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I. United States

1. DPRK-UNC Talks

The Associated Press ("NO PACT BETWEEN N. KOREA, U.N.," Seoul, 07/21/99) and Pacific Stars and Stripes (Jim Lea, "U.N., NK DISCUSS SEA BORDER, MIA REMAINS," Osan Air Base, 07/22/99, Pg.3) reported that Generals from the United Nations Command (UNC) and the DPRK ended a meeting on Wednesday without agreement on ways to avoid further armed clashes in disputed waters. According to the UNC officials, the DPRK proposed a new sea boundary south of the Northern Limit Line (NLL) and also proposed working-level talks to discuss the issue. The UNC officials said that it proposed that ships from both Koreas honor the NLL and improve communications to avoid further clashes. The UNC said that the DPRK rejected the NLL as being an "imaginary" line. The UNC also urged the DPRK to hand over remains of four US soldiers killed during the 1950-53 Korean War, but the DPRK said that it wanted to deal directly with Washington instead of the UNC as a dialogue partner. The ROK Defense Ministry said that the DPRK also repeated its earlier demand that the ROK and the US keep out of the disputed waters, as well as apologize and compensate it for the damage its navy suffered during the clash. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 21.]

2. William Cohen's Asia Visit

The Associated Press ("COHEN TO VISIT ASIA, EASTERN EUROPE," Washington, 07/20/99), and Pacific Stars And Stripes (Jim Lea, "COHEN'S PACIFIC VISIT TO FOCUS ON NK THREAT," Osan Air Base, 1) reported that US Defense Secretary William Cohen will leave on Sunday on a trip to Japan and the ROK to discuss security issues, including continued efforts to halt the DPRK's ballistic missile program. Cohen was scheduled to meet US Envoy to the DPRK William Perry on Wednesday. Cohen also will visit Ukraine and Georgia. [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for July 21.]

3. US Policy toward DPRK

The Los Angeles Times carried a commentary by Jim Mann ("AFTER THE INCANTATIONS: N. KOREA POLICY CRISIS," Washington, 07/21/99) which argued that US administration officials are wondering how specific the US should be in warning what will happen if the DPRK launches a new missile. Mann said that a more precise warning would be more likely to have an impact in the DPRK, but would also oblige the US to carry through with its threats if the DPRK goes forward with the missile test. The author argued, "the prospect of such a showdown is unsettling for this administration, which has been airily insisting for several years that its North Korea policy is working." He also said that the administration is delaying the submission of William Perry's report to the US Congress, because it "doesn't want to give Congress the bad news that its policy of

engagement with North Korea isn't working in the way the White House had hoped." Referring to the 1994 Agreed Framework, Mann concluded, "Let's hope the administration can come up with a longer-term solution this time. Its policy of engagement toward North Korea wasn't supposed to open the way for an endless pattern of threats and extortion."

4. Alleged PRC Technology Transfer to the DPRK

The Washington Times (Bill Gertz, "TECHNOLOGY TRANSFERS A CONCERN, U.S. SAYS," Washington, 07/21/99, Pg.4) reported that US Secretary of State Madeleine K. Albright said on Tuesday that the US is worried about reports of PRC transfers of missile technology to the DPRK. Albright declined to provide further details, citing a policy of not commenting on intelligence matters. She added, "But we do take all such reports seriously, and we investigate them thoroughly. We have raised our concerns with China, and we will continue to do so." Asked about whether the transfers might trigger economic sanctions, Albright said, "We have and will fully and faithfully implement the requirements of U.S. law. And we would take any actions that were required by those laws were we to determine that the entities engaged in this were involved in sanctionable activities." PRC Embassy spokesman Yu Shining stated, "As a responsible member of the international community we have always abided by our commitments undertaken to abide by the guidelines and parameters of the MTCR (Missile Technology Control Regime)." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 21.]

The Washington Times (Bill Gertz, "CHINESE COMPANIES SENT MISSILE PARTS TO N. KOREA," 07/20/99, 1) reported that, according to a senior US intelligence official, PRC companies transferred missile components to the DPRK last month. The official said, "In our judgment, the Chinese government has no interest in seeing North Korea develop its missile capability." According to a US Defense Department intelligence official, a DIA report said that the PRC technology sold to the DPRK missile program includes accelerometers, gyroscopes and special high-technology machinery. The official described this machinery as precision grinding equipment useful for building missiles. The officials said the transfers do not appear to have the approval of the PRC government, and the general topic of destabilizing arms sales has been raised in the past with PRC officials. The current transfers, however, have not yet been discussed. Richard Speier, a specialist on the Missile Technology Control Regime (MTCR), stated, "A long- standing problem has been the peculiar formulation of the Chinese government's statement of support for the MTCR. It is left in doubt whether they are controlling component and technologies as required by the regime. Accelerometers and gyroscopes, depending on their specific characteristics, might well be covered by the regime." Speier said that the transfer by the PRC "could trigger sanctions" on the PRC and the DPRK if the equipment is covered by the MTCR. [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for July 20.]

5. PRC Policy toward Taiwan

Reuters (Paul Eckert, "CHINA ISSUES NEW WARNING TO TAIWAN," Beijing, 07/21/99) reported that the PRC media on Wednesday warned Taiwan against changing its constitution to reflect its new policy of "state to state" relations. The PRC's state-run People's Daily said that legal changes to codify Taiwan's change of policy "would be a dangerous separatist step and an extremely grave provocation that, if carried out, would render peaceful reunification impossible." A PRC-based news Web site quoted an "authoritative" PRC source close to the military as saying that the PRC would take unspecified military action against Taiwan to preempt Taiwan President Lee Teng-hui from taking further steps toward independence. It quoted the source as saying, "We will strike if America doesn't intervene, and we will strike if America intervenes." It also quoted other sources as saying

that the PRC could impose a blockade of Taiwan's ship and air traffic, destroying vessels or aircraft that challenged the cordon.

The Wall Street Journal (Erik Guyot and Zhang Xiao-Fei, "CHINA USES PRESS AS A WEAPON IN WAR OF WORDS WITH TAIWAN," Hong Kong, 07/21/99) reported that there is a difference in reports on the current PRC- Taiwan issues between mainland PRC newspapers and Hong Kong based newspapers. Lau Siu-kai, a professor of sociology at Chinese University of Hong Kong and a former adviser to the PRC government on Hong Kong matters, said, "Hong Kong papers are the best means to launch a propaganda war against the Taiwanese authorities." Lau said that the PRC, by using Hong Kong papers to leak or plant stories, can target its audience. However, some observers said that the PRC's tactic of sending different messages to different audiences could eventually backfire.

6. US Envoys to PRC and Taiwan

The Wall Street Journal (Jesse Wong, "U.S. STEPS IN TO CURB TENSIONS OVER TAIWAN," Taipei, 07/21/99), The New York Times ("ALBRIGHT TO DISCUSS TAIWAN WITH CHINESE OFFICIAL," Washington, 07/21/99) and Reuters (Carol Giacomo, "U.S. SENDS ENVOYS TO CHINA, TAIWAN TO PRESS PEACE," Washington, 07/21/99) reported that US Secretary of State Madeleine Albright on Tuesday announced that Richard Bush, chairman of the board and managing director of the American Institute in Taiwan, the agency that handles US's unofficial ties with Taiwan, would leave Wednesday for talks in Taipei. Similarly, US Assistant Secretary of State Stanley Roth, who oversees East Asian and Pacific Affairs, would head for Beijing for consultations with PRC officials. Roth will also discuss other issues, including trade, the DPRK, and South Asia. Albright said the missions would precede her meeting in Singapore Sunday with PRC Foreign Minister Tang Jiaxuan. Albright said, "It is very important for this situation to be settled by direct dialogue and with peaceful means." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 21.]

The Washington Post (John Pomfret, "U.S. SEEKS TO MEND TAIWAN," Beijing, 07/20/99, A15) reported that sources in Beijing, Taipei, and Washington said that Kenneth Lieberthal, who handles Asian affairs for the US National Security Council, is expected in Beijing on Thursday and Friday. One US diplomat said that the mission was motivated by concern that events could fly out of control. The diplomat said, "We understand there are big risks involved. But this is a very, very serious situation. We have to be engaged. Nobody wants to see a repeat of 1996." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 21.]

7. US-Taiwan Military Relations

The Associated Press ("PENTAGON POSTPONES TAIWAN VISIT," Washington, 07/21/99) reported that, according to White House press secretary Joe Lockhart, the US State Department has postponed a visit to Taiwan to assess its air defense needs. Lockhart said, "We're concerned about any rhetoric that interferes with effective cross-straits dialogue."

The Washington Times (Bill Gertz, "U.S. MULLS CUTOFF OF MILITARY AID TO TAIWAN," 07/22/99) reported that, according to a senior US official, the US has halted a visit to Taiwan by military officials and is considering a cutoff of US military assistance. The official said, "We postponed the delegation because of the recent situation." According to the official, the group of US defense officials going to Taiwan was to have discussed air-defense cooperation and would have included officials of the US Ballistic Missile Defense Organization, US Joint Chiefs of Staff, and

Office of the US Secretary of Defense. They were to discuss about how Taiwan can counter the PRC's growing short-range missile force. The official added that plans to announce the sale to Taiwan of E-2 surveillance aircraft were also put on hold because of heightened tensions between the PRC and Taiwan. US House International Relations Committee Chairman Benjamin A. Gilman, New York Republican, stated, "I am very concerned about reports that the Clinton administration is planning to take actions which could undermine Taiwan's fundamental security due to its reported displeasure with President Lee's statement, and a desire to mend relations with Beijing. Any action of this sort is not in the U.S. interest and could lead to instability across the Taiwan Strait." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for July 21.]

8. US Policy towards PRC-Taiwan Relations

The Washington Times (Bill Gertz, "U.S. MULLS CUTOFF OF MILITARY AID TO TAIWAN," 07/22/99) and Reuters (Paul Eckert, "CHINA ISSUES NEW WARNING TO TAIWAN," Beijing, 07/21/99) reported that US Defense Secretary William S. Cohen said that the US continues to back the "one-China" stance. He added, "it's important that any discussion between China and Taiwan also be conducted in a peaceful fashion, and that there should be no military attempt to overwhelm or launch attacks against Taiwan." Asked if the US Defense Department plans to send additional US Navy forces to the region, Cohen said, "Not at this time."

US Senator Jesse Helms, chairman of the Senate Foreign Relations Committee ("SENATE FOREIGN RELATIONS COMMITTEE CHAIR REMARKS ON TAIWAN," Washington, USIA Text, 07/21/99) called for a reexamination of US foreign policy toward the PRC and Taiwan during a July 21 hearing of the US Senate Foreign Relations Subcommittee on Asian and Pacific Affairs. Helms said, "Developments in Taiwan demonstrate that the 'one-China' gambit is even more than an insensible departure from reality. In 1991, the Republic of China on Taiwan abandoned its claims to sovereignty over all of China, providing unmistakable implications that there are two Chinese governmental entities. Moreover, during Taiwan's years of stunning democratic development, a model for the future of Chinese civilization has made crystal clear the fact that the 21 million people of Taiwan do not consider themselves part of the People's Republic of China. Now is the time to support President Lee and the people of Taiwan for their moral courage in standing up for themselves in the face of Red China's bullying."

9. PRC-US WTO Talks

US Commerce Secretary William M. Daley ("COMMERCE SECRETARY DALEY ANNOUNCES UNDER SECRETARY AARON TO TRAVEL TO CHINA, KOREA, JAPAN," Washington, USIA Text, 07/19/99) announced on Monday that US Under Secretary for International Trade David L. Aaron will travel to Beijing, Seoul, and Tokyo as part of an Asian trip to enhance US commercial dialogue with key markets in the region. Daley said, "We hope this trip will improve our overall relationship with China. Re-energizing our commercial dialogue is an important part of that process. China's commercial potential cannot be overstated. We welcome this opportunity to continue the dialogue that will allow American firms fuller access to the enormous Chinese market."

10. Papua New Guinea Recognition of Taiwan

The Associated Press ("TAIWAN, PAPUA NEW GUINEA PLAN AXED," Port Moresby, Papua New Guinea, 07/21/99) reported that Papua New Guinea's new Prime Minister Mekere Morauta issued a

statement on Wednesday that said that Papua New Guinea would not establish diplomatic ties with Taiwan. Morauta, who was elected with unprecedented support in a parliamentary vote a week ago, said that Papua New Guinea's long-standing "one-China" policy would remain in place. He said, "Normal procedures for opening diplomatic relations with other countries, which have applied since independence, were not properly followed in the case of Taiwan." Morauta said he was concerned at the "irregular way" the previous government had tried to establish links with Taiwan and ordered it be further investigated. After the announcement, PRC Foreign Ministry spokeswoman Zhang Qiyue congratulated Papua New Guinea. Zhang said, "The Chinese government expresses a high degree of appreciation for the wise decision." Taiwanese Foreign Minister Jason Hu said he was not surprised the deal was called off, and added that he did not know what form future ties between Taiwan and Papua New Guinea would take. Hu said, "If they lose a development partner like us, both sides will be sorry about it."

11. Cox Committee Report

The Los Angeles Times (Tom Plate, "PACIFIC PROSPECT COX REPORT WAS 'AN EXERCISE IN AMATEUR- HOUR PARANOIA'," 07/21/99) reported that analysts see the Cox Committee report as "amateur-hour paranoia." Warren Rudman, chairman of the US president's foreign intelligence advisory board, said, "Possible damage has been minted as probable disaster. Workaday delay and bureaucratic confusion have been cast as diabolical conspiracy." Jonathan Pollack, Rand Corporation's senior East Asia expert, said that he believes the report is dangerous. Pollak, who was scheduled to denounce the Cox report in a public briefing on Wednesday, said that he believes the issue of PRC spying deserved a far more probative and prudent assessment than it got. Pollak said, "The report was an unbelievable rush to judgment. I find myself bemused by it all--and deeply disturbed. It is particularly weak on the nuclear espionage issue, the most important one. Who did what to whom is very unclear in its spotty narrative. There are too many unhedged judgments, too many unexplained statements. As a serious document, it simply does not cohere. One has to conclude that the committee knew the answers it wanted before it started out. If it were a PhD thesis at Rand, I'd flunk it."

12. Spratly Island Dispute

The Associated Press ("PHILIPPINES REVIEWING SEA RULES," Manila, 07/21/99) reported that Philippine Foreign Secretary Domingo Siazon said that the Philippine government will review its procedures for patrolling disputed areas in the South China Sea to prevent further sinking of foreign ships. Siazon stated, "We'll have to review our procedures in terms of monitoring and surveillance." PRC Foreign Ministry spokeswoman Zhang Quiyue has expressed "shock and strong dissatisfaction" over the incident.

13. Power Cut in Russian Military

The Associated Press ("ELECTRICITY CUT TO RUSSIAN DEFENSES," Moscow, 07/20/99) and The Washington Post (Sharon LaFraniere, "POWER TO RUSSIAN NUCLEAR FORCES IS SHUT OFF," Moscow, 07/20/99, A15) reported that, according to Russian officials, an unpaid electricity bill led to the temporary loss of radar in Russia's Far East. The local air defense chief Anatoly Nogovitsyn said that the cutoff temporarily incapacitated military radars in the Khabarovsk region on the border with the PRC. He said that power was also cut intermittently for the past three days to other regional military bases, including units of the Strategic Missile Forces, which control nuclear weapons in the area. The central command of the Strategic Missile Forces later said in a statement that the cutoff

had only affected support facilities, not combat units. It blamed the government for the cuts, saying that the Defense Ministry had received only 10 percent of funds allocated in this year's budget for electricity payments. According to Russia's Interfax news agency, the Russian military has run up US\$5.6 million in power and heating debts to the local power company, Khabarovskenergo. Energy officials have repeatedly cut off power to different branches of the armed forces to get them to pay their bills, even though Russia's President Boris Yeltsin's administration has banned power cuts to military installations. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 21.]

14. Kashmir Conflict

London Daily Telegraph (Rahul Bedi, "PERMANENT INDIAN GUARD FOR BORDER IN KASHMIR," Kargil, 07/20/99) reported that India is preparing to man previously unguarded mountainous frontiers in northern Kashmir permanently. It will cost India around 1.8 million British Pounds per day to maintain about 8,000 to 10,000 soldiers along the 87-mile Line of Control in Kargil, Batalik, Drass, and Mushkoh Valley areas bordering Pakistan. An unnamed Indian military official said, "The perennial troop deployment in the region will bleed India financially besides tying down a large number of soldiers in inhospitable conditions." He added that, having fought so hard, the army had no choice but to man the area heavily. He said, "India may have won the battle against the intruders but it has lost the war." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 20.]

Reuters ("FIGHTING REPORTED AND DENIED," 07/20/99) reported that Pakistan said that it had repulsed two Indian attacks on its forward posts in the north of the disputed Kashmir region, killing 18 soldiers in the first major clash after a pullout by Muslim guerrillas. A Pakistan Army spokesman said that the Indian troops attacked the posts on Sunday night in the Siachen and Qamar sectors after heavy shelling. India denied the Pakistani report. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 20.]

The Associated Press (Neelesh Misra, "INDIA, PAKISTAN CLASH IN KASHMIR," Mushkoh Valley, 07/21/99) reported that, according to Indian military officials, Indian soldiers on Wednesday bombarded Pakistan-based Islamic rebels in the Indian part of disputed Kashmir. Pakistan retaliated with heavy artillery shelling, threatening the 10-day- old truce.

The Associated Press ("ISLAMIC MILITANTS SEE WITHDRAWAL FROM KASHMIR AS A SIN," Islamabad, 07/21/99) reported that a Pakistani militant Islamic Al-Badar group leader Bakhat Zameen Khan said that its fighters consider it a sin to withdraw from a remote Himalayan region of Kashmir. He said that the Islamic militants are still holding on to some positions in Kargil's Mashkoh valley and are intensifying querrilla attacks on Indian troops in other parts of Kashmir.

II. Republic of Korea

1. Four-Party Talks

Joongang Ilbo (Shim Shang-bok, "Four-Way Talks to Restart August 5," Seoul, 07/20/99) reported that the sixth session of four-party talks for the Korean Peninsula will commence on August 5 in Geneva, Switzerland. A source at the ROK Unification Ministry said on Tuesday that the PRC will chair this session. Two subcommittees created in previous rounds will continue their work to reduce tensions on the peninsula. A US State Department official said that US officials also hope for

bilateral talks with the DPRK side on its missile program.

2. DPRK Missile Exports

The Korea Herald (Jun Kwan-woo, "SEOUL CONCERNED ABOUT ALLEGED N.K. ATTEMPT TO EXPORT MISSILE PARTS," Seoul, 07/21/99) and The Korea Times (Son Key-young, "POSSIBLE SWAP OF NUKE, MISSILE TECH BY NK, PAKISTAN FEARED," Seoul, 07/20/99) reported that the ROK on Tuesday expressed concerns about alleged DPRK moves to export missiles following India's seizure last month of a DPRK freighter containing missile parts. "There is no doubt that we are considerably concerned," said a senior ROK Foreign Ministry official, speaking on condition of anonymity. "We have been closely watching India's investigation into the case with great interest." He said that the ROK government suspects that the DPRK may have tried to export missile parts and technology to Pakistan in exchange for securing Pakistan's technology for manufacturing nuclear weapons. "If it were true, it would be a grave matter directly linked to our security," he said. "However, we could not confirm the North's suspected barter deal with Pakistan." Pakistan has denied that it imported any DPRK missiles. The official revealed that the ROK government is closely cooperating with the Indian government over the seizure case. "We are receiving briefings from Indian authorities concerning the investigation results," he noted. The ROK has now secured a partial list of suspected items confiscated by the Indian government from the DPRK ship, named Ku Wol San. An officials in Seoul quoted the Indian government's official announcement as saying that the DPRK claimed that the ship contained machinery parts bound for a company in Malta that "turns out to be a ghost company." He said that the Indian government, which is now detaining all the DPRK crew aboard the ship, is planning to arrest the captain and his first mate at the end of this month, winding up the seizure case.

3. DPRK-UNC Talks

The Korea Herald ("UNC, NORTH KOREAN GENERALS TO DISCUSS SEA BORDER TODAY," Seoul, 07/21/99) reported that the UNC said on Tuesday that Generals of the United Nations Command (UNC) and the DPRK army were to meet on Wednesday at Panmunjom to discuss the inter-Korean sea border and the repatriation of Korean-War era remains of US soldiers. The DPRK proposed the meeting of generals to exchange views on the Northern Limit Line (NLL) in the aftermath of a series of incidents caused by the DPRK's violation of the UNC-imposed maritime border, the UNC said. The UNC added that it intended in Wednesday's meeting to also discuss details on the repatriation of human remains, believed to be those of US soldiers who died during the 1950-53 Korean War. The UNC said that it looked forward to discussions with the DPRK People's Army on both the topics.

4. ROK Visits to DPRK

Joongang Ilbo (Seo Jang-soo, "NK'S SUSPENSION ON S. KOREANS' VISITS SEEMS TEMPORARY," Seoul, 07/20/99) and The Korea Times ("STRAINED INTER-KOREAN TIES WILL NOT LAST LONG," Seoul, 07/20/99) reported that the DPRK seems to have temporarily suspended visits by ROK citizens to the DPRK. According to the ROK Ministry of Unification on July 20, the DPRK contacted Dr. Kim Soon-kwon, president of the International Corn Foundation (ICF), and seven female representatives of the Korean Sharing Movement, to arrange the postponement of their visit to the DPRK. The DPRK explained to them that they could come to the DPRK if circumstances permitted, but their visits were facing temporary difficulties at present. The DPRK Authorities sent Dr. Kim a fax written by Lee Kwang-soo, Vice President of the DPRK's Agricultural Science Research Institute. The DPRK said in the letter that it will use the 1,200 tons of fertilizers shipped to the DPRK by the ICF effectively,

adding that Dr. Kim's application to visit the DPRK can not at present be accepted due solely to the estranged relations between the Koreas. An official at the ROK Ministry said that it does not appear that the DPRK wants to break off the exchange and cooperation between the two Koreas in the long term.

5. ROK-DPRK Athletic Exchanges

The Korea Times ("SEOUL, P'YANG TO TAKE PART IN SOLDIERS' GAMES," Seoul, 07/20/99) reported that the ROK Defense Ministry said on Monday that ROK and DPRK soldiers will take part in the second Military World Games to be held in Zagreb, Croatia, August 6-18. The ROK will send a 151-member delegation to the soldiers' Olympics, which are held quadrennially. The DPRK is expected to dispatch a 136-member team. The ROK soldiers will compete in 10 events, including shooting, taekwondo, and judo, while their DPRK counterparts will take part in nine events. "We aim to rank 10th with 10 golds, cashing in on taekwondo and handball," a ministry official said. The ROK placed 17th with one gold medal in the first game held in Rome four years ago. The DPRK placed fifth in the debut games. "We hope these games will contribute to easing animosity between the ROK and the DPRK soldiers following the June 15 naval skirmish in the West Sea," the official said.

III. People's Republic of China

1. DPRK-UNC Talks

China Daily ("DPRK, UN TO HOLD TALKS," Seoul, 7/21/99, A11) reported that the DPRK has called for talks with the United Nations Command (UNC) to discuss a border dispute between the northern and southern parts of the Korean Peninsula, the UNC said on July 20. The request for talks aimed at easing military tensions came just over a month after gunboats of the ROK clashed with DPRK vessels in the Yellow Sea. The UNC said it also wanted to discuss the planned return of the remains of four US soldiers killed during the Korean War. A date had yet to be fixed for the talks, but the UNC said that its position on the disputed Yellow Sea border line, the Northern Limit Line, remained firm in the face of the DPRK's insistence that recognition of the line be withdrawn.

2. Detained US Citizen in DPRK

People's Daily ("DPRK TO EXPEL A US CITIZEN," Pyongyang, 7/20/99, A6) said that, according to the DPRK's Korean Central News Agency's (KCNA) on July 19, the DPRK was planning to expel US citizen Karen Han on July 20. It was reported that the US citizen visited Rajin-Sunbong at the invitation of the economic cooperation bureau of the city. She was detained on June 17 because she "seriously violated" the DPRK's law, the report said. Measuring from the nature of the crime, the report said, Han should be punished according to the related law, but considering that she candidly confessed her violation activities, the related departments of DPRK decided to give lenient treatment to her and just expel her from the DPRK. The KCNA's report did not disclose details of Han's alleged violations, People's Daily said.

3. ROK-US Military Exercises

China Daily ("ROK, US HOLD JOINT MILITARY EXERCISE," Pohang, 7/19/99, A11) reported that US and ROK troops staged theater landing operation on July 18. The exercise, in the southeastern industrial port of Pohang, involved about 1,500 US and ROK sailors and marines who made a

simulated assault to secure a bridgehead on the DPRK's coast. The hour-long drill featured dozens of landing craft, various assault vehicles and helicopters and a Whidbey Island-class landing ship brought from its base in Japan. The exercise, watched by hundreds of holidaymakers on a nearby beach, came as security concerns grew in the Korean Peninsula, the report said.

4. PRC View of Cox Report

China Daily ("COX REPORT LACKS BASIC KNOWLEDGE," Shao Zongwei, 7/16/99, A1) reported that the PRC on July 15 again refuted the Cox Report, calling its conclusions "utterly absurd" and "contrary to the general knowledge of basic science and technology." Following the May 31 press conference on the report, the Information Office of the State Council of China issued on July 15 a 25,000-word refutation containing more details. Zhao Qizheng, minister of the Information Office, at a press conference denied the allegation that the PRC tested its neutron bombs in 1988 after "stealing" design information from Lawrence Livermore Laboratory. The PRC, after possessing atom bomb and H- bomb technologies, logically mastered the neutron bomb design technology and the nuclear weapon miniaturization technology through its own efforts, because the neutron bomb is a special kind of H-bomb, said Zhao. The President of the China Academy of Engineering Physics (CAEP), Zhu Zuliang, denied at the press conference that his academy, during exchanges and cooperation with US laboratories, "stole" nuclear information. "All those participating in the cooperation and exchanges -- both Chinese and Americans -- have taken the responsibility for their national security and national interests. It is impossible for anyone to collect nuclear weapon secrets during the process," said Zhu.

5. Bombing of PRC Embassy in Yugoslavia

People's Daily ("US URGED TO HONESTLY EXPLAIN THE REASONS OF BOMBING CHINESE EMBASSY," Huang Yan and Zhu Qi, Beijing, 7/16/99, A4) reported that Zhao Qizheng, minister of the Information Office of the PRC State Council, said on July 15 that the US government's explanation on the bombing of the PRC Embassy in Yugoslavia is not tenable. The best way for the US government, Zhao said, is to clearly explain the reasons for bombing the embassy. When asked whether there are some relations between the Cox Report and the bombing of the embassy, Zhao said "Mr. Cox is neither a military personage, nor a consultant of NATO, I don't think he has relations with the bombing of the Chinese Embassy in Yugoslavia.... But the Cox Report at least shows that Mr. Cox has no good will to China."

China Daily ("TALKS COMMENCE ON COMPENSATION," 7/16/99, A2) reported that PRC Foreign Ministry spokeswoman Zhang Qiyue said on July 15 that the PRC and the US have started negotiations over compensation for the casualties and property damage caused by the US-led NATO attack on the PRC Embassy in Yugoslavia. She confirmed the information at a routine press conference. However, she gave no details of the negotiations, since "they have only just begun."

6. PRC, US Policy on Taiwan Issue

People's Daily ("JIANG ZEMIN REITERATES CHINESE GOVERNMENT'S STANCE ON TAIWAN ISSUE," Beijing, 7/19/99, A1) reported that at the request of US President Bill Clinton, PRC President Jiang Zemin held a conversation with Clinton by phone on the night of July 18. Clinton said that the reason for requesting a telephone conversation was to reaffirm the US government's commitment to stick to its "one China" policy. He noted that the US policy on Taiwan has not changed. Jiang said that Taiwan President Lee Teng-hui has taken a dangerous step on the road to

separating the nation by his recent remarks that cross-Straits relations are "state-to-state" relations. "This is a severe infringement of the 'one China' policy, which has been agreed upon by the international community. It reveals his true purpose of internationally splitting China's territory and sovereignty; that is, separating Taiwan from China." "There is only one China in the world and Taiwan is a part of China," Jiang said. "Splitting China's territory and sovereignty cannot be allowed under any circumstances." "The main principle behind solving the Taiwan problem remains 'peaceful reunification and one country, two systems'," Jiang stressed. "However, we will not commit ourselves to renouncing the use of force on the Taiwan issue," Jiang reaffirmed, saying "the reason is very clear. There are certain forces on the island of Taiwan and in the international community which aim to separate Taiwan from the motherland. We will not stand by and let this happen." Jiang noted that the anti-PRC tide in the US is still strong, with some people supporting "Taiwan independence." He expressed hope that "the US will observe its commitment not to support 'Taiwan independence,' not to support 'two Chinas' or 'one China, one Taiwan,' and not to support Taiwan joining any international organization of sovereign nations."

People's Daily ("FIRMLY OPPOSE REVISE 'CONSTITUTION' OF TAIWAN IN LINE WITH THE 'TWO STATES' THEORY," Beijing, 7/21/99, A1) reported that a senior official from the Taiwan Affairs Office of the Communist Party of China (CPC) Central Committee and the Taiwan Affairs Office of the State Council of China expressed firm opposition against Taiwan divisive forces' attempt to revise the so-called "constitution" and "law" of Taiwan in line with the "two states" theory. He pointed out that Lee Teng-hui's divisive acts have aroused immense indignation among Chinese people at home and abroad, seriously affected social stability in Taiwan, produced a negative effect on Taiwan's economic development, and worsened cross-Straits relations. Divisive forces in Taiwan are attempting to revise the so-called "constitution" and "law" of Taiwan in line with the "two states" theory, and realize the "independence of Taiwan" in the name of the so-called "Republic of China," he pointed out. That is a more severe and dangerous step of separation and is a provocation to the peaceful reunification. He warned, "the divisive forces in Taiwan must stop playing with fire immediately, otherwise they will draw fire against themselves."

China Daily ("REMARKS DENIAL OF PRINCIPLE," 7/21/99, A1) reported that Chinese Foreign Ministry spokeswoman Zhang Qiyue said in Beijing on July 20 that Lee Teng-hui has taken a "very dangerous step" down the road towards splitting the motherland. The report said that Zhang did not comment directly on Lee's remarks, but reiterated that they have seriously affected the improvement of cross-Straits relations and harmed the peace and reunification of China. The spokeswoman did not say if immediate military action would be taken to stop Taiwan from separating from China, but she emphasized that the People's Liberation Army (PLA) "shoulders the sacred mission of safeguarding national sovereignty and territorial integrity." Zhang also said the German or Korean models are not suitable for Taiwan because the Taiwan issue is purely "an internal affair of China."

7. PLA Stance on Taiwan Issue

People's Liberation Army Daily ("CHI HAOTIAN MEETS WITH DPRK GUEST," Pan Youying, Beijing, 7/15/99, A1) reported that while meeting with a delegation from the armed forces of the DPRK led by Vice-Minister of Defense Ryo Chun-sok in Beijing on July 14, PRC Defense Minister Chi Haotian stressed that the People's Liberation Army is ready at any time to safeguard the territorial integrity of China and smash any attempts to separate the country. Taiwan is a province of China, and China's sovereignty and territorial integrity allow no separation, said Chi, who is also vice-chairman of the Central Military Commission and State Councilor. He added that any moves to split China or create "one China, one Taiwan" will not work. Chi also voiced the hope that the PRC and the DPRK will work together to continue their traditional friendship for generations to come.

People's Liberation Army Daily ("DO NOT PLAY WITH FIRE," 7/15/99, A11) carried a commentary warning Lee Teng-hui not to play with fire. The commentary said that there is only one China in the world and Taiwan is an inalienable part of the Chinese territory and sovereignty. That has been recognized by the international community, including the United Nations and most states in the world. The essence of Lee's remarks is to separate Taiwan from China and undermine the "one China" principle, the commentary said. According to the newspaper, the People's Liberation Army (PLA) shoulders the sacred mission of safeguarding national sovereignty and territorial integrity. PLA commanders and soldiers are immensely indignant over Lee Teng-hui's ill attempts of splitting motherland. The Chinese government has always advocated peaceful reunification, the commentary said, but it has never committed giving up the use of force. "We firmly support the government's solemn and just stand and are keeping a close watch on Taiwan side's movements and the development of the events," the newspaper said.

8. Wang Daohan's Visit to Taiwan

China Daily ("'ONE CHINA' PRINCIPLE EMPHASIZED," Sun Shangwu, 7/16/99, A2) reported that Zhang Kehui, chairman of the PRC-based Central Committee of the Taiwan Democratic Self-Government League, said that it will be impossible for Wang Daohan, president of the Beijing-based Association for Relations Across the Taiwan Straits (ARATS), to make his scheduled visit to Taiwan this autumn unless Taiwan offers clarification of its new concept of regarding cross-Straits relations as "state-to-state" ties. The "one China" principle is the basis for the development of cross-Straits relations and the foundation for the contacts, dialogues and exchanges between ARATS and the Taiwan-based Straits Exchange Foundation (SEF), Zhang said. "We think that the time will not be ripe for Wang to visit Taiwan until (SEF Chairman) Koo Chen-fu clarifies the definition of cross-Straits talks as 'bilateral talks between two states'," Zhang said.

9. PRC Survey on Lee Tenghui's Remarks

China Daily ("SURVEY SHOWS NATIONAL INDIGNATION; LEE CONDEMNED," 7/20/99, A1) reported that a national telephone poll released over the weekend said that the majority of Chinese feel "indignant" at Lee Teng-hui's remarks that cross-Straits relations are "state-to-state" relations. A total of 94.7 percent of people surveyed said they were "shocked" and felt "disgusted" when they learned of Lee's remarks, saying Lee's behavior was overt infringement of the "one China" policy, which Taiwan had pursued in the past, according to the poll. The poll was conducted by the Social Survey Institute of China (SSIC) last week. The Beijing-based SSIC, which is affiliated with the National Bureau of Statistics, conducted the survey based on questionnaires handed out to 1,957 residents in seven cities including Beijing, Shanghai, Chongqing, Changsha, Wuhan, Harbin, and Guangzhou. About 25 percent of the respondents said they suspected that Lee was so overt this time in advocating splitting China's territory and sovereignty because he had been promised political benefits from some countries. A total of 86.9 percent people said they agree with the government's stance on the Taiwan issue that when necessary, the government can resort to military measures to solve the Taiwan issue. More than 17 percent said the Taiwan issue would have to be solved through military measures if Taiwan sticks to the separatist policy. A total of 47.8 percent said the President of the Association for Relations Across the Taiwan Straits Wang Daohan should postpone his visit to Taiwan until Lee and Wang's Taiwan counterpart, Koo Chen-fu, president of Straits Exchange Foundation, clarify the definition that cross-Straits talks are "bilateral talks between two states."

10. PRC's Entry into WTO

People's Daily ("ACCESS INTO WTO BENEFICIAL TO CHINA," Che Yuming, Beijing, 7/20/99, A4) and China Daily ("NATION INFORMS ON WTO POLICIES," Gao Wei, 7/20/99, A8) reported that the PRC's chief negotiator in World Trade Organization (WTO) talks Long Yongtu said in Beijing on July 19 that entering the WTO fundamentally benefits the PRC. Long pointed out at an interview after the opening ceremony of the Second Seminar on WTO that any country's opening of its market has conditions and is conducted step by step, and the PRC will do the same. The PRC also will open its markets, including absorbing foreign investment and import, with conditions and step by step. Long said that the PRC's entrance into WTO does not involve in the opening of the capital market, because the issue of opening capital market is decided by the International Monetary Fund, not by the WTO. People should establish correct understandings about the PRC's joining into the WTO, Long said. Long added that the prospect of the PRC joining the WTO depends on the development of Sino-US ties. Nonetheless, even if the PRC is not admitted into the WTO, it will continue its economic reform and opening-up drive. He noted that generally speaking, entering the WTO will create a better international trading environment for the PRC. It will also be beneficial for the PRC's opening-up and strengthen the nation's image as an open country that follows international rules.

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