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I. United States

1. ROK-DPRK Relations

The Associated Press ("NORTH KOREA WANTS END TO SPY AGENCY," Seoul, 01/01/98) reported that ROK President-elect Kim Dae-jung said Thursday that the ROK would try to improve ties with the DPRK. In his New Year's message, Kim stated that "strong efforts will be made to step up national security and improve our relations with North Korea." He added, "We will continue to engage in dialogue with the North." However, the DPRK's official Korea Central News Agency said in an editorial that relations with the DPRK would never improve unless Kim's government takes practical steps such as dismantling the ROK's National Security Agency. The editorial stated, "Their oft-told improvement of inter-Korean relations, dialogue and unification minus such practical measures will remain empty talk." It added, "No change can be expected from the mere alternation of governments and presidents in South Korea."

The Washington Post (Steven Mufson, "SEOUL HARD-LINERS TAKE DIM VIEW OF UNIFICATION TALK," Seoul, 12/30/97, A14) reported that most analysts predict that the ROK's National Security

Law will remain unchanged despite the election of Kim Dae-jung. Opposition legislator Kim Geun-tae stated, "For a long time, Kim Dae-jung has insisted that the national security law should be amended and that he wants to substitute a law of democratic order." However, he added, "because of his coalition with Kim Jong-pil, in the short term it will be impossible to amend the national security law."

2. DPRK Spy's Sentence Reduced

Reuters ("SEOUL COURT REDUCES SENTENCE FOR N.KOREAN SPY," Seoul, 12/26/97) reported that ROK court officials said that an ROK high court on December 26 reduced the sentence for Chung Su-il, a convicted DPRK spy who had taught at a Seoul university, from 15-years in jail to 12 years. The court dismissed a charge on the "collection of state secrets," while upholding the other spying charges against Chung, the officials said. The Seoul high court said that most of the information Chung sent to the DPRK was published reports, not state secrets. [Ed. note: See "DPRK Spy Sentence Upheld" in the US section of the May 2, 1997 Daily Report.]

3. DPRK Defectors

The Los Angeles Times (John L. Mitchell and David Holley, "FAMILY REUNITED AFTER 47 YEARS," Seoul, 12/31/97) and the Associated Press ("WOMAN HELPS FAMILY FLEE NORTH KOREA," Seoul, 12/30/97) reported that Paek Hong-yong, an 85-year-old Korean-American, helped her son, Lee Yong-un, and his family to escape from the DPRK to the ROK. Lee stated, "It wasn't very difficult to cross the border because a lot of North Koreans are now moving around to find food." Author Helie Lee, one of Paek's grandchildren living in the US, said she visited the PRC several times to arrange the escape. She brought along an ROK television crew to record portions of the trip, citing such filming as "the leverage we might need" if the ROK government refused to grant her relatives asylum. Helie's father said that it took five visits to the PRC and nearly US\$80,000 before all the arrangements were made.

4. US Journalist Jailed in ROK

The Washington Post (Kevin Sullivan, "SEOUL JAILS U.S. JOURNALIST ON SLANDER CHARGE," Seoul, 12/31/97, A18) reported that Richard Choi, a news anchor and talk-show host for Radio Korea in Los Angeles, was arrested in Seoul on December 19 after the Hankuk Ilbo filed criminal slander charges against him for reporting that the paper is on the verge of financial collapse and might be taken over by the Hyundai conglomerate. The Hankuk Ilbo denies that it is in serious financial straits or that a takeover is being considered. An editor for the newspaper accused Choi of intentionally reporting incorrect information to damage a rival US radio station owned by the Hankuk Ilbo. Lee Sang-seok, the newspaper's foreign news editor, said, "We are in support of freedom of the press.... But Mr. Choi's report comes as a severe threat to the survival of our company at a very dangerous time."

The Los Angeles Times (Matea Gold, "KOREAN PAPER SAYS NOW-JAILED RADIO REPORTER BROADCAST A LIE," 01/01/98) reported that the Korea Times, whose suit against Los Angeles journalist Richard Choi led to his recent arrest in Seoul, said that Choi intentionally broadcast a radio story that "caused irreparable damage" to the newspaper's parent company. The newspaper said in a statement, "Our action has been taken out of self-defense aimed at protecting the very survival of the Korea Times from an immediate and clear threat to the reputation and credibility of our company. We believe that what Choi and his company broadcast . . . was nothing but a total fabrication designed to eliminate a rival company's competition." However, Radio Korea officials said Choi did not intend any harm with his broadcast, and added that they were planning to issue a retraction when he was arrested. That retraction was broadcast four times on December 26,

according to the station.

The Associated Press ("SOUTH KOREA URGED TO FREE REPORTER," Seoul, 01/01/98) reported that the Paris-based group Reporters Without Borders, in a letter sent to ROK President Kim Young-sam Thursday, urged the ROK to release Richard Choi. The letter asked Kim to "secure the immediate and unconditional release of Richard Choi." Reporters Without Borders said it is aware that given the difficult period the ROK is going through, rumor may be harmful to a business, but it added, "Even so, our organization believes that defamation, as a press offense, should not be punishable by a prison sentence."

Reuters ("U.S. CONCERNED ABOUT AMERICAN JAILED IN S. KOREA," Washington, 12/31/97) reported that the US on Wednesday expressed concern about a US journalist jailed in the ROK on charges of slander. State Department deputy spokesman James Foley stated, "We have raised our concerns about the arrest with the appropriate Korean authorities." A US consular officer visited Choi in a Seoul detention center on December 29 and found him in good health and spirits, Foley said. He added that the US would closely monitor the case.

The Associated Press ("SEOUL HOPES FOR COMPROMISE IN BROADCASTER SUIT," Seoul, 12/31/97) reported that Lee Sang-kyu, director-general for the foreign press at the ROK Information Ministry, said Wednesday that the ROK government hopes for an end to the dispute that led to the jailing of a Korean-American radio broadcaster on slander charges. Lee stated, "It's a private legal matter in which the government has no part, but we hope that the dispute would be resolved amicably."

5. ROK Financial Crisis

The Associated Press (Eric R. Quinones, "BANKS DISCUSS REMEDIES FOR S.KOREA," New York, 01/02/98) reported that representatives of major banks met without reaching agreement Friday on a long-term remedy for the ROK's financial crisis. The talks came amid reports of rifts between US bankers on how to proceed now that they have extended short-term loans to help the ROK through an immediate credit shortage.

The Los Angeles Times (David Holley, "INCOMING LEADER MAKES EARLY IMPACT IN S. KOREA REFORM," Seoul, 01/01/98) reported that ROK President Kim Dae-jung successfully demanded that the National Assembly pass a financial reform package required as a condition of the International Monetary Fund (IMF) bailout. The report said that a 12-member committee called the Emergency Economic Policy Team, in which half of the members were appointed by outgoing President Kim Young-sam and half by Kim Dae-jung, is working to satisfy conditions of the IMF bailout and ensure that the flow of rescue funds is not cut off.

The Los Angeles Times (Thomas S. Mulligan, "IMF RELEASES \$2 BILLION TO SOUTH KOREA," New York, 12/31/97) and the Washington Post (John M. Berry, "WEEK-LONG GLOBAL EFFORT YIELDS SHORT-TERM KOREA AID PACKAGE," 12/31/97, A01) reported that the International Monetary Fund on Tuesday disbursed an accelerated US\$2-billion payment to the ROK as the IMF's share of a US\$10-billion emergency credit package that it and 13 industrialized nations assembled last week. The IMF board agreed to release the funding a day after the ROK parliament enacted reform legislation that the IMF had been seeking.

The Washington Post (Kevin Sullivan, "SOUTH KOREA BOWS TO IMF ON REFORMS," Seoul, 12/30/97, A01) reported that the ROK National Assembly passed a package of financial reforms Monday. The measures included the creation of a new supervisory agency for the banking, securities, and insurance industries. However, lawmakers postponed action until the new year on a

bill that would make it easier for banks to lay off workers. About 300 bank workers demonstrated in front of the parliament building Monday to protest the reforms.

6. Taiwan Missile Deployment

Reuters ("TAIWAN TO COMPLETE MISSILE DEPLOYMENT IN 98-REPORT," Taipei, 01/02/98) reported that Taiwan's China Times newspaper quoted unidentified military sources as saying on Friday that Taiwan would complete deployment of US-made Patriot surface-to-air missile systems in the second half of 1998. The newspaper said that all three batteries of Patriot missile systems had arrived in Taiwan and that the military was now training on the systems and planned to conduct live-fire testing before the deployment.

7. South Africa Recognizes PRC The Washington Post (Lynne Duke, "S. AFRICA CUTS TIES WITH TAIWAN, OPENS DIPLOMATIC RELATIONS WITH BEIJING," Johannesburg, 01/01/98, A21) and the Associated Press (Andrew Selsky, "CHINA OPENS SOUTH AFRICA EMBASSY," Pretoria, 01/01/98) reported that the PRC opened an embassy in South Africa on Thursday. South Africa was the last major country to maintain diplomatic recognition of Taiwan. In a joint South African-PRC communique, South Africa said it recognizes that "the government of the People's Republic of China is the sole legal government representing the whole of China and recognizes China's position that Taiwan is an inalienable part of China."

8. Russia-PRC Nuclear Cooperation

The Associated Press (Joe McDonald, "RUSSIA TO BUILD NUKE PLANT IN CHINA," Beijing, 12/29/97) and the Los Angeles Times (Vanora Bennett, "RUSSIA, CHINA FINALIZE \$3.5-BILLION NUCLEAR DEAL," Moscow, 12/30/97) reported that Russia signed a deal Monday to build a nuclear power plant in the PRC. Russia said the deal was worth US\$3 billion, while the PRC gave a figure of US\$2 billion for equipment plus unspecified construction costs. The PRC's official Xinhua news agency reported that two 1,000-megawatt generating units of the Russian-built plant in Lianyungang, a coastal city northwest of Shanghai, are to begin operating in 2004 and 2005. Russian officials said the reactors will be "light water" units considered much safer than Chernobyl-style graphite units. The contract is the product of a 1992 nuclear-cooperation agreement signed by Russian President Boris Yeltsin during a visit to the PRC.

II. Opinion

1. Future of ROK-DPRK Relations

The following is an opinion article written by Won-Ki Choi, a journalist for the JoongAng Ilbo and a former visiting fellow at Stanford University, 1996-1997, and Sun-Jung Kim. The article discusses the likely effects of Kim Dae-jung's election as president of the ROK on ROK-DPRK relations. It is distributed at the authors' request. All opinions expressed are those of the author. Nautilus presents the article as received, except for grammatical editing.

"WHO'S IN THE WAY OF PRESIDENT DAE-JUNG KIM? THE TWO KOREAS IN THE 21ST CENTURY"

Do you like betting? Here's an interesting question, and the stakes are high. Do you think the two Koreas will be united into one country within five years (1998~2003)? I, a newspaper reporter who has covered North Korea for eight years, would definitely bet "yes," but I have no intention of betting more than ten dollars (I probably would have betted at least thirty dollars without the recent rise in the dollar.) Do you want to go further with this bet? Okay, do you think the relationship

between the two Koreas will be much more stable and peace-seeking in five years, even if national unification on the Korean Peninsula is not yet accomplished? I must say that this one is worth a hundred-dollar bet. Why? Well, the main reason is the unlikeliness of war. And newly elected President Kim Dae-jung.

Over the fifty years since the division of the Korean Peninsula, the possibility of war has been an inevitable evil. North Korea saw it as a *raison d'etre*, for establishing communism in the South was Pyongyang's national doctrine, and thus poured US\$2.4 billion, or an unbelievable 26 percent of its GNP, into military spending. Now, without support from the defunct Soviet Union, people in the "workers' heaven" are on the verge of starving to death on a 150 gram per day ration, forcing Kim Jung-il, the dictator of Pyongyang, to make a crucial decision whether to allow his people to die collectively or to cut down on defense expenses.

The South meanwhile had to spend a great portion (3.3 percent) of its GNP annually on national defense, while struggling to achieve and preserve its economic success. That is equivalent to 22 percent of government revenue, or US\$15.8 billion, on average every year. Now, in the midst of the financial turmoil sweeping Southeast and Far East Asia, the national currency, the won, has lost 60 percent of its value, dropping per capita income from US\$10,000 to US\$7,000. This won depreciation has hit hard in terms of, among other things, weapons imports. Korea is America's 6th largest weapons buyer and the price is way too high. What do all these developments mean? If both the South and the North do not feel that a war on the peninsula would bring any good, then it seems like the minimal stage-setting is done for everlasting peace and mutual prosperity in the two Koreas' relationship.

On December 18, 1997, a dissident and veteran politician of 40 years, Kim Dae-jung, was elected as the 15th president of Korea. He is a survivor of a few assassination attempts, which force him to depend on a cane and hearing aid. In his first press conference after being elected, he proposed to Kim Jung-il of the Communist North that the two leaders have a summit meeting. What the president-elect is getting at is this: One, make sure that the peace on the peninsula is secure. Two, with peace established, win over right-wing hawks to cut down on defense expenses and the army. Three, make good use of the money transferred from defense revenue for economic revival. To make a long story short, the key words for the next five years in the inter-Korean relationship would be "summit meeting," "disarmament," and "economic revival," while in the last five years they have been "nukes," "the death of Kim Il-sung," and "food shortage." The South-North Korea summit meeting can be a starting point for a whole new period in the peninsula and is definitely worth trying for.

Yes, worth trying for, as long as the US and Japan would not mind helping to talk the North into accepting the summit offer. Kim Jung-il wants to mend fences with the US and to obtain US\$10 billion in compensation from Japan, with the South excluded throughout the process. With this in mind, I would like to recommend that Washington and Tokyo see the North in a different light: go on with the four-way meeting as scheduled and at the same time deal with the North separately to persuade Kim Jung-il to do the right thing.

The three-level strategy that President elect Kim Dae-jung is fleshing out might turn out to be just a daydream, like that of incumbent president Kim Young-Sam. Young-Sam did not know what to do or how to do it when it came to handling his Northern counterpart. Moreover, he himself never realized that he did not know a thing. This may also hold true for newly elected president Kim Dae-jung. He knows too much and sometimes it's better not to know too much.

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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