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#### **CONTENTS**

## I. United States

- 1. US Congressional Review of DPRK Policy
- 2. US Congressman's DPRK Visit
- 3. <u>Light-Water Reactor Project</u>
- 4. DPRK-Japan Relations
- 5. ROK-PRC Relations
- 6. DPRK-EU Talks
- 7. Russia-PRC Talks
- 8. Taiwan Straits Tensions
- 9. US Policy toward Taiwan
- 10. Asia-Middle East Technology Transfers
- 11. Japanese Military Posture
- 12. Indian Nuclear Policy
- 13. Pakistan Nuclear Policy
- 14. US Missile Defense

## II. Republic of Korea

- 1. ROK Diplomatic Efforts
- 2. ROK-PRC Talks
- 3. ROK-DPRK Maritime Border
- 4. <u>US-DPRK Relations</u>
- 5. ROK Defector Policy

# III. People's Republic of China

- 1. ROK-PRC Relations
- 2. ROK Missile Purchase
- 3. Japan Compensation to Koreans
- 4. Taiwan's Development of TMD
- 5. <u>US-Japanese Joint Research on TMD</u>
- 6. US-Russian Nuclear Talks

#### 7. Indian Nuclear Doctrine

#### IV. Announcements

- 1. UC Berkeley Korean Colloquium
- 2. Nonproliferation Seminars in Monterey, California

## I. United States

# 1. US Congressional Review of DPRK Policy

The US House of Representatives International Relations Committee issued a press release ("KEY LAWMAKERS JOIN TO REVIEW NORTH KOREA POLICY," Washington, 08/25/99) which stated: "U.S. Rep. Benjamin A. Gilman (20th-NY), Chairman of the House International Relations Committee, announced today that the House Leadership has asked him to form a 'North Korea Advisory Group' to report on the serious threat North Korea poses to the U.S. and its allies. 'It is gratifying that the Leadership has asked us to review the threat that the North Korean dictatorship poses to the United States and our friends and allies. Under the Leadership's direction, I will be working with eight other congressional members to prepare a report that will provide the Congress and the American people with a comprehensive picture of the North Korean problem,' said Gilman. The eight members who will be participating in this review are: the Chairman of the Permanent Select Committee on Intelligence, Rep. Porter Goss (FL); the Chairman of the Armed Services Committee, Rep. Floyd Spence (SC); the Chairman of the Subcommittee on Military Research and Development, Rep. Curt Weldon (PA); the Chairman of the Republican Policy Committee, Rep. Chris Cox (CA); the Vice Chair of the Republican Conference, Rep. Tillie Fowler (FL); the Chairman of the International Relations Committee's Subcommittee on Asia and the Pacific, Rep. Doug Bereuter (NE); the Chairman of the Appropriations Committee's Subcommittee on Foreign Operations, Rep. Sonny Callahan (AL); and a key member of that subcommittee, Rep. Joe Knollenberg (MI). 'I have joined with Chairman Goss to request the relevant information needed for our review from George Tenet, the Director of the Central Intelligence Agency,' Gilman stated. 'We will initiate our review upon the return of the Congress in early September. With cooperation from the Administration, we look forward to completing our work guickly so that we can report our results expeditiously."

The Washington Times (James Morrison, "'OUTRAGEOUS' MOVE," 08/25/99) reported that Democrats in the US House of Representatives expressed anger over a Republican decision to exclude them from a congressional panel reviewing the US policy toward the DPRK. Representative Sam Gejdenson of Connecticut, the senior Democrat on the House International Relations Committee, stated, "It is simply outrageous that the chairman would put together a working group on North Korea without seeking any participation from the Democratic side." He added, "If this is a serious attempt at policy, then the majority should attempt to work in a bipartisan manner.... The Republican leadership is playing politics with our national security." An anonymous Republican aide said that the group was created to report directly to the House leadership as a Republican advisory panel. The aide stated, "There's also the need to move quickly. North Korea could launch a missile at any time." He added, "There is nothing dark or sinister about the panel," but it reflects "congressional frustration" with US policy toward the DPRK. Patrick Cronin of the US Institute of Peace stated, "The appointment of [former US Defense Secretary William] Perry as special envoy [to the DPRK] has run its course. He held bipartisan support for nine months, but we no longer have a bipartisan approach and no longer trust in North Korea's willingness to negotiate." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for August 25.]

## 2. US Congressman's DPRK Visit

Reuters ("CONGRESSMAN TO WARN N.KOREA AGAINST MISSILE," Tokyo, 08/25/99) and the Associated Press ("US OFFICIAL: CONT AID TO N KOREA, DESPITE MISSILE THREAT," Tokyo, 08/25/99) reported that US Congressman Tony Hall, Democrat-Ohio, said Wednesday that during his upcoming visit to the DPRK, he would tell DPRK officials not to fire a long-range missile. Hall stated, "If they fire a missile over Japan, we are going to respond too. That's one of the messages, the strong messages, I intend to give to North Korea." He added that launching a missile now would be the worst possible timing and the worst possible thing that the DPRK could do. He also stated, "The Perry initiative has a lot of hope. I don't know if North Korea will accept it, but it offers a lot of help, especially the lifting of trade sanctions of the United States." Hall urged Japan and other countries to give food aid to the DPRK, arguing, "We should not use food as a weapon. Humanitarian aid should be given in an unconditional way." He added, however, "The biggest mystery is why they spend so much money on the military, not give it to their people, especially the innocent. Government leaders and military leaders, they eat." Hall is expected to meet DPRK Vice Foreign Minister Kim Gye-gwan during his four-day visit. He said that he planned to meet ROK officials, including President Kim Dae-jung, in Seoul after returning from the DPRK.

# 3. Light-Water Reactor Project

The Associated Press (Paul Shin, "NKOREA REACTOR PLAN TO BE SPED UP," Seoul, 08/25/99) reported that Chang Sun-sup, chief ROK delegate to the Korean Peninsula Energy Development Organization (KEDO), said Wednesday that work on two nuclear reactors in the DPRK will be accelerated to allay the DPRK's complaints that the project is behind schedule. Chang said that major construction would likely begin before the end of the year. He said that ground was broken in 1997, but work was slowed due to tensions on the Korean Peninsula and a funding delay. Chang stated, "Since South Korea and Japan have finished all needed legal action on the funding, including parliamentary approval, the project can now be accelerated." Chang said that the year 2003 specified in the 1994 Agreed Framework for finishing the reactors is a "target year, not the fixed year by which we definitely promised to build them." He noted that the project was put on hold for several months in 1996 because a DPRK submarine infiltrated into ROK waters.

US State Department Deputy Spokesman (James Foley, "STATE DEPARTMENT NOON BRIEFING, AUGUST 24, 1999," USIA Transcript, 08/25/99) said that the US does not believe that there is a basis for the DPRK's complaints that the US is delaying construction on the light water reactors. Foley stated, "Let me make clear -- the United States is meeting all of its obligations under the Agreed Framework and remains committed to the light water reactor project." He added, "let me say first of all, the burden-sharing agreement reached last August among KEDO members does not contain any commitment by the United States to contribute to the light water reactor project. But the United States is committed to seeking funding for the supply of heavy fuel oil and for other KEDO needs, as appropriate, from the US Congress and all other possible sources. That's exactly what we've been doing for several years now."

Agence France-Presse ("US ABIDING BY NORTH KOREA NUCLEAR DEAL: STATE DEPARTMENT," Washington, 08/24/99) reported that US analysts said that the DPRK's complaint about delays in the light-water reactor project are part of its overall negotiating strategy. Bill Taylor, a Korea expert at the Center for Strategic and International Studies (CSIS), stated, "North Korea is stirring the pot all it can to get as many concessions as it can. This is traditional brinkmanship." He added, "Everything hangs on what North Korea agrees to do concerning the potential launch of a new Taepodong II missile." Taylor argued, "North Korea knows about the US, South Korea and Japan's carrot-and-stick diplomacy.... They know there are almost no sticks, just carrots." He said that the "only hope is

China." Taylor said that the PRC could help put pressure on the DPRK but "wants to see clear evidence that the US is pushing Taiwan to be quiet and stick with the one-China policy." Bates Gill, a Korea expert at the Brookings Institution, noted, "The US has had difficulties in getting Congress to approve contributions to KEDO." He said that the US Congress would oppose funding a "regime which threatens its neighbors and use blackmail in the form of threats." He cautioned against "having high expectations at the moment. What we see is something of a struggle inside the North Korean hierarchy, which is conflicted about how to proceed. We must be prepared to work with a difficult regime over a long time."

# 4. DPRK-Japan Relations

Agence France-Presse ("NORTH KOREA SAYS JAPAN MISUNDERSTOOD CRITICISM," Tokyo, 08/23/99) reported that the DPRK's Rodong Sinmun on Monday said that Japanese officials misinterpreted the DPRK's recent statement on Japan-DPRK relations. The paper stated, "They were so foolish as to contend that its pressure upon the DPRK had a certain implication on it and it was willing to have sort of negotiations with Japan." The article added, "there is no change in our determination and will to settle accounts with Japan at any cost no matter how much water has flowed under the bridge." It said that the DPRK people and the army had a firm determination to "settle accounts with Japan, their sworn enemy, and wreak their pent-up vengeance upon it. The Japanese reactionaries must not misjudge our firm determination and will."

Agence France-Presse (Kiriko Nishiyama, "JAPAN SAYS NO PLANS TO RESUME FOOD AID TO NORTH KOREA," Tokyo, 08/25/99) reported that Akitaka Saiki, spokesman for Japanese Prime Minister Keizo Obuchi, said Wednesday that Japan has no plans to resume food aid to the DPRK. Saiki stated, "We are waiting for a constructive signal coming from North Korea to improve the bilateral relationship. So far, that signal has not come from the North Korean capital." He added that Japan does "of course value any advice from a member of Congress in the US, who is a very import ally." He stated, "we do not have any idea to make a move from our side at the moment including the resumption of humanitarian aid." Saiki said that Japan was conducting "careful internal analysis" of recent DPRK statements, "but at this moment the Japanese government cannot be convinced that North Korean authorities have changed their position to conduct their relationship with us in a constructive manner." He said that Japan's relations with the DPRK were uniquely abnormal, adding, "We want to have a better relationship with them. We have sent out messages many times. We have not received a positive, constructive reply from them."

## 5. ROK-PRC Relations

Reuters ("S.KOREA EYES 'COOPERATIVE PARTNERSHIP' WITH CHINA," Beijing, 08/25/99) reported that ROK Defense Minister Cho Seong-tae on Wednesday told cadets and officers at the PRC University of National Defense that the PRC and the ROK should build a "cooperative partnership" for the 21st century. Cho called for increased exchanges across a wide range of military areas, including joint search and rescue drills. He said that the PRC and the ROK shared recognition of the need to preserve peace and stability and halt the spread of weapons of mass destruction on the Korean peninsula. He added that the two countries also agreed on the need to establish a new peace mechanism on the peninsula and shared concern about the destabilizing effect of a new arms race in Asia.

US State Department Deputy Spokesman (James Foley, "STATE DEPARTMENT NOON BRIEFING, AUGUST 24, 1999," USIA Transcript, 08/25/99) said that the US welcomes any positive contribution that consultations between the ROK and the PRC or Japan make to peace on the Korean Peninsula.

Foley stated, "we're encouraged to see China and the Republic of Korea meeting to discuss issues of common concern in the region. China's engagement with its neighbors on key security issues like the DPRK's missile program is a welcome sign." He added that the US, the ROK, and Japan "are continuing to urge North Korea to choose a path that embraces peaceful and productive engagement with the international community. We remain prepared to improve political and economic relations in the near term in the context of the DPRK's implementation of the agreed framework and as the DPRK addresses other issues of concern to us, including on the missile issue, based on the ideas that were discussed during former Secretary Perry's visit to Pyongyang. So I think that what the South Koreans are doing is in close consultation with the United States and also with our Japanese allies."

## 6. DPRK-EU Talks

Agence France-Presse ("NORTH KOREA PROPOSES HIGH-LEVEL TALKS WITH EUROPEAN NATIONS," Seoul, 08/25/99) reported that an anonymous ROK foreign ministry official said Wednesday that the DPRK has offered to hold foreign ministers' meetings with European countries on the sidelines of the UN General Assembly meeting which opens on September 14 in New York. The official stated, "We can confirm the North sent letters, in the name of Foreign Minister Paek Nam-Sun, to the European countries making the offer." The official said that thus far, at least six European countries, including Britain, France, Germany, Austria, Norway, and Denmark, have received Paek's letters. He added, "There could be more. But Britain seems to remain lukewarm to the North's offer while others are still reviewing it."

#### 7. Russia-PRC Talks

The Associated Press (Vladimir Isachenkov, "YELTSIN MEETS WITH CHINESE LEADER," Bishkek, 08/25/99) and Reuters (Mike Collett-White, "RUSSIA, CHINA, C.ASIA STATES EYE CLOSER LINKS," Bishkek, 08/25/99) reported that Russian President Boris Yeltsin and PRC President Jiang Zemin held one-on-one talks Wednesday before taking part in a five-nation summit in the Central Asian nation of Kyrgyzstan. Russian Foreign Minister Igor Ivanov stated, "The meeting between Boris Yeltsin and Jiang Zemin took place in a very warm and friendly atmosphere. Our relations are now at a peak, and that meets the interests of both nations as well as the interests of regional and international stability." Yeltsin said, "The current summit is taking place in conditions of an aggravated international situation. Some nations are trying to build a world order that would be convenient only for them, ignoring that the world is multi-polar." He added, "Russia has strategic interests in maintaining stability and security in Asia. We would like to see this region developing good neighborly links." In his speech, Jiang stated, "The process of forming a multi- polar world is difficult, but it has become an irreversible trend." He added that there was a "new display of hegemony relying on force, and it has already drawn concern on the international scene."

#### 8. Taiwan Straits Tensions

The Christian Science Monitor (Kevin Platt, "UNEASE IN TAIWAN," 08/25/99) reported that Taiwanese are concerned about the possibility of a war with the PRC. Andrew Yang, a defense analyst who heads a think tank affiliated with Taiwan's Defense Ministry, said that the PRC perceives Taiwan President Lee Teng-hui's new two-state formula "as a serious step toward independence." Yang predicted that the PRC "is going to speed up its defense preparations to formulate a military response." He said that despite the recent grounding of Taiwan's F-16s, its Air Force still patrols the middle line of the Taiwan Strait around the clock. He stated, "We are still capable of defending ourselves against a conventional attack from the mainland. But in terms of

China's unconventional weapons like ballistic missiles and nuclear weapons," Taiwan could not protect itself. He added that Lee's recent call for Taiwan to be included under an anti-missile defense system is part of a hope "to create a military alliance with the U.S. and Japan." Wang Chienshien, former chairman of Taiwan's New Party, stated, "I don't believe the U.S. will support us by sending troops here, following the lessons of the Vietnam War." He said that Lee may be trying to provoke the PRC into a confrontation in order to persuade the US and Japan to join an alliance with Taiwan.

# 9. US Policy toward Taiwan

The Washington Times (James Morrison, "'DANGEROUS' POLICY," 08/25/99) reported that the Heritage Foundation issued a "Statement on the Defense of Taiwan" signed by 23 conservatives. The statement said, "Efforts by the Clinton administration to pressure [Taiwan] to cede its sovereignty and to adopt Beijing's understanding of 'One China' are dangerous and directly at odds with American strategic interests, past U.S. policy and American democratic ideals." The signers included Heritage President Edwin J. Feulner Jr.; writers William J. Bennett, William F. Buckley Jr. and William Kristol; former UN Ambassador Jeane J. Kirkpatrick; former Attorney General Edwin H. Meese III; former Defense Secretary Caspar Weinberger; and former CIA Director R. James Woolsey.

# 10. Asia-Middle East Technology Transfers

ABCNEWS (Sue Lackey, "SYRIA GETS CHINESE MISSILES," Washington, 08/24/99) reported that US and Israeli intelligence sources said that Syria is obtaining PRC medium-range, mobile-launch missile technology through Iran, Pakistan, and the DPRK. In December of 1994, intelligence intercepts from the National Security Agency indicated that a division of the PRC government-owned China National Nuclear Corporation had completed a deal to provide 5,000 custom-made ring magnets to Pakistan in violation of the Nuclear Proliferation Prevention Act. A proliferation expert with the US National Security Council stated, "We decided that the activity that took place, which involved providing ring magnets to Pakistan, was something the company did but the Chinese government had not approved. The Chinese have made certain commitments about what their policies are with respect to missile transfers, and we remain concerned that the Chinese export control system is not adequate to fulfill those commitments." US and Israeli sources said that Pakistan continued to acquire M-9 missile components from the PRC and Nodong missiles from the DPRK, which utilizes PRC-based technology. Iran also acquired Nodong missile technology from the DPRK and M-9 technology from Pakistan to develop its Shahab-class missiles. Senior US intelligence sources said that Pakistan has continued to purchase PRC and DPRK technology supplied through third-party transfers through Iran. John Pike of the Federation of American Scientists stated, "Pakistan has essentially no indigenous production capability. North Korea has developed the [missile] program, Iran is attempting to finish it, and Pakistan is helping them pay for it."

# 11. Japanese Military Posture

The Los Angeles Times (Jim Mann, "JAPAN TAKING STEPS TO ENSURE ITS INDEPENDENCE," Washington, 08/25/99) reported that recent studies by the US National Intelligence Council concluded that Japan is developing a more independent military capability in case its alliance with the US should someday end. One of the intelligence studies asserted, "An abrupt shift in Japan's role and posture is ... possible. Japan has a history of changing directions fairly quickly and dramatically. The right stimulus could generate a reorientation in Japan's approach to the U.S., the region and to national security." One report said that Japan is unsure "whether its importance to the U.S. is

waning and whether U.S. and Japanese security interests are diverging." One of the studies said that Japan felt that the US reaction to last August's DPRK rocket launch was "rather nonchalant." It also noted that the prolonged economic downturn has caused Japan to suffer a "loss of prestige and influence." Mike Mochizuki, a Japan expert at the Brookings Institution, stated, "From the U.S. point of view, the days when we treated Japan like a defense protectorate are over."

## 12. Indian Nuclear Policy

Reuters ("INDIA WANTS TO EXPLAIN ITS NUCLEAR POLICY TO U.S.," New Delhi, 08/24/99) reported that Indian Foreign Minister Jaswant Singh said Tuesday that he will answer US criticism of India's nuclear doctrine when he meets US Secretary of State Madeleine Albright at the opening of the UN General Assembly in September. Singh stated, "I see no difficulty in that. After all, this doctrine is for discussion and should the United States of America want to discuss it, why not?" Regarding the adverse US reaction to India's nuclear policy, Singh stated, "I don't think we need worry too long for that. It is a question of putting across our viewpoint and I would not call it negative. It is on predictable lines."

The Associated Press ("PAKISTAN WARNS ON INDIAN NUKE POLICY," Islamabad, 08/25/99) reported that Pakistan Foreign Minister Sartaj Aziz on Tuesday warned that India's policy of nuclear deterrence guarantees a nuclear arms race in South Asia. Aziz also urged world powers to persuade India to resume bilateral talks with Pakistan to resolve the Kashmir dispute.

## 13. Pakistan Nuclear Policy

The Associated Press ("PAKISTAN: NUCLEAR WEAPONS 'INDISPENSABLE' TO SECURITY," Islamabad, 08/25/99) reported that the Pakistan government's defense committee said Wednesday that nuclear weapons are an "indispensable" part of Pakistan's security. The committee said that the number and types of weapons that Pakistan will possess "will be determined solely by ... our minimum nuclear deterrent capability, which is now an indispensable part of our security doctrine." The defense committee expressed "serious concern" over "India's aggressive militarization program, particularly in the nuclear field."

#### 14. US Missile Defense

The Associated Press ("PENTAGON DEFENDS SKIPPING MISSILE-DEFENSE TEST," Washington, 08/25/99) reported that a US Defense Department spokeswoman said Tuesday that the department is satisfied that little would be accomplished by additional tests of the experimental version of its Theater High Altitude Area Defense system (THAAD).

Reuters ("FRANCE CONCERNED ABOUT U.S. ANTI-MISSILE ADVANCES," Paris, 08/25/99) reported that France Foreign Ministry spokeswoman Anne Gazeau-Secret on Wednesday warned that US development of anti-missile defenses were bound to re-launch an arms race. Gazeau-Secret said that development of anti-ballistic systems had already blocked the work of the Conference on Disarmament in Geneva, including on nuclear fissile material. She added that it could call into question the US-Russian Anti-Ballistic Missile (ABM) treaty.

# II. Republic of Korea

# 1. ROK Diplomatic Efforts

The Korea Herald (Shin Yong-bae, "OFFICIALS EXPECT SEOUL'S 3-PRONGED MISSILE DIPLOMACY TO BEAR FRUIT," Seoul, 08/25/99) reported that the ROK is intensifying diplomatic efforts to discourage the DPRK from following through on test-firing a ballistic missile. ROK Unification Minister Lim Dong-won is due to discuss the two governments' DPRK policies when he meets William Perry on Friday. On Tuesday in Tokyo, ROK Foreign Affairs and Trade Minister Hong Soon-young and his Japanese counterpart Masahiko Komura reaffirmed the need for close cooperation among the ROK, Japan, and the US in future action against the missile threat. Rather than stressing the penalties the DPRK would face economically and politically in the event of a missile test, Hong focused on discussion of incentives during the talks to more effectively induce the DPRK to give up its plan to test-launch a missile. The highlight of such ROK diplomatic efforts will likely come before or during the Asia-Pacific Economic Cooperation (APEC) forum, slated for September 12-13 in New Zealand. "Valuable results will come at the three-way meeting," said Hwang Won-tak, senior presidential secretary for foreign affairs and national security. ROK President Kim Dae-jung is also pushing for a series of separate meetings with PRC President Jiang Zemin and Russian Prime Minister Vladimir Putin on the sidelines of the APEC meeting. ROK observers said that the ROK diplomatic campaign is not aimed only at preventing the DPRK from going ahead with a missile test, but also checking the DPRK's foreign policy, which focuses on negotiations with the US, excluding the ROK as its dialogue partner. "It reflects the Seoul government's willingness to take a diplomatic initiative in resolving the North's missile threat and other issues involving the two Koreas," said an unnamed analyst.

## 2. ROK-PRC Talks

The Korea Herald (Lee Sung-yul, "SEOUL, BEIJING BEGINNING TO BUILD MILITARY CONFIDENCE," Seoul, 08/25/99) reported that Monday's Beijing meeting between defense ministers from the ROK and the PRC is the start of a confident military relationship between the two Korean War adversaries and is expected to contribute to peace and stability on the Korean Peninsula. In their first-ever talks, PRC Defense Minister Chi Haotian expressed the PRC's support for the ROK's commitment to the "sunshine policy" and accepted an invitation to visit the ROK. In Monday's meeting, Chi rejected Cho's suggestion that the ROK and PRC navies conduct combined maritime rescue operations. "Beijing and Pyongyang signed a mutual defense treaty in 1961, and China is still North Korea's closest ally," said an anonymous ROK Defense Ministry source. "So we don't think the Cho-Chi meeting will suddenly change that relationship between China and North Korea," he added. The official said that the Defense Ministry never wanted the Cho-Chi meeting to further isolate the DPRK. The PRC, to avoid offending its longtime ally, did not publicize Cho's visit.

Joongang Ilbo ("BEIJING HOPES KOREAN PENINSULA TO BE NUCLEAR-FREE REGION," Seoul, 08/24/99) reported that PRC's Chi Haotian, restating a long-standing position, told ROK Defense Minister Cho Seong-tae that the PRC hoped the Korean peninsula would be a nuclear-free region, the official Xinhua news agency reported. "China sincerely hopes that the situation there will ease and the peninsula will be a nuclear-free region and finally realize a lasting peace and stability," said Chi.

#### 3. ROK-DPRK Maritime Border

The Korea Times ("MILITARY REAFFIRMS RESOLUTION TO DEFEND BORDERLINE IN WEST SEA," Seoul, 08/24/99) reported that the ROK Defense Ministry on Monday renewed its determination to defend the Northern Limit Line, dismissing the DPRK's call to draw a new

demarcation line in the West Sea. In a press release, the ministry described as an arbitrary interpretation the DPRK's claim that the sea demarcation line should be established by extending the provincial boundary between Hwanghae-do and Kyonggi-do, saying such a move would violate provisions of the Armistice Agreement. "Furthermore, South Korea cannot accept the Northern proposal to discuss the sea demarcation line in three-party talks involving South and North Korea and the United States. Discussions on this issue should take place at the South-North Joint Military Commission, as both parties agreed under the inter-Korean Basic Agreement," the ministry said.

#### 4. US-DPRK Relations

The Korea Times ("STATE DEPARTMENT HOPES FOR NORTH KOREAN VISIT," Seoul, 08/24/99) reported that US State Department spokesman James Foley said on Monday that US special envoy William Perry has established a working relationship with DPRK officials, but the State Department has not yet arranged a visit by a top leader of the DPRK. The visit, which would be the first by a top DPRK government official, has not been scheduled. Perry's visit, however, accomplished one of its key aims "to establish a working relationship with senior officials, who report directly to leader Kim Jong-il," Foley said. "It was believed that there would be continuing value in high-level dialogue that was begun in Pyongyang." Foley did not identify the official who was invited, but said the invitee was the "key interlocutor" with Perry during his visit in May.

# 5. ROK Defector Policy

The Korea Herald (Kim Ji-ho, "ISRAELI EXPERIENCE OFFERS MODEL FOR NORTH KOREAN DEFECTOR POLICY," Seoul, 08/25/99) reported that the increasing numbers of DPRK defectors are causing concerns for ROK officials, who are trying to properly treat the new arrivals and effectively use them in the labor market. Since a massive exodus is expected in case the DPRK collapses, which may the whole of ROK society throw into utter confusion, the experiences of Israel - which has received a huge inflow of Jews from all over the world since its founding in 1948 - may provide a good lesson for ROK officials. "The surging immigrants problem was both a national challenge and dilemma that had required substantial structural changes in Israeli society," said Shmuel Adler, director at the Israeli Ministry of Immigrant Absorption, at a seminar organized by the ROK Unification Ministry. In 1989, the Israeli government shifted to a "direct absorption policy," allowing new immigrants greater freedom in deciding where to live and how to spend funds granted to them, which helped them harmonize with society and integrate into it. Adler particularly emphasized the need for preliminary training for new immigrants before they jump into the labor market, including reeducation programs, to best make use of the new manpower. In addition, the Israeli official explained in detail about his government's on-the-job training, employment-promoting incentives and financial supports for the self- employed and merchants, as well as how Israel systemized these programs through legislation.

# III. People's Republic of China

#### 1. ROK-PRC Relations

People's Liberation Army Daily ("CHI HAOTIAN HOLDS TALKS WITH ROK DEFENSE MINISTER," Pan Xiaoying, Beijing, 8/24/99, A4) reported that PRC Defense Minister Chi Haotian met with his ROK counterpart Cho Sung-tae in Beijing on August 23. They exchanged their views on Northeast Asian security and other issues. Chi said that the further development of friendship between the PRC

and the ROK not only accords with the common interest of the two countries, but also benefits peace and development of the region and the world. He set forth the PRC's consistent stances on the Korean issue and set a positive value on all parties' efforts on maintaining peace and stability on the Korean Peninsula. Chi stressed that the PRC sincerely hopes that the situation on the Peninsula will move towards alleviation continuously, and the Peninsula will realize non-nuclearization and finally achieve lasting peace and stability. He also reiterated the PRC's position on the Taiwan issue. Cho Sung-tae was glad to be the first ROK defense minister officially visiting the PRC since the establishment of diplomatic relations. He emphasized that the ROK takes a positive attitude towards the further promotion of friendly cooperation between the ROK and PRC militaries.

## 2. ROK Missile Purchase

China Daily ("S. KOREA BUYS ISRAELI MISSILES," Jerusalem, 8/23/99, A11) reported that the Israeli daily Haaretz said on August 22 that the ROK Air Force has ordered 100 Israeli Popeye air-t-air missiles worth US\$128 million. The US Defense Department has given its necessary approval to the sale of the missiles, developed jointly by Israel's state weapons maker Rafael along with Lockheed Martin of the US. The missiles are to equip the ROK's US- built F-15 or F-16 fighters.

## 3. Japan Compensation to Koreans

China Daily ("JAPAN MAY PAY WAR SUFFERERS," Tokyo, 8/24/99, A11) reported that the Japanese government is considering creating a special law to compensate ROK citizens who served as soldiers or laborers for Japan's military during World War II. Masakatsu Okabe of the Japanese Prime Minister's Office said that officials were looking into the issue, including the amount of compensation. According to the report, the government's move is a dramatic departure from its previous policy. Until recently, Japan maintained that all reparation claims with the ROK were settled under the 1965 normalization treaty. A newspaper reported on August 23 said that Japan is considering a one- time payment in the name of either "condolence" or "sympathy" money to Koreans living in Japan. About 2,000 to 3,000 military and labor veterans in Japan would be eligible, the Asahi newspaper said. Also on August 23, the Japanese and ROK foreign ministers agreed that there were signs that the DPRK may be ready for dialogue. Japanese Foreign Minister Masahiko Komura and Hong Soon-Young, his ROK counterpart, agreed in Tokyo that both nations would continue to watch the situation closely, a Japanese Foreign Ministry official said.

#### 4. Taiwan's Development of TMD

People's Daily ("FIRMLY OPPOSES INCLUSION OF TAIWAN IN TMD," Beijing, 8/21/99, A2) reported that PRC Foreign Ministry spokesman Zhu Bangzao was asked at a news briefing in Beijing on August 20 to comment on Taiwan President Lee Teng-hui's recent remarks that Taiwan's development of theater missile defense (TMD) not only responds to current needs, but also accord with its long-term interests. Zhu said that Lee Teng-hui's latest remarks, following on the heels of his infamous "two states" comment, has further exposed his evil motives of strengthening military force, resisting reunification and splitting the country. Lee and the Taiwan authorities must understand that splitting the country and seeking independence for Taiwan is a dead end, said Zhu, adding that even with TMD such efforts are doomed to failure. Any country attempting to include Taiwan into the TMD will infringe upon Chinese sovereignty and pose a serious threat to the PRC's security, Zhu emphasized. According to him, the PRC government has repeatedly made clear to the US its stance on the TMD issue. The US should particularly make clear its commitment not to provide Taiwan with TMD and relevant technology, equipment and accessory systems, he said, so as not to damage peace

and stability across the Taiwan Straits and in the region, or to undermine Sino-US relations.

## 5. US-Japanese Joint Research on TMD

People's Daily ("JAPAN TO PUT A HUGE SUM OF MONEY ON TMD RESEARCH," 8/23/99, A6) reported that the Japanese Defense Agency decided on August 21 that it would separately list out in next financial year's budget (from April 2000 to March 2001) 2.1 billion Japanese yen, which will be used to carry out Japan-US joint research on theater missile defense (TMD).

People's Daily ("DPRK CRITICIZES JAPAN-US JOINT DEVELOPMENT OF TMD," 8/22/99, A4) reported that the DPRK's Central News Agency issued a commentary on August 20 criticizing the recent agreement signed by Japan and the US on joint development of theater missile defense (TMD). The commentary pointed out that the joint development of TMD by Japan and the US is a grave development of the disturbing of the peace and stability in Asian- Pacific area, which is causing great concerns and sharp vigilance of the people in this region.

#### 6. US-Russian Nuclear Talks

People's Daily ("RUSSIAN, US EXPERT-LEVEL CONSULTATION ON ARMS CONTROL ENDS WITHOUT PROGRESS," 8/22/99, A4) reported that Leonid Ivashov, head of the Russian Defense Ministry's international cooperation division, announced on August 20 that Russia-US expert-level consultation on the Anti-Ballistic Missile Treaty (ABM) and on a START-III nuclear weapons reduction treaty did not get any result. Ivashov pointed out at a press conference on the same day that to deploy a regional anti-ballistic missile defense system by the US may accord with the spirit of US policy, but it will destroy the ABM treaty reached by the Soviet Union and the US in 1972. The Russian side believes that the ABM treaty is the basis on which all subsequent arms controls agreements have been built. To destroy this treaty would be to destroy the entire process of nuclear arms control, Ivashov said.

#### 7. Indian Nuclear Doctrine

China Daily ("INDIA UTTERS NUKE ARMS ALLOTMENT," New Delhi, 8/23/99, A11) reported that a senior Indian official said that India's deployment of nuclear weapons, as envisaged by its recent "nuclear doctrine," will cost at least 700 billion rupees (US\$16 billion) over the next three decades. Bharat Karnad, a member of the National Security Advisory Board who was involved in preparing the draft nuclear blueprint, said the cost "is eminently reasonable and affordable." "According to a study published soon after the May 1998 nuclear test, the cost of having between 350 to 400 nuclear weapons distributed over a triad (air, sea and land) would be about 700 billion rupees over 30 years," Karnad told the Times of India. "In a worst-case scenario -- of trade embargoes, international credit cut-offs and other punitive measures -- economists believe it will work out to 100 times that amount," he said. R. Chidambaram, chief of India's Atomic Energy, was quoted by the Times of India as saying that India had the full capability to provide technological back-up to the nuclear blueprint. "Research and development capability and technological expertise ... will enable India to maintain a credible nuclear deterrent as enunciated in the doctrine," Chidambaram said.

China Daily (Chen Yali, "NUCLEAR ARMS RACE LOOMS," 8/24/99, A4) carried a short commentary saying that a new and escalated round of the nuclear arms race is imminent in South Asia. Commenting on India's draft nuclear doctrine released last week, the article said that India's irresponsible act drew the aversion of the rest of the world and tit-for-tat actions by neighboring Pakistan. India has more formidable domestic problems to deal with, such as how to feed the world's

second largest and ever-increasing population and provide them with clean water, than outside threats, the article said. To set its sights on economic development and the improvement of its people's living standard, rather than create excuses to do more damage to the security environment of the subcontinent, is the only way for India to reduce threats from the outside, according to the commentary. While trying to persuade India to roll back its ambitious nuclear development plan, the article pointed out that the major nuclear powers need to and must do something to clean up the mess and restore the rules of the game. It said that the US, the strongest nuclear power, seems to put a wrong emphasis in devising its regional security strategy. It is ignoring a visible threat in South Asia which has the ability to dismantle the peace and stability of the Asia-Pacific region, the article said, but tries to dig out the "enemy" that does not exist in East Asia.

#### IV. Announcements

## 1. UC Berkeley Korean Colloquium

The Center for Korean Studies at the University of California at Berkeley is holding a colloquium on the subject, "The Kim Dae Jung Administration's Engagement Policy Toward North Korea" on Tuesday, September 7, 1999, at 4:00 p.m. at the Institute of East Asian Studies, 2223 Fulton Street, 6th Floor Conference Room. The featured speaker will be Byong Moo Hwang, Director, Research Institute on National Security Affairs, National Defense University, Seoul. This seminar is free and open to the public.

## 2. Nonproliferation Seminars in Monterey, California

The Center for Nonproliferation Studies at the Monterey Institute of International Studies will present three one-week seminars in Monterey California on key issues in nonproliferation in the year 2000 and beyond. The courses and the issues are organized regionally, and those interested in attending may choose to come to any one, two, or all three of these courses. The courses begin January 3-7, 2000 with East Asia and South Asia. From January 10-14, the courses present proliferation issues in the former Soviet Union, and close with Middle East regional issues, January 17-21. For more information, please contact: Monterey Institute of International Studies Attn: Clay Bowen, 425 Van Buren St., Monterey, CA 93940. Phone: 831-647-6680, Fax: 831-647-3519; E-mail: cbowen@miis.edu .

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

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