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### **I. United States**

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#### **1. ROK Aid for DPRK**

The Associated Press ("S. KOREA MULLS AID FOR N. KOREA," Seoul, 03/04/98) reported that chief ROK presidential spokesman Park Ji-won said Thursday that the ROK government will consider providing the DPRK with about 100,000 tons of emergency food aid. He stated, "We will continue to help North Korea with food aid, and we are willing to provide it when the North wants it." Cabinet ministers will meet as early as Friday to decide on the aid.

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#### **2. DPRK Medical Situation**

The Associated Press ("GROUP: N. KOREA HOSPITALS AILING," Rome, 03/04/98) reported that Kathi Zellweger of the Hong Kong office of the Catholic charity Caritas said Wednesday that the

DPRK's hospitals are so short of supplies that some sick people do not bother going to them. She stated, "The health care system is failing." Zellweger, who took a weeklong tour of the DPRK in late February, added, "There are no drugs, little food for patients. So why go in hospitals?" She also said that water shortages, caused by drought and worsened by the lack of snowfall, created hygiene problems that have led to illnesses like diarrhea. She added, "The misery is spread out over the whole country, with certain extreme pockets of poverty." Caritas has appealed for US\$6.2 million to buy food for 370,000 people, fertilizer, seed, and medical supplies.

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### **3. ROK Cabinet**

Reuters (Yeom Yoon-Jeong, "SOUTH KOREA WRANGLES OVER PARLIAMENT SESSION OPENING," Seoul, 03/05/98) reported that Han Hwa-gap of the ruling National Congress for New Politics (NCNP) said that the ROK National Assembly might not meet on Friday to vote on President Kim Dae-jung's nomination as prime minister because rival parties are still fighting over the agenda. Han stated, "Without reaching an agreement on the agenda, it's impossible to proceed with the session." He said that the governing party wanted to delay Kim Jong-pil's confirmation vote and instead pass a supplementary budget bill and other legislation. An official of the United Liberal Democrats (ULD) said that floor leaders of the two ruling parties would meet late on Thursday to discuss what to do. He stated, "As the Grand National Party (GNP) unilaterally called for the session, we haven't yet decided to join in it. After the floor leaders meeting, they would suggest convening the parliamentary session early next week instead of tomorrow." Meanwhile, NCNP lawmakers issued a statement on Thursday demanding cooperation from the opposition. The statement said, "If we show the slightest fault, or drag out economic reform, our international credibility will crumble and we can face national default." However, GNP spokesman Maeng Hyung-kyu said Thursday, "Kim Jong-pil cannot act as the prime minister before the National Assembly confirms him. But Kim controls and leads the cabinet. It's against constitutional law and should be stopped immediately."

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### **4. ROK Financial Crisis**

The AP-Dow Jones News Service (Park Kyung-hee, "S. KOREA'S '98 ECONOMY SEEN CONTRACTING 0.9% VS 1997'S 5.9%," Seoul, 03/05/98) reported that the Korea Development Institute (KDI) said Thursday that it estimated that the ROK economy would show a decline of 0.9 percent this year, compared with an estimated growth of 5.9 percent last year. It added that the country's current account is expected to swing to a surplus of US\$25.3 billion at the end of this year due to the weak won versus the US dollar and declining imports on lower demand. Inflation is projected to rise by 9.4 percent this year, up from last year's average of 4.5 percent. Unemployment is estimated to climb by about 6 percent, putting 1.3 million workers out of jobs. However, KDI said that the country's economy is expected to recover next year with the GDP rising 2.8 percent and 4.9 percent in 2000 as domestic investment is expected to increase with restructuring in companies and financial institutions progressing smoothly. Hence, unemployment will fall to a level of around 3 percent after 2000, it added.

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### **5. Land Mine Ban**

The Washington Post ("FOR THE RECORD," 03/05/98, A20) reported that General John H. Tilelli, commander in chief of US forces in the ROK, testified Tuesday by before a hearing of the Senate

Armed Services Committee. Tilelli stated, "There's still a significant military threat looming north of the Korean Demilitarized Zone.... The desperate situation in the north is disconcerting to us all." Tilelli stated that the 1996 Foreign Operations Appropriations Act, which prohibits the use of land mines, other than along the demilitarized zone, in defensive zones from February of 1999 will inhibit US ability to defend against a DPRK invasion. He stated, "Under the moratorium, I will not be allowed to use remotely in-place self- destructing smart mines to help block penetrations and shape the battlefields during conflict." He added, "These systems are critical components of my overall defensive plans, and they are also technologically advanced, highly reliable and not responsible for the humanitarian crisis caused by the indiscriminate use of so-called dumb, anti-personnel mines." Tilelli concluded, "until we can find suitable alternatives in accordance with the president's directive, the ... moratorium causes me concern, and I ask that you not allow the moratorium to go in effect as scheduled."

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## **6. Japanese Financial Officials Arrested**

The Associated Press ("2 JAPAN MINISTRY OFFICIALS ARRESTED," Tokyo, 03/05/98) reported that Takashi Sakakibara, a section chief in the Japan Finance Ministry's securities division, and Toshio Miyano, a senior inspector in the Securities and Exchange Surveillance Commission, were arrested Thursday on suspicion of accepting bribes from financial companies. The arrests came amid reports of a widening probe of influence-peddling by officials with regulatory authority over Japan's financial industry.

## **II. Republic of Korea**

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### **1. Inter-Korean Talks**

The ROK will push for bilateral contacts with the DPRK during the second round of four-way peace talks slated for March 16 in Geneva, an official of the ROK Ministry of Foreign Affairs and Trade said on March 4. The official said that the ROK will propose bilateral talks to be held for two days just before the four party peace talks on March 16-20. The ROK wants to discuss issues regarding the implementation of a 1991 inter-Korean basic agreement, reunion of separated families, and other conciliatory measures. (Korea Herald, Kim Kyung-ho, "SEOUL PLANS TO PUSH FOR S-N CONTACT DURING 4-WAY TALKS," 03/05/98)

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### **2. ROK Policy Toward DPRK**

President Kim Dae-jung on March 4 completed his choices of those who will fill positions related to DPRK policy with the appointment of Lee Jong-chan as the new chief of the Agency for National Security Planning. The President's DPRK policy is expected to be fine-tuned by Secretary for Foreign Affairs and Security Lim Dong-won, Unification Minister Kang In-duck, Foreign Affairs and Trade Minister Park Chung-soo, Defense Minister Chun Yong-taek, and the new chief of the NSP. One noticeable fact is that they are mostly politicians from the ruling National Congress for New Politics (NCNP) and its coalition partner, the United Liberal Democrats (ULD). The new officials range from conservative to progressive on DPRK affairs, with the ULD members largely representing the former and the NCNP members, the latter. (Korea Herald, Kim Ji-soo, "DPRK POLICY TEAM MIXTURE OF

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### **3. DPRK Energy**

The DPRK has increased fuel imports from the PRC in the face of shortages that allegedly left the country's transport system paralyzed. The DPRK imported 134.8 tons of gasoline and 29.5 tons of diesel oil from the PRC between January 1 and February 11, accounting for 74 percent of DPRK oil imports, Xinhua News Agency reported on March 4. "As the country enters into its lumber harvesting season, it is seeking more imports of fuel, which is in short supply," the report said. (Korea Times, "N. KOREAN FUEL IMPORTS FROM PRC INCREASE," 03/05/98)

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### **4. DPRK Food Aid**

ROK Foreign Minister Park Jung-soo said in a news conference on March 4 that the government intends to provide the DPRK with a substantial amount of food aid. The aid package, which is expected to amount to just under 200 thousand tons, would be handed over via direct government channels or the Red Cross. In addition, the ROK government is to propose agricultural cooperation between the two Koreas to permanently solve the DPRK's chronic food shortages. (Chosun Ilbo, "ROK TO SUPPLY DPRK WITH FOOD AID," 03/05/98)

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### **5. DPRK Espionage in Russia**

The intelligence services of Iran, the PRC, and the DPRK have stepped up their activities in Russia in recent years, a Russian senior security official said on March 4. The three nations concentrate their intelligence activities on obtaining military and industrial secrets, said Colonel General Alexander Tsarenko, deputy chief of the Federal Security Bureau. Iran, the PRC and the DPRK are ready to use any means and spend much to achieve their ends, he said, according to the ITAR-Tass news agency. (Korea Times, "IRAN, PRC, DPRK STEP UP INTELLIGENCE-GATHERING," 03/05/98)

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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