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I. United States

1. ROK-DPRK Talks

The Associated Press ("U.S., N. KOREA DISCUSS SITE," New York, 02/27/99) and Reuters ("NORTH

KOREA, UNITED STATES MEET ON NUCLEAR SITE," New York, 02/28/99) reported that US special envoy Charles Kartman met with DPRK Deputy Foreign Minister Kim Gye-gwan on Saturday to discuss US access to an underground construction site. Kim said afterwards, "The talks ended for the day and will resume again on Monday," adding that he needed to get instructions from Pyongyang. He also said, "The talks are just in the beginning and we are talking seriously but we have nothing concrete." Before the talks, Kartman stated, "It's a good sign that these talks are taking place. Our hope is to see the facility soon."

2. ROK Policy toward DPRK

Reuters ("SOUTH KOREA DEFENDS ITS 'SUNSHINE POLICY' TOWARD NORTH," Seoul, 03/01/99) reported that ROK President Kim Dae-jung on Monday defended his gradual engagement approach toward the DPRK. In a televised address commemorating the 80th anniversary of the independence movement against Japanese colonial rule, Kim stated, "Some people are suspicious of the sunshine policy and worried about the effects. But the government's gradual engagement policy is the best alternative for now." Kim said he had seen both positive and negative developments in inter-Korean relations since the policy was announced last year. He stated, "Among the positive, the United States and North Korea talks are showing some progress ... and some 30,000 South Koreans have toured Kumgang Mountain (in the North) in recent months." He also noted that the DPRK had partially revised its constitution to introduce a market economy. Kim said that the negative aspects included the rocket launch, the dispatch of spy submarines, and the Kumchangri underground site. He added, "All major countries responsible for the territorial division of Korea should be diligent in settling peace on the peninsula." Kim also said he would consider "from a humanitarian point of view" the DPRK's demand for the repatriation of convicted DPRK spies recently granted amnesty.

Far Eastern Economic Review carried an opinion article by former US Assistant Secretary of State Morton Abramowitz ("KIM'S REVOLUTIONS," 03/01/99) which said that ROK President Kim Dae-jung is presiding over an revolution in the ROK mindset towards the DPRK. The article noted, "In a remarkable departure from a long-held Korean and American catechism -- that it is North-South dealings that are crucial and must come first -- Kim stresses that the critical element to peace is instead the U.S.-North Korean relationship.... And the principal force for such a change is the normalization of U.S. relations with North Korea and the end of the American embargo. This is bold, out-of-the- box thinking." The article argued, however, that Kim will have difficulty implementing his policy given opposition in both the US and the ROK. It added, "As for normalization of U.S. relations and the end of the embargo, they are hardly an answer to revitalizing North Korea's moribund economy. Trading them off for a limitation on missile development may not be such a bad arrangement, but not necessarily one the North would accept. Kim's far-reaching views may ultimately have more resonance, but then betting on North Korea is always a dangerous gamble."

3. DPRK Famine

The Associated Press ("NKOREA DENIES HUNGER-RELATED DEATHS," Seoul, 03/01/99) reported that an unidentified spokesman for the DPRK Flood Damage Rehabilitation Committee on Monday denied that millions of its people have died of starvation and famine-related illnesses in the last four years. The DPRK's official Korean Central News Agency quoted the spokesman as saying, "This is a whopping lie that was hurriedly invented and floated by the South Korean intelligence service." He said that the country's last census in 1993 showed a population of 21 million and that the figure would increase to 23 million next year. The spokesman also said that the ROK's intelligence agency was circulating a rumor that international food aid was being diverted to the military, and also accused it of putting biochemical substances in donated food in an attempt to kill people. He

warned, "The South Korean authorities and intelligence service would be well advised to act with discretion, mindful that their frantic and reckless anti-DPRK smear campaign will only arouse bitterer curses and accusations from the international community."

4. DPRK Military Ceremony

The Associated Press ("N. KOREAN OFFICERS SWEAR LOYALTY," Seoul, 02/27/99) reported that an official report said Saturday that company commanders of the DPRK's Korean People's Army gathered in Pyongyang on Friday to renew their loyalty to Kim Jong-il. The DPRK's official Korean Central News Agency said, "They stressed that under the leadership of supreme commander Kim Jong-il they would run at a canter on a steed and bring about a revolutionary turning-point in increasing companies, combat readiness and combat capacity and make the glorious Kim Jong-il era shine all over the world with arms." Jo Myong-rok, director of the general political department of the military, led the oath and the officers followed in chorus. The soldiers later staged a march-past. The dispatch did not clarify whether Kim attended the ceremony.

5. Nautilus DPRK Wind Power Project

The San Francisco Examiner (David Armstrong, "BERKELEY GROUP GETS RARE GLIMPSE OF DOING BUSINESS WITH NORTH KOREA," 02/28/99) carried a report on the Nautilus Institute's project to build a small wind-powered electrical generating system in the DPRK. Nautilus Institute executive director Peter Hayes was quoted as saying, "We were on the ground building trust and increased transparency." Hayes said that US companies and the US government can do business with the DPRK. He stated, "The cost is tiny compared to the cost of war, or even preparing for war." Estimating that the US spends from US$30 billion to US$50 billion a year to contain the DPRK, he added, "You could buy North Korea for that." He said that aid workers, diplomats, and other foreigners who venture into the DPRK "are really putting themselves on the line to ensure there's not a devastating war. Korea is a tiny, tiny country -- and one that could involve four great powers (in war) in a matter of hours. It's the most dangerous place on the planet at the moment." Jim Williams, a Nautilus Institute senior associate who helped install the wind power system, stated, "The project had to be small enough and innocuous and non-threatening and symbolically important" to be exempt from US sanctions. He added that the project was "the first non-governmental project beyond food aid in which Americans and North Koreans worked shoulder-to-shoulder." Williams also said, "We didn't see evidence among villagers or technical people of dispiritedness," nor outward signs of famine. He said that, at first, "The villagers were leery, maybe a little afraid. Americans are sort of cast as princes of evil there. It must have been very jarring to see representatives of this society bringing light." Young-Ku Yoo, assistant DPRK affairs editor for the ROK daily newspaper Jong-Ang Ilbo, said that small projects such as the Nautilus turbines were in keeping with the 1994 Geneva Agreed Framework. George Perkovich, deputy director for programs at the W. Alton Jones Foundation, which funded the project, stated, "This foundation is very interested both in promoting renewable energy development around the world, and in trying to prevent nuclear weapons proliferation around the world. Those two objectives coalesced around this proposal. And it helps to ease North Korea out of its isolation, which may be a factor in (its) building nuclear arms."

6. ROK-Japan Fisheries Pact

The Associated Press ("S.KOREAN FISHERMEN RALLY AGAINST FISHERIES TREATY WITH JAPAN," Seoul, 03/01/99) reported that about 1,000 fishermen rallied in Pusan on Monday to protest a new fisheries treaty with Japan that they say threatens their livelihood. They burned the Japanese

flag and effigies of Japanese and ROK officials who took part in the treaty talks, but there were no reports of violence or clashes with police.

7. ROK Labor Unrest

Reuters ("S. KOREA UNEMPLOYMENT SOARS," Seoul, 02/28/99) reported that the ROK National Statistical Office (NSO) said Friday that unemployment rose to a record high of 1.76 million in January, from 1.67 million in the previous month and 934,000 a year ago. About 4,000 workers from the metal industry clashed with riot police during a Seoul rally on Saturday aimed at protesting against layoffs. On the same day some 2,000 activists from civic groups gathered in front of a government building in central Seoul, arguing that the corporate restructuring urged on by the government only aggravated problem of joblessness. The Korean Confederation of Trade Unions said this month it had decided to pull out from a government-labor-management commission and vowed to press its demands for job security and a social safety net. Gong Byung-ho, president of the Korea Center for Free Enterprises, stated, "Workers' protests over job security will likely be the main threat to economic stability this year." Lee Jeong-ja, the head of research at HSBC Securities, stated, "The high jobless rate of 7 to 8 percent will continue for at least five years."

8. Taiwan Military Purchases

The Associated Press ("REPORT: TAIWAN ASKS TO BUY WARSHIPS," Taipei, 02/28/99) reported that Taiwan's Liberty Times newspaper said Sunday that Taiwan's navy is seeking to buy advanced US Aegis warships to improve defenses against the PRC. The article said that two Aegis warships positioned at either end of Taiwan could substantially boost the island's ability to detect and shoot down PRC missiles. It added that if the US agrees to the sales, the ships could be delivered between 2006 and 2008.

9. PRC Missile Development

Reuters ("BEIJING BLASTS WASHINGTON OVER PENTAGON MISSILE REPORT," Beijing, 03/01/99) reported that PRC Foreign Ministry spokesman Zhu Bangzao on Monday criticized a US Defense Department report that the PRC was building a major missile force aimed at intimidating Taiwan. The Xinhua news agency quoted Zhu as saying that the report was a "serious interference in China's internal affairs." Zhu added, "China expresses its serious dissatisfaction and resolute opposition."

10. Alleged PRC Technology Smuggling

The Associated Press ("CHINESE MAN NABBED IN MISSILE PLOT," Boston, 02/01/99) and the New York Times (David E. Sanger, "U.S. SAYS IT CAUGHT A CHINESE SMUGGLER SEEKING GYROSCOPES THAT CAN GUIDE MISSILES," Washington, 03/01/99) reported that Yao Yi, a PRC national, was arrested in San Diego and accused of trying to buy fiber optic gyroscopes vital to missile guidance systems from a Massachusetts defense contractor. Federal officials said that the PRC was trying to enhance the accuracy of its long-range weapons with the equipment. Another suspect, Collin Xu, a naturalized Canadian citizen, had been arrested February 11 in Boston and now faces charges that include violations of the Arms Export Control Act, conspiracy, and money laundering. Federal officials are trying to determine whether Yao was working as an entrepreneur or as a purchaser for the PRC military.

11. Albright's PRC Visit

The Associated Press (Laura Myers, "ALBRIGHT HITS DISSIDENT CRACKDOWN," Beijing, 03/01/99) reported that US State Department spokesman James P. Rubin said that US Secretary of State Madeleine Albright met PRC Foreign Minister Tang Jiaxuan and Premier Zhu Rongji on Monday. Rubin said that the two sides disagreed on the PRC's policies toward political dissent and opposition parties. He stated, "The discussions were forceful, tough and there wasn't a lot of agreement." Tang blamed criticism of the PRC's human rights record on "a handful of anti-China elements" in the US, and warned that it is an intrusion into the country's internal affairs. Rubin said that PRC officials also strongly objected to US plans to develop a theater missile defense system, but that Albright said that the US has not made a decision on deployment and that such a system is defensive. Albright also urged the PRC to help prevent the DPRK from developing missiles.

12. PRC-Russian Relations

The Associated Press ("CHINESE PREMIER ENDS RUSSIAN VISIT," St. Petersburg, 02/27/99) reported that PRC Premier Zhu Rongji concluded a four-day trip to Russia on Saturday with a visit to a factory supplying the PRC with parts for a nuclear power plant. During Zhu's visit, Chinese and Russian officials expressed optimism that renewed cooperation will boost falling trade and other economic ties.

13. Global Landmine Ban

Reuters (Andrew Gray, "LANDMINE PACT BECOMES LAW, CAMPAIGNERS URGE ACTION," Geneva, 03/01/99) reported that an international treaty banning anti-personnel landmines entered into force on Monday. At a ceremony at the UN in Geneva to mark the event, activists urged major powers such as the US, the PRC, and Russia to sign the pact.

14. ASEAN Regional Forum

The US Department of State issued a news release ("STATE DEPT. 2/25 ON UPCOMING ASEAN REGIONAL FORUM MEETING," Washington, USIA Text, 02/26/99) which said that senior foreign affairs and defense officials, as well as military officers, representing members of the ASEAN Regional Forum (ARF) will meet in Bangkok from March 3-5. It will be the second of a two-part series of meetings of the Confidence Building Measures Group that began in Honolulu on November 4-6, 1998. The statement said, "In Bangkok, the Group will continue a frank, open and substantive dialogue on security-related and political developments in the region, nonproliferation and arms control, and a range of confidence building activities, including in the area of maritime cooperation. For the first time, the Group will examine the overlap between confidence building and preventive diplomacy, the second stage of the ARF's evolution, with the goal of developing recommendations on ways and means of addressing preventive diplomacy for the consideration of the ARF Senior Officials in late May and the ARF Foreign Ministers in late July."

II. Republic of Korea

1. ROK Policy toward DPRK

Korea Times ("KIM VOWS TO PUSH 'GRADUAL ENGAGEMENT POLICY' WITH NK," Seoul,

03/01/99) reported that President Kim Dae-jung on Sunday vowed to continue his "gradual engagement policy" toward the DPRK, a plan he described as the "best alternative for now" to prevent war. "To avoid the major devastation of another war, we have to do what we can do to prevent it," said Kim in a speech commemorating the 80th anniversary of the March 1 Independence Movement at the Sejong Cultural Center. Kim, however, suggested that his "Sunshine Policy" is basically a carrot-and-stick endeavor through which the ROK, with a strengthened security stance, will get tough in the face of any DPRK provocation. Going back to the question of peace, Kim asked for help from the four superpowers-- the US, Japan, the PRC, and Russia--to achieve ROK-DPRK reconciliation. "I reiterate that all major countries responsible for the territorial division of Korea should be diligent in settling peace on the peninsula," Kim said.

2. DPRK's Fertility Campaign

Korea Herald ("N. KOREA'S FERTILITY CAMPAIGN SCOFFED AT, SAY DEFECTORS," Seoul, 03/01/99) reported that the DPRK government has promoted a campaign to increase family size to fight against manpower shortages in the military, industry and other sectors. As part of the campaign, DPRK leader Kim Jong-il promised to residents in May last year that anyone having four children or more will receive government subsidies. Those having just given birth will be given paid leave for up to 12 months. "The North had previously called for birth control. But it changed the policy because of a drop in population in the famine crisis," said an official at the ROK Ministry of Unification, who asked not to be identified. ROK intelligence officials estimate the DPRK's population shrank by up to 3 million in the past four years, due mainly to the famine. The DPRK has a population of 24.15 million, about 52 percent of the ROK's, according to the ROK National Intelligence Service.

3. New Mt. Kumgang Tour Facilities

Chosun Ilbo ("NEW MOUNTAIN KUMGANG TOUR FACILITIES COMPLETED," Seoul, 02/28/99) reported that a performance hall and a resting place for visitors to Mt. Kumgang have been built at Onjung-ri in the DPRK as sites for various tourist programs, including performances by the DPRK national circus. The successful completion of the construction project is expected to generate genuine cultural exchange between the ROK and the DPRK. The Hyundai Business Group held a completion ceremony at the facilities on Sunday afternoon. Hyundai first began construction on October 22 last year on a 1,600-pyong plot of land. A total of 600 workers and W46 billion was invested into the construction of the facilities, which represented the first such project since the peninsula's division. The building was completed in January, only 90 days after ground had been broken. Named the "Mt. Kumgang Culture Hall," the performance hall is equipped with 620 seats and will be the venue for daily performances of the DPRK's leading circus troupe. Hyundai also plans to diversify the types of performances taking place at the new hall to include plays, operas and musicals from both countries. The rest stop features the Onjung-ri Shop, which will sell DPRK souvenirs to tourists.

4. ROK Visa Policy

JoongAng Ilbo ("MOST VISITORS TO ROK CAN STAY 30 DAYS WITHOUT A VISA," Seoul, 03/01/99) reported that the period that foreigners can legally stay in the ROK without a visa has been increased from the previous 15 days to 30 days. On March 1, the Ministry of Justice liberalized procedures for foreigners' departures and entrances, in order to increase tourism and enlarge trade. Accordingly, tourists from more than 150 countries can stay in the ROK without a visa for a month.

Visitors from 30 countries, such as certain communist countries, are still not permitted entry into the ROK without a valid visa. The former requirement of a personal reference to obtain a visa for those engaged in research, investment, or performance in the ROK was also abolished.

5. ROK Economy

Korea Herald ("NOBEL LAUREATE CRITICIZES IMF PROGRAM FOR KOREA," Seoul, 03/01/99) reported that Amartya Sen, 1998 Nobel laureate in Economics, criticized the International Monetary Fund programs Saturday for causing high unemployment and a severe recession in the ROK. "The IMF may have considered only a few factors in implementing its program in the case of Korea," Sen said. "The high interest rate policy, fundamentally, led to rising unemployment and a severe economic recession. In pushing sweeping structural reforms, some caution was in order." Noting that an economic crisis is always more difficult for the poor and disadvantaged, Sen said that the IMF is not so deeply interested in social problems arising from an economic crisis as the World Bank is. At a news conference capping a two-day international seminar on democracy, market economy and development, the Cambridge University professor also predicted that the ROK will recover earlier than other Asian nations in financial turmoil. "In a years' time, Japan will have overcome its crisis, and the ROK perhaps earlier. Countries like Indonesia could take a bit longer," he anticipated.

6. US-ROK Extradition Pact

Chosun Ilbo ("U.S.-KOREA EXTRADITION PACT TO TAKE EFFECT," Seoul, 02/28/99) reported that a criminal extradition pact between the ROK and the US is expected to take effect in March after the US Congress gives its final approval. Under the pact, several alleged criminals will be extradited from the US, including Lee Suk-hie, the former assistant director of the National Tax Administration who fled to the US after he was implicated in illegal campaign fund contributions under the Kim Young-sam government, and Lee Suk-choi, former Minister of Information and Communication, wanted on bribery charges. Ratification of the extradition pact has been delayed because the US Congress had been embroiled in the impeachment proceedings. More than 3,000 ROK nationals are estimated to have fled to the US to escape prosecution. The Ministry of Justice says about 300 of them will be returned to the country to face charges.

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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