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I. United States

1. KEDO Financing

The Office of the US Press Secretary ("PRESIDENT AUTHORIZES $12 MILLION ASSISTANCE TO KEDO," The White House, Washington, 12/24/98) announced that US President Bill Clinton on December 24 authorized US$12 Million in Economic Support Funds for a US contribution to the Korean Peninsula Development Organization (KEDO). A statement issued by Clinton said, "Pursuant to the authority vested in me by section 614(a)(1) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2364(a)(1)(the 'Act'), I hereby determine that it is important to the security interests of the United States to furnish up to $12 million in funds made available under Chapter 4 of Part II of the Act for assistance for KEDO without regard to any provision of law within the scope of section 614(a)(1). I hereby authorize furnishing of this assistance."

2. Alleged DPRK Missile Deployment

The Associated Press ("REPORT: N.KOREA DEPLOYING MISSILES," Tokyo, 01/02/99) and Reuters ("JAPAN SAYS NORTH KOREA MAY HAVE DEPLOYED MISSILE," Tokyo, 01/03/99) reported that Japan's NHK TV said Saturday that the DPRK has deployed medium-range ballistic missiles. The report did not say how many missiles had been deployed or whether they were ready for launch. The report cited unidentified defense officials as saying that the DPRK manufactured 20 Rodong-1 missiles in 1997 and another 10 by the summer of 1998, some of which were exported to Pakistan and Iran. The broadcast was based on a Japanese Self-Defense Agency report obtained Sunday. The report said that there was no evidence to show that the DPRK was preparing another test launch of its Taepodong ballistic missiles. The agency said that it used information provided by the US military in compiling its report.

3. DPRK Rocket Launches

The Washington Times (Bill Gertz, "NORTH KOREA POSTPONES TESTING OF NEW LONG-RANGE MISSILE," 12/31/98, 4) reported that an unnamed US intelligence official said that the DPRK appears to have put off a second launch of its Taepodong missile. The official stated, "For whatever reason, they appear to have chosen not to test right away." He noted that severe cold weather in the DPRK could cause the launch to fail. He also speculated that the DPRK may be delaying the test until it can have a bigger political impact. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for December 31.]

The New York Times (David E. Sanger, "NORTH KOREA WARNS U.S. IT CAN LAUNCH ANOTHER MISSILE," Washington, 12/26/98) and the Associated Press ("N.KOREA SAYS IT PLANS ROCKET LAUNCH," Beijing, 12/25/98) reported that the DPRK's official Korean Central News Agency on December 25 said that the DPRK was prepared to launch another medium-range missile. The report said it was "foolish for the U.S. to expect any change in our attitude. We are fully ready to launch an artificial satellite again when we think it is necessary." It added, "We will never be frightened by the U.S. warning," about further launchings. It stated, "The U.S. still knows little" about the DPRK. [Ed.

note: This article was included in the US Department of Defense's Early Bird news service for December 28.]

4. DPRK New Year's Message

The Associated Press (Kyong-Hwa Seok, "N. KOREA VOWS TO BE IMPREGNABLE," Seoul, 01/01/98) reported that the DPRK's official Korean Central News Agency on Friday carried a New Year's from the ruling Communist Party, the military, and youth groups, which urged the people to turn the country into an "impregnable fortress." The message said, "Let 1999 mark a new turning point in building a powerful nation." The message called for unity around Kim Jong-il and the military. It asked people to "love rifles, earnestly learn military affairs, and turn the whole country into an impregnable fortress." In a change, the DPRK media did not rebroadcast the final New Year's message of Kim Il-sung, as they have since his death in 1994. Meanwhile, ROK President Kim Dae-jung said that his government would continue its "sunshine policy" toward the DPRK. Kim stated, "I will not neglect to take thorough preparations against North Korean provocations ... but I will continue to maintain the position of active engagement if North Korea shows a positive attitude."

5. DPRK Bodies Found

The Associated Press ("JAPAN: BODIES NOT FROM N.KOREA SHIP," Tokyo, 12/25/98) reported that three bodies in what appeared to be DPRK military uniforms were found near the coast of Japan early on December 25. A spokesman for the Fukui prefectural police said that the corpses had been at sea too long to be crewmen from a DPRK spy boat sunk by the ROK in the previous week. He stated that the bodies were tied with rope to a small wooden raft, and one had what appeared to be a star-shaped DPRK insignia of rank attached to a shirt collar. He added that autopsies were planned to determine the cause of death.

6. DPRK Tourism Project

The Associated Press ("N. KOREA WARNS S. KOREA TOURISTS," Seoul, 12/30/98) reported that the DPRK's Korean Central News Agency said in a commentary on Wednesday that the DPRK may suspend ROK tours to Mt. Kumgang because of a delay in payment for the project. The commentary stated, "The Kumgang Mountain tour ... is now facing a grave obstacle." The first US$25 million promised by the Hyundai Corporation should have been paid by Thursday, but so far Hyundai had paid only US$5.8 million in cash and Hyundai cars. The ROK government has blocked the remaining US$19.2 million, saying that the contract failed to define how long Hyundai will be allowed to run the project. Hyundai wants to have a 30- year exclusive right to develop the mountain, but the DPRK said that such a condition assumes that the two Koreas will remain divided for 30 more years. ROK officials feared that the DPRK may be trying to create a loophole in the contract in order to suspend or rescind the project in case of tension between the two Koreas.

7. DPRK Defector

The Associated Press ("NORTH KOREAN DEFECTS TO SOUTH," Seoul, 12/31/98) reported that officials at the ROK's Agency for National Security Planning said that a DPRK man, Park Yong-soo, arrived in Seoul seeking asylum on Thursday. The officials said Park had been in hiding in a "third country" since leaving the DPRK in August 1996. The agency said Park had worked at a fur plant near Pyongyang before leaving the DPRK but declined to reveal further details.

8. ROK Defectors

The Associated Press ("S. KOREAN CAUGHT DEFECTING TO NORTH," Seoul, 12/25/98) reported that ROK police on December 26 charged businessman Kim Hak-hee and his girlfriend, Lee Soo-ok, with trying to defect to the DPRK. Kim and Lee allegedly met DPRK embassy officials on December 14 in Singapore to arrange their defection through Beijing. The two were intercepted Tuesday by Interpol at Kuala Lumpur airport in Malaysia while waiting for a connecting flight to Beijing. Kim had been under indictment in the ROK for fraud and had been chased across Asia by ROK authorities and Interpol. Kim and Lee fled to Indonesia in 1993 after Kim's small trading company went bankrupt.

9. DPRK Famine

The Associated Press ("JAPANESE CONSIDER N. KOREAN FAMINE," Tokyo, 12/27/98) reported that Shoichi Ishii, president of an agricultural firm in northern Japan, was quoted as saying by Kyodo News Agency on December 27 that food shortages in the DPRK may be due in part to the type of rice planted in that country. Ishii said that the rice planted in the DPRK has smaller yields and is less resistant to disease than a popular Japanese variety. Ishii said that he grew the DPRK rice and Japanese "Koshihikari" rice under identical conditions, and the DPRK rice yielded less than 80 percent the harvest of the Koshihikari. He stated, "North Korea plants the same type of rice over and over again," adding that may have caused its tolerance to disease to weaken. Ishii personally brought the DPRK rice seeds back to Japan after a visit to Pyongyang in 1996.

10. US-Japan Missile Defense

The Washington Times ("JAPAN, U.S. AGREE TO JOIN IN MISSILE DEFENSE SYSTEM," Tokyo, 12/26/98, 10) reported that Japanese Chief Cabinet Secretary Hiromu Nonaka said that Japan will commence joint research with the US on a theater missile defense (TMD) system, the Navy Theater Wide Defense (NTWD), beginning in fiscal 1999. Nonaka also issued a statement saying that the joint research is the "most effective and productive" means for the nation's defense, adding that the cooperation will also serve to strengthen Japan-US security ties. The statement said that the joint research does not violate a 1969 parliamentary resolution limiting space programs to peaceful purposes because the NTWD system is "purely defensive, and the only alternative" for Japan in view of the proliferation of ballistic missiles. It added that the transferring of weapons technology in the joint research would be conducted within the framework of existing arrangements. It concluded that the government plans to decide whether to develop the system after considering if it is technologically possible. Officials said that the Japanese Defense Agency expects to spend US$175 million to US$260 million on the joint research over a five- to six-year period from fiscal 1999, which starts April 1. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for December 29.]

11. Japanese Satellite Development

The Associated Press ("CHINA CONCERNED ABOUT SATELLITES," Beijing, 12/30/98) reported that the PRC Foreign Ministry spokesman Zhu Bangzao expressed concern on Wednesday that Japanese plans to launch military satellites and research an anti-missile system with the US could affect security in Asia. Zhu said in a statement carried by the official Xinhua News Agency, "China is deeply concerned about the political and military connotation of the aforementioned moves, as well as their possible impact on regional and global security." Zhu warned that the development of a

"strategic arms system" could "spark arms races and harm both the global strategic balance and stability." He added, "China sincerely hopes Japan will strictly abide by a defense policy limited to its own territory and coastal waters, and adhere to a peaceful development path."

12. Kuril Islands Dispute

The Associated Press (Greg Myre, "JAPAN MAY GET KURIL ISLANDS AFTER ALL - ON LEASE," Kunashir, 01/04/99) reported that some Russians on the southern Kuril Islands have signed petitions to lease their land to Japan for up to 99 years in exchange for investment and economic assistance. Fisherman Oleg Sanikov stated, "Now, if it weren't for Japan, the Kurils couldn't survive. Everything is from Japan." Mayor Vladimir Zema, who lives on Kunashir and represents the three southernmost Kurils, stated, "I'm all for leasing an island if it allows us to live a normal life." Zema said that the islanders may consider leasing the island to a private Japanese firm, which would not require the Russian government's approval because regional officials are allowed to make leasing arrangements directly with foreign investors. However, Anatoly Baranikov, a life-long resident of the Kurils, stated, "It's a completely stupid idea. This is the motherland."

13. Russian Submarine Sales to PRC

The Associated Press ("RUSSIA DELIVERS SUBMARINE TO CHINA," Moscow, 12/29/98) reported that Russia's ITAR-Tass news agency said Tuesday that Russia has delivered a new Project 636 diesel-electric submarine to the PRC. A submarine of that class can carry 18 torpedoes and costs about US$300 million. In the past, the PRC bought two submarines of an earlier version from Russia. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for December 30.]

14. US Technology Transfers to PRC

The Associated Press (Will Lester, "HOUSE PANEL CRITICIZES CHINA DEALS," Washington, 12/30/98), the Washington Post (John Mintz CHINA AID HURT U.S. SECURITY, PANEL SAYS," 12/31/98, A01), the Los Angeles Times (Art Pine, "PANEL SAYS ROCKET DEALS WITH CHINA HURT U.S. SECURITY," Washington, 12/31/98), and the New York Times (Jeff Gerth and Eric Schmitt, "HOUSE PANEL SAYS CHINA OBTAINED U.S. ARMS SECRETS," Washington, 12/31/98, 1) reported that a special US House of Representatives committee concluded unanimously on Wednesday that technology deals with the PRC over the last two decades have harmed US national security. Representative Christopher Cox, R-CA, chairman of the committee, stated, "These transfers are not limited to missile (and) satellite technology, but cover militarily significant technology." The committee's report was not released because much of it is classified. Cox added, "Based on unclassified information, we have found that national security harm did occur." He said that the PRC's record in aiding weapons proliferation was a consideration. He stated, "Rather quickly, our investigation led to even more serious problems of PRC technology acquisition efforts targeted at the United States. The seriousness of the findings and their enormous significance to our national security, led us to a unanimous report." The committee makes 38 recommendations for legislation and executive action to remedy the situation. Cox said more details of the classified report would be provided to the administration and Congress as appropriate, and unclassified portions of the report would be made public in the coming weeks. David Leavy, White House foreign affairs spokesman, stated, "We haven't seen the report and we look forward to reading it and studying its recommendations. It's known that we have consistently supported effective export controls to protect U.S. national security interests. We agree with the committee on the need to protect

competitiveness of U.S. industry. We have effective measures in place to protect classified information and prevent diversion of sensitive technology and punish those who violate U.S. laws." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for December 31.]

The Washington Post (John Mintz, "ATOMIC LABS CRITICIZED FOR SECURITY CONDITIONS," 01/01/99, A03) reported that congressional sources said that the report by a House committee examining transfers of US technology to the PRC focuses in part on allegations that the PRC developed the neutron bomb in the late 1980s after Chinese spies stole technology from Lawrence Livermore National Laboratory. The committee also reportedly found that Chinese spies have continued to obtain classified nuclear secrets at US weapons laboratories by taking advantage of lax security. The General Accounting Office (GAO) concluded last year that Chinese and Russian engineers who visit the laboratories on scientific exchanges have had little difficulty obtaining access to classified information. The GAO said, "The high number of foreign visitors, as well as some recent investigative cases involving foreign nationals at [Energy Department] laboratories, have increased concerns that the laboratories are targets of foreign espionage."

The Associated Press ("CHINA DENOUNCES U.S. ALLEGATION," Beijing, 01/01/99) and the Los Angeles Times (Henry Chu, "CHINA DENIES PILFERING TECHNOLOGY," Beijing 01/01/99) reported that PRC Foreign Ministry spokesman Zhu Bangzao on Thursday denied allegations that the PRC has conducted a "serious and sustained" effort over the last 20 years to obtain militarily useful US technology. Zhu stated, "The allegation is groundless and irresponsible. We express our strong resentment over this." He condemned the House of Representatives committee report as a "distortion of China's peaceful use of space technology," adding that it was an attempt at "deliberately undermining China-U.S. relations." Zhu said that the normal exchange of trade and technology "is in the interests of both sides," and urged the US to continue such cooperative efforts.

15. Taiwanese Independence Movement

The Associated Press (Annie Huang, "TAIWAN INDEPENDENCE DEBATE MOVES ON," Taipei, 01/03/99) reported that four leaders of Taiwan's opposition Democratic Progressive Party (DPP) said in a televised debate on Sunday that they still want independence from the PRC, but vowed not to go to the brink of war to achieve that goal. Former DPP Secretary-General Chiu Yih-jen stated, "Establishing a sovereign Republic of Taiwan remains our goal, but it does not mean we will resort to any means to achieve that goal." He added, "We must respond to voters' worries and assure them we will not ignore the reality and make any reckless moves." However, Chiu objected to revising the party platform, which calls for any declaration of independence to be put to a public referendum. Kuo Cheng-liang, a political scientist and a former DPP strategist, proposed changing the platform to reflect the DPP's position that it will not rush into declaring independence. Kuo stated, "Don't look at any proposed changes as a betrayal of our mission. Our platform is outdated and has negative effects." Lawmaker Sheng Fu-hsiung agreed, "Most voters back the DPP's various reforms but are reluctant to support us because our platform leaves them with fears." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for January 4.]

II. Republic of Korea

1. DPRK New Year Message

Joongang Ilbo ("DPRK: AGRICULTURE PIVOTAL TO A STRONG COUNTRY," Seoul, 01/02/99)

reported that the DPRK released a New Year's message through three state-run newspapers, including the Rodong Shinmun, on January 1. The message said, "This year is very important. We have to achieve an epoch-making change in the struggle of national reunification." The joint article described the New Year as a year of new change and also emphasized, "Agricultural production is key to building a strong country, thus we should do our best to solve the food problem." Regarding DPRK- ROK relations it added, "No changes have been made between the DPRK-ROK even after the transition of power in the ROK. The National Security Law and the Agency for National Security planning should be abolished."

2. DPRK Red Cross

Joongang Ilbo ("DPRK's RED CROSS SELECTS CHANG JAE YEON AS ITS CHIEF," Seoul, 12/27/98) reported that the Central New Agency announced that Chang Jae-yeon was named the new head of the DPRK's Red Cross Society on the 27th. Chang, who also goes by the name Chang Jae-chul, had worked as chairman of the Association for the Religious since the late 1980s and was elected as a lawmaker in July 1998. Since Son Sung-pil, chief of the Red Cross of the DPRK at the time, became Ambassador to Russia in 1990, Deputy Chief Lee Sung-ho has been acting as the organization's chief. The Red Cross held a special meeting, elected its main executive body, and revised its regulations.

3. ROK Security

Korea Herald ("KIM TO PRESIDE OVER NSC MEETING TODAY, 01/04/99) reported that ROK President Kim Dae-jung was set to call a National Security Council (NSC) meeting at Chong Wa Dae on Monday, in a bid to demonstrate that security will be one of his top priorities in the new year. The NSC, the supreme security decision-making body that is chaired by the President, formerly convened during national security emergencies. "The President has called the NSC to review the government's security policy from last year, examine recent developments on the peninsula, and outline security policy for the New Year," said a Chong Wa Dae press release. It also said that the decision to call the NSC meeting in the first days of the New Year reflects Kim's recognition that security is the first priority in pursuing national goals. Kim's aides said that this year, the President's engagement policy will be focused on ways to steadily expand inter-Korean exchanges and cooperation, especially in the areas of proposed family reunions and ROK assistance to the DPRK's agricultural industry.

4. DPRK Denies Infiltration

Korea Herald ("DPRK DENIES INFILTRATION OF ITS SPY VESSEL" 12/18/98) reported that the DPRK on December 18 issued a statement criticizing the ROK for the swift action it took on an incursion by an apparent DPRK spy vessel the previous day. The statement issued by the Committee for the Peaceful Reunification of the Fatherland said, "The ROK puppets are trying hard to find a pretext to unleash a war on the DPRK, in line with the US imperialists' moves for war against the DPRK." Calling the ROK's action a resurgence of its "frantic anti-Communist, anti-North campaign based on fiction," the statement added that the DPRK would no longer remain a "passive onlooker" to the ROK. The ROK Defense Ministry condemned the infiltration of the spy vessel as a violation of the truce agreement and asked the DPRK to apologize for and explain the provocation.

5. ROK Unemployment

Korea Times ("THE UNEMPLOYMENT RATE IN SEOUL HAS STEADILY RISEN," 01/04/99) reported

that the unemployment rate in Seoul has steadily risen in recent months after having experienced a lull last summer. According to the Seoul City government, the jobless rate in Seoul stood at 7.8 percent as of the end of last November. The number of unemployed totaled 390,000, a rise of 0.2 percent, or 6,000, over that of the previous month. The unemployment rate, which had showed a study increase since the end of 1997, when the nation was first hit by the economic crisis, had dropped by a small amount since last August.

III. Russian Federation

1. Lessons of Iraq Conflict for Korean Peninsula

Nezavisimaia gazeta's Pavel Spirin ("CHINA LEARNED LESSONS FROM IRAQI CRISIS," Beijing, 6, 12/23/98) commented that, for the PRC, the Iraqi crisis served as a lesson applicable to the Korean Peninsula situation as well. Commenting on a rumor that the US and the ROK were secretly discussing joint military action in case of an escalation of "the threat from the North," the author quoted an anonymous well-informed person in Beijing as saying, "The Iraqi crisis remains a model tested by Washington for possible events on the Korean Peninsula, as well as for the international community's reaction to them." Obviously, the author concluded, "nobody in the UN Security Council would pay attention to the opinions of the RF and the PRC in case a conflict erupted near their borders." Learning a lesson from the results of the Iraq dispute, the PRC might be more eager to hold consultations with the RF on the issue. However, analysts at the Institute of East European and Central Asian Studies in Beijing told the author that the PRC, in contrast to the RF, opposed India or Japan becoming permanent members of the Security Council.

2. RF-PRC Relations

Nezavisimaia gazeta's Pavel Spirin ("CHINA LEARNED LESSONS FROM IRAQI CRISIS," Beijing, 6, 12/23/98) commented that "the total coincidence" of the positions of the RF and the PRC on Iraq, about which RF President Boris Yeltsin and PRC Chairman Jiang Zemin assured each other in their hot-line conversation on December 17, actually did not turn the development of the crisis in favor of the RF. During the crisis, the two countries "played in a duet, but each of them played their own particular tune, which is good for musicians, but sometimes spells death to politicians." Unlike the RF, the PRC did not put its troops on alert, recall its ambassadors from Washington and London, or withdraw its citizens from Iraq. Unlike the RF State Duma, where "a trend is emerging toward independent actions and evasion of UN anti-Iraqi sanctions," the PRC stresses the duty of all UN members, particularly the US and Great Britain, to strictly adhere to the UN Charter. Commenting on the "coincidence of opinions," Sun Yusi, a representative of the PRC Foreign Ministry, told foreign corespondents: "We have paid attention to Russia's position." A day after the first US-British strike against Iraq, PRC Chairman Jiang Zemin said: "China will never go in for an alliance with some large state and will not assert itself as a military power." The author also noted that RF Premier Yevgeniy Primakov's suggestion of a "Moscow-Delhi-Beijing strategic triangle" ignored the emerging nuclear capacity of India, which is an age-old adversary of the PRC, and the massive deliveries to India of RF aircraft superior to the Su-27s delivered by the RF to the PRC.

Nezavisimaia gazeta ("PRIMAKOV MET WITH CHINESE AMBASSADOR," Moscow, 1, 12/30/98) reported that RF Premier Yevgeniy Primakov on December 29 met with U Tao, PRC Ambassador in Moscow. The Ambassador gave Primakov a message from Ju Zhunzi, PRC State Council Premier, in response to the RF Premier's message of October 6 concerning bilateral relations. Primakov called the correspondence "an important element in preparation for the 4th regular meeting between the

heads of governments of Russia and China to take place in late February in Moscow." The two discussed international issues, in particular the Iraq situation, and Asian affairs in general. Also, Primakov informed U Tao about the RF Government's measures to stabilize the socio-economic situation in the RF.

3. PRC Military

Nezavisimaia gazeta ("CHINESE ARMY REDUCED," Moscow, 6, 12/29/98) quoted a Xinhua News Agency report that since 1978, the People's Liberation Army of the PRC has been reduced almost by 2 million. In 1980-1982, all officers and privates of railroad and engineering construction troops were demobilized. In 1985, the PLA was reduced by another million. In 1997, an additional reduction of 500,000 servicemen was announced.

4. Kuril Islands Dispute

Izvestia's Andrey Nekrasov ("BORDER GUARDS ON KURILS GETTING READY FOR GUERILLA WARFARE," Sakhalin-Kunasir-Sikotan-Moscow, 2, 12/26/98) reported on the situation and moods of RF border guards stationed on the South Kurils. There is a deficit of fuel there and electricity was cut off several times during the author's conversation with a unit commander. Officers complained that it was difficult to catch Japanese fish poaching vessels due to their superior early warning systems. A captain of a patrol boat stated, "Japanese just don't care about our border.... Their patrol boats time and again intrude our waters almost as far as a kilometer inside. We radio them in Japanese: 'You are violating the Russian Federation's border.' They reply: 'And who has established your border here? The USSR Council of Ministers? That does not mean anything to us. We go here according to our Japanese maps.'" A soldier told Izvestia's author, "If in Moscow they decide to give up the Kurils, we won't obey the order. We'll fight for them. We'll become guerrillas, but the Japanese won't be able to put their foot here." A unit commander later said he had not heard about such moods, but then added: "Actually the task of land non-mechanized border guard units in case of an invasion is to wage guerrilla warfare." On Kunasir there is a rusty board reading, "Russia's borders are sacred and inviolable." The author concluded, "The border guards remember that and prepare themselves for guerrilla warfare. It is the state that has forgotten."

5. Japanese Economic Model

Izvestia ("WE SHOULD TURN OUR FACE TO THE EAST," Moscow, 5, 12/26/98) published an article by Yuriy Belik, Advisor, RF-Japan Committee on economic cooperation, dwelling on the applicability of the Japanese reform model to RF economic realities. The author highly appreciated Japanese "effective combination of planning and market." At the same time, Izvestia's author said his Japanese colleagues time and again warned against a blind copying of their experience. Yet he recalled that the Nikkei Weekly as early as 1992 forecast that "Russians will be disappointed with monetarist recipes" prescribed by US Harvard experts, and then "Japan with its state regulation experience will be seen by Russian as a remedy." Izvestia's author concluded that International Monetary Fund recommendations "so far failed to help anybody" and that Japan actually rejected similar advice, with the Japanese Ambassador to the US saying that "our government is not a crowd of fools."

6. RF Intercontinental Ballistic Missiles

Segodnya ("RUSSIA IS NOT GOING TO RE-EQUIP 'TOPOL M' MISSILES," Moscow, 2, 12/26/98) reported that RF First Deputy Premier Yuriy Maslyukov said on December 25 that the RF was

neither carrying out nor planning to transform its new "Topol M" mobile land ICBM complexes into missiles equipped with multiple warheads, because such an act would be a violation of RF-US START I and START II agreements. In his words, the question of such MIRV transformation "presently is of a purely theoretical nature." Such work might move into a practical dimension only in case the Soviet- US anti-missile defense treaty of 1972 were denounced in contradiction to the position of the RF. Maslyukov said, "only in that case, as a consequence, Russia's leadership would have to take a decision to withdraw from the START agreement."

Segodnya ("RE-ARMAMENT OF NUCLEAR FORCES OPENS NEW OPPORTUNITIES FOR START 2 RATIFICATION," Moscow, 2, 12/30/98) reported that RF First Deputy Premier Yuriy Maslyukov said that the deployment of the first 10 "Topol M" strategic missile complexes would allow the RF "to substantially strengthen a component of the Russian nuclear triad with minimum financial costs." He added that now "the country and the world have got a tangible proof that facing any outside challenges Russia will not be left without a reliable nuclear shield." Now it is necessary, he said, to resume the START II ratification process in order to begin START III negotiations without delay.

7. RF 1999 Defense Budget

Moskovskiy komsomolets's Sergey Larionov ("THE ARMY STARTED GETTING DIVIDENDS," Moscow, 2, 12/29/98) reported on RF President Boris Yeltsin's decree on a servicemen wage increase signed on December 25, recalling that the last time their wages were indexed against inflation was in 1995. The article said that "a hint was made to Igor Sergeyev," RF Defense Minister, that "in favorable circumstances" the RF 1999 budget expenditure on national defense might be increased up to 3.58 percent of RF GNP, from the previously planned 2.8 percent, which Igor Sergeyev called "lethal" to the Armed Forces. "Obviously, the overseas militarists have helped the Russian military," as US strikes against Iraq have demonstrated "the helplessness of our Army and Navy."

8. Future Role of RF in Asia

Nezavisimaia gazeta's Editor-in-Chief Vitaliy Tretyakov ("ZBIGNIEW BRZEZINSKI: I DON'T BELIEVE THAT RUSSIA WILL DISINTEGRATE INTO SEVERAL SEPARATE STATES," Moscow, 1, 8, 12/31/98) took a full-page interview in Washington with former US National Security Advisor Zbigniew Brzezinski. Brzezinski said that his latest book "was in many respect wrongly perceived in Russia." Rather than advocating the disintegration of Russia, he just wrote that the "economy in Russia would develop more successfully if it were less centralized, as a result of which different parts of the huge country would be able to gain benefits from cooperation with neighboring countries.... I am sure that Russia's Far East would develop more successfully if it had the right to cooperate with Korea, Japan and China." Brzezinski said that without economic development, the RF Far East would be even more vulnerable to Chinese influence. Regarding Japan, he stated, "We wish Japan to be an economically strong country, which in its turn will pose a serious problem to China, as in that case it might find itself more isolated in Asia. Thus, here we are dealing with establishment of a certain balance of power." Regarding the proposed "PRC-Russia-India triangle," he asked, "Would such an arrangement be able to keep Siberia intact?" Also, the other way round, would the PRC be able "to obtain from Russia and India the money and technologies" it presently gets and hopes to get from the West? "Is Russia ready to defend India and China, or will within that system you become subordinates, because presently Russia has no resources to play another role?"

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