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I. United States

1. US-DPRK Talks

Agence France-Presse ("US, NORTH KOREA CONTINUE TALKS ON NUCLEAR INSPECTIONS," New York, 03/01/99) reported that US and DPRK officials continued talks Monday on an underground construction site. US State Department spokesman James Foley said that the talks

were expected to continue during the week. US special envoy Charles Kartman did not comment afterwards. DPRK Vice Foreign Minister Kim Kye-gwan said only "wait and see."

Agence France-Presse ("NORTH KOREA BLASTS US PRESIDENT'S FOREIGN POLICY," Seoul, 03/02/99) reported that the Kookmin Daily newspaper said that US and DPRK officials have reached a tentative agreement on allowing two "visits" by US inspectors to Kumchangri in exchange for food aid and a partial lifting of economic sanctions. It added that the two sides agreed in principle that the first visit be made before June and that the US supply 800,000 tons of food aid, more than half of it within this year. ROK foreign ministry officials declined to comment on the report.

2. US Policy toward DPRK

Agence France-Presse ("NORTH KOREA BLASTS US PRESIDENT'S FOREIGN POLICY," Seoul, 03/02/99) reported that the DPRK's Korean Central News Agency (KCNA) on Tuesday accused US President Bill Clinton of warmongering by calling for a close alliance with the ROK and Japan. KCNA stated, "His utterances are nothing but a sophism to justify the intensified anti-DPRK war moves and dominationist design of the United States." It added, "They are heading for a war of aggression ... crying over 'missile threats from the DPRK' and its 'suspected underground nuclear facility.' That being a hard fact, it is quite ridiculous for Clinton to clamor about 'deterring aggression' and 'efforts for peace.'" It warned that the DPRK would "unhesitatingly" take counter-moves if the US imposes war.

The Wall Street Journal carried an editorial ("'SUNSHINE' OR MOONSHINE?" 03/02/99, 18) which said that failure of either the US or the ROK to come to grips with the threat posed by the DPRK could encourage the DPRK to continue its threat diplomacy. It warned, "A real danger is that the Clinton Administration will formally announce a take-the-carrot or get- the-stick policy, but without any intention of applying the stick." It added that ROK President Kim Dae-jung "appears to be working on the reasonable assumption that if he can get Washington fully 'engaged' with Pyongyang, then Seoul will have the ultimate protection, however things turn out. If things go sour, the U.S. still will be on the front lines. More importantly, if reunification becomes a prospect, either through collapse or evolution, America will be on the scene to pay the bills." It concluded, "administrations do change in the U.S., and a future one might come under compelling pressure from Congress and the American public to back off, get the troops out of harm's way and do what it takes to remove any threat of North Korean missiles, or nukes, ever reaching American shores." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for March 2.]

3. Kim Jong-il's PRC Visit

Agence France-Presse ("NORTH KOREAN LEADER KIM JONG-IL TO VISIT CHINA," Seoul, 03/02/99) reported that the ROK's MBC television said Tuesday that DPRK leader Kim Jong-il is expected to visit the PRC in September on his first official trip out of the country. The report quoted ROK government officials as saying that the US had informed them of the trip. Kim will meet PRC President Jiang Zemin and other top government officials during the trip. The report quoted officials as saying, "This official visit marks a watershed in relations between Beijing and North Korea which have been rather cool for the last few years." MBC also said that DPRK Foreign Minister Paek Namsun will go to Beijing, possibly this month, to prepare for the visit.

4. DPRK-PRC Trade

Dow Jones Newswire ("N. KOREA-CHINA TRADE IN 1998 DROPS 37 PCT," Seoul, 03/02/99)

reported that the ROK's Korean International Trade Association said Tuesday that trade between the DPRK and the PRC in 1998 fell 37.1 percent from a year earlier to US\$413 million. Quoting statistics compiled by Chinese customs authorities, the association said that DPRK exports to the PRC in 1998 were worth US\$57 million, down 52.9 percent, due to decreases in timber and steel exports. DPRK imports from the PRC fell 34 percent to US\$350 million due particularly to a decline in grains and mineral fuels. The association added that the drop is attributable mainly to slow production in the DPRK, and flooding in the PRC last summer that caused a decrease in the DPRK's grain and crude oil imports. It added that the DPRK's external trade in 1998 is believed to have dropped to a record low, somewhat below US\$1.6 billion.

5. US Troops in ROK

Agence France-Presse ("NO UN SECURITY COUNCIL ACTION TO DISSOLVE KOREA UN COMMAND," United Nations, 03/01/99) reported that Canadian Ambassador to the UN Robert Fowler, outgoing UN Security Council president, said Monday that the council will not act on a DPRK request to dissolve the UN Command in the ROK. [Ed. note: See Daily Report for February 25.] Fowler said that he had circulated to the other 14 members a letter from DPRK Ambassador Li Hyong-chol requesting the move. He added, "Nobody suggested we take it further and we didn't."

6. DPRK Famine

Agence France-Presse (Lorien Holland, "NORTH KOREA SINKING DEEPER INTO MALNUTRITION, FOOD CRISIS: UNDP," Beijing, 02/01/99) reported that Christian Lemaire, UN Development Program representative in Pyongyang, said Monday that the DPRK's food crisis is deepening and the population is increasingly suffering from malnutrition despite the efforts of the international community. Lemaire stated, "The situation is not getting any better. In fact it is getting worse and malnutrition has spread up from the under-sixes to the under-17s. Diseases that had been eradicated like tuberculosis are coming back." He added, however, that he had no evidence of a reported three million deaths within the 75 percent of the DPRK counties where the UN provides food aid. He stated, "These three million dead are not in the areas where we monitor and I doubt there are even three million people in total in the areas where we don't monitor." He also said, "Essentially the situation is worsening ... we are continually expanding the population that receives aid, but it is really a fire-fighting exercise that does not bring about a solution. The humanitarian aid program is costing around one billion dollars every two years and our donors are asking tough questions." He concluded, "Our whole rationale is to avoid a disaster. The international community was not able to stop disasters in places like Rwanda and Bosnia and so far we are trying to prevent the situation deteriorating here."

7. ROK Political Prisoners

The Associated Press ("FREED N. KOREAN SPY: I WAS TORTURED," Seoul, 03/02/99) reported that Woo Yong-gak, the former DPRK spy believed to have been the world's longest-serving political prisoner, said on Tuesday that he was tortured during his more 41 years in jail. Woo stated, "I was tortured, abused and treated with contempt." He added, "How could I describe all the years in a few words? The past is not important anymore and it would not help achieve the unification of the two Koreas." He urged the ROK government to release all other political prisoners. Another of the released prisoners, Kim Dong-ki, called on the ROK government to allow their repatriation to the DPRK. Kim stated, "Even birds fly freely over the military demarcation line. Why should we, as humans, deserve any less? We expect the government's reasonable decision."

8. US-PRC Talks on DPRK

Agence France-Presse ("CHINA, US DISCUSS NORTH KOREA DURING ALBRIGHT VISIT," Beijing, 03/01/99) and Dow Jones Newswire ("ALBRIGHT ASKS FOR CHINESE HELP ON N. KOREA," Beijing, 03/01/99) reported that US State Department spokesman James Rubin said that US Secretary of State Madeleine Albright discussed the DPRK with PRC Foreign Minister Tang Jiaxuan on Monday. Rubin stated, "The Secretary and the foreign minister discussed in detail the current state of play." He said that US-DPRK talks and discussions between US and PRC delegations on four-party peace talks were mentioned during the meeting. He added, "North Korea is a notoriously opaque society and when foreign ministers get together they tend to try to share their best judgment as to what motivates the North Koreans and what the future might hold." Rubin also said, "If China wants to avoid the situation where concern in the region over ballistic missiles grows, it should work with the U.S. to prevent North Korea from advancing its missile program."

9. Albright's PRC Visit

Reuters (Christiaan Virant, "ALBRIGHT ENDS CHINA TRIP UPBEAT ON TIES," Beijing, 03/02/99), the Washington Post (Michael Laris, "ALBRIGHT DEBATES HUMAN RIGHTS WITH TOP CHINESE OFFICIALS," Beijing, 03/02/99, A11), the Los Angeles Times (Bob Drogin, "ALBRIGHT VISIT UNDERSCORES RIFTS IN U.S.- CHINA RELATIONS," Beijing, 03/02/99) and the Associated Press (Laura Myers, "ALBRIGHT HOPES FOR US-CHINA ACCORD," Beijing, 03/02/99) reported that US Secretary of State Madeleine Albright ended her two-day visit to the PRC on Tuesday, reaffirming the US commitment to forging a "constructive strategic partnership." Albright stated, "Our relationship, while still well short of this goal, has reached the point where it can withstand even sharp disagreements." She added that she told the Chinese that a theater missile defense system is still a "hypothetical" question. She stated, "What's not hypothetical is the threat of missiles. I think this is an issue we have to work on together." PRC Foreign Ministry spokesman Zhu Bangzao responded, "The current situation on the Korean peninsula on the whole is stable. Therefore we oppose the moves by some countries to make an excuse of this situation to strengthen military alliances and to build up defense capabilities that exceed legitimate needs. That is not conducive to peace and stability and may trigger arms races and do no good to no [sic] countries in the final analysis."

10. Perry's PRC Visit

The South China Morning Post ("PERRY FLIES IN FOR 'SECURITY CONFERENCE'," 03/02/99) reported that former US Defense Secretary William Perry arrived in Hangzhou, PRC Monday for an "academic conference on security issues." Perry is a member of a US delegation to the three-day conference and will travel to Beijing after the conference. A Taiwan newspaper report had said that Perry's visit was part of a bid to press for "second track" dialogue between Taiwan and the PRC. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for March 2.]

11. PRC Missile Development

The South China Morning Post ("BEIJING MISSILE BUILD-UP 'A PLOY'," 03/02/99) reported that Lin Chong-pin, vice-chairman of Taiwan's Mainland Affairs Council, said Monday that the PRC's reported build-up of missiles was a psychological ploy. Lin warned, however, that if the PRC became aggressive and "irrational" towards Taiwan, it could leave the island economically and structurally

decimated. He added that such a takeover would set back the PRC's economic reform for at least a decade. Lin also said that he believed that the PRC wanted to acquire and use alternatives to conventional military hardware, such as computer viruses, to create havoc and electronic warfare. He stated, "They hope to cause the minimum amount of killing and compel Taipei to the negotiating table. That is the best scenario they could seek. Short of that, they will use surgical-strike capability weapons like cruise missiles, which they are developing with full speed." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for March 2.]

12. Taiwan Missile Defense

The Associated Press ("TAIWAN TO BOOST SPENDING ON MISSILE DEFENSE SYSTEMS - REPORT," Taipei, 03/02/99) reported that Taiwan's Liberty Times newspaper said Tuesday that Taiwanese Defense Ministry officials said that the Cabinet has proposed spending NT20 billion (US\$1=NT\$33.072) on missile defense in the next fiscal year. The proposed budget also includes upgrading the locally developed Hsiung Feng II missiles to give them part of the capability of cruise missiles. The Cabinet's proposed budget includes US\$10.74 billion of defense spending for the 18 months starting July 1. The proposed defense spending accounts for 15 percent of the total budget. The military-run Chungshan Institute of Science and Technology is scheduled to conduct tests in the next fiscal year of "low- level anti-tactical ballistic missile systems" it has been developing.

13. US Theater Missile Defense

The Chicago Tribune (Liz Sly, "SQUEEZED BY THE 'UMBRELLA'," Beijing, 03/01/99) reported that some analysts warned that the creation of a US Theater Missile Defense (TMD) in Asia could cause the PRC to accelerate its military program to seize Taiwan before the TMD is operative. Paul Beaver of Janes' Defense Weekly stated, "That is why TMD is so escalatory. If China thinks Taiwan may soon become impregnable to the threat of its missiles, it may very well decide it's in its interest to do something sooner rather than later." He added that the PRC knows it could not beat the US in an arms race, and "that's why China is screaming, because this means they won't be able to control their own destiny." However, Gerald Segal, director of the London-based International Institute of Strategic Studies, said that excluding Taiwan from TMD would undermine its usefulness, because over the longer term there is probably no more likely scenario of a major conflict in Asia involving US forces than Taiwan. Segal stated, "North Korea provides the immediate rationale for TMD, but there's no doubt that over the longer term, people in Washington are primarily concerned with the capacity to deal with China." Bates Gill, an expert on the PRC military at the Brookings Institution, argued that the PRC "seem[s] to be putting together the pieces in a way that implies they intend to take Taiwan. The corollary of TMD is not that in its absence, Beijing wouldn't do the buildup. They're doing the buildup now and they'd be doing it with or without TMD." Colonel Larry Wortzel, director of the Strategic Studies Institute at the US Army War College, said that TMD would help the US fulfill its responsibilities toward Taiwan by enhancing the island's ability to withstand a PRC invasion while also reducing the likelihood that US troops would need to become directly involved. Wortzel argued, "That's why it makes ultimate sense. Asia would be more dangerous without TMD than with it." Andrew Yang, head of Taiwan's Chinese Council of Advanced Policy Studies, said that if TMD "came with improved political guarantees of US support, then Taiwan would be interested." Otherwise, it could just mean never-ending competition, and that would be dangerous." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for March 2.]

14. Global Land Mine Ban

The Associated Press (Tom Raum, "U.S. FAULTED ON LAND MINE TREATY," Washington, 03/01/99) reported that activists gathered at the White House and on Capitol Hill Monday to protest the US refusal to sign the global treaty banning land mines. Senator Patrick Leahy, D-Vt., author of a bill that would bar the production of land mines in the US and cut off funds for their deployment after 2003, argued, "The United States fails in moral leadership." He added, "President Clinton deserves credit for taking some steps to move the policy of his administration. There has been progress. But the response has been slow and it has been grudging and it has fallen far short of what is needed."

II. Republic of Korea

1. US-DPRK Talks

Korea Times ("US-NK TALKS TO LAST OVER ONE WEEK," Seoul, 03/02/99) reported that US and DPRK negotiators began a "business-like" dialogue in New York on Saturday. The meeting, which is expected to last one or two weeks, is aimed at addressing the international community's suspicions over a DPRK underground site thought to be nuclear-related. An ROK Foreign Affairs and Trade Ministry official said Monday that it is still early to predict whether the 4th round of talks will produce any tangible results. "The United States has called for access to the site more than once. However, there has been no debate on whether the proposed US access should be defined as an inspection or a visit," the official said, noting that the parameters of US "access" remain unclear. US delegates, led by Charles Kartman, special envoy for Korean peace talks, want to secure the DPRK's pledge to grant multiple access to the site, while the DPRK has made it clear that the US should offer economic assistance amounting to up to 1 million tons of grain in compensation.

2. US Food Aid to DPRK

Korea Herald ("SEOUL DENIES DIRECT U.S. FOOD AID TO NORTH KOREA IN RETURN FOR SITE," Seoul, 03/03/99) reported that chances are slim that direct US food aid will be sent to the DPRK in return for a US access to suspect underground nuclear site in the isolationist regime. "Not that I know of (such a possibility)," said a senior official at the ROK Foreign Affairs and Trade Ministry on condition of anonymity. The US has made it a practice to use the World Food Program as its channel of offering humanitarian food aid to the famine-stricken DPRK, he noted. "The chances for the United States to break away from this practice and offer food aid to North Korea directly may be 10 percent or less," the official said. His remarks came two days after Japan's Yomiuri Shimbun reported that the US government was considering direct food aid to the DPRK.

3. DPRK-PRC Trade

JoongAng Ilbo ("NORTH KOREA'S GRAIN IMPORTS FROM CHINA DECREASING," Seoul, 03/02/99) reported that the DPRK's import of grains from the PRC has been decreasing in the past few years. According to "Trends in Trade between North Korea and China in 1998," issued by the ROK Ministry of Unification, the DPRK's grain imports declined 56.7 percent to 446,000 tons from the 1.054 million tons imported in 1997. A source at the Ministry of Unification stated that because DPRK imports of cheap grains like corn and wheat flour are sharply decreasing, its food shortage is getting worse. He added, "As trade between North Korea and China has been shrinking, the unofficial trade along the border of North Korea, estimated at US\$30 million, is becoming the main method of support for the North Korean economy."

Korea Herald ("NORTH KOREA-CHINA TRADE PLUNGES 37 PERCENT," Seoul, 03/03/99) reported

that two-way trade between the DPRK and the PRC stood at a mere US\$413 million last year, marking a decline of 37.1 percent from the US\$652 million in 1997, the ROK Ministry of National Unification said Monday. The DPRK's exports to the PRC in 1998 tumbled 52.9 percent to US\$57.3 million, while exports dropped 33.5 percent to US\$35.5 million over the period, the ministry said in its weekly report on the DPRK. The report attributed the slide in DPRK exports to PRC to a 52.9 percent fall in the shipments of the DPRK's key export items to the PRC, such as refined petroleum products, coal, lumber and steel goods, which together account for almost 70 percent of its shipments to the PRC. Imports from the PRC were mainly led by such food and energy-related products such as grain, flour, and mineral fuels, representing 53 percent of total purchases from PRC, the report said.

4. ROK Defense Exports

Chosun Ilbo ("DEFENSE EXPORTS HIT US\$157 MILLION," Seoul, 03/01/99) reported that ROK exports from the defense industry, including frigates and bullets, topped US\$157 million last year, an all-time high for the 1990s. A high-ranking official at the ROK Ministry of National Defense said Monday that Daewoo Heavy Industries signed a frigate construction building project worth US\$150 million with Bangladesh last year, in addition to export contracts for bullets and firearms, and parts for aircraft and military vehicles. The amount of exports in 1998 was a 2.6 times increase from the previous year's US\$60 million. The ministry expects that the nation's defense industry is likely to export defense products worth US\$100 million this year to countries in Central and South America and Southeast Asia.

5. ROK-Japan Fisheries Talks

Chosun Ilbo ("FISHERIES MINISTER TENDERS RESIGNATION," Seoul, 03/02/99) reported that the ROK Minister for Maritime Affairs and Fisheries (MOMAF) Kim Sun-kil tendered his resignation Tuesday over complaints arising from his ministry's handling of the Fisheries Accord with Japan. In a morning cabinet meeting presided over by President Kim Dae-jung, the minister admitted that with regard to fishing quotas, his negotiations team had mistakenly included parallel trawling operations with single net trawlers, thereby reducing the former's allowed catch. He vowed to rectify the oversight in renegotiations with his Japanese counterpart before leaving office. Chongwadae spokesman Park Ji-won said that the talks with Japan are expected to go smoothly and be concluded by the end of next week. Additionally, no plans have yet been made for a cabinet reshuffle.

6. ROK-US Free Trade Agreement

Chosun Ilbo ("FREE TRADE AGREEMENT WITH U.S. UNDERWAY," Seoul, 03/01/99) reported that the US is expected to pursue a free trade agreement with several East Asian countries, including the ROK, so the country must take steps to prepare for the agreement. In a report issued on Monday, the Korea Institute for International Policy (KIEP) said that the US administration is shaping a strategy to sign a free trade agreement with a few Asian nations to hasten the trade liberalization of member countries of the Asia-Pacific Economic Council. Since the ROK has already announced plans to sign free trade agreements with strategically important countries such as Chile, the country is one of the likeliest candidates for a similar agreement with the US. KIEP recommended for the ROK to join free trade agreements with major trading partners so that the nation could avoid unnecessary trade disadvantages such as exclusion from major economic blocs.

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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