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I. United States

1. William Cohen's Visit to Asia

Pacific Stars And Stripes (Jim Lea, "COHEN TO DISCUSS SECURITY IN S. KOREA," Osan Air Base, 07/27/99) reported that US Secretary of Defense William Cohen is scheduled to arrive in Seoul on Wednesday to meet with US and ROK officials. A statement released by US Forces Korea (USFK) said the visit "is designed to provide a forum for direct talks on defense-related issues with senior ROK government officials." The statement called the visit "routine, and not a response to any real world situation." However, ROK government sources said the main topic on the agenda is the expected launch of a DPRK Taepodong-2 missile. According to the ROK newspaper Korea Herald, US Deputy Assistant Secretary of State for arms nonproliferation Robert Einhorn is traveling with Cohen. The report said that Einhorn will meet with Song Min-soon, ROK director general of the Foreign Affairs and Trade Ministry's North American Affairs Bureau. US officials would not confirm the report. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 26.]

Reuters (John Whitesides, "N.KOREA MISSILE TO HAVE SERIOUS IMPLICATIONS," Tokyo, 07/26/99) reported that US Defense Secretary William Cohen on Monday said that the DPRK should not test-fire a new ballistic missile. Cohen said, "It would have some serious implications for the nature of the relationship that we currently have with the North Koreans." Cohen added that he hoped to build "solidarity" with the ROK and Japan on their approach to the DPRK. In Tokyo, Cohen will meet with Japanese Prime Minister Keizo Obuchi on Wednesday and Japanese Defense Minister Hosei Norota. He will also meet with a group of parliamentarians instrumental in development of the Japan- US defense cooperation guidelines. Cohen will travel to Seoul on Wednesday night and meet with ROK government and defense officials on Thursday.

2. DPRK Missile Test

The Associated Press (Laurinda Keys, "MINISTERS, U.S. AGREE ON N. KOREA," Singapore, 07/26/99) reported that, according to Japanese government spokesman Yasuhisa Kawamura, officials attending Association of Southeast Asian Nations (ASEAN) agreed on Monday to urge the DPRK not to test-fire another missile. Kawamura also said that another missile launch would make it difficult for Japan to continue financial support for the light water nuclear reactors.

Reuters ("CHINA WARNS JAPAN NOT TO INFLAME KOREA TENSIONS," Singapore, 07/26/99) reported that, according to a Japanese official, Japanese Foreign Minister Masahiko Komura had proposed to PRC Foreign Minister Tang Jiaxuan that the Association of South East Asian Nations (ASEAN) express concern over the prospect of a DPRK missile test. The official said that Tang told Komura that the PRC would not oppose the Japanese proposal, but said it should avoid provocative statements that would heighten tensions. The official quoted Tang as saying, "While South Korea is taking part in the conference, North Korea is not. A strong provocative expression is not desirable."

3. DPRK Trade

The Associated Press ("N. KOREAN TRADE FALLS SHARPLY," Seoul, 07/26/99) reported that, according to the ROK Ministry of Unification, the DPRK's international trade totaled US\$580 million during the first half of this year, down sharply from the same period last year. The Ministry said that the DPRK exported US\$160 million worth of goods, down 38.5 percent from the same period in

1998, while its imports fell 14.3 percent to US\$420 million. The PRC, Japan, and the ROK remained the DPRK's three major trading partners in the first half of this year, accounting for about 68 percent of total trade, the ministry said.

4. DPRK Defector

The Associated Press ("N. KOREAN WOMAN DEFECTS TO S. KOREA," Seoul, 07/26/99) reported that, according to the ROK's National Intelligence Service (NIS), a DPRK woman, Yoo Sung-hee, has arrived in the ROK and asked for asylum. According to NIS officials, Yoo worked at a military restaurant until she escaped last month.

5. US-PRC Relations

The New York Times (Jane Perlez, "U.S. AND CHINA SAY THEY ARE MENDING POST-BOMBING RIFT," Singapore, 07/26/99), the Washington Post (John Pomfret, "ALBRIGHT, CHINESE FOREIGN MINISTER HOLD 'VERY FRIENDLY LUNCH'," 07/25/99, A13), the Los Angeles Times (Bob Drogin, SINO-U.S. TENSIONS EASE AFTER TALKS, BUT STRAINS REMAIN DIPLOMACY," Singapore, 07/26/99) and Reuters (Carol Giacomo, "ALBRIGHT SAYS TALKS EASE U.S., CHINA TENSIONS," Singapore, 07/26/99) reported that the US Secretary of State Madeleine Albright and PRC Foreign Minister Tang Jiaxuan met on Sunday. During their meeting, both agreed to resume a series of highlevel contacts, which had been stopped after the bombing of PRC Embassy in Belgrade. However, Tang refused Albright's request to again allow visits by US warships to PRC ports or to resume talks aimed at curbing proliferation of missiles and weapons of mass destruction. Tang also said that the PRC was not prepared to revive the US-PRC talks on World Trade Organization (WTO). Albright said, "I would characterize this as an easing of tensions. While there are subjects upon which we disagree ... I was guite satisfied with the restoration of communications over a very friendly lunch. We were able to restore a level of communication we had before.... China agreed to a number of visits by some of our undersecretaries, assistant secretaries and director of policy planning." Albright also said that the US State Department's legal adviser would return to Beijing next week to continue negotiations on the issue of compensation for the bombing of the PRC Embassy in Belgrade.

The Los Angeles Times (Bob Drogin, "SINO-U.S. TENSIONS EASE AFTER TALKS, BUT STRAINS REMAIN," Singapore, 07/26/99) reported that PRC Foreign Minister Tang Jiaxuan formally announced that PRC President Jiang Zemin will meet with US President Bill Clinton in September. Tang and US Secretary Albright agreed to immediately begin preparations for the presidents' meeting at the Asia-Pacific Economic Cooperation (APEC) summit in Wellington, New Zealand. According to a senior US official, "The fact that they agreed to this does suggest that they want to get the relationship back on track."

6. PRC-Taiwan Talks

The Associated Press ("CHINA TO CANCEL ENVOY'S TRIP," Taipei, 07/26/99) reported that, according to Taiwanese newspaper United Daily News, PRC President Jiang Zemin personally decided to cancel Wang Daohan's visit to Taiwan, tentatively scheduled for October. The newspaper said that Jiang informed US Assistant Secretary of State Stanley Roth of his decision during Roth's weekend visit to Beijing. The newspaper also said that the suspension will hold at least until after Taiwan's presidential elections next March. It added, however, that cultural and other nonpolitical exchanges will continue uninterrupted.

Reuters ("CHINA SAYS NO BASIS FOR TALKS WITH TAIWAN," Beijing, 07/25/99) reported that the

PRC's state- run Xinhua news agency said on Sunday that there was no longer any basis for talks with Taiwan. Xinhua said that Taiwan President Lee Teng-hui's decision "to adopt his 'two-state theory' just as cross-straits ties began to warm and on the eve of (PRC envoy) Wang Daohan's visit has damaged cross-straits ties to the extreme. The basis for Wang Daohan's visit to Taiwan no longer exists."

Reuters (Alice Hung, "TAIWAN RENEWS PLEDGES FOR TALKS WITH CHINA," Taipei, 07/25/99) reported that Taiwan's top negotiator Koo Chen-fu, head of Taiwan's Straits Exchange Foundation, on Sunday told US envoy to Taiwan Richard Bush that Taiwan was committed to dialogue and pursuit of democratic union with the PRC. Koo said, "The basis for equal interaction between the Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait is still there." Koo reiterated Taiwan's welcome for a visit by PRC's Association for Relations Across the Taiwan Strait head Wang Daohan, scheduled for October.

7. Cross-Straits Military Situation

Reuters (Benjamin Kang Lim, "CHINA SAYS FORCE STILL AN OPTION WITH TAIWAN," Beijing, 07/24/99) reported that, according to Xinhua news agency, PRC Foreign Ministry spokesman Zhu Bangzao on Saturday reiterated the PRC's threat to use force if necessary to achieve reunification with Taiwan. Xinhua quoted Zhu as saying, "The Chinese government hopes to achieve reunification through peaceful means, but will not promise to abandon the use of force. If China promised not to use force, peaceful reunification of China would become empty talk." Zhu also said that US congressional moves on Taiwan were "gross interference."

The Associated Press ("NEW LOOK AT DEFENSE STRATEGY," Taipei, 07/26/99) reported that Taiwan Defense Minister Tang Fei has signaled that Taiwan's military is at work on a comprehensive new defense strategy. Tang said that details of the new system would remain secret. Tang was quoted as saying by the United Daily News that a system to defend Taiwan against a possible missile attack had been proven in tests by the US and could protect about 70 percent of the island. Tang said that such a system would use satellites to detect missiles and would cost about NT\$30 billion. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 26.]

8. US Envoys to PRC, Taiwan

Reuters (Benjamin Kang Lim, "CHINA SAYS FORCE STILL AN OPTION WITH TAIWAN," Beijing, 07/24/99) reported that the US Embassy in Beijing issued a statement saying that US Assistant Secretary of State Stanley Roth had a "useful" set of meetings with senior PRC officials on Friday. The statement read that Roth and US National Security Council senior adviser Kenneth Lieberthal met PRC Foreign Minister Tang Jiaxuan and other senior PRC officials. The statement said, "Talks were conducted in a constructive atmosphere and covered a range of regional and bilateral topics, including recent developments on Taiwan issues." The statement added that the meetings were in preparation for US Secretary of State Madeleine Albright's meeting with her PRC counterpart in Singapore.

American Institute in Taiwan Chairman Richard Bush ("ONE-CHINA" PRINCIPLE IS CORNERSTONE OF U.S. POLICY," CKS International Airport, USIA Text, 07/25/99) said that he had a full and productive visit in Taiwan. Bush stated, "I met with President Lee, Vice President Lien, Premier Siew, Foreign Minister Hu, National Defense Minister Tang, Secretary General Yin, Senior Presidential Advisor Ding, MAC Chairman Su, and SEF Chairman Koo... The United States remains

committed to faithful implementation of the Taiwan Relations Act... The United States has a simple approach to very complicated issues: steps that promote a reduction of tensions, cross-Strait dialogue, and peace and stability in the region are good.... The 'one-China' principle is the cornerstone of U.S. policy.... That principle has contributed to an environment in which peace has prevailed, Taiwan has become prosperous and democratic, and cross-Strait cooperation has flourished. How specifically to define the 'one-China' principle and how concretely to realize it are best left to the two sides of the Strait on a mutually acceptable basis. How to promote cross-Strait dialogue, exchanges, and cooperation is up to the two sides."

9. Spratly Islands Dispute

Reuters (Valerie Lee, "FOCUS ON TAIWAN, SPRATLYS AT SECURITY MEETING," Singapore, 07/26/99) reported that Singapore Foreign Minister S. Jayakumar said that the Association of Southeast Asian Nations (ASEAN) held substantial discussions on the disputed Spratly Islands. He said that participants were very concerned about the potential for instability. Australian Foreign Minister Alexander Downer said he did not believe the forum could solve the Spratlys problem, but it could manage security issues that arose from competing claims.

10. Theater Missile Defense

Defense Week (John Donnelly, "U.S., JAPAN TO INK MISSILE-DEFENSE DEAL," 07/26/99, 1) reported that, according to a senior US Defense Department official, the US and Japan are concluding a deal to cooperatively develop a new ship-launched missile-defense interceptor. Other sources said that, while in the "final stages," the agreement may not be announced until mid-August. An unnamed Japanese government official said, "We have come to an understanding that it [naval missile defense] could be technically feasible and, in light of the purely defensive character of the TMD [theater missile defense] system, the government of Japan has decided to go ahead." The official said that if the cooperative program were to proceed, the two nations would then enter a roughly five-year demonstration-and- validation phase estimated to cost about US\$500 million. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 26.]

11. National Missile Defense

The Washington Times (Bill Gertz, "CLINTON SIGNS BILL FOR MISSILE DEFENSE," 07/26/99, 4) reported that US President Bill Clinton signed National Missile Defense (NMD) legislation on Friday. The NMD Act stated that it is US policy to deploy "as soon as technologically possible" a system of interceptors, radar, and communications gear to shoot down an incoming long-range missile. Clinton said, "By specifying that any [national missile defense] deployment must be subject to the authorization and appropriations process, the legislation makes clear that no decision on deployment has been made. This interpretation, which is confirmed by the legislative record taken as a whole, is also required to avoid any possible impairment of my constitutional authorities." Clinton said the legislation also calls for continuing to seek negotiations with Russia on reducing nuclear forces. Clinton said, "Any NMD system we deploy must be operationally effective, cost-effective, and enhance our security. In making our determination, we will also review progress in achieving our arms control objectives, including negotiating any amendments to the ABM treaty that may be required to accommodate a possible NMD deployment." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 26.]

12. US-Russia Relations

Reuters (Denis Dyomkin, "RUSSIAN PM EXPECTS DIFFICULT TALKS IN U.S.," Vladivostok, 07/25/99) reported that Russian Prime Minister Sergei Stepashin said on Sunday that he expected difficult discussions in the US but was confident of success in the end. Stepashin said, "We'll have to explain our position on Iraq, Iran and North Korea in connection with existing economic restrictions." Stepashin said that he would talk about resuming economic dialogue between the US and Russia and the prospect of joining the World Trade Organization. Stepashin also said he would discuss the START-II and future START-III arms control agreements, as well as Russia's position on the Anti Ballistic Missile treaty. Stepashin is due to meet US Vice President Al Gore Tuesday and is also expected to meet with US President Bill Clinton.

13. US Space Policy

Defense Week (John Donnelly, "ATTACK ON U.S. SATELLITE IS ATTACK ON UNITED STATES," 07/26/99, 2) reported that, according to a memo to military leaders by US Secretary of Defense William Cohen accompanying the new "Department of Defense Space Policy," an attack on US satellites would be considered an attack on the US. Cohen stated, "Purposeful interference with U.S. space systems will be viewed as an infringement on our sovereign rights. The U.S. may take all appropriate self-defense measures, including, if directed by the National Command Authorities, the use of force, to respond to such an infringement of our rights. U.S. space systems are national property afforded the right of passage through and operations in space without interference. In this regard, space is much like the high seas and international airspace. The political, military and economic value of the nation's activities in space, however, may provide a motive for an adversary to counter U.S. space assets." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 26.]

14. US Y2K Bug

The Associated Press (Robert Burns, "NUCLEAR WEAPONS COMPUTERS Y2K READY," Washington, 07/22/99) reported that, according to US Admiral Richard Mies, commander of US Strategic Command, nearly all US defense computers linked to nuclear weapons have been verified through testing as ready for the Y2K computer glitch. Mies said, "There is no risk of accidental launch. Procedures for launching our nation's nuclear weapons involve multiple levels of safeguards such as code verifications and human interactions to verify and authenticate an order from the president. Computers by themselves cannot launch nuclear weapons." Similarly, Mies said fears that a Y2K computer bug will shut down the US nuclear arsenal are unfounded, based on extensive tests that included simulations of launches of every type of nuclear weapon. On Russia's preparation for the Y2K bug, US Defense Secretary William Cohen said that he is not worried that Russia will allow the Y2K problem to jeopardize command or control of its nuclear weapons. Cohen said, "The Russians, I assume, will do whatever is necessary to protect their self interest. It is not in Russia's interest to have any kind of failure that would create a catastrophe." As for the PRC, Cohen said "we assume they are also proceeding with as much alacrity as possible to deal" with potential computer problems.

15. US-India Talks

Baltimore Sun ("U.S. ARMS OFFICIAL SENT TO INDIA IN BID TO HAVE IT JOIN NUCLEAR ACCORD," Washington, 07/25/99) reported that the US is sending the Energy Department's top

arms control official on a six- month mission to India in hopes of bringing India under nuclear nonproliferation accords. Starting September 1, Joan Rohlfing, the US Energy department's senior adviser for national security, will join the staff of US Ambassador Richard Celeste in New Delhi. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 26.]

Reuters (Dan Sloan, "ALBRIGHT MEETS INDIA, CHINA OVER SECURITY," Singapore, 07/25/99) reported that US Secretary of State Madeleine Albright met her Indian counterparts on Sunday to discuss tensions in Kashmir. Indian Foreign Minister Jaswant Singh said that he and Albright had a "friendly and productive" discussion that ranged from Kashmir to nuclear non-proliferation issues. According to a US official, Albright and Singh held "positive and constructive" talks and expressed hope that bilateral relations would be far better than those in the last 50 years. The official said India had re-affirmed its commitment to the process of direct dialogue with Pakistan and pledged that signing an international treaty banning nuclear test blasts would be a "top priority" of whatever new government came to power after general elections in September.

16. Kashmir Conflict

The Associated Press ("KASHMIR BATTLE ZONE SAID CLEARED," New Delhi, 07/26/99) reported that, according to Indian officials, Indian troops swept the last rebels from northern Kashmir, killing 32 guerrillas in weekend fighting and losing seven of their own men. Inidan Lieutenant Colonel Shruti Kant said that India took complete control of the Dras sector Sunday after recapturing Sando Top and Zulu Top, the only two peaks in the region that were still held by Islamic fighters. Fierce fighting continued Monday in Batalik and the Mushkoh Valley, where the remaining guerrillas have been pushed within a few hundred yards of the cease-fire line that divides Kashmir between India and Pakistan.

Reuters (Raja Asghar, "HUGE PAKISTAN ISLAMIC RALLY DEMANDS PM QUIT," Lahore, 07/25/99) reported that tens of thousands of Islamists led by Qazi Hussain Ahmad, leader of Pakistani Jamaat--Islami party, on Sunday staged the biggest anti-government protest since Pakistani fighters pulled out of Kashmir. Ahmad and the protestors demanded that Pakistani Prime Minister Nawaz Sharif step down for betraying the nation. Ahmad accused Sharif of being autocratic and said the July 4 withdrawal pact with US President Bill Clinton was unforgivable. Ahmad said, "It is imperative for the resolution of the Kashmir issue and for the safety and solidarity of the country that Nawaz Sharif should be removed from the office of prime minister." Pakistani Information Minister Mushahid Hussain, however, said that the Pakistani government had won world backing for real talks with India on Kashmir. He said, "The environment has now changed. The pressure is on India and now we have to pursue that pressure through all available means, particularly diplomacy."

The Washington Post (John Lancaster, "KASHMIR CRISIS WAS DEFUSED ON BRINK OF WAR AS U.S. REVIEWS SHOWDOWN," 07/26/99, A01) reported that, according to a senior US administration official, two months ago, US spy satellites detected elements of the Indian army's main offensive "strike force" loading tanks, artillery, and other heavy equipment onto flatbed rail cars in the desert state of Rajasthan. The official said that the latest conflict over Kashmir came much closer to full-scale war than was publicly acknowledged at the time. He said, "This is one of the most dangerous situations on the face of the earth. It was very, very easy to imagine how this crisis ... could have escalated out of control, including in a way that could have brought in nuclear weapons, without either party consciously deciding that it wanted to go to nuclear war." US officials noted that firstly, if India failed to dislodge the Pakistani infiltrators in Kashmir, it might open a second front that could engulf the two countries in a full-scale war. They said that secondly, Pakistani forces, if overwhelmed by India's much larger army, could find themselves backed into a corner that could

tempt them to play their last and most devastating card. An official said, "There wasn't any question that this thing could have gone to a high level. That's what scared us." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for July 26.]

II. Republic of Korea

1. DPRK Missile Test

The Korea Times (Son Key-young, "SEOUL TO REFER NK MISSILE LAUNCH TO SECURITY COUNCIL," Seoul, 07/23/99) reported that an ROK senior government official said on Thursday that the DPRK's expected launch of a missile is an issue grave enough for the ROK to consider referring it to the UN Security Council (UNSC) to seek punitive actions. In August last year, when the DPRK launched its first Taepodong missile, the ROK also referred the case to the UNSC, but failed to secure harsh punitive actions, except for the council president's press statement. "There is no legally binding regime regarding missiles. This is a political issue. We can say that North Korea's firing of a missile is a challenge to peace and security," the ROK official said on condition of anonymity. He said that the international community should pay attention to "who" is trying to possess missiles, noting that the DPRK's missile program is detrimental to regional security.

The Korea Herald (Jun Kwan-woo, "U.S. ENVOY URGES N.K. TO GIVE UP 'SOVEREIGN RIGHT' TO TEST MISSILES," Seoul, 07/24/99) reported that US Ambassador Stephen Bosworth on Friday urged the DPRK to give up its "sovereign right" to test-fire another ballistic missile, for the sake of both the DPRK and nations surrounding it. Bosworth made the remarks in response to reporters' question on whether or not the DPRK has a sovereign right to test-launch another missile. He was quoted as saying, "Firing a missile would have bad effects on neighboring countries, which are seriously concerned about North Korea's possible test. Such a test would worsen security environments in the region." The Yonhap news agency quoted Bosworth as saying, "North Korea is a sovereign state and retains a right to test its missiles. But the North should give up its (missile) sovereignty to peacefully coexist with the world community." The US embassy immediately denied the report, saying that Bosworth's remarks were misinterpreted. Meanwhile, a high-ranking ROK Foreign Ministry official admitted that there is no "legal device" to put a restraint on the DPRK's missile tests. He referred to the fact that the DPRK has stayed out of international missile nonproliferation regimes, such as the Missile Technology Control Regime, which bans the exports of missiles with a range of 300km.

2. PRC Policy toward DPRK Missile Test

The Korea Times (Son Key-young, "CHINA TO PLAY ROLE IN NK MISSILE ISSUE," Seoul, 07/25/99) and The Korea Herald (Jun Kwan-woo, "FOREIGN MINISTERS FROM S. KOREA, CHINA DISCUSS N.K. MISSILE TEST," Seoul, 07/26/99) reported that ROK officials said on Saturday that PRC Foreign Minister Tang Jiaxuan said in Singapore that the PRC would "play the role it can" to deter the DPRK from firing a long-range missile. Tang made the remarks when he met ROK Foreign Affairs-Trade Minister Hong Soon-young on the sidelines of the ASEAN Regional Forum (ARF) on Saturday. Earlier, ROK Minister Hong sought to ask the PRC to exercise its influence over the DPRK to prevent the missile test. Hong was quoted as saying, "North Korea's missile launch is a major political challenge to peace and security on the Korean peninsula and Northeast Asia, regardless of whether it is a sovereign matter or not." However, Tang did not pledge to closely cooperate with the ROK and other countries to stop the DPRK from test-firing a long-range missile. Tang, without referring to the DPRK, reiterated the PRC's existing position that it is not desirable for weapons of mass destruction such as nuclear bombs to be developed on the Korean peninsula. ROK officials

view that, given the special relations between the PRC and the DPRK, the PRC minister was not in a position to make a definite pledge over DPRK's missile program. At the same time, the PRC also feels that it can only play a limited role as it has little chance to contact the DPRK leadership directly.

3. ROK Policy toward Taiwan

The Korea Times (Son Key-young, "SEOUL REAFFIRMS 'ONE-CHINA POLICY'," Seoul, 07/23/99) reported that the ROK, expressing concerns over recent strains in PRC-Taiwan relations, reiterated its support for the "One-China Policy." Commenting on the rising tension in the Taiwan Strait, an ROK Foreign Affairs-Trade Ministry official said that the ROK had not altered its stance since August 1992, when it switched diplomatic recognition from Taiwan to the PRC. "We hope this problem will be peacefully settled through dialogue between the parties concerned," he said.

4. ROK-US Missile Talks

The Korea Herald (Jun Kwan-woo, "U.S. MISSILE NEOGTIATOR TO COME FOR TALKS WITH SEOUL OFFICIALS," Seoul, 07/26/99) reported that an ROK Foreign Ministry official said on Sunday that Robert Einhorn, US chief missile negotiator, will fly to Seoul this Wednesday for talks with ROK officials. Einhorn will accompany US Defense Secretary William Cohen during his visit to the ROK July 28-30, he said, but will also meet with ROK officials on missile issues. "The U.S. missile negotiator is scheduled to meet with Song Min-soon, director general of the North American Affairs Bureau," the official said while asking for anonymity. Song and Einhorn are expected to discuss the ROK's recent request to enhance its own missile capability against DPRK's missile threat, officials said.

5. Mt. Kumgang Tour

The Korea Times ("HYUNDAI, NK SEEK TO MAKE BREAKTHTU," Seoul, 07/25/99) and The Korea Herald (Kim Ji-ho, "HYUNDAI, NORTH KOREA STRUGGLE AGAINST DEADLINE TO RESUME MT. KUMGANG TOUR," Seoul, 07/26/99) reported that with a virtual deadline for negotiations between Hyundai and the DPRK approaching this week, the negotiators in Beijing are launching last-ditch efforts to conclude their month-long talks on how to step up safety guarantees for ROK citizens touring Mt. Kumgang. Hyundai is set to send US\$8 million in monthly payments to the DPRK this Friday in return for an exclusive right to operate cruise ships to the scenic mountain. However, the ROK government is moving to stop Hyundai from paying the money since there are no cruise ship operations at present due to the lack of progress in the Beijing talks. At present, Hyundai Asan Corporation vice president Kim Ko-jung is engaging in talks in Beijing with delegates from the DPRK's Asia-Pacific Peace Committee, which is Hyundai's business partner. An ROK government official said that the thorniest issue is how to minimize the chances of ROK tourists being detained by the DPRK authorities. The ROK also hopes to secure access to ROK citizens in the custody of DPRK officials in case they are detained. So far, the DPRK has refused to yield to Hyundai's request, jeopardizing the entire tour program, the official said. With the virtual deadline drawing close, the official hoped that the two parties would be able to make a breakthrough in the talks. As soon as the two parties reach an agreement, Hyundai is set to resume the cruise ship tours to meet demand at the height of the tourist season.

6. Unification Seminar in Beijing

Chosun Ilbo (Kim In, "UNIFICATION SEMINAR TO BE HELD IN BEIJING," Seoul, 07/23/99)

reported that around 250 DPRK and ROK students will participate in a DPRK-ROK Student's Unification Seminar that will start July 25 and last until July 29 at the Beijing Intercontinental Hotel. The event is hosted by a people's unification movement group called the World Peace Youth Association. Some 180 ROK university students of the Unification Church's National University Principle Research Association will participate and 70 representative students from the Kim Il-sung University and various youth groups will also join in the seminar. Under the title "The Roles of Youths to Build a Unified Korea," both country's young men and women will hold discussions while games such as football, volleyball, tug-of-war will be played to spread goodwill. DPRK and ROK film festivals and traditional Korean games are also being planned. The Youth Association had held this event abroad every year since 1994, except last year.

7. Casino in DPRK

Chosun Ilbo (Park Jung-hoon, "FIRST NK CASINO OPENS IN NAJIN-SUNBONG," Seoul, 07/25/99) reported that the Sankei Shimbun reported on Sunday that the DPRK's first casino will open on Monday, July 26 in the Rajin- Sonbong Free Trade Zone. According to the newspaper, a Hong-Kong company, "Young-hwang Group" invested US\$180 million to build the Seaview Casino Hotel and installed 8 gambling tables in the facility to start business, mainly targeting Japanese and PRC tourists. The casino hotel is located about 15-km outside the city limits and has a view of the East Sea. The hotel management educated some 80 DPRK employees since last May to be casino dealers. Sankei explained that the late Kim Il-sung had allowed casinos in the DPRK because of the foreign capital it would bring into the country, and Kim Jung-il also promised to support casinos for the development of the Rajin-Sonbong Free Trade Zone. The Hong-Kong company plans to give 10 percent of the casino's income to the DPRK. In addition, they are currently building another casino hotel, on a larger scale, to open a second casino next to the first one.

8. DPRK Satellite TV

Joongang Ilbo (Kang Joo-an, "NO REGULATION FOR NK'S SATELLITE TV PROGRAMS," Seoul, 07/23/99) and The Korea Herald (Kim Ji-ho, "SEOUL FACES DILEMMA OVER N. KOREAN PLAN TO AIR TV PROGRAMS OVERSEAS," Seoul, 07/24/99) reported that the DPRK's inauguration of overseas satellite broadcasting early this month has left ROK officials debating whether or not to open the ROK domestic audience to the DPRK media. Both the ROK and the DPRK have restricted access to each other's broadcasts by blocking radio waves, while only allowing the airing of censored programs regarded as "harmless." Up to now, no regulation has been made to prohibit the viewing of satellite broadcasts through parabola antenna, even though the government forbade the population from watch the DPRK's broadcasting. The broadcast, called KCTV, releases Koreanlanguage programs, which are produced in the DPRK, from 5pm to 11pm everyday. The program categories are news, documentaries, movies and praise of the DPRK's leader, Kim Jong-il.

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of other NAPSNet resources.

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

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