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IN TODAY'S REPORT:

I. United States

- [1. Light-Water Reactor Project](#)
- [2. ROK Financial Crisis](#)
- [3. US Nuclear Fuel Reprocessing](#)
- [4. Russian Nuclear Disarmament](#)
- [5. Global Land Mine Ban](#)
- [6. PRC-Taiwan Relations](#)

II. Republic of Korea

- [1. ROK-Japan Fisheries Talks](#)
- [2. Global Land Mine Ban](#)
- [3. PRC Military Development](#)

III. Russian Federation

- [1. RF Nuclear Weapons Safety](#)
- [2. Asian Financial Crisis](#)
- [3. Military Exchanges on Korean Peninsula](#)
- [4. Russian Officer Accused of Spying for Japan](#)
- [5. Global Land Mine Ban](#)
- [6. RF-PRC Border Demarcation](#)
- [7. RF Fighter Development](#)
- [8. RF Joins APEC](#)

I. United States

1. Light-Water Reactor Project

United Press International ("S.KOREA; JAPAN NOT BALKING ON REACTOR," Washington, 12/02/97) reported that US officials said that the ROK and Japan have recently assured the US that the current financial crisis will not affect their ability to finance the US\$5 billion light-water nuclear reactors in the DPRK. US State Department spokesman James P. Rubin stated, "[ROK and Japanese] officials have consistently stated their governments will meet obligations under the Korean

Peninsula Energy Development Organization (KEDO). The issue has recently come up and we've received indications there has not been a shift." He added that KEDO has been fully funded through the middle of next year with US\$50 million in contributions from the ROK, Japan, and the US.

US State Department spokesman James Rubin ("STATE DEPARTMENT NOON BRIEFING," Washington, USIA Transcript, 12/01/97) said that the US does not anticipate that the ROK will have trouble meeting its financial obligations under the US-DPRK Agreed Framework. Rubin stated, "I think everyone recognizes the importance of that agreement. It was a milestone agreement that froze the North Korean nuclear program in its tracks, and was a boon to stability and nonproliferation in the region." He added, "I think we have to bear in mind that Korea and Japan and other countries are -- we have important allied relationships with, and we have numerous reasons to want to do what we can to assist in stability in that region -- not just this issue."

2. ROK Financial Crisis

The Associated Press ("S. KOREA PLANS TO SIGN BAILOUT PLAN," Seoul, 12/02/97), the Washington Post (Paul Blustein, "S. KOREA, IMF SAID TO BE NEAR BAILOUT ACCORD," 12/02/97, D01) and the New York Times (Andrew Pollack, "SOUTH KOREA, FEARING THE WORST, RECONVENES BAILOUT TALKS," Seoul, 12/02/97) reported that ROK Finance and Economy Minister Lim Chang-yuel said that the ROK would sign a deal Wednesday with the International Monetary Fund (IMF) for a multibillion-dollar bailout. "There will be no more negotiations," he said, adding that IMF director Michel Camdessus would fly in early Wednesday from Bangkok, Thailand, to sign the agreement. He did not disclose the amount of the loan. On Tuesday the ROK ordered nine of the country's thirty merchant banks to suspend business until the end of the year. The ROK and the IMF agreed to 3 percent growth for the ROK economy next year, assistant finance minister Chung Duk-koo said. About 250 members of the ROK's bank employees' union picketed Tuesday in Seoul's downtown financial district, saying they would call a general strike if the government agreed to close banks rather than merge them.

3. US Nuclear Fuel Reprocessing

Reuters (Jim Wolf "U.N. INSPECTORS START MONITORING OHIO PLANT," Washington, 12/01/97) and the New York Times (Matthew L. Wald, "INTERNATIONAL EXPERTS INSPECT U.S. NUCLEAR PROCESSING PLANT," Washington, 12/01/97) reported that UN International Atomic Energy Agency (IAEA) inspectors on Monday began monitoring an Ohio plant which dilutes weapons-grade uranium into fuel to produce electricity. US Energy Secretary Federico Pena said, "For the first time, international monitors are witnessing a nuclear weapon state take weapons-usable uranium from its military program and transform it into fuel for heating homes and lighting cities." The material is part of 174 metric tons of weapons-grade uranium that US President Bill Clinton declared in 1995 was beyond US defense needs. Pena said that all 174 tons would eventually be made available for IAEA monitoring. Pena reiterated a call on the four other declared nuclear weapons states--Britain, France, Russia, and the PRC--to remove a specific amount of fissile materials from their nuclear arsenals never again to be used for military purposes.

4. Russian Nuclear Disarmament

United Press International ("YELTSIN: RUSSIA TO CUT NUCLEAR ARSENAL," Stockholm, 12/02/97) and the Associated Press ("AIDE PLAYS DOWN YELTSIN'S PLEDGE TO CUT WARHEADS BY ONE-THIRD," Stockholm, 12/02/97) reported that Russian President Boris Yeltsin announced Tuesday that Russia will unilaterally cut its nuclear missile arsenal by a third. Russian aides said that the proposed cuts would be in addition to those already agreed to under the START II treaty on reduction of nuclear arsenals. However, Yeltsin's spokesman Sergei Yastrzhembsky told reporters

the announcement was not a new development, as additional cuts had been discussed during the Helsinki summit between Yeltsin and US President Bill Clinton in February. He added that Yeltsin's statement "doesn't mean Russia will unilaterally cut nuclear arsenals at the expense of its national security." He also made clear that any further cuts would only be made after Russia's Parliament ratifies the START II treaty. Yastrzhembsky said that Yeltsin was "tired" after a long day of talks with Swedish officials and may have misunderstood questions at a press conference. US State Department spokesman James Rubin stated, "Any reduction by the Russians in their nuclear forces would not be something we're against. But the central item of business is ratification of START II."

5. Global Land Mine Ban

The AP-Dow Jones News Service ("RUSSIA YELTSIN EXTENDS BAN ON EXPORTING LAND MINES," Moscow, 12/02/97) reported that Russian President Boris Yeltsin signed a decree Tuesday extending a ban on the export of anti-personnel mines for five more years. The decree extends a moratorium Yeltsin imposed in November, 1994.

6. PRC-Taiwan Relations

The Associated Press (Charles Hutzler, "CHINA THREATENS FORCE ON TAIWAN," Beijing, 12/02/97) and Reuters (Justin Jin, "CHINA DRAWS LINE ON TAIWAN OVER POLLS, ASIAN FUND," Beijing, 12/02/97) reported that PRC Foreign Ministry Spokesman Tang Guoqiang said that the PRC would be forced to resort to military action if other countries interfered in Taiwan or if independence forces on the island seemed dominant. "We will work hard for the peaceful reunification of the motherland, but we will not renounce the use of force," Tang stated. He added, "It doesn't matter what elections Taiwan holds, or whatever the results of the elections, they cannot change the basic fact that Taiwan is a part of China, Taiwan is a province of China." [Ed. note: See "Taiwan Elections" in the US Section of the December 1 Daily Report.]

The Los Angeles Times ("US WON'T SUPPORT TAIWAN PLAN," Washington, 12/02/97) reported that the US said Tuesday that it would not support establishment of a separate nation of Taiwan. State Department spokesman James P. Rubin stated, "Our view is long-standing and has not changed. That is, we do not support Taiwan independence. We do not support one Taiwan, one China. What we do support is the resolution of this issue peacefully; therefore, we don't support the use of force."

II. Republic of Korea

1. ROK-Japan Fisheries Talks

ROK officials said that fishing talks between the ROK and Japan in Seoul broke up Monday with Japan considering scrapping the 1965 fisheries convention. Ryu Kwang-sok, director general of the ROK Foreign Ministry's Asia-Pacific Affairs, stated "The two countries failed to narrow their differences. We will have to talk with Japan on how to resume fishing talks in the future." Japanese Vice Foreign Minister Masahiko Komura, who met ROK Foreign Minister Yoo Chong-ha and ROK senior presidential secretary Ban Ki-moon during his two day-stay in Seoul, returned to Japan Monday following his failure to reach an agreement. The ROK official refused to reveal what was the main area of contention between the two countries. Recently, they 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. (Korea Times, "FISHING TALKS BETWEEN KOREA, JAPAN BREAK DOWN," 12/02/97)

2. Global Land Mine Ban

The ROK government said yesterday it will not sign an international convention banning antipersonnel land mines in Ottawa Tuesday. "It has been our consistent position that land mines are still needed on the divided Korean peninsula in view of the security situation," said an ROK Foreign Ministry official. (Korea Herald, "SEOUL NOT TO SIGN LANDMINE CONVENTION IN OTTAWA," 12/02/97)

3. PRC Military Development

The PRC's Xinhua news agency reported that vice-chairmen of the PRC Central Military Commission Zhang Wannian said Monday that the People's Liberation Army (PLA) needs more modern equipment to meet the challenges of the next century. PRC President Jiang Zemin has placed great emphasis on improving the PLA's weapons and equipment, Zhang said, adding that the PLA should also introduce effective management systems. Jiang announced in September plans to cut the strength of the PLA's three million strong ranks by 500,000 personnel to divert resources to developing defense technology. (Korea Times, "CHINA NEEDS MODERN ARMY TO FACE FUTURE: MILITARY CHIEFS," 12/02/97)

III. Russian Federation

1. RF Nuclear Weapons Safety

Nezavisimaia gazeta's Vladimir Georgiyev and Igor Frolov ("A STORM IN A GLASS OF WATER," Moscow, 1, 6, 12/2/97) published an interview with Lieutenant General Igor Valynkin, Chief of the 12th Main Directorate, RF Defense Ministry, who is responsible for RF nuclear weapons safety matters. He expressed his regrets that Academician Aleksey Yablokov "is again raising a storm in a glass of water" by repeating his allegations that some nuclear weapons in the RF are beyond RF Presidential control. "As an official person of the Defense ministry of Russia, who is in charge of exploitation and safety of nuclear weapons in the Armed Forces, I declare in full responsibility: they are under reliable protection," Valynkin said. "There has been no loss or theft of nuclear weapons in the Russian army.... The quantity of nuclear weapons are checked every year.... Neither Lebed nor Yablokov know this problem from the inside.... I'm aware there are people, terrorists, who would like to get hold of nuclear weapons. But to do that in Russia is impossible.... No brief- cases, knapsacks, satchels and other bags have ever escaped us for the simple reason that they never really existed.... Production and exploitation of extremely small weapons would have been so expensive that no budget could have paid for it, no state could have afforded it."

2. Asian Financial Crisis

Segodnya's Georgiy Bovt and Aleksandr Chudodeyev ("SICK 'ASIAN TIGERS' MIGHT CONTAMINATE THE WHOLE WORLD," Moscow, 4, 11/25/97) reported on the International Monetary Fund's (IMF) decisions to allocate US\$20 billion to the ROK and US\$23 billion and US\$17.2 billion to Indonesia and Thailand respectively to enable those to overcome severe financial crisis. The article also reported on the bankruptcy of the Japan's Yamaiti Securities, and on the calls to create an Asian Monetary Fund to supplement the pro- Western IMF.

Sovetskaya Rossia ("THESE DAYS SEOUL," Moscow, 4, 12/2/97) reported that the ROK and the IMF reached an agreement in principle on opening a credit line for alleviating the ROK financial crisis. The first installment, expected to amount to no less than US\$10 billion, is to be delivered to the ROK as early as this week.

3. Military Exchanges on Korean Peninsula

Kommersant-daily's Andrey Ivanov (RUSSIA ARMS SOUTH KOREA," Moscow, 5, 11/25/97) reported that on November 22 ROK Deputy Defense Minister Li Chong-rhin completed his visit to the RF, which coincided with a visit of a high-ranking delegation headed by Tang Tianbao, First Deputy Chief, Main Political Directorate, PRC People's Liberation Army, to Pyongyang. The article said that "both visits were shrouded in an atmosphere of mystery." Since Kim Il-sung's death, all DPRK-PRC contacts had been frozen, but now the two countries are searching for a resumption of cooperation which might include PRC arms deliveries to the DPRK. As for the ROK, it has been getting RF military equipment since September of 1996 in repayment for the former USSR's debts. As a result of the present visit, the ROK Deputy Defense Minister and his RF counterpart Nikolai Mikhailov signed an RF-ROK military technical cooperation agreement. Details of the agreement were not revealed. The ROK minister also visited both MiG and Sukhoi enterprises, RF fighter aircraft producers. For over a year the ROK has been undecided which foreign aircraft to buy within the framework of ROK Air Force modernization program. The choice had been between the US F-15 and the French Mirage-2000, but now it seems a decision could be made in favor of the MiG or Su-27.

4. Russian Officer Accused of Spying for Japan

Nezavisimaia gazeta ("AN OFFICER IS ACCUSED OF SPYING," Moscow, 2, 11/26/97) and Kommersant-daily's Denis Dyomkin ("A JOURNALIST IS CHARGED WITH HIGH TREASON," Moscow, 7, 11/29/97) reported that Captain Grigoriy Pasko, a journalist for an RF Pacific Fleet newspaper, on November 28 was charged with high treason for allegedly spying for Japan. Pasko had been researching the problem of storage and utilization of radioactive waste and had access to secret information on defense industries in the RF Far East. Among the documents reportedly seized from Pasko at the Vladivostok Airport, where he was embarking to Japan, were some materials intended for display on Japanese TV. According to unofficial reports, it was Pasko's close contact with the Japanese NHK TV Company that caused RF Pacific Fleet counterintelligence to pay thorough attention to him. [Ed. note: See "Russian Officer Accused of Spying for Japan," in the US Section of the November 25 Daily Report.]

5. Global Land Mine Ban

Sovetskaya Rossia ("THERE DAYS TOKYO," Moscow, 7, 11/29/97) reported that Japanese Premier Ryutaro Hashimoto said Japan is going to sign the international Anti-Personnel Mine Ban Convention together with over 110 other countries in Ottawa in early December. For Japan the decision is a difficult one, as there are huge stockpiles of mines at the US military bases there, and the US has refused so far to join the Convention.

6. RF-PRC Border Demarcation

Nezavisimaia gazeta ("RUSSO-CHINESE BORDER DEMARCATION STARTS," Moscow, 1, 11/27/97) reported that RF Premier Viktor Chernomyrdin signed a decision "On Demarcation of the Russo-Chinese State Border In Its Western Part." The decision confirmed the "directives" to the RF delegation to the joint RF-PRC border demarcation commission.

7. RF Fighter Development

Kommersant-daily ("OUR ANSWER TO AMERICANS," Moscow, 2, 12/2/97) reported that the first test flight of a new MiG-29-9-17 fighter took place at the Zhukovskiy Airfield near Moscow. "An improved multifunctional radar" is installed on board the fighter, and the combat load has been increased from 2 to 4 tons as compared with the MiG-29. With auxiliary fuel tanks its maximum range is 3500 kilometers, and in-flight fueling is possible.

8. RF Joins APEC Izvestia's Vasiliy Golovnin ("RUSSIA ESTABLISHES ITSELF IN THE PACIFIC," Moscow, 1, 2, 11/27/97) reported that "despite desperate resistance by a number of countries" the RF was admitted to membership in the Asia Pacific Economic Cooperation on November 26 at the APEC session in Vancouver, Canada. The decision means that RF President Boris Yeltsin can participate as a full partner in the next APEC forum in Kuala Lumpur in 1998. However, ASEAN members reportedly are concerned that the admission of the RF disrupts the established balance within the organization and might lead to a creation of a omnipotent "Politburo" consisting of the PRC, Russia, the US, 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.

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

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