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### **I. United States**

#### **1. Four-Party Peace Talks**

Agence France-Presse ("KOREA PEACE TALKS TO OPEN IN SWITZERLAND NEXT WEEK," Geneva, 12/01/97) reported that the Swiss foreign ministry confirmed Monday that four-way talks regarding the Korean peninsula will take place in Geneva on December 9-10. A ministry statement said, "Switzerland welcomes the site of Geneva for these negotiations, which will mark a new step toward detente on the Korean peninsula."

An anonymous US State Department official ("11/21 BACKGROUND BRIEFING ON FOUR-PARTY PREP. TALKS," New York, USIA transcript, 11/28/97) said at a November 21 background briefing that there are two "logical, broad agenda items" for the upcoming four-party peace talks in Geneva. The official stated, "One is that structural basket of how to replace the Armistice, and then the other is that set of things which will reduce tension or build confidence among the parties that make those structural changes meaningful." He added, "In order to get to Geneva, we have agreed that this very

broad language is suitable and appropriate to describe what we want to do." The official stressed that there is no linkage between DPRK participation in the talks and US food aid to the DPRK. [Ed. note: NAPSNet is issuing the complete transcript of this briefing today as a Special Report.]

## **2. ROK Financial Crisis**

The AP-Dow Jones News Service ("S. KOREA, IMF REACH PACT ON AID LATE MONDAY - GOVT SOURCE," Seoul, 12/01/97) and the New York Times (Andrew Pollack, "SEOUL REPORTS RESCUE PLAN WITH I.M.F. IS WORKED OUT," Seoul, 12/01/97) reported that an ROK government source said that Finance and Economy Minister Lim Chang-yuel and negotiators from the International Monetary Fund (IMF) reached an agreement late Monday on the terms and the amount of a financial bailout package. The unidentified source declined to provide details of the agreement. It said that ROK President Kim Young-sam would hold an emergency cabinet meeting to review the IMF bailout package. The government-owned Korea Broadcasting System reported that the amount of the bailout would be US\$55 billion, of which a total of US\$20 billion would come from the US and Japan and US\$15 billion more from the World Bank, with the rest coming from the IMF.

The AP-Dow Jones News Service ("S. KOREA FIN MIN LIM SAYS IMF TALKS TO CONCLUDE TUESDAY," Seoul, 12/01/97) reported that ROK Minister of Finance and Economy Lim Chang-yuel said late Monday that negotiations with the International Monetary Fund on financial assistance are expected to be concluded Tuesday. Lim stated that one more day is necessary to give the IMF team time to consult with its headquarters in Washington.

The Los Angeles Times carried an analytical article (Donald Kirk "ECONOMIC STRESS MAKES THE HEART GROW FONDER OF AUTHORITARIANISM," Seoul, 11/30/97) which said that, due to the current economic problems, the ROK "may be vulnerable to a popular yearning" for the authoritarian rule of the late President Park Chung-hee. The author argued, "There is plenty of reason to fear such a turn of events." The article said that while some people view Park with increasing admiration, others blame him for the current troubles. It stated that Park's "disciplinary zeal" was responsible for the chaebol system, in which the ROK economy has been dominated by large, export-oriented corporations. The author argued that "the next president and his finance minister will have to go much farther in compelling bankrupt companies to close and in shutting down prestige government projects.... The downside of this kind of discipline is that it also will provoke dictatorial policies of the sort to which Korea has resorted so often over the past two generations." The article warned that, "The worst fear, though, is that Korea might follow a still more dictatorial course under pressure from a flagging economy--and from the North. There is always the risk, as the economy worsens, jobs are lost and dissent increases, that generals, in the name of patriotism, may decide they've seen enough of civilian rule and impose some law and order."

## **3. ROK Presidential Election**

The Wall Street Journal (Michael Schuman and Namju Cho, "KOREAN PRESIDENTIAL CANDIDATES INSPIRE LITTLE CONFIDENCE IN VOTERS," Seoul, 12/01/97) said that ROK presidential candidates are doing little to inspire confidence among voters that the next government will be able to push through reforms needed to improve the economy. The article said that while recent events have forced the candidates to talk more about economic issues, "they have thrown around enough contradictory ideas to confuse people about what they really plan to do as president." Opposition candidate Kim Dae-jung has advocated asking for IMF aid, and promised in a recent speech to "implement the systematic restructuring of our economic system." However, he has also promised to turn the ROK into one of the five largest economies by 2015, triple per-capita income to US\$30,000, and maintain 7 percent annual economic growth. Ruling party candidate Lee Hoi-chang favors privatization, deregulation, corporate downsizing, radical financial reform, and a

smaller government budget. However, the article said that Lee "also wants the government to boost the ailing stock market, the sort of intervention that has gotten countries like Korea and Japan into big trouble."

#### **4. Global Land Mine Ban**

The Associated Press (Doug Mellgren, "LAND MINE TREATY TO BE SIGNED WED.," Slo, Norway, 12/01/97) reported that diplomats from as many as 120 nations are expected to sign a treaty in Ottawa Wednesday outlawing the production, export and use of anti- personnel mines. However 1997 Nobel Peace Prize winner Jody Williams said that until action is taken to remove the millions of land mines already in place, the treaty will be meaningless. The treaty does not go into force until six months after it is ratified by at least 40 of the countries that sign it, which Williams estimates could take 18 months. She said that her anti- mine campaign will now use public opinion to pressure countries like the US and the PRC to sign the treaty. "The peace prize ... increases pressure on those countries standing outside the tide of history and humanity," Williams said. The UN estimates the cost of mine removal at about US\$1,000 a mine. Williams argued against the US call for allowing an exemption for the Korean Peninsula, saying that it is better to set a high standard for the world, even if it means losing the US as a participant. She stated, "This treaty is not perfect. But it is a treaty that every government in the world should sign."

#### **5. US Nuclear Exports to PRC**

The Los Angeles Times carried an opinion article (Helen Caldicott, "NUCLEAR POWER WON'T FIX OUR 'GREENHOUSE'," 11/30/97) which detailed the potential harmful effects of radiation to argue that "nothing matches the extraordinary abuse of the random, compulsory genetic engineering implicit in American business' nuclear deal with China, which will condemn untold generations of humans and animals to cancer and genetic diseases." The article also pointed to a study by Friends of the Earth which showed that a nuclear power plant must operate for 18 years before realizing one net calorie of energy, due to the amount of fossil fuel used in the manufacture and construction of the reactor and in the mining of the uranium, the milling and enriching of the uranium, and the fabrication of the fuel rods. "So nuclear power contributes both to global warming and, massively, to the global burden of manmade radioactivity."

#### **6. Taiwan Elections**

The Associated Press (Christopher Bodeen, "TAIWAN OPPOSITION WINS LOCAL VOTES," Taipei, 11/29/97) and Reuters ("GOVERNING PARTY LOSES LOCAL ELECTION IN TAIWAN," Taipei, 11/29/97) reported that Taiwan's main opposition Democratic Progressive Party (DPP) won 12 of the 23 contested mayoral and county executive posts in elections Saturday, beating the ruling Nationalist Party in the overall vote count for the first time. DPP Chairman Hsu Hsin- liang declared a "mighty victory" for his party. "I thank the Taiwanese people for creating a new page in history. They have elected clean, efficient and caring new local governments," Hsu said. Deputy party chief Chen Chung-hsin stated, "We are full of confidence that we will win next year's parliamentary election and I think we stand a good chance in the presidential election in 2000." He said that the vote would force the PRC to take notice, but he also pledged to work to reduce PRC-Taiwan tensions. The Nationalists, who had held 16 of the contested offices, won just eight, while independents captured three. The Central Election Commission said the DPP won 43.47 percent of the total vote, while the Nationalists won 42 percent and independents won 11.6 percent. Nationalist Party Secretary General Wu Poh-hsiung called the election results a "major setback," pledged the party would reform, and said he would resign.

## **II. Republic of Korea**

### **1. Four-Party Peace Talks**

The ROK government on Monday held inter-ministry policy meetings to decide the chief delegate to the pending December 9 four-party talks in Geneva. The person chosen is most likely to be a vice ministerial-level government official from either the ROK Foreign or National Unification Ministries. The ROK reportedly wants to hold two days of talks between the four chief delegates, followed by working-level discussions on issues centered around establishing peace and reducing tension on the Korean Peninsula. (Korea Herald, "GOVERNMENT PREPARES FOR 4-WAY TALKS IN MEETING," 12/01/97)

### **2. ROK Aid to DPRK**

The ROK government will begin two sets of talks this month concerning the DPRK: the December 9 four-party talks and the third round of inter-Korean Red Cross talks, which have yet to be formally scheduled. The ROK government has said it will discuss large-scale food aid to the DPRK once the four-way talks are underway. "We estimate the food shortfall in the North for the coming year to be about 2 million tons or less," Lee Jong-riol, director-general of the Humanitarian Affairs Bureau at the ROK Ministry of National Unification said Sunday. The estimates of the shortage differ by organization and by government but international relief organizations are expected to launch their 1998 appeals for the DPRK soon. (Korea Herald, "APPEALS FOR '98 FOOD AID TO NORTH KOREA TO START SOON," 12/01/97)

### **3. ROK-Japan Fisheries Talk**

The ROK and Japan managed to make "considerable progress" on major fishing issues between the two countries, but failed to reach an agreement, ROK officials said Sunday. Ryu Kwang-sok, director general of the ROK Foreign Ministry's Asia-Pacific Affairs Bureau, told reporters following the three-day fishing talks in Seoul that they will hold further talks to narrow differences on some remaining issues. Although the official refused to reveal details of the prolonged talks, it appears that they have made progress in the three major issues- jurisdiction over the islets of Tok-do, the protection of ROK fishermen's rights, and the width of temporary fishing zones in the two countries' coastal areas. Despite the failure in reaching a complete agreement, Ryu said that Japan is unlikely to repeal the 1965 fisheries convention. Japan has threatened to scrap the agreement if the ROK shows no sincerity in the revision of the fishing agreement. (Korea Times, "KOREA, JAPAN MAKE 'CONSIDERABLE' PROGRESS IN FISHING TALKS," 11/30/97)

### **4. ROK Financial Crisis**

Despite their all-out efforts for an early agreement on the terms of an International Monetary Fund (IMF) package, the ROK and the International Monetary Fund on Sunday failed to narrow their differences on some issues, including growth targets and liquidation of troubled banks. ROK Minister of Finance and Economy Lim Chang-yuel stated that the government is doing its best to relax the terms and conditions tied to the IMF rescue package. "Sensing the seriousness of the Korean currency crisis, including its shallower-than-expected foreign exchange reserves, the two sides reached agreement on the early introduction of IMF funds," an anonymous official said. Lim said that the IMF bailout package, aimed at easing a foreign exchange crisis, would eventually be far more than US\$20 billion. The exact amount of the IMF bailout package is expected to be finalized after consultations between the ROK and Michel Camdessus, IMF managing director, when he comes to Seoul later this week, according to the ROK ministry. (Korea Herald, "IMF TO PROVIDE FIRST PORTION OF BAILOUT FUNDS FOR SEOUL THIS WEEK; TWO SIDES FAIL TO NARROW

GAPS IN GROWTH RANGE, BANK LIQUIDATION," 12/01/97)

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.

Produced by [the Nautilus Institute for Security and Sustainable Development](#).

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