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I. United States

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1. ROK Policy Toward DPRK

Dow Jones Newswires (Michael Schuman, "SEOUL HAS 'CONSISTENT ENGAGEMENT POLICY' WITH NORTH - MIN," Seoul, 05/06/98) reported that ROK Vice Minister of Unification Jeong Se-hyun said that the administration of President Kim Dae-jung will pursue a "consistent engagement policy" with the DPRK. He stated that the ROK's policy toward the DPRK will be based on three principles: the ROK will not tolerate any armed provocation; will not seek to absorb the DPRK; and will seek to expand contact and engagement. He added that the ROK hopes to increase private ties "so the North realizes the necessity of government talks." Jeong said that the ROK also wishes to establish reciprocal relations with the DPRK, saying that the ROK would provide aid and other concessions if the DPRK were to respond favorably to issues such as permitting meetings of separated families. He stated, "When they show sincerity on these issues, we will provide aid with our tax money."

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2. Food Aid for DPRK

The Associated Press ("HYUNDAI FOUNDER TO SEND 10,000 TONS CORN TO NORTH KOREA," Seoul, 05/06/98) reported that Red Cross officials said Wednesday that Chung Ju-yung, founder and owner of the Hyundai group and the wealthiest man in the ROK, on Thursday will ship 10,000 tons of corn to the DPRK. Chung asked that his donation be earmarked for people in his native Kosung County on the DPRK's east coast. He added that he also wanted to cross the border next week to visit his hometown with a present of 1,000 cows. In his visit to the DPRK, Chung wants to follow up on a number of joint venture proposals that he had made when he visited his hometown in the early 1990s.

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3. ROK-DPRK Sports Exchanges

The Associated Press ("IJF ACCEPTS UNIFIED KOREA JUDO TEAM," Seoul, 05/06/98) reported that the Seoul-based International Judo Federation said Wednesday that it has accepted a proposal by the ROK Judo Association to form a single Korean team for this year's Judo World Cup in Minsk, Belarus, on September 12-13. Park Yong-sung, chairman of the federation, stated, "The participation of a unified team will contribute towards world peace and furthermore to the improvement of bilateral relations between the neighboring countries."

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4. ROK Financial Crisis

Dow Jones Newswires ("SOUTH KOREA, IMF SET GOALS FOR FLEXIBLE MONETARY POLICY," Seoul, 05/06/98) reported that the ROK government and the International Monetary Fund said Wednesday that the ROK's gross domestic product growth should contract 1 percent this year, with more contraction possible. The ROK Finance Ministry also stated that inflation by the end of this year is expected to be below 10 percent.

Dow Jones Newswires ("S. KOREA REFORMS MAY BE THWARTED BY OPPOSITION - POLICYMAKER," Seoul, 05/06/98) You Jong-keun, economic adviser to ROK President Kim Dae-jung, argued that ROK financial reforms may be thwarted by an opposition-dominated National Assembly and vested interests in the private sector. He stated that the opposition would try to block a bill that would allow foreigners to buy ROK companies without the board of directors' approval that is scheduled to be voted on in June's session. However, he predicted that the bill would pass, arguing that "the opposition is under severe pressure from the Korean people" to pass such reform bills. The opposition has recently lost seats at the National Assembly as many of its party members switched to the ruling party. You said that he "wouldn't be surprised" if the number of unemployed people would exceed two million next year, but dismissed the possibility of a nationwide strike. He stated, "If the unions tried, that would be the beginning of the end of organized labor because of a lack of public support. I believe labor unions understand that."

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5. US Missile Technology Transfer to PRC

The Washington Post (Juliet Eilperin, "GOP SAYS U.S. GAVE CHINA NUCLEAR EDGE," 05/06/98, A04) reported that Congressional Republicans plan a series of hearings to investigate whether President Bill Clinton's policy on the export of commercial satellites to the PRC has allowed the PRC to acquire technology to improve the accuracy of its nuclear missiles. The hearings will focus on Clinton's decisions to allow two U.S. aerospace companies, Loral Space and Communications Ltd.

and Hughes Electronic Corp., to export satellites to be launched atop Chinese rockets. [Ed. note: See [US Missile Technology Transfer to PRC](#) in the US Section of the April 16 Daily Report.] Republican lawmakers are attempting to find a link between the financial contributions to the Democratic Party and the Clinton administration's response to the criminal investigation of Loral. Loral's chief executive officer, Bernard L. Schwartz, was the single largest donor to the Democratic Party in 1996. Representative Richard K. Arme (R-Tex.) stated, "We now have revelations that we had special dispensation given to a defense contractor to sell to the Chinese the technology that would enable them to effectively target their nuclear weapons to the United States." However, National Security Council spokesman P.J. Crowley denied any wrongdoing, saying, "Our policy specifically excludes the transfer of sensitive U.S. technology. We believe there are adequate safeguards in place that preclude U.S. companies from providing assistance to China with respect to the design, development, operation, maintenance, modification, or repair of launch vehicles." Thomas B. Ross, vice president of government relations at Loral, stated, "The company initiated an independent examination of the incident and concluded that there was no violation of the export control laws. We shared the results with the State Department and have fully cooperated with the government."

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6. PRC-Indian Missile Dispute

The Financial Times (James Kynge, "CHINA SNEERS AT INDIAN JIBE; U.S. MAY BECOME INVOLVED," Beijing, 05/05/98) reported that PRC Foreign Ministry spokesman Zhu Bangzao on Tuesday strongly denounced statements by Indian Defense Minister George Fernandes that the PRC was India's greatest security threat. Zhu said that Fernandes' remarks would "seriously sabotage the favorable atmosphere for developing friendly relations." Fernandes had accused the PRC of aiding Pakistan's missile program and keeping nuclear weapons aimed at India.

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7. Land Mine Ban

The Associated Press ("PENTAGON OPPOSES LAND-MINE MORATORIUM," 05/05/98) reported that Pentagon spokesman Kenneth Bacon said Tuesday that the US Defense Department is seeking to reverse a moratorium on the use of anti-personnel land mines that was approved by Congress and signed by President Clinton in 1996. The law bars US use of land mines for one year starting February 12, 1999. Bacon stated, "It's the military's feeling ... that the moratorium would dramatically limit our ability to fight and win battles in places such as Korea." He added, "Obviously, a moratorium that takes place for one year ... runs contrary to the idea of giving the military time to transition away from antipersonnel land mines to some alternative." While he admitted that an exception in the moratorium would allow the use of mines in the Demilitarized Zone (DMZ) between the DPRK and the ROK, Bacon stated that the ban would prevent the military from using mines south of the zone to defend Seoul from attack. Without landmines, he argued, it would require 17,000 more troops, hundreds of tanks, aircraft, and other weapons to defend the region between Seoul and the DMZ.

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

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