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I. United States

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1. DPRK Policy toward ROK

The Associated Press ("MAN BEHIND HYUNDAI DEALS TO GUIDE N.KOREA'S SEOUL POLICY," Seoul, 11/04/98) reported that ROK officials said Wednesday that Kim Yong-sun has been named chairman of the DPRK's Committee for the Peaceful Unification of the Fatherland, which is in charge of overall relations with the ROK. The position had been vacant since 1991. Kim already is a ruling Workers' Party secretary and head of the Asia-Pacific Peace Committee. In his latter role, he recently negotiated a number of business ventures with Hyundai during the visit of company founder Chung Ju-yung.

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2. DPRK Missile Sales

London's Daily Telegraph (Julian West, "PAKISTAN MURDER EXPOSES NUCLEAR LINK," Islamabad, 11/01/98) reported that Kim Sin-ae, the wife of Kang Thae-yun, economics counselor at the DPRK embassy to Pakistan, was killed on June 7 by masked assassins who burst into the couple's home. The article cited unnamed diplomatic sources in Islamabad as saying that Kim was murdered because she was suspected of providing Western intelligence with details of missile deals between the DPRK and Pakistan. Last week, an unnamed senior Pakistani police source said he believed Kim had been shot by other DPRK agents working at Pakistan's Khan Research Laboratories. British customs officials at Gatwick had earlier seized a consignment of maraging steel, an ultra-strong, corrosion-resistant alloy used in warheads, and a vital component for the enrichment of uranium to weapons grade quality. The consignment was sent from the All Russian Institute of Light Alloys in Moscow and addressed to Kang. Kang also served as the local representative of the Changgwang Sinyong Corporation, which the US State Department has identified as the key supplier of missile components from the DPRK to Pakistan and Iran. According to US intelligence and British customs reports released recently, the corporation was a supplier of nuclear material from Russia to Pakistan. The article cited a recent US intelligence report as saying that another shipment of maraging steel has arrived in Pakistan since the murder. The report also said that a further deal with Russia for equipment to be used in missile guidance systems is also believed to be under way, although the latter deal is being negotiated by the Pakistani trading house Tabani Corporation. The article also said that Kim's murder was covered up by Pakistani authorities.

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3. Tumen River Treaty

Reuters ("RUSSIA, CHINA, NORTH KOREA SETTLE DISPUTED RIVER BORDER," Beijing, 11/04/98) reported that the PRC's Xinhua news agency said on Wednesday that the DPRK on Tuesday signed a border agreement with the PRC and Russia. The agreement ended a long-standing dispute over how the border should be delineated following changes in the Tumen River's course. An unnamed source close to the Russian embassy in Beijing stated, "All previous border agreements in the area were linked to the flow of the river, but it has changed course over the decades." He added, "The new agreement was actually prepared several years ago, but was held up by the political situation in North Korea."

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4. US Bases on Okinawa

US Defense Department Deputy Spokesman Mike Doubleday ("PENTAGON SPOKESMAN'S REGULAR BRIEFING NOVEMBER 3," USIA Transcript, 11/04/98) said that it is up to the Japanese government to decide where to relocate the Potenmwa Marine Corps stationed in Okinawa. Doubleday stated, "Once they've come to a final conclusion, we will meet with them and decide whether it is adequate to support our requirements over there. But at this point, this is something that people in Okinawa and the government of Japan need to make a decision on."

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5. US-Pakistan Nuclear Talks

Reuters (Carol Giacomo, "U.S. TO PRESS PAKISTAN ON NUCLEAR ISSUE IN TALKS," Washington,

11/03/98) reported that the US Deputy Secretary of State Strobe Talbott and Pakistani Foreign Secretary Shamshad Ahmad will hold talks with Pakistan on Wednesday regarding Pakistan's nuclear program. The talks will lay the groundwork for Pakistani Prime Minister Nawaz Sharif's visit to the White House on December 2. An unnamed senior US official said that the US wanted a "breakthrough" on the nuclear issue, which would allow US President Bill Clinton to consider waiving sanctions imposed after Pakistan's nuclear tests in May. The official said that the US will press Pakistan to sign the Comprehensive Test Ban Treaty (CTBT), tighten export controls, and stop producing fissile material, and agree to "meaningful restraints" on development, testing and deployment of ballistic missiles and nuclear weapons. He stated, "We've had significant progress on the CTBT, some progress on export controls and not much movement on the other two, which are also important."

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6. Ukrainian Nuclear Fuel

The Associated Press ("UKRAINE MAY STOP SENDING SPENT NUCLEAR FUEL TO RUSSIA," Kiev, 11/04/98) reported that Ukrainian news services said Wednesday that Ukraine might stop sending spent nuclear fuel from its atomic power plants to be reprocessed in Russia. Russia is reportedly planning to raise its tariffs for the transportation, reprocessing and storage of spent Ukrainian fuel next year. If Russia does raise the tariffs, Ukraine would keep the spent fuel in special US-designed containers at nuclear power plants. In Moscow, a spokesman for the Atomic Energy Ministry said Ukraine was no longer obliged to return spent fuel as it was during the Soviet era.

II. Republic of Korea

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1. ROK Relief Program Monitor

Chosun Ilbo ("RELIEF PROGRAM MONITOR TO BE SENT TO DPRK," Seoul, 11/04/98) reported that the ROK Ministry of Unification said Wednesday that Professor In Yo-han of Yonsei University will visit the DPRK in mid- November to monitor the distribution of relief items sent by ROK civilian groups. His visit follows the first such visit made last month by officials of a private organization that donated 100 milking cows to the DPRK. The Ministry said that the professor will monitor the distribution of ambulances, 1,000 tons of flour, and 14 tons of powdered milk donated to the DPRK by a Christian charity organization in Seoul. Professor In is a brother of Steve Linton, chairman of Eugene Bell, a US relief agency that has provided aid to DPRK.

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2. DPRK Tourism Project

JoongAng Ilbo ("DPRK SENDS TOUR DETAILS," Seoul, 11/04/98) reported that the DPRK recently sent Hyundai details on the DPRK's Mt. Kumgang tour program with a stern warning that anyone who violates the regulations will be prosecuted and punished according to the DPRK's own legal system. According to Hyundai, the DPRK's Mt. Kumgang International Tourism Company asserted that anybody who causes a mountain fire will be subject to a fine of US$4,587 per 1 square meter of damaged land. Furthermore, it will also be prohibited to talk to DPRK citizens or to take pictures without permission. The DPRK is planing on organizing a "Mt. Kumgang Patrol" to monitor ROK tourists and report any illegal behavior such as smoking, writing graffiti, or gathering plants. In case

of an emergency, the DPRK will offer medical service only if the ROK or Hyundai foots the bill. Meanwhile, Hyundai's honorary chairman Chung Ju-yung will visit the DPRK for the third time since the war; however, this time with the first wave of tourists on November 18 as part of the first crew for a 5-day tour.

JoongAng Ilbo ("HYNDAI CHANGES TICKET SYSTEM TO ATTRACT MORE TOURISTS," Seoul, 11/04/98) reported that Hyundai plans to change its tactics and system for the Mt. Kumgang tour program because they have not attracted enough applicants. Hyundai announced on November 4 that it has changed its lottery system to a first-come first-served basis. Hyundai also announced that Chung Ju-yung, the honorary chairman of Hyundai, will be aboard on the first cruise ship and enjoy the cruise with other tourists. A source at Hyundai said, "Mr. Chung will go to the DPRK just as a regular tourist this time so he will not do any other activities. We expect that other old men will not be afraid of sailing if Mr. Chung's participates." The first-come-first-served system will be in place for the second cruise. Another source at Hyundai said, "We prepared the lottery system because we originally expected too many applicants." As of now, the number of applicants has only reached 2,445, whereas Hyundai expected 7,000 this month.

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3. Hyundai DPRK Projects

Korea Herald ("HYUNDAI TO HIRE DPRK WORKERS FOR OVERSEAS FACTORIES," Seoul, 11/04/98) reported that, as part of its ambitious projects to promote economic cooperation between the ROK and the DPRK, the Hyundai Group has been pursuing the employment of about 500 DPRK workers for its oil plant construction site in Turkmenistan. Hyundai Engineering and Construction Co. is engaged in negotiations with the DPRK to dispatch 500 DPRK workers to Hyundai's oil factory site in the Commonwealth of Independent States (CIS)-member country. Hyundai received the US$100-million order from Turkmenistan to build an oil refinery. At the same time, Hyundai plans to employ several hundred DPRK workers for its pipeline construction project in Libya, if it secures the contract. Hyundai is also planning to launch a mineral water development project in Wonsan, DPRK and to establish a car audio production plant with an annual production capacity of 240,000 units in the DPRK. Should Hyundai succeed in these projects, Hyundai will use a great number of DPRK citizens as workers for its production base.

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4. ROK-DPRK Joint Ventures

JoongAng Ilbo ("NPA RESUMES DPRK VENTURES," Seoul, 11/04/98) reported that the ROK National Parks Authority (NPA) on November 3 announced that they will resume the interrupted talks for proposed DPRK business projects soon. NPA's chairman Ohm Dae-woo said, "Right now we are advising the DPRK on developing their four major tour areas and 20 mountains, and will send delegates to talk to them about further projects." Pending DPRK approval, the institute will also consider opening an Internet home page on DPRK tourist attractions. They also want to set up 100 units of portable rest rooms on mountains in the DPRK, since there are few amenities there.

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5. ROK Economy

Chosun Ilbo ("FOREIGNERS RETURN TO STOCK MARKET," Seoul, 11/04/98) reported that foreign investors continued October's trend of buying on the ROK stock market, spending W198.3 billion on

shares during the first three days of November. The trend started late September and October saw total investments amounting to W685.2 billion, despite a mid-month hiatus caused by Hyundai's successful takeover of Kia. To date a total of W5.0658 trillion has come into the ROK and this has helped strengthen the share price index, which closed up at 410 Wednesday. Steven Marvin of Jardine Fleming Securities said that the general economic outlook for the ROK is still grim, but that the strength in the stock market is due to a lack of alternatives on the rise of the yen. Kang Heon-koo from ING Baring commented that investors feel that the ROK will be the prime beneficiary from the high yen and so are diverting funds from other Asian countries. As long as the yen stays high, he feels the money will continue to flow inward.

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6. ROK Election Scandal Probe

Chosun Ilbo ("PROSECUTORS RESUME PROBES INTO SCANDALS," Seoul, 11/04/98) reported that the ROK Prosecutor-General's Office has reinforced its probe into election campaign funds alleged to have been collected illegally by the then-ruling Grand National Party during the presidential election last year. The probe was spurred on by President Kim Dae-jung's recent demand for a full investigation of various political scandals. The Office Wednesday announced that it had discovered that four or five additional businesses had illegally contributed campaign funds to the former ruling party under the Kim Young-sam government, including Jinro Group, which said it contributed W100 million to the party. The Office further claimed that the total funds collected illegally amounted to W10 billion.

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7. ROK Bill of Human Rights

Korea Herald ("RULING PARTY SUBMITS BILL ON HUMAN RIGHTS," Seoul, 11/04/98) reported that the ruling National Congress for New Politics (NCNP) on Tuesday put forth a draft bill on human rights which, among other things, calls for setting up a human rights commission. Under the plan, the commission would be empowered to investigate violations of human rights, including race and gender discrimination. The commission would be an independent state organ led by nine ministerial-level standing members to be appointed by the President. The commission members would be required to undergo National Assembly hearings before being appointed. The bill also would give the commission the right to investigate violations of human rights committed by law-enforcement authorities. If the commission confirms any violations of human rights, it would be able to recommend to government agencies to correct errors and order individuals to compensate for the damages. The commission would submit an annual report on its activities to the President and the National Assembly. The NCNP's bill would also allow the commission to draw up its own budget plan, a mechanism designed to guarantee its independence and political neutrality. The party said it will soon hold consultations with the government on the draft bill before making a final decision on its legislation. The party plans to refer the bill to the National Assembly for approval during the ongoing regular session, which ends in the middle of next month.

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.
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