bring the Indonesian military to account for a litany of abuses under the 32-years of Soeharto's rule (The Australian, Don Greenlees, "Spotlight On Military Abuses"). Whilst negotiations between Jakarta and Australia continue over airdrops by Australian aircraft of food, medicines and other essentials, more than 1500 East Timorese refugees were airlifted from the beseiged UN compound in Dili, to Darwin by RAAF and RNZAF Hercules aircraft (The Australian, Roy Eccleston, "AIRLIFT FOR DILI'S SURVIVORS").

Australia needs to permanently purge its expectation of US combat commitment to it anywhere in the Malay world, (The Australian, Duncan Campbell, "INVISIBLE FRIENDS ARE NO COMFORT"), and take a more deliberate approach to bilateral relationships. Unsuccessful in joining an existing Asian club, or forming a new one, Australia should be cultivating a "mate" in the region to pursue shared interests, and discount expectation of a relationship with the region at large. As a minor power on the fringes of international coalitions, Australia should pursue an active commitment to protect and promote the role of the UN. Paul Kelly (The Australian, "FROM THE LIPS OF PRIME MINISTERS"), argues that Australia is undertaking a hazardous and unpredictable venture, with no guarantee that troops will not end up indirect conflict with the Indonesian military. In the wake of strong anti-Australian feeling in Indonesia, the future of the Australia-Indonesia relationship depends upon increased democracy in Indonesia, and Australia being seen as supportive of this process.

Thursday, September 16 1999.

The UN Security Council has authorised peacekeeping forces to be sent to East Timor, and has asked Australia to lead the force, which is expected to arrive in East Timor as early as the weekend (The Australian Financial Review, Louise Dodson, "UN RESOLUTION GIVES WIDE POWERS TO FORCE"). The UN mandate authorised the establishment of a multinational force to restore peace and prosperity to East Timor, protect and support UNAMET, and facilitate humanitarian assistance, a wide mandate which gives the forces substantial authority for offensive action. Australia is awaiting negotiations with the Thai and Malaysian governments to enable the advanced contingent of troops to contain at least one ASEAN country, minimising Indonesian reaction against them. The success of the Australian-led peace- keeping force will depend on the effective level of cooperation with the Indonesian army (TNI), and peace-keepers will need to swiftly and decisively in its early encounters with the TNI-controlled militias (The Sydney Morning Herald, James Dunn, "INDONESIANS HOLD KEY TO FORCES' SUCCESS").

Tim Dodd (The Australian Financial Review, "DON'T EXPECT THEM HOME BY CHRISTMAS") argues that while the Indonesian military may officially cooperate with the InterFET force, it will still suit large segments of influential opinion in Jakarta, and the military, if the peacekeepers meet a serious problem in restoring security. Militia leaders have made inflammatory statements, and it is expected that Australian troops will be singled out for attack from militias based in West Timor, beyond the reach of the peacekeepers. Dodd concludes that while the Australian public's national guilt and outrage over East Timor's destruction has provided enthusiastic backing for InterFET, this support may not last in the face of heavy casualties and heavy financial costs. Paul Dibb, (The Australian Financial Review, "CRUNCH TIME FOR DEFENCE") argues that in addition to commitments in East Timor, an "arc of instability" from Indonesia to the Pacific Islands warrants an increase in the Australian defence budget, as there is a credibility gap between the "champagne" strategic posture and the "beer" budget.

Brian Toohey (The Australian Financial Review, "HUNT ON FOR INDONESIAN SPY") reports that a senior Canberra official has been working as an Indonesian agent, and is regarded the Indonesian intelligence agency (BAIS) as one of the most important foreigners it has recruited.

Christopher Dore (The Australian, "CLINTON SUGGESTS REVIVAL OF ANZUS") reports that US President Bill Clinton has proposed a resumption of limited joint military exercises in a revival of the ANZUS alliance as part of preparations for the international peace force in East Timor. The ASEAN countries' contribution to the resolution of the crisis has been criticised, with the failure to put an "Asian complexion" on the international peace-keeping force blamed on the ASEAN countries' failure to establish even the most basic consensus on East Timor (The Australian, "FEEBLE RESPONSE MAKES A MOCKERY OF ASEAN CLAIMS TO SOLIDARITY"). With no ASEAN countries able to provide leadership, the only ASEAN countries to have offered front line troops are Malaysia and the Philippines (up to 500 and 1000 troops respectively, with South Korea sending 400 troops and Thailand 40 non- combatants), with Burma, Cambodia, Laos and Vietnam either unwilling or unable to take part.

Greg Sheridan (The Australian "A HOLOCAUST OF CANBERRA'S MAKING") today argued that the holocaust in East Timor is a direct consequence of a failure of Australian policy, despite Australian success in putting together a peace force. The frightening failure of Australian intelligence to predict the actions of the Indonesian military, a "gross failure of nerve" in negotiating the entry of peacekeepers, and failure to bring on substantial US involvement are the main failings of the Australian government. An inquiry into the failure of Australian defence and foreign affairs officials, and into the "institutional corruption" which led to failure to anticipate the scale of violence in East Timor, should occur, an Australian parliamentary committee was told (The Sydney Morning Herald, Lauren Martin, "AUSTRALIA ACCUSED OVER FAILURE TO ACT"). Mark Plunkett, a UN Special

Prosecutor in Cambodia and Bouganville negotiator, told the Senate inquiry that failures of Australian foreign policy risked the lives of UN staff and Australians, and "worse still, the lives of the people who the international community and our government encouraged to go to the polls and vote."

The East Timor catastrophe is not only Australia's biggest diplomatic failure since Vietnam, but it points to Australia's systematic neglect of Melanesia, and the conflict in that region which have claimed tens of thousands of lives, argues Ben Bohame (The Sydney Morning Herald, "SEEKING OUR PACIFIC IDENTITY"). Australian foreign policy betrayed the people of the Pacific (in West Papua, East Timor and Bouganville) by pursuing a "pragmatic relationship" with Indonesia, a policy based on a variety of Cold War and colonial reasons.

#### Friday, September 17, 1999

Jakarta's termination of the 1995 bilateral security treaty with Australia was played down by Prime Minister John Howard (The Australian, Don Greenlees, "JAKARTA SEVERS SECURITY TIES WITH CANBERRA"), although there are fears that the widespread military resentment against Australia that such a move represents could spill into direct military hostilities in East Timor (The Australian, Paul Kelly, "HABIBIE SETS HOWARD HIS TOUGHEST TEST"). Greg Sheridan (The Australian, "IT'S A BLOW TO LOSE THE PACT WE HAD TO HAVE") argues that the loss of the treaty, negotiated by the previous government of Paul Keating, is both a blow to Australia's security, and a blow for regional cooperation, as it signals an end to the "peace dividend" provided by the lack of threat from Indonesia from the 1960s onwards. Further, the treaty was really between the two former leaders, Paul Keating and Soeharto (The Australian, Richard McGregor, "A DEAL STRUCK BY YESTERDAY'S MEN"), and a part of a desire to move the relationship beyond the perennial problems of East Timor, rather than a trust between the two countries institutions and public sentiment.

The repudiation of the treaty indicates that relations between Australia and Indonesia are rapidly approaching hostility (The Australian Financial Review, Peter Hartcher, "PATTERN OF DANGEROUS ESCALATION TAKES HOLD"), as a symbol of trust is formally withdrawn. A pattern of dangerous escalation of hostility has taken hold of both sides. "What is needed now is steady minds and steady mouths. This is an exceptionally dangerous time," says Professor Paul Dibb. Australia's "catastrophic bungling and miscalculations" have created profound changes to the type of East Timor and the type of Indonesia that Australia must deal with (The Australian, Greg Sheridan, "THE BURDEN IS HERE TO STAY"). Any independent East Timor will be shattered, aid-dependent, easily prone to infiltration, and Australia's responsibility for decades to come, whilst an anti-Australian Indonesia will be increasingly nationalistic, and under increased control of the military.

Dennis Shanahan (The Australian, "US FURY AT OUR 'FAILINGS'") reports that the US has been highly critical of the Australian government's handling of the East Timor crisis, accusing Australia of lacking in foresight and contingency planning, and failing to pass on full intelligence. Advance warning of the scale of refugee influx to West Timor and number of refugees needing aid, failure to fully pass on the dangers of the independence ballot and resentment of Prime Minister John Howard's call for US Army "boots on the ground" have increased the tension in the US-Australia relationship. Joanne Gray (The Australian Financial Review, "US EDGES AWAY FROM THE ROLE OF GLOBAL POLICEMAN") argues that it is inevitable that the US will focus on domestic security, with an interventionist America a creature of the past, unwilling to intervene militarily in situations similar to East Timor. However, Henry S. Albinski (The Australian Financial Review, "US PLEASED WITH AUSTRALIA AS BURDEN- SHARING ALLY") argues that Australia's actions are seen as logical extension of an enterprising middle power in promoting a "coalition of the willing," and not calling on the US for heroic measures - the alliance "worked" in the Timor context. 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 <u>other NAPSNet resources</u>.

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

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