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I. United States

1. Japan-DPRK Talks

Agence France Presse ("NORTH KOREA VOWS TO PURSUE DIPLOMATIC TALKS WITH JAPAN," Pyongyang, 4/4/00) and the Associated Press (Joji Sakurai, "JAPAN, N. KOREA DISCUSS RELATIONS," Pyongyang, 4/4/00) reported that the DPRK's negotiator, Jong Thae-hwa, said Tuesday that the DPRK was determined in pursuing talks with Japan aimed at establishing diplomatic relations until the end. Speaking at a banquet to welcome Japan's ambassador for the negotiations, Kojiro Takano, and his delegation, Jong said, "the road may be a hard one but since we started we must see the end and see the relations between our countries improve. We hope you will listen to us carefully. Our stand is to solve the problems and we want to listen to what your country says if it is

reasonable." Takano said that he could sense his counterpart's "overwhelming enthusiasm towards normalization of Japan-North Korea relations." However, he hinted that the talks would be lengthy. Takano added, "I think that our (personal) relationship will probably last a very, very long time. I believe I can build up a fine relationship with Mr. Jong Tae-hwa." Takano also said that he did not "foresee any impact" of Prime Minister Keizo Obuchi's stroke and comatose state for now, and that the Japanese delegation will continue to "solemnly go ahead." Acting Prime Minister Mikio Aoki said in Japan, "I have extraordinary expectations for these talks. I expect the talks to start in harmony and hope they bring fruitful results."

2. DPRK Economy

Agence France Presse ("N.KOREAN LEADER DESCRIBES 2000 AS SIGNIFICANT FOR NATION BUILDING," Seoul, 4/4/00) reported that according to the Korean Central News Agency (KCNA), DPRK leader Kim Jong-il gave a brief message to a regular session of the Supreme People's Assembly on Tuesday. Kim said, "this year 2000 is a significant year ... and a year of general advance to achieve a decisive turn in the building of a powerful nation." DPRK Finance Minister Rim Kyong-suk gave a report on the DPRK's state budget for 2000. Rim said that the DPRK's economy began to recover last year, citing an expansion of state revenue. She said, "the state budgetary revenue grew through the great efforts to tap the nation's economic potentials last year, too, following the previous year. This is evidence that the economy has begun to recover and the foundation of independent finance is being consolidated with each passing day." Rim also said that the DPRK's 2000 budget had been worked out to give "a financial guarantee for the people's efforts for successful economic construction, defense building and socialist cultural construction. The government of the republic will increase the expenditure for the national economy this year. Primary efforts will go to the power and coal industries." She also said that more state money would be spent this year on agricultural and light industrial sectors. Rim added that military spending will account for 14.5 percent of this year's total budgetary expenditure, compared to 14.6 percent a year ago. She continued, "there is a good prospect of raising the people's living standard in the near future [and] several industrial fields [are] on the track of recovery." She also said that a huge investment was made in the construction of power stations, and in coal, iron and steel and machinery production and railway transport, the domains that play a key role in accelerating the building of an economically powerful nation. She added that the investment in the building of power stations last year was 20 percent bigger than in 1998.

3. PRC Military Purchases

Knight Ridder News Service (Nomi Morris, "ISRAEL TO SELL PLANE TO CHINA DESPITE U.S.," Jerusalem, 4/4/00) reported that Israeli Prime Minister Ehud Barak rejected a request by US Defense Secretary William S. Cohen on April 3 to cancel the sale of Israel's Phalcon, an early warning and command system, to the PRC. Cohen said that the sale could change the balance of power between the PRC and Taiwan. Cohen said, "with tensions running as high as they are between China and Taiwan, we see this as counterproductive." However, Barak replied, "we are aware of the sensitivity in the United States with regard to China. We are, of course, aware of our commitments to the contracts we signed." Israeli military sales to the PRC have been an irritant in US-Israeli relations for more than a decade, and US officials have said that Israel has helped the PRC to develop more advanced jet fighters and missiles. Two-way trade has increased in the last few years, totaling US\$525 million in 1998. The total value of Israel-PRC military transactions has not been made public but is estimated to be as high as US\$3 billion. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 4, 2000.]

4. Japan-PRC Military Relations

Agence France Presse ("JAPAN, CHINA AGREE TO EXCHANGE DEFENSE CHIEF VISITS," Tokyo, 4/4/00) reported that a Japanese Defense Agency spokesman said that General Fu Quanyou, chief of general staff of the People's Liberation Army, met Defense Agency chief Tsutomu Kawara in Tokyo on April 3. The spokesman said, "the two sides agreed in principle on mutual visits by Defense Agency director-general Kawara and Chinese Defense Minister Chi Haotian as soon as possible." The spokesman also said that the two countries will discuss details of the planned visits. Fu arrived in Japan on April 1 on a six-day stay, the first official visit to Japan by a top PRC officer since 1986. The Kyodo News agency reported that the agency said that Fu held separate meetings with Japanese Vice Defense Agency head Ken Sato and General Yuji Fujinawa, chairman of the Japanese Self-Defense Forces' Joint Staff Council. Kyodo said that during the talks, they discussed the start of regular bilateral meetings on defense affairs and the hope for mutual visits between Japan's Maritime Self-Defense Force and the PRC navy. The report also said that Fu and the Japanese defense officials also exchanged opinions on PRC-Taiwan relations and the DPRK. Fu will inspect facilities of the Ground, Maritime and Air Self-Defense forces around Japan on April 4 and 5.

II. Republic of Korea

1. DPRK-Japan Talks

The Korea Herald (Kim Ji-ho, "N.K.-JAPAN RAPPROCHEMENT TALKS HERALD PROTRACTED TUG OF WAR," Seoul, 04/04/00) reported that the DPRK and Japan will resume their rapprochement talks in Pyongyang on Tuesday, with ROK officials and analysts predicting that their differences on a host of pending issues will cause the discussions to be drawn-out. Japanese Ambassador to the ROK Terusuke Terada was hesitant the day before the normalization talks to express optimism about the prospects for the negotiations, saying that the talks on April 4-8 would serve only as an occasion for the two governments to confirm their respective stances.

2. DPRK-ROK Talks

The Korea Herald (Chon Shi-yong, "SOUTH, NORTH MAY AGREE ON OFFICIAL TALKS SOON," Seoul, 04/04/00) and JoongAng Ilbo (Kim Kyo-jun, "SOUTH AND NORTH KOREA MAY HOLD SUMMIT TALK THIS YEAR," Seoul, 04/02/00) reported that a top ROK presidential aide strongly indicated on April 3 that the ROK and the DPRK are nearing an agreement on reopening government-level talks that could eventually lead to a summit meeting between ROK President Kim Dae-jung and DPRK leader Kim Jong-il. Hwang Won-tak, President Kim's chief foreign affairs advisor at Chong Wa Dae said, "we now share a lot of common ground." Although Hwang would not confirm reports that officials from the DPRK and the ROK were holding negotiations in the PRC to arrange government-level talks, he quickly added that the two sides would be able to announce the results of ongoing talks after the ROK's April 13 parliamentary elections. Touching on the prospects for an inter-Korean summit, the aide said that he was neither pessimistic nor optimistic.

3. PRC on Inter-Korean Talks

The Korea Herald ("JIANG ZEMIN'S AIDE SAYS CHINA WILL SUPPORT INTER- KOREAN SUMMIT," Seoul, 04/04/00) reported that Zeng Qinghong, head of the Organization Department of the PRC Communist Party, said on April 3 that the PRC would assist in promoting potential inter-Korean summit talks. In a breakfast meeting with politicians and other dignitaries at Lotte Hotel,

Zeng was said to have accepted a request for the PRC to support the realization of inter-Korean dialogue. Former ROK National Assembly Speaker Kim Soo-han reportedly called on the PRC to help the summit and other pending bilateral issues involving the two Koreas to progress without difficulties. A participant said that Zeng agreed to the request.

4. Italian Foreign Minister's DPRK Visit

The Korea Herald (Kim Ji-ho, "PYONGYANG DID NOT REJECT KIM'S PROPOSAL, ITALIAN DIPLOMAT SAYS," Seoul, 04/04/00), The Korea Times (Son Key-young, "NK DID NOT SHOW OUTRIGHT REJECTION' OF BERLIN DECLARATION," Seoul, 04/03/00) reported that ROK officials said on April 3 that DPRK leaders did not openly turn down ROK President Kim Dae-jung's proposal for inter-Korean governmental talks during their meeting with a visiting Italian delegation. The ROK Foreign Ministry said, "after listening to Italian Foreign Minister Lamberto Dini's explanation of the 'Berlin Declaration' President Kim made late last month, North Korean officials did not dismiss it outright." Italian Foreign Ministry director general Mario Sica and a member of the Italian delegation, debriefed ROK officials about the group's visit to the DPRK on March 29-30. Sica said that during their talks, Dini and Paek Nam-sun agreed to conclude a bilateral investment treaty and an accord to prevent dual taxation. An official said, "Italy also unveiled its plan to provide \$5 million worth of aid to help improve the dilapidated agricultural sector of the famine-stricken country."

5. Loans to DPRK

Joongang Ilbo (Kim Jim-kook, "KOREAN GOVERNMENT WILL GUARANTEE NORTH KOREA'S LOANS," Seoul, 04/03/00) reported that ROK President Kim Dae-jung's chief security adviser, Hwang Won-tak, said in a press conference on April 3 that if talks between the two Koreas improve relations, the ROK will guarantee the loans that the DPRK has borrowed from various international organizations. Kim's chief economic adviser, Lee Ki-ho, said that US\$646 million from the Korea Economic Development Cooperation Fund (EDCF), US\$136 million from the North and South Korea Economic Cooperation Fund, and US\$36 million from the Korea International Cooperation Agency (KOICA) can be used to help the DPRK purchase ROK-made products, thereby creating a special procurement boom.

6. DPRK-ROK Economic Cooperation

Joongang Ilbo (Hong Seung-il, "GOVERNMENT HEAVILY BOOSTS FUNDING TO COMPANIES WANTING TO SETUP IN NORTH KOREA," Seoul, 04/04/00) reported that the ROK Small and Medium Industry Promotion Corporation (SMIPC), announced on April 3 that it has setup a 2.1 billion won fund to help four companies planning to establish factories near Pyongyang. SMIPC also recently asked the ROK government to add to the fund, to bring it to 2.67 billion won. The ROK government is planning to create an institute called the 'North-South Industrial Center', whose mandate will be to aid and support companies wanting to take advantage of the increasing openness that the DPRK seems to be maintaining for the time being.

7. ROK-DPRK Cultural Exchange

Chosun Ilbo ("PRESIDENT'S RELATIVE TO VISIT NORTH KOREA," Seoul, 04/03/00) reported that ROK President Kim Dae-jung's relative by marriage, Yoon Kyong-bin (81), the President of the Korea Independence Party, will visit the DPRK on Tuesday to see the "2000 International Concert for Peace." Yoon is the father-in-law of Kim's eldest son, Kim Hong-il. On this visit, he will use the title

"President of the Hungwha Construction Company." The government authorities said that 13 musicians, including soprano Cho Su-mi, and 49 visitors will enter the DPRK from Beijing on a DPRK provided charter plane. The authorities confirmed that Yoon is included on the list.

8. ROK on DPRK Defectors

The Korea Times ("SEOUL OFFICIALS WORRIED OVER POSSIBLE N. KOREAN BOAT PEOPLE," Seoul, 04/03/00) reported that ROK officials have begun to go on the record to highlight the possibility of a massive exodus of DPRK escapees by boat to neighboring countries, including the ROK, the PRC and Russia. Given such a grim scenario, Lee Ki-ho, senior presidential secretary for economic affairs, told reporters on April 2 that it had become necessary for the ROK to help the DPRK pull itself out of its 10- year economic downturn. He said that the DPRK must be discouraged from staging a provocation against the ROK out of frustration over its economic plight. Lee said, "we must provide help to the North so that massive numbers of refugees, like the Vietnamese 'boat people' would not flee the famine-stricken North." However, the opposition party interpreted Kim's remark as a "campaign strategy" to woo votes for the ruling party.

9. ROK Aid for DPRK

The Korea Times ("PYONGYANG CALLS FOR ADDITIONAL TANGERINE AID," Seoul, 04/03/00) reported that an ROK Unification Ministry official said on April 2 that the DPRK has requested the ROK's Cheju Province Governor Woo Kun-min to continue to ship tangerine oranges to the DPRK. Woo returned on April 1 from his five-day visit to the DPRK, aimed at ensuring the distribution of 4,300 tons of tangerines donated by an organization set up to send oranges produced on Cheju Island. The official said, "Governor Woo Kun-min visited Pyongyang at the invitation of the North's Korean Council for Reconciliation and Cooperation, not as a governor but as an advisor to the organization with the aim of making sure the goods were distributed properly." The tangerines were sent to the DPRK five times since late last December. The official said that the governor met with DPRK officials from the Asia-Pacific Peace Committee (APPC) and Korean Council for Reconciliation and Cooperation, who expressed their gratitude for the assistance and requested additional support from them.

III. Announcements

1. Seminar on DPRK

The Center for Korean Studies, at the University of California, Berkeley, will present the Spring, 2000 Regional Seminar on the subject: "The North Korean System at the Dawn of the 21st Century," on Friday, April 7th, 9:30am - 4:30pm, at The Alumni House, U.C., Berkeley Campus. This seminar Free and Open to the Public. Speakers include Bradley O. Babson (The World Bank), Professor Yong-Sup Han (Korean National Defense University and RAND Corporation), Dr. C. Kenneth Quinones (Mercy Corps, International), Robert A. Scalapino (Robson Research Professor of Government, emeritus), and Dr. Heather Smith (Korea Economy Program, Division of Economics, Research School of Pacific and Asian Studies/Asia Pacific School of Economics and Management, Australian National University). For further information, or to be placed on our mailing list, call the Center for Korean Studies, UC, Berkeley (510-642-5674, email cks@socrates.berkeley.edu).

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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