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I. United States

1. DPRK Artillery Deployment

Dow Jones Newswires ("JAPAN LAWMAKER REPORTS N. KOREA DEPLOYED ARTILLERY," Naha, 07/29/99) reported that, according to Kyodo news agency, Japanese House of Councilors member and leader of the Okinawa Masses Socialist Party Soko Shimabukuro visited the DPRK from July 20 to 24 with Osamu Yatabe, leader of the Japanese New Socialist Party. Shimabukuro said that he saw a number of artillery pieces pointing to the south along a highway between Pyongyang and Panmunjom. Shimabukuro also said that the guns were grouped in clusters of three to five pieces every few kilometers on the side of the highway near the peak of a mountain. He quoted an official from the DRPK-Japan Friendship Association who welcomed members of his two-party delegation as saying that the cannons were recently installed to "cope with global tensions." He said that he regarded the installation of the cannons as a message that the DPRK feels pressured from the international community. One member of the Japanese delegation said that the cannons appeared to be one-fifth the size of the 155-millimeter howitzers used by US military forces stationed in Okinawa during live-fire artillery drills. Regarding the famine, Shimabukuro said that a member of the committee on measures against natural disasters in the ruling DPRK Workers Party told him that only 3.02 million out of 4.83 million tons of the DPRK's annual grain requirement were harvested last year. Shimabukuro said that the committee member also stated that last year's grain harvest was consumed by April this year.

2. US-ROK Cooperation on DPRK Policy

The Associated Press ("U.S., S. KOREA WARN N. KOREA AGAINST NEW MISSILE TEST," Seoul, 07/29/99) reported that the US and the ROK warned the DPRK on Thursday that they will mobilize "all available means" if it goes ahead with another ballistic missile launch. The warning was issued after US Secretary of Defense William Cohen and ROK Defense Minister Cho Sung-tae reviewed the latest security situation in Northeast Asia. Cho said, "In case North Korea proceeds with another missile launch, Secretary Cohen and I have agreed to mobilize all available means through consultations among the U.S., Japan and South Korea." ROK President Kim Dae-jung told Cohen that he backed the US threat of economic sanctions against the DPRK if it launches the missile. However, Kim added that the DPRK should be offered incentives to drop the test.

3. ROK Missile Development

Reuters (John Whitesides, "U.S. TO WORK WITH SEOUL ON LONGER MISSILE RANGE," Seoul, 07/29/99) and Pacific Stars And Stripes (Jim Lea, "U.S. TO DISCUSS S. KOREA'S WISH FOR NEW MISSILE," Osan Air Base, 07/30/99, 1) reported that, according to US Defense Secretary William Cohen, the US will work with the ROK to develop longer-range missiles. Cohen said, "We support South Korea's interest in becoming a member of the MTCR and working with them now in order to accommodate their needs as far as their missile capabilities." Cho said that he hoped an agreement on whether to allow the ROK to develop longer-range missiles could be reached soon. Cho added, "I expect it will not take a long time for a conclusion to be reached." [Ed. note: This article was one of

the top stories in the US Department of Defense's Early Bird news service for July 29.]

4. Bombing of PRC Embassy in Belgrade

The Associated Press ("US, CHINA RESUME COMPENSATION TALKS," Beijing, 07/29/99) reported that, according to a US Embassy Spokesman, PRC and US negotiators extended for another day their talks on US compensation for NATO's bombing of the PRC Embassy in Yugoslavia. The talks, which began Wednesday, had been expected to end Thursday; however, during Thursday's session the two sides agreed to continue until Friday.

5. US Military Visits to Hong Kong

The Associated Press ("U.S. TO LAND FIRST PLANE IN HONG KONG SINCE NATO EMBASSY BOMBING," Hong Kong, 07/29/99) reported that, according to Barbara Zigli, spokeswoman for the US Consulate in Hong Kong, the PRC said that a US Air Force cargo plane could land in Hong Kong on Thursday. Zigli said that this was the first such visit since the NATO bombing of the PRC Embassy in Belgrade. Zigli stated, "We can't speculate on ties. It's a routine kind of transit stop of the type we had been making previously."

6. PRC Policy toward Taiwan

The New York Times (Seth Faison, "DESPITE MANEUVERS, CHINA SEEMS CAUTIOUS ON TAIWAN," Beijing, 07/29/99) reported that, according to analysts, the danger of military conflict between the PRC and Taiwan is receding. A senior PRC official said, "China has to express its position strongly. But there doesn't seem to be any need for military action this time," because Taiwan President Lee Teng-hui is scheduled to be replaced in elections in March. The official said, "Seven months is not such a long time. We can wait." According to a western diplomat in Beijing, the second reason is that the PRC recognizes that in the 1996 Taiwan crisis, the PRC's decision to launch missiles near Taiwan only created sympathy for Lee. The diplomat said, "They learned a lesson in '96. This time, if they sit back and do nothing, it's Lee who's getting all the flak." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 29.]

7. Taiwan-US Relations

Reuters (Alice Hung, "TAIWAN URGES U.S. TO BE NEUTRAL IN CHINA DISPUTE," Taipei, 07/29/99) reported that Taiwan on Thursday urged the US not to take sides in its dispute with the PRC. Taiwan Foreign Minister Jason Hu said, "It's not beneficial if (the United States) shows clearly (it is) taking sides. This will entice power politics. Parity is the name of the game."

8. Taiwan Missile Development

The Associated Press ("TAIWAN DENIES IT IS DEVELOPING MISSILES, ATOMIC BOMB," Hong Kong, 07/29/99) reported that Taiwan has denied a newspaper report on Thursday that said it is developing an atomic bomb and medium-range missiles. The Chinese-language Sing Tao Daily in Hong Kong quoted unidentified Beijing sources as saying that Taiwan has resumed development of a ground attack missile, Tien Ma, with a target range of about 600 kilometers, that could reach Hong Kong and Shanghai. The sources also said that Taiwan is developing nuclear weapons technology, and has completed a computer simulation test of an atomic bomb explosion. The report added that

Taiwan has enough nuclear material to produce more than ten atomic bombs. According to the report, these military projects were previously dropped because of US pressure. However, a spokesman for Taiwan's Defense Ministry dismissed the report and reiterated its "internationally-known" stance that Taiwan does not have and is not developing nuclear weapons. He added Taiwan's military posture is "wholly defensive."

9. Alleged Taiwan-US Military Cooperation

Los Angeles Times (Jim Mann, "U.S. HAS SECRETLY EXPANDED MILITARY TIES WITH TAIWAN," Washington, 07/24/99, 1) reported that, according to US and Taiwanese sources, the US Clinton administration has forged an extensive military relationship with Taiwan over the past three years. Sources said that the secret expansion of military ties began after the 1996 Taiwan Strait crisis. A US Defense Department review later concluded that the US needed to broaden its contacts with Taiwan's armed forces. The sources said that after the 1996 crisis, the US opened the way for a much more extensive relationship with Taiwan. One Taiwanese source said, "The discussions have turned from procurement to the policy level. It's things like: 'What are your aims? What do you think? What do you see happening in the next five years?' We never had that sort of conversation with the Pentagon before.... We share with the United States the action plan [for what Taiwan would do] if we were attacked." However, a senior US Clinton administration said, "I wouldn't call them dramatic." Other US administration officials said that one reason for the new military relationship with Taiwan is to reduce the sense of isolation in Taiwan, giving its military leaders a greater confidence in their ties with the US. Another is for the US Defense Department to gain better information about the thinking and plans of Taiwan's armed forces. A third reason is to respond to the US Republican-led Congress. One official said, "These ties represent something the United States can do for Taiwan ... without providing hardware to Taiwan that would offend China." Alexander C. Huang, a Taiwan scholar and a visiting fellow at the Brookings Institution, suggested that Taiwan's developing strategic ties with the US Defense Department were of greater value to Taiwan's military than a missile-defense system. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 24.]

10. US-Japan Security Alliance

US Secretary of Defense William Cohen ("COHEN JULY 28 REMARKS ON U.S.-JAPAN SECURITY RELATIONSHIP," Washington, USIA Text, 07/28/99) said that the security relationship between the US and Japan is as strong as it has ever been. Cohen said, "The reason for the strong relationship between the U.S. and Japan is easy to summarize: we share commitments to the same values, to security and to stability." According to Cohen, the US and Japan expect to sign soon a Memorandum of Understanding that will establish a framework for collaboration on Theater Missile Defense (TMD) research. Cohen stressed that "TMD is a purely defensive system, both for the U.S. and Japan. Our work on this project should not be a threat to anyone." Cohen also said that the situation on the Korean Peninsula is one area of concern in the Asia-Pacific region. He stated, "The U.S., Japan and South Korea all want cooperation -- not confrontation -- with North Korea. We share the view that another missile test by North Korea would create an element of instability and uncertainty in the region. We are prepared to work with North Korea to open economic and political opportunities, and North Korea should seize this chance to build a new and positive relationship. A refusal to show restraint, however, would have serious negative implications on our relationship, stalling or stopping potential cooperation that could benefit North Korea and all of Asia."

11. US Missile Defense

The Los Angeles Times (Paul Richter, "MISSILE PROGRAM CRITICIZED DESPITE 1ST SUCCESSFUL TEST," Washington, 07/29/99) and the Associated Press ("REPORT SAYS MISSLE DEFENSE FLAWED," Washington, 07/29/99) reported that, according to a US congressional report, manufacturing flaws still plague the Theater High- Altitude Area Defense system (THAAD). The report said that problems remain even though the US State Department has addressed the underlying troubles with the THAAD. The report said, "reliability ... remains a concern because most components were produced when the contractors' quality assurance system was inadequate." The report also said that "flight-test failures have been caused primarily by manufacturing defects rather than problems with advanced technology." John Pike, a defense analyst at the Federation of American Scientists, said that quality standards are especially important in an anti-missile program, since one missed missile could cause huge numbers of casualties. Pike said, "Missile defense has uniquely high performance requirements," and added that the THAAD program has much to prove. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for July 29.]

II. Republic of Korea

1. ROK Missile Purchases

Joongang Ilbo (Kang Joo-an, "NK BASES TO BE TARGETED BY 'POPEYE' MISSILE," Seoul, 07/28/99) reported that the ROK air force has reportedly decided to buy about one hundred AGM-142 missiles, nicknamed the 'Popeye Missile', which can accurately target the DPRK's missile bases, to prepare for the eventuality of the DPRK test- launching a missile. The ROK Ministry of Defense has already received approval from Chong Wa Dae to purchase the air-to-ground missile and plans to acquire some units within this year. The missile, costing US$670,000, is fired from an F-16 fighter and is able to reach targets 111 kilometers away. A source in the Defense Ministry said "the purchase of an accurate missile is unavoidable with the likelihood of NK's missile launch. With one hundred Popeye Missiles, we can destroy almost all NK's missile bases along with long-range gun camps near the cease-fire line." The source added that, "the comment made by the Defense Minister right after the firefight in the West Sea indicating that we will carry out 'pin-point' attacks if NK makes further provocations refers to the Popeye Missile."

2. ROK-US Missile Talks

The Korea Herald (Jun Kwan-woo, "SEOUL'S LONG-RANGE MISSILES ON AGENDA," Seoul, 07/29/99) and The Korea Times (Son Key-young, "US STILL RELUCTANT TO ALLOW ROK TO UP MISSILE RANGE," Seoul, 07/28/99) reported that an ROK Foreign Affairs-Trade Ministry official said on Tuesday that the US, citing some "transparency problems," is still reluctant to allow the ROK to develop missiles with a range of 300 kilometers. In fact, the US has demanded that the ROK guarantee the US access to each phase of missile development, he said, briefing on the result of the just-ended ROK-US missile talks. The US has not changed its original position, but the ROK and the US shared the view that an expert-level meeting should be held in a couple of months to address the ROK's desire to lengthen its missile range, he said.

3. US Defense Secretary's ROK Visit

Chosun Ilbo (Kwon Dae-yol, "COHEN ARRIVES IN SEOUL," Seoul, 07/28/99), The Korea Herald (Lee Sung-yul, "COHEN ARRIVES FOR TALKS ON N.K. MISSILES," Seoul, 07/29/99) and The Korea

Times ("US DEFENSE CHIEF ARRIVES HERE TO DISCUSS NK MISSILE LAUNCH," Seoul, 07/28/99) reported that William Cohen, the US Defense Secretary, arrived at Seoul Airport in Songnam on Wednesday night, to begin an official three day visit to the ROK. Secretary Cohen will meet ROK Defense Minister Cho Sung-tae on Thursday to discuss joint countermeasures against a possible second missile test by the DPRK, and the extension of missile ranges above 300km. They will hold a news conference after talks. In related news, it was revealed that the two countries would hold technical meetings over the next few months on extending the range of the ROK's missile arsenal. Song Min-soon, head of the ROK Ministry of Foreign Affairs and Trade's North American Section, and assistant vice-secretary of the US Department of State Robert Einhorn agreed to promote non-proliferation of weapons of mass destruction protocols, and also discussed countermeasures to the missile test.

4. Mt. Kumgang Tour

The Korea Herald (Kim Ji-ho, "MT. KUMGANG TOUR UNLIKELY TO BE RESUMED THIS MONTH, OFFICIALS SAY," Seoul, 07/29/99) reported that officials said on Wednesday that, despite the month-long negotiations between the Hyundai Group and the DPRK, chances are extremely slim that the Mt. Kumgang tour will be resumed this month. Kim Ko-choong, vice president of Hyundai Asan Co. who represented the ROK conglomerate at the talks in Beijing, and other officials returned to Seoul on Tuesday, group officials said. "Our negotiation team has returned with little results, but the talks' success also depends on other factors," said a Hyundai manager, speaking on condition of anonymity. Although he refused to elaborate further, the official hinted that ROK government officials had considerably influenced the progress of the negotiations. Hyundai will not send US$8 million in tour fees this month to the DPRK. ROK Unification Ministry officials also saw little prospect for the tour's resumption by the end of the month. The two stickiest points at the stalemated talks are the ROK's demand to ban unilateral detention and interrogation of ROK tourists by the DPRK and the autonomous involvement of Hyundai and ROK government officials if a dispute should arise.

5. DPRK Missile Sales

Joongang Ilbo (Bong Hwa-shik, "CONTROVERSY ON NORTH KOREAN SHIP'S DESTINATION," Seoul, 07/28/99) reported that a controversy has been sparked over whether the intended final destination for the DPRK cargo ship detained by India, the "Kuwolsan," was Pakistan or Libya. The Libyan government has suggested that its ultimate destination was Libyan territory. A source from the ROK's diplomatic circle said on Wednesday, "Generally North Korean ships drop by Malta on their way to Libya, therefore the claim that the Kuwolsan was from the first supposed to visit Malta and Libya and not Pakistan is convincing." Park Myong-ku, DPRK ambassador to India stated, "Kuwolsan was heading to Malta but the Indian government unreasonably restricted the passage of our vessel asserting that it was proceeding to Pakistan." A source from the ROK government said, "The Indian government will be in trouble if the ship's final destination turns out indeed to have been Libya, and not its rival country Pakistan, and so the situation will take time to verify."

6. DPRK Independence Day

Chosun Ilbo (Kim In-ku, "NK ANNOUNCES INDEPENDENCE FESTIVAL," Seoul, 07/28/99) reported that the DPRK announced a special resolution statement on Tuesday by the Co-preparation Committee for the '99 Reunification Grand Festival and the 10th Pan-Korean Convention, an event planned for Korean Independence Day on August 15. It called for the unconditional return of

prisoners held in the ROK to their hometowns in the DPRK, saying that it would be a chance to thaw frozen relations between the two Koreas. Another statement broadcast on Pyongyang News asked for a US-DPRK peace protocol, the withdrawal of US military forces in the ROK, and the suspension of ROK-US- Japan military cooperation and training.

7. DPRK Korean War Commemoration

The Korea Times ("N. KOREA COMMEMORATES ANNIVERSARY OF 'VICTORY' IN KOREAN WAR," Seoul, 07/28/99) reported that the DPRK's official media reported on Wednesday that DPRK leader Kim Jong-il paid a rare public visit to an elite naval base to mark its "victory" in the 1950-53 Korean War. The visit on Tuesday, apparently aimed at bolstering the image and strength of the navy following a clash with the ROK in the Yellow Sea last month, coincided with the 46th anniversary of the end of the conflict. Kim told officers that the DPRK's founding father and late president Kim Il-sung had built the navy up from nothing into an invincible fighting force. "Korea, which hardly had a small vessel to defend the sea, has an unrivaled navy today thanks to the wise leadership and meticulous care of the president," the Korean Central News Agency said. That navy was now ready to strike back against any intrusions into the DPRK's waters, it said. "The sailors, who had trained themselves to be invincible sea combatants with intense loyalty to the party and the leader and with deep hatred for the enemies, demonstrated their firm determination to bury all the enemies at sea if they intrude into (our waters) even 0.001 millimeter," it said.

8. DPRK Defector

The Korea Herald ("N. KOREAN DEFECTOR ARRIVES IN SEOUL," Seoul, 07/29/99) reported that the ROK National Intelligence Service (NIS) said that it is questioning a DPRK woman who defected to the ROK via a third country on her motives for defecting. The twenty-one year old from Eundok, North Hamkyong Province, identified herself using an alias, Choi Son-young, the NIS said. Choi is the 58th defector to enter the ROK this year. She said that she was a coal miner before sneaking out of the DPRK in July 1997 into a third country and that she is the younger sister of Choi Son-hee, 24, who defected in January.

9. ROK Report

The Korea Herald (Shin Yong-bae, "REPORT URGES MORE INTER-KOREAN ECONOMIC COOPERATION, AID TO DEVELOPING COUNTRIES," Seoul, 07/29/99) reported that an advisory panel to the prime minister said on Wednesday that the ROK government should expand inter-Korean economic cooperation and provide more financial assistance to developing countries. According to the non-governmental committee on policy evaluation, the government also needs to work out measures aimed at developing the economy steadily and revamping the current taxation system. The panel released the report after evaluating 64 major policies implemented during the first half of the year by 37 ministries and agencies in the central government. The committee urged the Ministry of Unification to expand the participation of small- and medium-sized companies in inter-Korean economic cooperation and increase its support for cooperation between the two Koreas in agricultural and fishing industries. "Despite massive inter-Korean business deals like the Mt. Kumgang tour project, small-scale inter-Korean economic cooperation business has been a slump relatively," the report said. It also said the ministry was insufficient in financially and diplomatically supporting DPRK defectors, saying the ministry needs to "work out measures that can prevent them from being expelled to the North and guarantee their safety."

III. People's Republic of China

1. DPRK-US Relations

People's Daily ("DPRK WANTS TO IMPROVE RELATIONSHIP WITH US," Pyongyang, 7/29/99, A6) reported that the DPRK Foreign Ministry spokesman said on July 26 that the DPRK does not want to regard the US as a long- standing enemy. If the US recognizes the DPRK's sovereignty and its freedom of making choices, and treats the DPRK sincerely, the DPRK will develop relations with the US on the basis of equality and mutual benefit, he said. The spokesman made the remarks when commenting on the US proposal that the US will improve its relations with the DPRK if the latter gives up its nuclear weapons and missile programs. The DPRK spokesman pointed out that the DPRK does not pose a threat to the US considering both its territory and its population. On the contrary, as the US takes a policy of isolating the DPRK, the DPRK is often threatened by the US, and hence it has to establish its own national defense capability. One of the means is to develop missiles, the spokesman said. He asked the US give up it hostile policy toward the DPRK, comprehensively cancel its economic sanctions on the DPRK, stop activities against the DPRK and military threats to the DPRK army, withdraw US troops in the ROK, and sign a peace agreement with the DPRK. The spokesman stressed that the DPRK will treat the US sincerely, if the US does the same, but if the US insists on damaging the DPRK-US Agreed Framework, the DPRK also has its countermeasures, the spokesman said.

2. PRC-US Relations

People's Daily ("CHINA OPPOSES US AMENDMENT," Beijing, 7/24/99, A4) reported that PRC Foreign Ministry spokesman Zhu Bangzao said in Beijing on July 23 that the Chinese Government and people are firmly opposed to an amendment concerning Taiwan to a bill, the "State Department Authorization Act (Fiscal Year 2000 and 2001)," passed by the US House of Representatives. Asked to comment on the amendment, Zhu said that it seriously infringes upon the PRC's sovereignty and grossly interferes in China's internal affairs. The PRC Government hopes to reunify China through peaceful means, but it will not promise to abandon the use of force, because forces exist both in Taiwan and in the international arena attempting to split Taiwan from China, Zhu noted. "We demand that the US Government strictly abide by the three Sino-US joint communiques and related commitments, and prevent the amendment seeking a public renunciation by China of any use of force against Taiwan from becoming law," the spokesman said.

China Daily ("TAIWAN: SINO-US CORE ISSUE," Singapore, 7/26/99, A1) reported that PRC Foreign Minister Tang Jiaxuan met with US Secretary of State Madeleine Albright on July 25, when he attended the Sixth ASEAN Regional Forum and the Post-Ministerial Conference and the China-ASEAN Dialogue. During the meeting, Tang pointed out that the Sino-US relationship has been seriously damaged by the US bombing of the PRC Embassy in Belgrade. He said that the PRC finds it hard to accept the explanation and so-called "conclusion" made by the US side. He urged the US side to give full recognition to the serious nature of the bombing incident, give serious attention to the PRC side's solemn demands, and take practical action to remedy the serious damage to the PRC-US relationship. Albright repeated that the bombing of the PRC Embassy was a tragic accident and said that US President Bill Clinton, herself, and other administration officials have repeatedly apologized to the Chinese side for the bombing. She said that the US was willing to take practical action to seek a proper settlement of the issue to get US-PRC relations back on track. Albright also reaffirmed the US Government's commitment to "one China" policy and said Washington will not change this policy.

3. PRC Normal Trade Relations

China Daily ("US HOUSE VOTES FOR NTR EXTENSION," Washington, 7/29/99, A1) reported that the US House of Representatives voted on July 28 by an overwhelming majority to support the extension of Normal Trade Relations (NTR) with the PRC. The House, in a 260-170 vote, defeated a measure calling for the overturn of US President Bill Clinton's decision to continue the PRC's NTR status. The vote will continue to allow the entry of Chinese goods into the US market for another year at the same low tariff rates offered to most other nations.

People's Daily ("US URGED TO PERMANENTLY RESOLVE CHINA'S NTR STATUS," Beijing, 7/29/99, A4) reported that PRC Foreign Ministry spokesman Zhu Bangzao said in Beijing on July 28 that the US should settle the PRC's permanent NTR status at an early date to provide favorable conditions for the continuous development of Sino- US economic and trade relations. The spokesman said that the PRC welcomed the vote by the US House of Representatives to renew Normal Trade Relations (NTR) status with the PRC for anther year, calling it a "wise" decision. The result once again indicates that some US Congress members' attempt to undermine Sino-US relations and economic and trade cooperation by making use of the NTR issue is not popular, Zhu said. The development of these relations on the basis of equality, mutual benefit, and stability is in the fundamental interests of both countries, Zhu said.

4. PRC Policy on Taiwan Issue

China Daily ("TANG URGES CONFIDENCE BUILDING IN ARF," Singapore, 7/27/99, A1) reported that PRC Foreign Minister Tang Jiaxuan told the Sixth ASEAN Regional Forum (ARF) on July 26 that the PRC Government and people will not tolerate any action aimed at "Taiwan independence" or any attempt to separate Taiwan from the motherland. "If any action is taken aimed at Taiwan independence or any attempt is made by foreign forces to separate Taiwan from motherland, the PRC Government and people will not sit back and do nothing," he stressed. "Sticking to the 'one China' principle is the basis for stabilizing and developing cross-Straits relations. It is where the fate of the Chinese nation lies and has a bearing on peace in the Asia-Pacific region," he said.

China Daily ("CHI REITERATES 'ONE CHINA' POLICY," 7/27/99, A2) reported that PRC Defense Minister Chi Haotian reiterated the PRC's firm stance on the Taiwan issue in a meeting in Beijing on July 26 with visiting Brazilian Army commander Gleuber Vilira. "It's known that there is only one China in the world and that Taiwan is an inseparable part of China's sovereignty and territorial integrity," said Chi. "The promotion of the peaceful reunification of China is the common desire of the Chinese nation and is also an inevitable historical outcome," Chi said. He added, "the China's People's Liberation Army, with the task of maintaining China's sovereignty and territorial integrity, is ready at any moment to smash any attempts to separate China."

5. PRC-Japan Relations

China Daily ("JAPANESE AID TO IMPROVE SERVICES," Zhang Yan, 7/24/99, A2) reported that the PRC signed an agreement with Japan on July 23 to accept 2.39 billion Japanese Yen (US$20.2 million) in grant aid to improve education and medical service in China's ethnic minority regions. "The three grant aids projects are very significant to China as the ethnic minority areas are in urgent need of assistance to enhance their educational and medical situation," said Long Yongtu, vice-minister of foreign trade and economic cooperation. Long made the remarks on July 23 in Beijing in a talk with Yuji Miyamoto, minister of the Japanese Embassy to the PRC, before they signed the grant aid agreement. Both agreed that maintaining good Sino-Japanese relations is very important to

the PRC and Japan.

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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