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## **I. United States**

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## **1. Perry's Visit to the DPRK**

The Associated Press ("US WANTS SUMMIT WITH N.KOREA LEADER," Seoul, 05/26/99) reported that DPRK leader Kim Jong-il received a letter from US President Clinton on Wednesday. According to the DPRK's official Korean Central News Agency (KCNA), the letter was delivered through Kim Yong-nam, head of the DPRK's legislative Supreme People's Assembly, whom US envoy William Perry met on Wednesday. KCNA did not indicate what the letter said or whether Kim Jong-il planned to meet Perry in person.

## **2. DPRK Famine**

The Associated Press ("N.KOREA STILL HAS MANY MALNOURISHED CHILDREN," Beijing, 05/26/99) reported that, according to Dilawar Ali Khan, representative of UNICEF in the DPRK, the DPRK still has large numbers of malnourished children despite international food aid. At a briefing in Beijing, Khan said that during a month-long trip through the DPRK, he saw high numbers of children who were stunted or underweight. He added that although rates of stillbirth, miscarriage, and low birth weight are high, there also were hopeful signs, noting that international aid has eliminated nearly all severe malnutrition. Khan also said that he saw wide disparities in the DPRK. For example, in Pyongyang, he saw members of the DPRK elite driving cars and buying imported food. However, in the northeast area, food was scarce and many people were trying to fill up on wild herbs, stalks, and noodles made of corncobs, tree leaves, and wheat.

## **3. DPRK Business in ROK**

The Washington Post (Kevin Sullivan, "RIVAL KOREAS TRY DINER DIPLOMACY," Seoul, 05/26/99, A20) reported that a franchise of a popular DPRK restaurant, Okryukwan, which opened two weeks ago, is doing well. Hundreds of people have waited in line for six hours or more for a taste of the restaurant's specialty, naengmyon--a cold noodle soup flavored with beef, chicken, vegetables, fruit and spices. Kim Young-baek, owner of Okryukwan, said, "There is no option other than cooperation in this desperate world. South Koreans need to do anything we can to avoid a war, and in order to do that we need to cooperate to make things better." Paek Sung-il, who fled the DPRK in 1948, said, "This is how we can get closer to unification; the sunshine policy is a good idea." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for May 26.]

## **4. Kim Dae-jung's Russian Visit**

Reuters ("YELTSIN TO MEET SOUTH KOREAN LEADER," Moscow, 05/26/99) reported that a Russian spokesman said that Russian President Boris Yeltsin will return to Moscow from the Black Sea resort of Sochi in time to meet ROK president Kim Dae-jung. The spokesman said, "The meeting will go ahead as planned," but declined to give details of when Yeltsin would return. The ROK government had contacted Russia earlier in the week following Itar-Tass news agency's report saying that the visit could be postponed because of Yeltsin's holiday. Yeltsin's departure for Sochi last Friday also prompted concern over his health after he missed a meeting with Spain's visiting prime minister last week. Aides say his health is "okay."

## **5. US-PRC Cooperation on DPRK Policy**

Reuters (Bill Tarrant, "NKOREA DIPLOMACY SEEN UNAFFECTED BY CHINA SPY FLAP," Seoul, 05/26/99) reported that an unnamed senior ROK official said that because the US and the PRC have

common interests on the Korean peninsula, diplomatic initiatives under way with the DPRK should be unaffected by the current problems in US-PRC relations. According to the official, the history of US-PRC ties has been marked by strains, but that has not prevented the two from cooperating on strategic concerns in the past. He also said, "We presume that China would do something that would be conducive in checking and controlling the missile build-up among countries in the region. We just don't know in what manner they are interacting with North Korea."

## **6. US-PRC Relations**

Reuters (Steve Holland, "CLINTON SAYS ENGAGING CHINA PAYING DIVIDENDS," Edinburg, 05/26/99) reported that US President Clinton on Tuesday defended his policy of engagement with the PRC leadership. Clinton said, "I strongly believe that our continuing engagement with China has produced benefits for our national security." Clinton said the policy's successes were reflected by the PRC's decision to sign the Comprehensive Test Ban Treaty (CTBT) and to end nuclear cooperation with Iran and Pakistan. He said that the PRC is also working with the US to help eliminate the DPRK's nuclear program and reduce its missile threat. Clinton also noted that the US has strict controls on the transfer of sensitive commercial and military technology to the PRC, "stricter than for any other countries except those like Libya on which we have a total embargo."

Reuters (Charles Aldinger, "U.S. DEFENSE SECRETARY COHEN DELAYS CHINA TRIP," Washington, 05/25/99) reported that US Defense Department spokesman Ken Bacon said that US Defense Secretary William Cohen has postponed his visit to the PRC, which was scheduled for next month. Bacon said that the main reason for the delay was that Cohen wanted to remain in the US to help coordinate US participation in NATO's bombing strikes on Yugoslavia. He added, "But also it probably is not the easiest time to visit China." Bacon said Cohen himself decided to call off the trip and pointed out that the PRC government had not objected to the tentatively scheduled visit.

## **7. Cox Committee Report on PRC Espionage**

The Wall Street Journal (Matt Forney, "REPORT ON CHINA'S SPYING LEAVES TIES WITH U.S. FURTHER STRAINED," Beijing, 05/26/99) reported that according to analysts, the US congressional report on alleged PRC espionage has caused the US-PRC relations to worsen. Jonathan Pollack, a specialist on China's military at Rand Corporation, a US think tank, said, "Neither leadership, in Washington or Beijing, has a strategy to counter the slide in relations, or the political will." PRC analysts said that fear of appearing soft on the US is driving the PRC government toward a hard line. At a roundtable discussion on the Kosovo crisis, held last week at the independent Unirule Institute, a liberal think-tank in Beijing, Mao Yushi, chairman of Unirule, stated, "The leaders are afraid people will say, 'When Mao Tse-tung was around, the U.S. wouldn't have bombed our embassy.'" He added, "A lot of intellectuals are very sorry about the decline in relations." Wang Chi, a professor at Georgetown University, stated, "Why aren't any senators brave enough to stand up and say we need to patch up relations with China? Neither side is able to make a sincere overture, such as sending an emissary."

The Los Angeles Times (Doyle McManus, "REPORT SHARPENS EDGINESS WITH CHINA," Washington, 05/26/99) reported that US foreign policy experts said that the Cox Committee report could accelerate a trend in both the US and the PRC toward viewing the other in adversarial terms. Arnold Kanter, a top US State Department official in the George Bush administration, said, "Relations between the two countries are authentically in crisis. Each country's policy toward the other is almost becoming an afterthought to domestic politics." US Representative Doug Bereuter (Republican-Nebraska), said, "We need to completely reevaluate our relationship with the People's

Republic of China." Bereuter said that although he still supports a deal to let the PRC join the World Trade Organization, "because it's in both our short-term and long-term interest," he now favors far more stringent limits on exports of US technology to the PRC. US analysts fear that the Cox report could bolster hard-liners' stance within the PRC leadership. Andrew J. Nathan of Columbia University said, "For us, China is a potential military problem, 15 or 20 years down the road. For them, the United States is a very pressing problem, right now." Robert A. Manning, director of Asian Studies at the Council on Foreign Relations, said, "We have to have some kind of working relationship with China. It doesn't have to be a strategic partnership. The strategic partnership never existed. It can be something more circumscribed." [Ed. note: The Cox Committee Report is available online at <http://www.house.gov/coxreport/> ]

## **8. Alleged PRC Espionage**

Philadelphia Inquirer (Steve Goldstein, "EXPERTS SAY CHINA'S GAINS ARE POLITICAL, NOT MILITARY," Washington, 05/26/99, Pg. 1) reported that some analysts suggested that the real aim of PRC espionage was to make the US and other nations believe that the PRC was ready to accelerate and broaden its nuclear operational capabilities. Monte Bullard, former US military attache and now director of the East Asia program at the Center for Nonproliferation Studies in Monterey, said, "Almost everything they are doing is for psychological and political impact rather than for military impact. The Chinese want to demonstrate they have the capacity to do these things, with limited money they will focus on keeping the US Navy out of the Taiwan straits." Stan Norris of the Natural Resources Defense Council, which monitors nuclear-weapons proliferation, said that the PRC government might have already accomplished this goal. Norris, recalling the 1995 "walk-in" to the CIA by a PRC double agent, said, "Maybe the message this agent was sending to us from the Chinese was: 'Hey, we know how to do this now, so don't mess with us.' That is certainly [nuclear] deterrence on the cheap." [Ed. Note: This article was one of the top stories in the US Department of Defense's Early Bird news service for May 26.]

## **9. PRC Response to US-Japan Defense Guidelines**

The Associated Press ("CHINA WARNS U.S., JAPAN NOT TO USE MILITARY ALLIANCE TO ASSIST TAIWAN," Beijing, 05/26/99) reported that PRC Foreign Ministry spokesman Zhu Bangzao on Tuesday demanded that strengthened US-Japan military ties not be used to interfere in any conflict between the PRC and Taiwan. Zhu said that the PRC will be closely watching Japan's statements and actions to evaluate whether it is keeping its promises not to become a military power. Zhu said that Japan must explicitly exclude Taiwan from the "areas around Japan" specified in the guidelines for US-Japan defense cooperation. He added that Japan should "fully deal with questions regarding Taiwan according to relevant principles and not do anything to interfere in China's internal affairs and harm China-Japan relations."

## **10. Indian Reaction to Cox Committee Report**

Reuters (Genny Wilkinson, "INDIA CONCERNED ABOUT COX REPORT," Washington, 05/25/99) reported that US Assistant Secretary of State for South Asian Affairs Karl Inderfurth told a Senate Foreign Relations subcommittee that India is concerned about the US congressional report on alleged PRC espionage. Inderfurth stated, "The (congressional) report will be looked at very closely in India to see what implications that report has for security concerns. We would not want to see a competition between India and China in terms of their nuclear programs." Inderfurth added that he hoped India and the PRC would address their concerns directly. US Senator Sam Brownback,

Republican-Kansas, who chairs the Foreign Relations panel said, "[If I were India,] I would be deeply concerned about this breach of technology by a large country that sits on my border with whom I've had difficulty in the past."

## **11. Indian Rocket Development**

The Associated Press (K.N. Arun, "INDIA LAUNCHES FOREIGN SATELLITES," Sriharikota, India, 05/26/99) reported that a rocket, Polar Satellite Launch Vehicle C-2, carrying Indian, German, and ROK satellites was launched from southeastern India on Wednesday in the first commercial launch by the government-run space agency. Indian Prime Minister Atal Bihari Vajpayee said, "the present launch shows India's mastery over all aspects of space technology." The rocket is India's most technologically advanced space project. Wednesday's launch was the first with a foreign commercial payload. India says its space program is only for peaceful purposes.

The Associated Press ("INDIA TESTS NAVAL VERSION OF SURFACE-TO-AIR MISSILE," New Delhi, 05/26/99) reported that Press Trust of India reported that India successfully tested a naval version of its surface-to-air missile, Trishul, from a military base near the southern Indian port city of Cochin on Wednesday. An unnamed India's Defense Ministry spokesman stated, "Today's flight marked a step toward user evaluation and induction of the Trishul in the navy by the year 2000."

## **II. Republic of Korea**

### **1. Alleged Technology Transfers to DPRK**

Chosun Ilbo (Park Doo-shik, "US NUCLEAR SECRETS PASSED ON TO NK," 05/26/99) reported that the report by the US House of Representatives special committee chaired by Representative Christopher Cox on PRC nuclear espionage said that the PRC passed on some of the information to the DPRK. The Cox Report also said that the satellite the DPRK launched on its rocket last August is similar to Chinese satellites.

### **2. Kim Dae-jung's Russian Visit**

JoongAng Ilbo, (Dosun Jang, "KIM DAE JUNG TO VISIT RUSSIA AND MONGOLIA," 05/27/99) and the Korea Herald ("KIM LEAVES FOR MOSCOW TODAY," 05/27/1999) reported that ROK government officials said that President Kim Dae-jung will pay a state visit to Russia and Mongolia from May 27 through June 1, dispelling rumors that the visit would be canceled due to the political turmoil in Russia and president Boris Yeltsin's health problems. Kim is scheduled to have an official summit meeting with Yeltsin on May 28 to seek ways to promote bilateral cooperation between the ROK and Russia, and to discuss the regional security of the Far East, including DPRK issues. Kim will also visit Mongolia on May 30.

The Hankook Ilbo (Lee Chang-sup, "KIM, YELTSIN TO HOLD SUMMIT TOMORROW," 05/26/99) reported that ROK Unification Minister Lim Dong-won said that ROK President Kim Dae-jung is expected to receive Russian President Boris Yeltsin's endorsement of his "sunshine policy" toward the DPRK when the two hold a summit meeting on Friday. Lim said that Russia will reaffirm its endorsement of the policy as it believes there are no alternatives. He added that Russia has played, and will continue to play, a critical role in ensuring peace on the Korean Peninsula. He pointed to Russia's normalization of ties with the ROK, its support of the simultaneous entry of the ROK and the DPRK into the UN, and its facilitation of high-level ROK-DPRK talks in 1991. Lim added that Yeltsin

is said to have discouraged the DPRK from developing nuclear weapons. Lim also said that Russia will formally sign a new treaty with the DPRK early next month that will replace the former ideological and military alliance with an "internationally- acceptable friendship code." An unnamed official of the ROK Foreign Affairs-Trade Ministry said that the two sides will not discuss the diplomatic row that resulted in the mutual expulsion of intelligence officials. Lee Jong-chan, who resigned Tuesday as head of the ROK National Intelligence Service, stated, "We restored good ties with [our] Russian counterparts."

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

#### **1. Northeast Asia Free Trade Zone**

China Daily ("JAPAN PROPOSES FREE TRADE ZONE FOR NORTHEAST ASIA," Tokyo, 5/22/99, A3) reported that Japan proposed on May 21 creating a new free trade area in Northeast Asia to rival strong economic blocs elsewhere. Northeast Asia, including Japan, Hong Kong, the ROK, and Taiwan, is "the world's only area lacking a tendency toward regional integration," the Ministry of International Trade and Industry of Japan said in its annual report. "We should not only pursue a limited economic grouping, such as a free trade zone or tariff pact, but also activate human exchanges and promote mutual understanding in the region," the report said. The report calls on Tokyo to take the initiative in forming the regional free trade zone and raising support for the global free trade system under the World Trade Organization (WTO).

#### **2. DPRK-PRC Relations**

China Daily ("RAMMING OF BOAT," 5/26/99, A1) reported that PRC Foreign Ministry spokesman Zhu Bangzao announced at a press briefing on May 25 that a delegation from the DPRK headed by President of the Supreme People's Assembly Kim Yong-nam will pay an official goodwill visit to the PRC from June 3-7. The visit will take place at the invitation of the Standing Committee of the National People's Congress and the State Council of China, he added. "We believe that the visit will further promote the advancement of the traditional friendly cooperation between the two countries," said Zhu, adding that top Chinese leaders will hold talks with Kim.

#### **3. Cox Committee Report**

People's Daily ("COX REPORT IS ABSURD," Beijing, 5/26/99, A4) reported that when commenting on the Cox report alleging that the PRC has conducted espionage in the US, PRC Foreign Ministry spokesman Zhu Bangzao said at a press briefing on May 25 that the allegation is "groundless" and "has ulterior motives." He pointed out that the Chinese people cherish sovereignty and security of their country. History has proved and will continue to prove that the Chinese people have the capability to defend their country depending on their own wisdom and strength, he said. "The purpose of the report is to spread the theory of the China threat, stir up anti-China sentiment and divert people's attention (from the US-led NATO's missile attacks on the Chinese Embassy in Yugoslavia)," said Zhu.

#### **4. PRC Response to Japan-US Defense Guidelines**

People's Daily ("FM SPOKESMAN COMMENTS ON JAPAN-US DEFENSE GUIDELINES," Beijing, 5/25/99, A4) reported that, when commenting on the approval of the new Japan-US Defense

Cooperation Guidelines on May 24 by Japan's House of Councilors, PRC Foreign Ministry spokesman Zhu Bangzao said that the PRC is gravely concerned about Japan's going against the historical trend and strengthening Japan-US military cooperation. Japan should honor its solemn commitments of not becoming a military power and of following the path of peaceful development through its real action, properly approach the Taiwan issue strictly in accordance with relevant principles, and not do anything to interfere in China's internal affairs or to undermine Sino-Japanese relations, Zhu said. Only when Japan does so, he added, will it help reduce the doubts and uneasiness felt by the PRC and other neighboring countries and safeguard regional peace and stability. The PRC Government repeatedly urged Japan to act prudently, and Japan has made some commitments and explained its stance to the PRC in this regard, Zhu said.

People's Daily ("JAPAN URGED TO MAINTAIN COMMITMENTS," Beijing, 5/26/99, A4) reported that a leading National People's Congress Foreign Affairs Committee official is urging Japan to adhere to its Peace Constitution and maintain a defense-only policy. The official, speaking in Beijing on May 25, made the remarks after the Japanese Senate passed the Japan-US defense cooperation guidelines. Japan should continue along the path of peaceful development and implement its own commitments, he said. The increased Japan-US military cooperation and expanded military role in the Asia-Pacific region is a serious step, one which worries the PRC and countries and regions in other parts of Asia, the official said.

## **5. PRC-Russian Relations**

China Daily ("BETTER SINO-RUSSIA TIES GOOD FOR WORLD PEACE," Zhang Buren, 5/22/99, A4) carried an article written by Mr. Zhang Buren, vice-president of the China Institute of Contemporary International Relations. The article said that enhancing the strategic cooperative partnership between the PRC and Russia will contribute not only to their common prosperity but also to peace, stability and development of the world. Based on this new model of the country-to-country relationship, the article said, the PRC and Russia have successfully resolved their border disputes, established military confidence measures along the border area, and set up an all-round, consolidated bilateral cooperation. In a sense, the author said, Sino-Russian relations outshine Sino-US relations as well as US-Russian relations, providing an example of neither-alliance-nor-rivalry state-to-state relations. After analyzing the progress having been reached by the PRC and Russia in their bilateral relations, the author said that more efforts still need to be made to further promote bilateral exchanges and economic cooperation. "The two countries should strengthen consultation and coordinate stands on pressing global issues," the author said. According to him, "they should coordinate the prevention of big powers expanding military alliances and provoking confrontation and deterrence."

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

China Daily ("ARATS: TIME NOT RIPE FOR ROUTINE NEGOTIATIONS," 5/26/99, A1) reported that an article to be published in the June issue of the magazine Cross-Straits Relations says that now is not the right moment for the Taiwan authorities to advocate negotiations on routine matters. The most pressing matter at present is to hold "wide-ranging talks," which include both political and economic elements. During such talks, the Beijing-based Association for Relations Across the Taiwan Straits (ARATS) and its Taiwan counterpart the Straits Exchange Foundation (SEF) can also exchange views on how to resolve the political problems existing in routine matters, the article says. The article said that, although the holding of political talks is more complicated, it is nevertheless imperative because it concerns the basic interests of compatriots on both sides of the Taiwan Straits. "The resumption of negotiations on routine matters appears to be straightforward matter, but it is

not practical," says the article. "If political talks cannot be held to remove obstacles, negotiations on routine matters can do nothing but add fuel to the flames."

## 7. South China Sea Row

China Daily ("RAMMING OF BOAT HURTS TIES," 5/26/99, A1) reported that the PRC Government expressed its "strong dissatisfaction" on May 25 over the Philippine navy's ramming of a Chinese fishing boat in the South China Sea. The fishing boat, identified as "Qionghai 03091," was chased and rammed on May 23 by a Philippine navy ship and sank in the waters near Huangyan Island. The eleven members of the boat's crew were thrown into the sea, eight were rescued by another Chinese fishing boat, and the other three were picked up by the Philippine ship and then taken to Manila, according to PRC Foreign Ministry spokesman Zhu Bangzao. "Huangyan Island is Chinese territory," Zhu said. "The collision of the Philippine navy vessel with our fishing boat seriously endangered the personal safety of the Chinese fishermen, caused serious economic losses, and, what is more, violated China's sovereignty." He urged the Philippines to punish those responsible for the incident, provide compensation for the losses suffered by the Chinese fishermen, and take measures to stop the recurrence of such incidents.

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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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