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I. United States

1. Perry's Visit to DPRK

The Associated Press ("US ENVOY STILL IN N. KOREA," Seoul, 05/27/99) reported that according to footage from the DPRK's Korean Central Broadcasting Station (KCBS), US Envoy William Perry rode the subway, visited a collective farm, and took a tour in Pyongyang. However, KCBS did not indicate whether Perry met Kim Jong-il or any other DPRK officials.

2. DPRK Foreign Trade

The Associated Press ("NORTH KOREAN TRADE FALLS SHARPLY," Seoul, 05/27/99) reported that, according to the ROK government-run Korea Trade Association, the DPRK's external trade totaled US\$1.66 billion in 1998, which is a third less than that of 1997. The Association said that the figures

reflected the DPRK's worsening economic difficulties amid shortages of food, energy, and foreign currency. The DPRK's major export items include textiles, machinery, and marine products.

3. US-PRC Military Exchange

The Washington Times (Rowan Scarborough, "EXPERTS SAY U.S. SHOULD REVIEW MILITARY EXCHANGES WITH CHINA," 05/27/99, Pg. 14) reported that experts suggested that the PRC's decision to break off military-to- military ties with the US should prompt the US Defense Department to re-evaluate the exchange program between the two countries. Richard Fisher, a specialist in PRC studies at the Heritage Foundation, said that the PRC's canceling of military ties should actually aid US security. Fisher said, "It helps the United States provide the Clinton administration an opportunity to reassess its military-to-military exchange program and fashion a program that advances American security interests which is politically sustainable in Washington." US Representative Duncan Hunter, California Republican, who has received classified briefings on PRC espionage, also said that the US Defense Department needs to cut back on military exchanges. He stated, "I've always objected to [military exchanges with China] because there are certain operational facts that are gleaned from those observations that can hurt us later in the battlefield. I think the Pentagon has better things to do with their money. It takes a lot of money to entertain these visitors." [Ed. Note: This article was included in the US Department of Defense's Early Bird news service for May 27.]

4. US-PRC Relations

The New York Times (David E. Sanger and Frank Bruni, "LEGISLATORS ASK PAUSE IN RELATIONS WITH CHINA," Washington, 05/27/99) reported that members of the US Congress from both parties on Wednesday called for a pause in relations with the PRC. In a letter to US President Clinton, four members of Congress asked to "set aside negotiations" with the PRC over its admission to the World Trade Organization (WTO). Gene Sperling, head of the National Economic Council, stated, "We respectfully disagree. A strong China-W.T.O. agreement is exclusively about opening China's market to our businesses and workers, and we think if there is a good agreement there will still be a bipartisan majority for it." [Ed. Note: This article was included in the US Department of Defense's Early Bird news service for May 27.]

San Jose Mercury News (Jennifer Lin, "CHINESE LEADERS SEEK TO MINIMIZE DAMAGE TO IMPROVING U.S. RELATIONSHIP," Beijing, 05/27/99) reported that moderate voices in the PRC government were hoping that ill feelings stirred by the Cox Committee report would not escalate into more acrimony and less cooperation. Sun Yuxi, a PRC Foreign Ministry spokesman, said, "The strategic partner relationship was an agreement of our two heads of state. And we want this kind of relation to continue. That's why we have to try to maximize the positive side and minimize the negative side of it and keep our relationship on a healthy track." Sun said that the Cox Committee report is groundless and the best way for the PRC government to handle it is to "reject this report, pay no attention to it." Sun added, "Mr. Cox's report is put forward at this time out of ulterior political motives. It will do even further damage to U.S.-Sino relations." An unnamed diplomat in Beijing stated, "They [Chinese] perceive this as an attempt to distract attention from what they see as the real issue which needs attention: the bombing of their embassy and the need for them to get a full explanation of what happened there." He added that although the problem is between the US and the PRC, it has hurt other Western nations as well.

The New York Times (Elisabeth Rosenthal And Erik Eckholm, "ON UNOFFICIAL LEVEL, AT LEAST, CHINESE VALUE TIES TO THE U.S.," Beijing, 05/27/99) reported that despite the current problems

in US-PRC relations, personal and business relationships are still on-going. Many political experts say that these diverse links tend to work as "social glue," which work against any severe estrangement. Ezra Vogel, head of Harvard University's Asia Center and a former national security official said, "The glue is very deep. Given the depth of contacts, openness and interdependence we have now, it's hard for me to imagine that it could become unstuck." Xu Xiaonian, chief of research at China International Capital Corporation, said, "I don't think the political tensions will affect all the other ties. The relationship between these two countries has never been easy, and I don't expect it to be smooth in the future. But I believe that it will move in a direction that will benefit both countries."

5. PRC Spacecraft Development

Reuters ("CHINA MAY PUT MAN INTO SPACE THIS YEAR," Beijing, 05/27/99) reported that the PRC state-run Weekly Digest reported on Wednesday that the PRC is planning its first manned space launch to coincide with the 50th anniversary of the founding of the PRC in October. The Weekly Digest said, "China may make its first space flight before the 50th anniversary of the founding of the nation on October 1. This feat would make China the world's third great space nation behind the United States and Russia." The PRC had announced its intent to put a man into space and launch a lunar probe in March 1998, but at that point the time frame called for was by the beginning of next century. Analysts said then that the goal of a PRC astronaut was far off because the PRC still lacked money and technology to become a space-faring nation.

6. US Missile Defense

Reuters (Christopher Wilson, "U.S. SENATE PANEL ENDS HEARINGS ON MISSILE DEFENSES," Washington, 05/26/99) reported that a US Senate panel on Wednesday concluded hearings on missile defense. Despite Russia's objections, many military experts, diplomats, and national security figures suggested that the Anti-Ballistic Missile (ABM) Treaty is a Cold War relic. James Woolsey, former director of the Central Intelligence Agency, said, "We cannot perpetually let our security vis-a-vis the likes of North Korea, Iran and Iraq pose a risk because of considerations with the Russians. The world in which the ABM Treaty was a reasonable deterrent is gone with the wind." While former US Secretary of State Henry Kissinger urged the US to engage in a broad dialogue with Russia over the issue, he expressed a similar view, "We cannot make ourselves vulnerable to third country attacks just to please Russia."

7. Russian Reaction to US Missile Defense

Reuters ("RUSSIA RAPS U.S. CONGRESS OVER MISSILE DEFENSE," Moscow, 05/27/99) and the Associated Press ("RUSSIA CRITICIZES U.S. FOR WORK ON MISSILE DEFENSE SYSTEM," Moscow, 05/27/99) reported that the Russian Foreign Ministry released a written statement on Thursday which accused the US Congress of undermining the 1972 Anti-Ballistic Missile (ABM) Treaty by passing legislation committing the US to deploy a missile defense system. The statement said, "This step is a challenge to strategic stability and international security. At the same time as a number of states are making efforts to restrict the spread of missiles and rocket technology, the U.S. actions on ABM are stimulating the appearance and spread of better rockets and aggravating a new arms race." The statement added that such actions could lead to the collapse of the structure and would pose a threat to the whole disarmament process.

8. US Sanctions on Food

Reuters ("SENATE PANEL VOTES TO DROP FOOD FROM US EMBARGOES," Washington, 05/26/99) reported that, according to a bill approved on Wednesday by the US Senate Agriculture Committee, farm exports would be exempt from unilateral US trade embargoes except in cases of national security. US Senator Kent Conrad, North Dakota Democrat, said, "Quite frankly, food should not be used as a weapon. It's wrong, it's ineffective and it's counter-productive." The amendment would limit the US president's power to include agriculture in an embargo only to situations where the president declared it was in the national interest and Congress did not override the decision by passing a resolution of disagreement.

9. US-Philippine Military Cooperation

The Associated Press (Jim Gomez, "PHILIPPINE SENATE OKS US EXERCISES," Manila, 05/27/99) reported that after weeks of emotional debate, the Philippine Senate approved an accord on Thursday that will allow US troops to resume large-scale military exercises in the Philippines. The Visiting Forces Agreement garnered the support of 18 of the 23 Philippine Senators. The accord signed by Philippine and US officials last year will permit the US to resume major ship visits and large-scale joint exercises which were suspended in 1996. Philippine Defense Secretary Orlando Mercado said he expects the first exercises to be held in about six months. According to recent surveys, a majority of Filipinos support the agreement, but the Catholic Church and left-wing groups have strongly opposed it. Critics say the agreement would limit the Philippine government's right to prosecute US soldiers who commit crimes and would drag it into US conflicts. They also said that the presence of US troops would encourage prostitution. Many of those backing the agreement argued the need to bolster the country's security because of disputes with the PRC over territories in the South China Sea.

II. Republic of Korea

1. Perry's Visit to DPRK

JoongAng Ilbo ("PERRY MEETS WITH DPRK MILITARY LEADERS," Seoul, 05/27/99) reported that William Perry, former US secretary of defense and current DPRK policy coordinator, met with DPRK leaders on May 27 and discussed the DPRK missile issue. Prior to that, he met with DPRK diplomats and heard their opinions. Perry is expected to have expressed the US intention to compensate the DPRK through economic support if it abandons its missile development project. DPRK leader Kim Jong-il might see Perry either on May 27 or 28 in Pyongyang. The DPRK's second highest official and speaker of the Supreme People's Assembly, Kim Young-nam, held a reception for Perry on May 26 at which a multitude of DPRK party officials, political leaders, and military generals were in attendance. Perry will be leaving Pyongyang on May 28 and have a closed meeting with ROK Reunification Minister Lim Dong-won in Seoul.

Korea Times ("NK ROLLS OUT RED CARPET FOR PERRY," Seoul, 05/27/99) reported that the DPRK offered an unprecedented welcome for a visiting US delegation led by President Bill Clinton's special envoy William Perry. The DPRK media, targeting both domestic and foreign audiences, reported on Perry's visit at length, covering his meetings with DPRK leaders, his tour of the capital city and his attendance at an artistic performance at night. The official Korean Central News Agency (KCNA) provided detailed coverage of Perry's main activities in Pyongyang and clips of Perry's meetings were also telecast to the international community via DPRK television. KCNA stressed that Perry is visiting the DPRK as President Clinton's special envoy to deliver a letter from the US head of state to DPRK leader Kim Jong-il, chairman of the National Defense Commission.

2. ROK President's Visit to Russia

Korea Herald ("KIM CALLS FOR EXPANDING BARTER TRADE BETWEEN SOUTH KOREA AND RUSSIA," Moscow, 05/27/99) reported that ROK President Kim Dae-jung on Thursday called on ROK and Russian businessmen to expand barter trade as a means to help the two countries boost bilateral trade while reducing dependence on foreign currencies. Kim also suggested that the ROK and Russia take the leading role in pushing for a regional economic cooperation forum in Northeast Asia. "As we all know, bilateral trade is declining due to a shortage of foreign currency," Kim said in a speech at a joint meeting of ROK and Russian executives at the Balchuk Kempinski Hotel. Kim, the first ROK head of state to visit Russia in five years, arrived in the city earlier Thursday for a four-day visit, which is largely aimed at boosting economic cooperation and securing Russia's support for the ROK's DPRK policy.

3. ROK Internet Spy

Chosun Ilbo ("POLICE ARREST NK INTERNET SPY," Seoul, 05/27/99) reported that police arrested a 27-year old man by the name of Lee on charges of spying and exchanging communications over the internet with DPRK organizations on 160 separate occasions. The case is being noted as the beginning of a new era in spying by the DPRK since all communication was done over the Internet. Lee created a closed access space on the Internet complete with a billboard for exchanging information. Communications from the DPRK included directives ordering activities such as the April 28th Bomhakchongryon rally at Seoul National University held by Hanchongryon and a May 15th "99 Mass Rally" held at Yongsan Station, Seoul. Lee is also being charged with furnishing the DPRK with information about military sites and plans from the ROK.

4. Mt. Kumgang Tour

Chosun Ilbo ("PUNGAK NK VOYAGES TO RESUME IN JUNE," Seoul, 05/27/99) reported that Hyundai Business Group announced Thursday that Mt. Kumgang tours on the Hyundai Pungak cruise ship will resume on or soon after June 10. According to Hyundai, its DPRK counterparts sent notification Wednesday that all procedures have been completed to clear the entry of the Pungak. The maiden voyage of the Pungak took place May 14, with the third and latest addition of Hyundai's fleet of vessels for the cruise tour leaving the ROK for a DPRK port. The next day, however, DPRK officials unexpectedly demanded the suspension of the Pungak's voyage without giving any clear reason for doing so.

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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