

# NAPSNet Daily Report 02 March, 1998

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### I. United States

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### 1. ROK-DPRK Relations

The Associated Press ("N. KOREA DISAPPOINTED IN S. KOREA," Seoul, 02/28/98) reported that the DPRK Workers Party's official newspaper Rodong Sinmun said Saturday that it was disappointed by the inaugural address of new ROK President Kim Dae-jung because he failed to respond to the recent DPRK peace overture. The report stated, "It has disappointed the nation that he failed to clearly show a willingness to pursue a policy quite different from his predecessor's."

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### 2. US-DPRK Relations

The New York Times (Nicholas D. Kristof, "NEW SHAPE TO TRIANGLE TYING U.S. AND KOREAS," Seoul, 03/01/98, 7) reported that the newly inaugurated ROK government may be more willing to allow direct US-DPRK contact than its predecessor was. The article noted that, in his inauguration speech, ROK President Kim Dae-jung said that it would be fine "if North Korea pushed for interaction and cooperation with our friends, including the United States and Japan." Likewise, National Assembly member Kim Man-seuk of the National Congress for New Politics stated, "many members of our party think it can be considered as a useful and practical tool for the United States to recognize North Korea to stabilize the Korean Peninsula." However, former Prime Minister Lee Hong-koo warned, "We have a sizable conservative bloc in Korea, and they are the bloc of people who have the greatest doubt about Kim Dae-jung. So if suddenly the United States comes up with that sort of proposal and that becomes an item of consultation between Seoul and Washington, that could really do a great disservice to Kim Dae Jung. That's the kind of thing Washington should be very careful about." Meanwhile, US Ambassador to the ROK Stephen W. Bosworth said that increased US-DPRK ties are "not the answer to the problem" of peace on the Korean Peninsula. "The answer to the problem is for the North and South to talk to one another."

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#### 3. DPRK Famine

United Press International ("N. KOREA ONLY HAS TWO WEEKS' FOOD," Tokyo, 03/02/98), Reuters (Brian Williams, "ONLY 2 WEEKS WORTH OF GRAIN IN N.KOREA," Tokyo, 03/02/98) and the Associated Press ("N. KOREA SAYS FOOD SUPPLY DWINDLING," Seoul, 03/02/98) reported that the DPRK's state-run Korean Central News Agency said Monday that the country is running out of food, even though it has been sharply cutting the daily ration of grain. The agency quoted a spokesman for the DPRK Flood Damage Rehabilitation Committee as saying that the DPRK's domestic grain stock stood at 167,000 tons as of January 1. The spokesman said that the government cut the daily ration per person from 10.5 ounces a day to 7 ounces a day in February, but he added that even if the ration is cut again to 3.5 ounces, "the stock will run out in mid-March." The report said that the DPRK needs about 7.84 million tons of grain a year, of which 4.82 million are needed for food and the remainder for animal feed and other use. The spokesman expressed gratitude for outside food aid and said that the DPRK was mobilizing "all the people and servicemen" to increase grain production this year. However, an anonymous official at the ROK National Unification Ministry stated, "I don't believe we should attach too much meaning to the latest statement. The figures quoted lack specifics and therefore lack credibility." In contrast, Noriyuki Suzuki, chief analyst at Japan's Radio Press, stated, "The figures are basically reliable, close to their previous

announcements. North Korea made a similar statement in 1997, saying they were in serious need of food. This time their tone is a little stronger."

Reuters (Scott Hillis, "N.KOREA COULD RUN OUT OF GRAIN BY APRIL -AID WORKER," Beijing, 02/27/98) reported that Sten Swedlund, head of the International Federation of the Red Cross and Red Crescent Societies in the DPRK, said on Friday that food rations in the DPRK have dwindled to dangerously low levels and that the country could run out of grain by April. Swedlund stated that a lean harvest last year had reduced grain rations to just 150 grams per person per day, one-third the level of a few months ago, meaning the DPRK would be totally reliant on international food aid by April. He added, "The alarming thing about this is that it is happening earlier this year than last year," when DPRK food stocks were not depleted until June. Swedlund, who returned to Beijing after three months in the DPRK, said, "Without international humanitarian aid, the situation would have been very, very serious." Saying that aid workers were hopeful that 1998 would be a year of recovery for the DPRK, Swedlund stated, "The starting point is negative because certain areas are still suffering from the flooding of the last couple of years." He also noted that lack of proper nutrition and medicines were "long-term negative effects" on the health of the population. He stated that most hospitals were totally bare of modern medicines and many did not have heat or even blankets to keep patients warm.

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## 4. DPRK Human Rights

The Associated Press (Robert Burns, "DEFECTORS TELL OF PRISON HORRORS," Washington, 02/27/98) reported that DPRK defectors Lee Sun-ok and Kang Chul-hwan on Thursday, speaking at the US National Press Club in Washington, described their experiences in DPRK prisons. Lee stated that female inmates who were pregnant on arrival were given injections so their babies were stillborn, and that babies born alive were killed quickly by prison guards. Lee said she was imprisoned on false embezzlement charges after refusing to bribe a police chief in Onsong County. She added that during 14 months in a detention camp, before she formally was convicted and sent to an "indoctrination" camp, she was repeatedly tortured to force a confession. In a report released in January, the US State Department said that defectors and former inmates estimate that 150,000 to 200,000 political prisoners are held in the DPRK.

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### 5. Opening of DPRK Airspace

PRNewswire carried a company Press Release by Cathay Pacific Airways ("CATHAY PACIFIC AIRWAYS OPERATES FIRST INTERNATIONAL FLIGHT OVER NORTH KOREA," Anchorage, 02/28/98) which said that Cathay Pacific Airways on Saturday became the first international airline to operate a commercial flight through DPRK airspace in more than 50 years. Cathay Pacific Flight CX087, operating from Anchorage, Alaska to Hong Kong, was the first aircraft to use the new DPRK route on Saturday. The journey over the DPRK took approximately 20 minutes. Captain Paul Horsting, who was in command of the aircraft, stated, "Although we were carrying a commercial payload, this flight was also an operational proving flight, and today's success means that we are a big step closer to establishing regular operations along this route." Ian Callender, Cathay Pacific's vice president for the Americas, added, "While actual flight time will vary according to weather conditions, we could see reductions of up to 50 minutes on flights from Los Angeles and Vancouver to Hong Kong."

Reuters (Kristina Zetterlund "AIRLINES TO CUT COSTS WITH N.KOREA OVERFLIGHTS," Hong

Kong, 03/02/98) and the Associated Press ("CARGO JET FLIES THROUGH N.KOREA AIR," Hong Kong, 03/01/98) reported that analysts said that the overall benefits of the reduced flight time for international airlines using DPRK airspace would be small. Declan Magee, airline analyst at ABN Amro Hoare Govett Asia, stated, "While it is useful in terms of flying times to the United States at certain times of the year it is not going to suddenly alter the economics of such trips." However, Goldman Sachs analyst Jean-Louis Morisot said that the opening of DPRK airspace "is not exactly the invention of the jet engine but what is striking is that it is good news in the middle of a lot of bad news." He added, "It is one of these trends that over the long run will save airlines a lot of money, the fact that countries are less sensitive about overflights." US carriers Delta and United Airlines, the ROK's Korean Air, and Singapore Airlines are expected to try the route later this week.

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### 6. ROK Financial Crisis

The Associated Press (Sang-Hun Choe, "SKOREA'S FINANCIAL CRISIS NOT OVER," Seoul, 02/27/98) reported that an ROK government report released Friday said that a record 3,320 companies went bankrupt in January. The report also said that the number of unemployed rose 42 percent from December to January, pushing the jobless rate to an 11-year high of 4.5 percent, or 934,000 people. The industrial output shrank by a record 10.3 percent in January. Lee Jang-young, a research fellow at the Korea Institute of Finance, a think tank funded by ROK commercial banks, said "All this could result in ... a second currency crisis." Yoo Tae-hou, managing director at the Daewoo Research Center, added "Many, many companies won't survive the high interest rates and liquidity chokes. Bankruptcies will sharply increase and we expect 20 percent of all listed companies to become insolvent this year, and some say that's a very conservative estimate. That will put more pressure on the banks."

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### 7. ROK Cabinet

The Associated Press (Paul Shin, "S. KOREA PARLIAMENT DIFFERS ON VOTE," Seoul, 03/02/98) and Agence France-Presse ("S. KOREAN PRESIDENT TO APPOINT PROVISIONAL CABINET AFTER PARLIAMENT MAYHEM," Seoul, 03/02/98) reported that a National Assembly session called to vote on ROK President Kim Dae-jung's choice for prime minister was adjourned twenty minutes into the voting, after shouting and shoving broke out between members of rival parties. Members of Kim's National Congress for New Politics protested that opposition members were casting illegal votes. According to MBC-TV, the main opposition Grand National Party ordered its members to cast blank ballots as a show of solidarity against the nomination of Kim Jong-pil. Kim Dae-jung's aides said that the president would move quickly to appoint an interim cabinet, citing the country's deepening economic crisis and four-party peace talks as necessitating breaking the impasse on the nomination. Meanwhile, US Deputy Assistant Secretary of State Charles Kartman arrived in Seoul Monday to hold discussions with ROK officials ahead of four-party Korean peace talks later this month, despite the lack of a cabinet. Presidential spokesman Park Ji-won said that regardless of the vote, the president would announce the list of cabinet members "by tomorrow (Tuesday) morning."

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### 8. Taiwan-PRC Relations

The Associated Press ("TAIWAN, CHINA TRADE SURGES 10 PCT," Taipei, 02/27/98) reported that a Taiwan Board of Foreign Trade report said Friday that trade between Taiwan and the PRC rose 10

percent to US \$24.45 billion last year. Exports totaled US\$20.54 billion and imports amounted to US\$3.91 billion, leaving Taiwan with a record surplus. Officials attributed the rise to increasing Taiwanese investment in the PRC, which totaled US\$1.6 billion despite a Taiwanese government policy to discourage it.

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# 9. Taiwanese Diplomacy

The Associated Press ("REPORT: TAIWAN VP VISITING UAE," Taipei, 03/01/98) reported that Taiwanese news reports said that Taiwan Vice President Lien Chan flew to the United Arab Emirates on Sunday for a three-day stay. The trip follows visits to Bahrain and Jordan. The PRC reportedly pressured Lebanon last week into canceling a visit by Lien. The news reports said Lien will visit Malaysia before returning to Taiwan on Saturday.

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### 10. US Nuclear Policy

The Associated Press (John Diamond, "MILITARY URGES U.S. ON NUCLEAR ARMS," Washington, 03/02/98) reported that an internal 1995 study, "Essentials of Post-Cold War Deterrence," by the Strategic Command (STRATCOM), the headquarters responsible for the US strategic nuclear arsenal, said that the US may be able to deter its adversaries by presenting an "irrational and vindictive" demeanor. The study said, "Because of the value that comes from the ambiguity of what the U.S. may do to an adversary if the acts we seek to deter are carried out, it hurts to portray ourselves as too fully rational and cool-headed." It added, "That the U.S. may become irrational and vindictive if its vital interests are attacked should be a part of the national persona we project to all adversaries." The study was obtained under the Freedom of Information Act by an arms control advocacy group and published Sunday in a report by the British- American Security Information Council on US strategies for deterring attacks by nations using chemical, biological, or nuclear weapons. The report cited the study as an example of the US military's push to maintain its nuclear arsenal against liberal Clinton administration officials who lean in favor of dramatic nuclear weapons reductions. However, Robert Bell, Clinton's senior adviser on nuclear weapons and arms control matters, stated that the study "sounds like an internal STRATCOM paper which certainly does not rise to the level of national policy."

# II. Republic of Korea

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#### 1. US-DPRK Talks

The US and ROK Military Armistice Committee proposed to the DPRK to resume talks in which high ROK committee members would be excluded, it was reported on February 26. However, the DPRK has yet to respond to the proposal. The senior representative of the Armistice Committee stationed in the border village of Panmunjom had been a US General until 1991, when the ROK and the US mutually agreed to shift the position to a representative of the ROK. The DPRK opposed the decision and has closed its doors to high -level communications ever since. (Chosun Ilbo, "ROK SENIOR REPRESENTATIVE TO BE EXCLUDED IN US-NK CONTACT," 02/27/98)

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### 2. Japan-DPRK Talks

Japan's Social Democratic Party (SDP) may send former Prime Minister Tomiichi Murayama to the DPRK in April for a meeting with the country's leader Kim Jong-il, Japan's Sankei Shimbun reported on March 1. Murayama will visit Pyongyang to seek reengagement of talks for normalizing bilateral ties. (Korea Times, "JAPAN'S FORMER PREMIER EYES N.KOREA VISIT TO MEET KIM JONG-IL: REPORT," 03/02/98)

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### 3. ROK-DPRK Relations

The DPRK on February 28 expressed disappointment with ROK's President Kim Dae-jung's inaugural address, accusing him of failing to "clearly show" a new policy for reunification. "A good beginning is important in everything," stated the official party newspaper, Rodong Sinmun. "To our regret, however, he showed no response to the patriotic proposal and just call of the joint meeting of our political parties and organizations for the improvement of inter-Korean relations," it said. (Korea Times, "N.KOREA `DISAPPOINTED' WITH KIM DAE-JUNG'S REUNIFICATION POLICY," 03/02/98)

ROK President Kim Dae-jung urged the DPRK to come to talks with the ROK during a speech marking the 79th anniversary of the March 1 Independence Movement. "We are prepared to respond to proposals for dialogue at any level," the President said. (Korea Herald, Chon Shi-yong, "PRESIDENT KIM REPEATS OFFER TO NORTH; DELIVERS SPEECH DESIGNED TO EASE FEARS DURING RESTRUCTURING," 03/02/98)

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### 4. ROK-US Consultations on DPRK

A US delegation, led by US Assistant Secretary of State for East Asian Affairs Charles Kartman, is scheduled to arrive in Seoul on March 2 to discuss DPRK issues with the new ROK administration. The delegation includes officials from the US National Security Council. During his four-day stay, Kartman will meet with Song Young-shik, deputy minister of foreign affairs and trade, to coordinate policy between the two countries for the pending March 16 four-party talks. The two sides are expected to agree that issues regarding the establishment of a peace system and arms control should be discussed at the four-party talks. Family reunions and other conciliatory measures would be discussed bilaterally between the two Koreas. (Korea Herald, "US DELEGATION ARRIVES TO DISCUSS DPRK," 03/02/98)

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# 5. DPRK Missile Deployment

US Defense Department Spokesman Kenneth Bacon on February 26 officially denied the Japanese newspaper Yomiuri's reports on DPRK missiles. The Japanese newspaper had reported, citing supposed verification by US defense sources, that the DPRK had mobilized its mid-range ballistic missile, Rodong I. Bacon said that, although the development of the Rodong I is considered complete, there is no way to confirm the alleged mobilization. In addition, Bacon commented that Japan, weary of potential threats, is planning a theater missile defense system. Bacon also urged the DPRK to abandon further development, citing their economic difficulties. (Hankook Ilbo, "US DENIES JAPANESE REPORT ON DPRK MISSILES," 02/27/98)

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### 6. DPRK Human Rights

DPRK defectors to the ROK Kang Chul-hwan and Lee Sun-ok testified on the human rights situation in the DPRK to the US Senate on February 25. In their testimony to the Senate Subcommittee for East Asia and the Pacific, Kang and Lee claimed that there are approximately 200 thousand political offenders in the DPRK. In addition, the two testifiers urged the US congress to act for human rights improvement in the DPRK. (Kyunghyang Shinmun, "DPRK KEEPS 200 THOUSAND POLICITAL OFFENDERS IN CAPTIVITY," 02/27/98)

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# 7. ROK-Japan Fisheries Talks

Japan's Kyodo news agency on February 28 quoted Japanese Foreign Ministry sources as saying that ROK and Japanese civilian fisheries organizations began consultations for a new fishing agreement while their governments continue to disagree. Kyodo did not report in detail what the civilian organizations discussed but added that the two sides exchanged opinions on relevant issues and sought each other's understanding. (Korea Times, "SEOUL, TOKYO START PRIVATE FISHING TALKS," 03/02/98)

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### 8. ROK Military

Despite the extensive downsizing of other governmental organizations, the top military staff remains largely intact. According to the ROK Ministry of Defense on March 1, there are 24 more flag staff officers in active service than called for in the military organizational regulations. Subsequently, the defense ministry plans to temporarily increase the term of corps and division commanders to keep the number of generals at bay by 2000. (Korea Times, "MILITARY TOP BRASS REMAINS BLOATED," 03/02/98)

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#### 9. PRC-Taiwan Relations

The China Times reported on March 1 that Taiwan's top negotiator Koo Chen-fu is expected to fly to the PRC in April or May to try to improve relations. The report said that the tour by Koo, chairman of the quasi-official Straits Exchange Foundation, would be an attempt to improve the atmosphere rather than engage in negotiations. The paper said that the PRC could not possibly talk to Taiwan before tackling a series of domestic problems, including a cabinet reshuffle, reform of state-run enterprises, and pressure arising from Asia's financial turmoil. However, the PRC sent a letter last week to Taiwan through its Association for Relations Across the Taiwan Strait saying it would welcome a visit by Koo. (Korea Times, "TAIWAN TOP NEGOTIATOR TO VISIT PRC IN APRIL-MAY: REPORT," 03/02/98)

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### 10. PRC Politics

PRC Vice-Premier Qian Qichen will be appointed Foreign Minister for another year during this year's National People's Congress, according to diplomatic sources. Qian has already served two five-year terms as Foreign Minister. He will turn 70 in November but sources said the party had been unable to find a suitable replacement. In addition, there are speculations about Qian's appointment as Vice-

President to replace the retiring Rong Yiren. (Joongang Ilbo, "INFLUENTIAL QIAN LIKELY TO WIN REAPPOINTMENT," 02/27/98)

# III. Japan

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# 1. Japan-DPRK Relations

The Yomiuri Shimbun ("DPRK ASKS JAPAN TO SEPARATE SUSPECTED ABDUCTION FROM INTERGOVERNMENTAL NORMALIZATION TALKS," 02/27/98) reported that Japanese and DPRK sources revealed on February 29 that the DPRK asked Japan at three unofficial bilateral talks in Beijing to separate the issue of the DPRK's abduction of Japanese civilians from Japan-DPRK normalization talks. The DPRK called for dealing with the abduction question through the Red Cross. According to the sources, the reason for the DPRK's offer is that the DPRK wants to keep the normalization talks going, but that it does not want to admit the suspected abductions. According to a high-ranking Foreign Ministry official, the Japanese government denied the offer because the issue will keep the normalization talks from proceeding.

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# 2. Japanese Defense Policy

The Yomiuri Shimbun ("GOVERNMENT TO FINALIZE NEW LAW FOR SITUATIONS IN AREAS SURROUNDING JAPAN," 02/28/98) reported that the Japanese government began on February 26 to finalize the new bills to secure the effectiveness of the New Guidelines for Japan-US Defense Cooperation. The bills include provisions for situations in areas surrounding Japan, revision of the Self-Defense Forces Law in terms of search and rescue operations and rescue of Japanese civilians overseas, and the Japan-US acquisition and services agreement. With regard to the bill for situations in areas surrounding Japan, Japan's logistical support for the US forces and "situations in areas surrounding Japan" are defined in the bill. In addition, although inspection of ships was going to be defined in a separate law because it is based on a UN resolution, it is also included in the bill for situations in areas surrounding Japan, according to a governmental source.

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### 3. Kim Dae-Jung's Inauguration

The Yomiuri Shimbun ("NEW ADMINISTRATION PUT EMPHASIS ON NORTH-SOUTH DIRECT DIALOGUE," Seoul, 02/26/98) reported that in his inauguration speech, new ROK President Kim Dae- jung promised to make the Four Party Peace Talks successful as a form of security policy, along with ROK-US security arrangements, denying an observation by a high-ranking Unification Board official that Kim would not be committed to the Four Party Peace Talks. He emphasized his policy to promote DPRK- ROK exchange based on the North-South Basic Agreement. With regard to food aid to the DPRK, Kim said that he supports the government and the private sector rationally providing food aid. He also said that he will support improvement of Japan-DPRK relations and US-DPRK relations if DPRK-ROK cooperation is realized, and suggested that the ROK will keep its promise to pay for the Light Water Reactor project despite the on-going economic difficulties.

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We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

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