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### **I. United States**

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#### **1. Funding for Light-Water Reactor Project**

United Press International (Sid Balman Jr., "U.S. GUARANTEES REACTOR FUNDING," Seoul, 05/01/98) and Reuters (Carol Giacomo, "ALBRIGHT WARNS S.KOREA ON NORTH'S NUCLEAR PLAN," Seoul, 05/01/98) reported that US Secretary of State Madeleine Albright said Friday that the Clinton administration will stand by its pledge to guarantee the financing of two light-water reactors being built in the DPRK. Albright said that, during talks with ROK Foreign Minister Park Chung-soo, both sides reaffirmed their commitments under the agreement. She stated, "There should be no doubt we will fulfill an agreement as important as this one. In our talks, it became clear both sides will live up to the commitments." She added that "good progress" was made on determining "how

the costs could be equitably shared." An anonymous senior aide to Albright said that there is a "grave risk" that the DPRK will resume its nuclear-weapons program if the fuel oil is not provided or the financing deadlines for the reactor are not met.

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## **2. ROK-DPRK Relations**

Reuters (Bill Tarrant, "ALBRIGHT URGES PATIENT DIPLOMACY ON N.KOREA," Seoul, 05/01/98) and the Associated Press ("SOUTH KOREA'S DIPLOMACY GETS UNQUALIFIED BOOST FROM ALBRIGHT," Seoul, 05/01/98) reported that US Secretary of State Madeleine Albright offered the unqualified support of the Clinton administration to the ROK's diplomacy toward the DPRK. Albright termed ROK President Kim Dae-jung "one of the world's true champions of freedom." She added, "The United States agrees with President Kim's effort to revive the North-South dialogue, which is essential if there is to be peace." She continued, "Foreign Minister Park and I agree that the four-party process supports and complements the bilateral dialogue and that both require patience and determination."

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## **3. Alleged DPRK Support of Terrorism**

Reuters (Patrick Worsnip, "IRAN STILL TOP 'TERRORISM' SPONSOR, U.S. SAYS," Washington, 05/01/98) reported that the US State Department on Thursday, in an annual report on worldwide terrorism, once again designated the DPRK as a state sponsor of terrorism, making it subject to US sanctions. The report said that there was no evidence linking the DPRK with "terrorist acts" last year, but that it continued to harbor "terrorists."

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## **4. ROK-DPRK Cultural Exchanges**

United Press International ("S.KOREAN TEENS TO PERFORM IN N.KOREA," Seoul, 05/01/98) reported that the Little Angels, an ROK youth art troupe including 38 elementary and junior high school performers, has departed on an 11-day trip to the DPRK, where it will hold three music events at the DPRK's largest theater in Pyongyang. The Korean Cultural Foundation (KCF) Inc. president, Reverend Mun Sun-myung, first suggested holding events to promote cultural exchange between the two Koreas during his December 1991 visit with the late DPRK leader Kim Il-sung. A KCF statement said "We received grant from the North on April 13 to perform in Pyongyang this year and hope the performance by these beautiful children will become the cornerstone in opening a new era of peace and harmony with the North."

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## **5. ROK Labor Unrest**

The Associated Press ("S KOREAN WORKERS CLASH WITH POLICE IN SEOUL MAY DAY RALLY," Seoul, 05/01/98) reported that riot police fired tear gas to disperse 17,000 workers and students who gathered for a May Day rally in Seoul to protest layoffs. There were no immediate reports of arrests or injuries.

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## **6. ROK Financial Crisis**

Reuters ("S.KOREA-IMF STRIKE DEAL ON LOAN PAYMENT," Washington, 04/30/98) reported that International Monetary Fund (IMF) First Deputy Managing Director Stanley Fischer said Thursday that the ROK has met the economic reform conditions set out by the IMF, clearing the way for the ROK to get its next loan payment. He stated, "It looks like the (IMF) staff has agreed with the Koreans that they have met the conditions for the completion of this review, which means the disbursement of the next tranche of the Korean loan -- if the board of the IMF approves."

Dow Jones Newswires ("JAPAN EXPORT-IMPORT BANK MULLS LOANS TO S. KOREA - KYODO," Tokyo, 05/01/98) reported that the Kyodo news agency said Friday that the Export-Import Bank of Japan is considering loans to help the ROK finance purchases of materials and products by ROK companies. While details of the plan have yet to be worked out, the bank is likely to provide more than US\$1 billion later this month as an initial installment.

The Associated Press ("PROSECUTORS QUESTION FORMER FINANCE CHIEF," Seoul, 05/01/98) reported that prosecutors questioned former ROK Finance Minister Kang Kyong-shik Friday as part of an investigation into whether he and other officials aggravated the ROK economic crisis by ignoring signs of danger. Prosecutors also posed similar questions to former presidential economic adviser Kim In-ho.

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## **7. Albright's PRC Visit**

Reuters (Carol Giacomo, "ALBRIGHT SAYS U.S.-CHINA MUST DO MORE WORK," Beijing, 04/30/98), the New York Times (Steven Erlanger, "U.S. - CHINA TALKS MAKE LITTLE PROGRESS ON SUMMIT AGENDA," Beijing, 05/01/98) and the Los Angeles Times (Jim Mann, "CHINA BALKS AT CONCESSIONS TIMED TO CLINTON'S JUNE TRIP," Beijing, 05/01/98) reported that US Secretary of State Madeleine Albright said Thursday that the US and the PRC must "put a shoulder to the wheel" to reach agreements on trade and non-proliferation in time for their June presidential summit. She said that during her talks with PRC officials, "I made it very clear that there were eight weeks (before the summit and) there had to be a speeding up of the work ... to be in a position to have concrete results." An unnamed senior US official said, "While many of these issues themselves are not new, it will take the Chinese some time to study our proposals." Another unnamed US official stated, "There's no serious discussion about a communique with regard to Taiwan" to emerge from the summit. US officials also said that the PRC is also looking positively at a possible countrywide program by the American Peace Corps. However, Nancy Bernkopf Tucker, a China scholar at Georgetown University, stated, "All the Chinese need is for Clinton to be there. They don't need anything else."

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## **8. PRC Nuclear Missile Targeting**

The Washington Times (Bill Gertz, "CHINA'S NUKES TARGET U.S.," Washington, 05/01/98) reported that a new CIA report sent to top policy-makers in advance of US Secretary of State Madeleine K. Albright's visit to Beijing said that 13 of the PRC's 18 long-range strategic missiles have single nuclear warheads aimed at US cities. According to the document, the 13 CSS-4 missiles aimed at the US indicate that the PRC views the US as its major strategic adversary. The remaining five CSS-4s, along with scores of other shorter-range nuclear missiles, are targeted on countries closer to the PRC, including Russia. The PRC also has an array of strategic missiles that US military and

intelligence officials said are targeted on the US or US military forces deployed in Asia. Richard Fisher, a defense analyst with the Heritage Foundation, stated, "The Chinese have been targeting the United States for many years," adding that the PRC government views the systems as "deterrence against the United States." Fisher added that the newer PRC medium- and short-range nuclear missiles are believed to be "targeted on very important American and allied facilities in Asia." He also said that the PRC is developing a new class of long-range cruise missiles and is working to make its shorter-range missiles more accurate. " James Hackett, a former US government arms control official, said that PRC long-range missiles have the capability of reaching most of the US "with the possible exception of Disney World" in Florida. The article also noted that the US is believed to have some of its nuclear force targeted against PRC missile silos.

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## **9. PRC Missile Development**

US Deputy State Department Spokesman James Foley ("STATE DEPARTMENT NOON BRIEFING, APRIL 30, 1998," USIA Transcript, 05/01/98) on Thursday denied a report in Wednesday's Washington Times that the US has provided the PRC with a draft space cooperation agreement. He added, "there never was and there still is not any US plan or proposal to offer China access to missile technology." Foley concluded, "we have been considering ways to encourage China to strengthen its controlled missile- related exports. This includes consideration of scientific space cooperation. But again, no one is proposing any offers of direct or indirect access to missile technology."

## **II. Japan**

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### **1. Japanese-DPRK Relations**

The Sankei Shimbun ("DPRK WANTS TO DO BUSINESS WITH JAPANESE LOCAL PAPER," 04/27/98) reported that the DPRK asked the Japanese reporters who accompanied the delegation from the Japanese ruling Liberal Democratic Party last month for a joint business deal between the DPRK's media and Japanese local papers. The DPRK requested that the Japanese reporters provide a large amount of paper or rice as their part of the deal, and offered them easier access to coverage in the DPRK in exchange. According to the report, the DPRK officials said, "If you strike this deal, we can provide you with many favors, including opening a branch in the DPRK or providing interviews with important DPRK people." The report pointed out that the DPRK's interest in having Japanese media branches in the DPRK was expressed to the delegation of Japanese politicians, led by Shin Kanemaru, that visited the DPRK in 1990, but that the Japanese media have kept a wait-and-see stance since 1992, when the Japanese-DPRK normalization talks deadlocked. The report added that visits of Japanese wives' of DPRK citizens to Japan and the resumption of the normalization talks gave the DPRK an opportunity to seek Japan's aid through the Japanese media.

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### **2. Japanese-ROK Relations**

The Yomiuri Shimbun ("PRESIDENT KIM IS WILLING TO CLEAR PAST RELATIONS BETWEEN JAPAN AND DPRK," Seoul, 04/30/98) reported that ROK President Kim Dae-jung expressed his willingness to improve Japan-ROK relations to Japanese reporters. Kim said that he wants to find a

way to solve the problems between Japan and the ROK, including the issue of past relations, the timing of the Japanese Emperor's visit to the ROK, and the issue of liberalization of Japanese culture at the Japan-ROK summit meeting slated for autumn. With regard to the comfort women issue, he reiterated his demand for the Japanese government to accept its historical and moral responsibility, while saying that he will not intervene in the issue of compensation. He also emphasized that the ROK people should look at "the positive side of the post-war Japan, which has developed democracy and market economy," while suggesting Japan "clear its past." With regard to the Japanese Emperor's visit to the ROK, he said, "It is a misfortune that head of the state which is the most amicable to our country, cannot visit our country." In addition, with regard to the economic crisis, he said, "We can overcome it within this year one way or another."

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### **3. Japanese-ROK Fishery Talks**

The Asahi Shimbun ("JAPAN-ROK FISHERY TALKS GOT NOWHERE," 05/01/98) reported that the Japanese-ROK working-level talks held at the Japanese Foreign Ministry ended in deadlock on April 30. The Japanese side insisted on the importance of resource management to prevent the depletion of fishery resources, while the ROK said, "The importance of resource management is understandable, but it is necessary to guarantee the past achievements of operation for the next five years." The Japanese side said in response, "It is impossible to guarantee the ROK's fish catch for many years."

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### **4. Japanese-PRC Fishery Agreement**

The Asahi Shimbun ("JAPAN-PRC FISHERY AGREEMENT IS APPROVED," 05/01/98) reported that the Upper House unanimously approved the Japan-PRC Fishery Agreement, based on the UN Law of Sea agreement, on April 30, thus completing the necessary procedures at the Diet. This indicates that a new fishery agreement between Japan and the PRC precedes one between Japan and the ROK. The date when the agreement will go into effect will be decided after the ratification procedure is completed on the PRC side.

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### **5. Japanese-US Relations**

The Asahi Shimbun ("US SECRETARY OF STATE GIVES CREDIT TO JAPAN'S ECONOMIC POLICY AND IS INTERESTED IN JAPANESE-RUSSIAN RELATIONS," 04/29/98) reported that visiting US Secretary of State Madeleine Albright met with Japanese Prime Minister Ryutaro Hashimoto, Foreign Minister Keizo Obuchi, and Liberal Democratic Party Secretary General Koichi Kato on April 28. In her meeting with Obuchi, she gave credit to Japan's efforts to contribute to the recovery of the Asian economy. However, in her meeting with Kato, Albright emphasized the need for increased expansion of demand by saying that the US trade deficit is increasing and that she wants to ask Japan to expand its domestic demand. In her meeting with Prime Minister Hashimoto, she expressed her interest in the improvement of Japanese-Russian relations, suggesting that Russia's response to Hashimoto's proposal of delimitation of the territories will be key to the peace treaty negotiations.

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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