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### **I. United States**

#### **1. US-Japan-ROK Talks**

The Associated Press ("U.S., JAPAN, SOUTH KOREA TO MEET," Seoul, 02/06/99) and Reuters ("U.S. N. KOREA NEGOTIATOR TO VISIT SEOUL, BEIJING," Washington, 02/05/99) reported that officials at the Ministry of Foreign Affairs and Trade said Saturday that the US, Japan, and the ROK will meet in Seoul on Tuesday to discuss cooperation against the military threat from the DPRK. During the one-day talks, key topics will include a DPRK underground construction site at Kumchang-ri. The talks will be led by Charles Kartman, US special envoy for Korean affairs; Terusuke Terada, Japan's ambassador at large; and Kwon Jong-rak, head of the US affairs division at the ROK Foreign Ministry. US officials said that Kartman would visit Seoul on February 6-10 and then stop in Beijing on February 11. Japan's Kyodo news agency reported recently that the DPRK has proposed that the US join it in setting up a corporation to use the disputed construction site as a factory or an office, but an unnamed US State Department official said he was unaware of any such proposal.

#### **2. Japan-ROK Policy Coordination**

Dow Jones Newswires ("JAPAN, SOUTH KOREA TO STUDY NORTH KOREA POLICY - KYODO," Tokyo, 02/07/99) reported that Japan's Kyodo news service cited Japanese officials as saying on Sunday that Foreign Minister Masahiko Komura will make a two-day visit to the ROK from Wednesday to hold high-level talks with ROK officials on the two countries' policies toward the DPRK. The officials said that Komura hopes to coordinate measures to deal with the DPRK underground construction and missile development. Komura's visit is also meant to lay the groundwork for Prime Minister Keizo Obuchi's visit to the ROK in March.

#### **3. DPRK Missile Development**

Pacific Stars And Stripes (Jim Lea, "NK SAYS IT WILL NOT STOP MISSILE DEVELOPMENT," Seoul, 02/09/99, 3) reported that the DPRK's Korean Central News Agency (KCNA) said that the Rodong Shinmun, official newspaper of the Worker's Party, declared on Sunday that the DPRK "will never give up" its "sovereign right" to build and launch missiles. The article said that "nobody has the right to find fault with" the missile issue. It added that the DPRK can only "direct utmost efforts to beefing up the national defense capability" in view of "aggressive moves" by the US. [Ed. note: This article appeared in the US Department of Defense's Early Bird news service for February 8.]

#### **4. Taiwanese Missile Defense**

The Associated Press ("REPORT: TAIWAN DEVELOPING MISSILE DEFENSE ALTERNATIVE," Taipei, 02/07/99) reported that United Daily News said Sunday that Taiwan is developing its own anti-missile capability as a safeguard in case the US decides not to supply similar technology. The report said that Taiwan's Sky Bow II missile system intercepted incoming missiles during a pair of tests last summer against a simulated attack. It added that the missiles could provide a protective buffer if the US refuses to sell advanced PAC III air-defense missiles due to PRC or internal political pressures.

## **5. US Congressional Resolution on Taiwan**

Taiwan's Central News Agency ("US RESOLUTION ON TAIWAN SECURITY INTRODUCED," Washington, 02/03/99) reported that two members of the US House of Representatives, Robert E. Andrews (D-N.J.) and Steve Chabot (R- Ohio), submitted on Wednesday a non-binding concurrent resolution urging US President Bill Clinton to seek from the PRC a public renunciation of the use of force against Taiwan. It also called on the president to help Taiwan in the event of a military attack, or the threat of such an attack, by the PRC. The House of Representatives voted 411-0 in favor of a similar resolution in June 1998.

## **6. PRC-Taiwan Diplomatic Rivalry**

The Los Angeles Times ("CHINA REWARDS END OF TIES WITH TAIWAN," St. Lucia, 02/06/99) reported that St. Lucia Foreign Minister George Odlum the PRC will build a US\$4-million sports stadium for St. Lucia as a reward for breaking diplomatic ties with Taiwan. Odlum said that the PRC had also expressed interest in investing in offshore banking services on the Caribbean island. St. Lucia broke ties with Taiwan 17 months ago.

## **7. PRC Military Modernization**

Taiwan's Central News Agency ("CIA DIRECTOR SAYS PLA'S MODERNIZATION PUSHES ON," Washington, 02/02/99) reported that George Tenet, director of the US Central Intelligence Agency (CIA), said Tuesday that despite a slowdown in economic growth, the PRC is still actively pursuing its military modernization program. Tenet told the Senate Armed Forces Committee, "China's military modernization program continues apace despite slowing economic growth." He added that the PRC's efforts are assisted by sustained levels of defense spending and by the availability of weapons and technologies from the former Soviet bloc. Tenet also said that the PRC is increasing the size and survivability of its retaliatory nuclear force. He noted, however, that the PRC is "unlikely to make the resource commitment needed to approach the (nuclear) force levels either of the United States or Russia." He said that the PRC is also developing and acquiring air and naval systems "intended to deter the United States from involvement in Taiwan and to extend China's fighting capabilities beyond its coastline." Tenet stated, "Although China does not want a conflict over Taiwan, it refuses to renounce the use of force as an option and continues to place its best new military equipment opposite the island." He said that the PRC has the potential to affect the US security posture in Asia but added that "the extent to which its ambitions and growing capabilities represent a challenge or threat to US interests is still an open question." He also argued that the PRC's future is uncertain because of some domestic challenges, such as doubts over sustained economic growth and labor and social unrest.

## **8. US Nuclear Deactivation**

The Washington Post (Walter Pincus, "FUNDING SOUGHT AS DEACTIVATION OF SOME U.S. MISSILES IS DELAYED," 02/07/99, 28) reported that the Clinton administration has added US\$50 million to the fiscal 2000 military budget to keep in operation for at least another year 50 MX intercontinental ballistic missiles that were scheduled to be deactivated had Russia ratified the START II arms control treaty. The decision to keep the 10- warhead missiles in operation was made in part to maintain the US nuclear warhead count as the administration moves to decommission the four oldest Trident strategic ballistic missile submarines starting in 2002. [Ed. note: This article appeared in the US Department of Defense's Early Bird news service for February 8.]

## **9. Russian Ratification of START II**

RFE/RL Newswire (START-II ON HOLD UNTIL FUNDING FOR NUCLEAR FORCES ALLOCATED," Moscow, 02/05/99) reported that, in an interview with the military newspaper "Krasnaya zvezda" on February 2, Russian State Duma Defense Committee Chairman Roman Popkovich of Our Home Is Russia said that the Duma must first adopt the law on financing Russia's strategic nuclear forces until 2010 before it can turn to the issue of ratification of the START II treaty. Popkovich admitted that if the Duma were to ratify the treaty, there would be no money in the 1999 budget for implementation and probably none would be available for "the next two or three years." Popkovich added that Russia is already "spending too much on the liquidation of armaments under previous agreements and treaties."

## **II. Republic of Korea**

### **1. US-ROK Talks**

Korea Herald ("U.S. ENVOY KARTMAN DUE IN SEOUL TODAY ON N. KOREAN SITE," 02/06/99) reported that the US Embassy in Seoul said Friday that Charles Kartman, US envoy for Korean affairs, was scheduled to fly into the ROK on Saturday for talks with ROK officials on the DPRK nuclear issue. Kartman will stay in Seoul until Wednesday, a US Embassy official said. The Foreign Affairs and Trade Ministry in Seoul said that Kartman would meet with Kwon Jong-rak, director general for North American affairs at the ministry, on Tuesday. Ministry officials said that their meeting will focus on the upcoming fourth round of US-DPRK nuclear negotiations, which are likely to be held in New York later this month. Meanwhile, Stanley Roth, US assistant secretary of state for East Asian and Pacific affairs, called off his two-day trip to Seoul, which had been scheduled to begin Saturday. Ministry officials in Seoul said the US government had canceled Roth's planned visit because it would have coincided with Kartman's.

### **2. DPRK Missile Development**

Korea Times ("NORTH KOREA SAYS IT RETAINS THE RIGHT TO DEVELOP MISSILES," 02/07/99) reported that the DPRK's state-run media said Saturday that the government will never cede its sovereign right to develop or launch missiles, despite increasing pressure from the US, a Japanese Kyodo News agency report said. The DPRK Central News Agency quoted the Saturday edition of the official Rodong newspaper as saying, "Nobody is entitled to find fault with the (missile) issue." The DPRK news agency quoted the government paper as saying that the government "cannot but direct utmost efforts to beefing up the national defense capability" to face aggressive moves by the US, Kyodo said. The DPRK's missile program is a key topic in next week's scheduled talks among US, Japanese, and ROK officials about the military threat from the DPRK.

### **3. DPRK-ROK Talks**

Joongang Ilbo ("NK POSITIVE ON TALKS," 02/08/99) reported that the DPRK on February 8 announced its welcoming attitude to the ROK reply to its letter, saying, "We appreciate that it is a positive sign for the ROK to have accepted our proposal for the talks. It should also fulfill the three preceding conditions in advance." These conditions are firstly, ending military exercises with the US, secondly, abolition of the existing National Security Law and thirdly, the legalization of the anti-governmental movement. The DPRK announcement added, "If they do not accept these conditions, it means they have no intention to engage in dialogue with us. Future talks will depend upon this."

#### **4. DPRK-ROK Sports Exchanges**

Joongang Ilbo ("INTER-KOREAN BASKETBALL GAME TO BE HELD IN PYONGYANG," 02/06/99) reported that Hyundai's founder and honorary chairman Chung Ju-yung said on February 6 that an inter-Korean basketball game will be held in Pyongyang as early as this coming April. Returning from his three-day visit to the DPRK, he said in a press conference, "Hyundai and the DPRK have agreed to construct a 40,000 square meter gymnasium near the Botong River in Pyongyang." He added, "If things go well, I will visit the DPRK once again in March to make a final report on the Mt. Kumgang Project, the Industrial Complex Project on the West Coast, and the Pyongyang Gymnasium Project, to the DPRK Leader Kim Jong-il." He went on to add that a working-level meeting on these projects will be held in Pyongyang within this month. Regarding the Mt. Kumgang Project, he said, "The DPRK circus and choir will begin performing at a hall in Onjongri near Mt. Kumgang that is scheduled to be completed around February 21." With regard to the industrial complex site, his son Chung Mong-hun said, "We have suggested the southern region of Haeju as the prospective site in the hopes that Chairman Kim Yong-sun of the DPRK Asia Pacific Peace Committee will deliver a final decision as soon as possible."

#### **5. DPRK Food Distribution**

Chosun Ilbo ("NK HALTS ALL FOOD DISTRIBUTION," 02/08/99) reported that recent visitors to the DPRK have said that food distribution has stopped even in the capital of the DPRK. According to one unnamed source, government agencies in Pyongyang were given official notice at the end of last year that they would soon have to either solve the problems as agencies or on their own as individuals because "from now on there will be no food distribution." The source said that he heard this directly from a DPRK government official. The DPRK already ceased food distribution several years ago in regions outside of Pyongyang. The news is being taken as sign that the food shortage in the DPRK is now at a more critical stage than before. However, it is not believed that everyone in Pyongyang will go without government food distribution, but it is also not known which high-ranking residents will continue to receive official food benefits.

#### **6. DPRK Agricultural Development**

Korea Times ("NK TO PLANT 'SUPER CORN' IN 1,000 VILLAGES," 02/07/99) reported that the DPRK, which succeeded in cultivating "Super Corn" in test villages last year, will now plant the same breed at over 1,000 more villages this year, a professor said Saturday after a week-long visit to the DPRK. Kim Soon-kwon, an ROK university professor who discovered the "Super Corn" breed and donated seeds to the DPRK to help ease its chronic food shortage, said the test cultivation at 83 villages near Pyongyang last year was a success. "The cooperation with the DPRK agricultural experts on corn planting is going well," Kim told reporters at the airport. "I will be visiting the DPRK again in March to plant more corn at selected areas."

#### **7. Hwang Jang-yop's Memoirs**

Chosun Ilbo ("HWANG PUBLISHES MEMOIRES," 02/08/99) reported that the former secretary of the DPRK Worker's Party, Hwang Jang-yop, has published his memoirs on the second anniversary of his defection to the ROK. Titled, "I've Seen The Truth Of History," the book includes everything from the note to his wife before he defected to the sufferings people are going through in DPRK under the "hereditary dictatorship." Written in chronological order, the book begins with stories of his growing up and studying in Moscow. Hwang was the main theorist for the DPRK's Juche ideology. In the

memoirs, Hwang also discusses the DPRK's militant posture in detail, for example saying that in 1993 the leadership in Pyongyang truly thought it was going to have an all-out war with the US. Hwang praises the US for doing all it could to avoid a conflict. At the end of the book Hwang says that he thinks the book will anger Kim Jong-il so much that he will try an act of terrorism against him, "but I'm not just going to sit back and let him do that."

## **8. Remains of US Servicemen from Korean War**

Korea Times ("NK-US START TALKS ON EXCAVATING US SOLDIERS' REMAINS," 02/07/99) reported on Saturday that the ROK Ministry of Foreign Affairs and Trade said that the US and the DPRK have started expert talks in Pyongyang to address the joint excavation of US servicemen killed in action during the Korean War (1950-1953). During the talks, which will run from February 6-16, the two countries are expected to discuss concrete schedules, sites and compensation for the excavation, the ministry explained. Alan Liotta, deputy director of the Department of Defense's prisoner of war and missing in action office, leads the US delegation, while Colonel Pak Rim-su, chief of the People's Armed Forces Panmunjom mission, heads the DPRK side.

## **9. Alleged DPRK Smuggling**

Korea Times ("NORTH KOREA ON A GLOBAL CRIME SPREE: US NEWS," 02/07/99) reported that the DPRK uses up to 6,800 hectares (17,000 acres) of land to produce some 44 tons of opium each year as part of a global crime spree generating more than US\$100 million a year, according to a US news magazine. In its February 8th issue, the "US News and World Report" said that the DPRK government-sponsored crime wave includes drug trafficking, counterfeiting, trading in endangered species, and setting up industrial-scale plants to turn out opium, heroin, methamphetamines, and counterfeit US dollars. The article said that law enforcement officials believe the DPRK has turned into "a vast criminal enterprise" and fear that US\$77 million of annual US food aid may be making up for crop land turned to opium production. Some 200 pounds of DPRK opium may have ended up on US streets, US News said. The magazine quoted the editor of the journal of Transnational Organized Crime as saying, "This is a criminal state not because it's been captured by criminals but because the state has taken over crime." Authorities in at least nine countries have caught DPRK diplomats with illegal drugs, and DPRK officials have been caught distributing counterfeit US\$100 bills in Russia and various countries in Asia, the article said. According to the article, crime is one way the DPRK regime props itself up despite its economic difficulties. It said that crime also lines the pockets of corrupt officials and possibly pays part of the US\$100 million a year of its nuclear program's costs. The government runs the system by underpaying or not paying diplomats and officials of state-run enterprises, who then use diplomatic passports and immunity and travel privileges to smuggle items.

## **10. DPRK Energy Development**

Korea Times carried an opinion article by Leonard Greer, an engineer who spent over a decade in the nuclear power industry ("NEXT TIME, WHY NOT WIND MILLS?" 02/05/99). The article said that the 1994 Agreed Framework erred in focusing on nuclear power plants as a means to stop the DPRK's nuclear weapons program. It pointed out that nuclear power plants take a long time to construct and make only imperceptibly gradual progress, thus providing few opportunities to be used as a diplomatic indicator of improved inter-Korean relations or to register dissatisfaction. It added, "Aside from this, nuclear power plants generate radioactive waste that is difficult and expensive to handle. Such plants also have a finite lifetime. Generally, after three or four decades of

service, they must be de-commissioned in specialized expensive processes. Thus, it seems strange that any agreement to purportedly stabilize the Korean peninsula's political environment includes at its center a technology, which will generate costly long-term issues." The author argued that an alternative method would be to use wind power. He pointed out that the most advanced wind generations machines are generally quite simple to erect and install, and "can be literally up and running a few weeks after collecting the necessary local wind data." He added, "Regulating the installation schedule of hundreds of village size projects of twenty to fifty wind turbines each offers much more conspicuous involvement with the government and people of the DPRK. This may thus prove to be a superior diplomatic instrument. The number of easy to install, inexpensive wind projects can be readily increased, decreased, or otherwise manipulated according to the DPRK policy trend of the day. Finally, wind projects will not produce radioactive waste, nor provide any opportunities for military diversion of uranium."

### **III. People's Republic of China**

#### **1. ROK-DPRK Talks**

China Daily ("ROK BACKS DPRK'S POSITIVE PROPOSAL," Seoul, 2/5/99, A11) reported that the ROK accepted on February 4 a proposal by the DPRK to hold high-level political talks, but urged the DPRK to arrange discussions unconditionally. "We view the offer positively. We urge the DPRK to schedule the meeting without any conditions attached," the ROK Unification Ministry said in a statement. The DPRK offered on February 3 to hold "high-level" political talks with the ROK this year on condition that the ROK take steps to discontinue joint military exercises with the US, abolish its National Security Law, and do away with "anti-DPRK cooperation with outsiders," the Korean Central News Agency reported. Meanwhile, the DPRK and the US made significant progress in their talks on allowing access to a suspected nuclear site in the DPRK, Yonhap News Agency quoted diplomatic sources as saying. The US said it could offer between 300,000 tons and 400,000 tons of food aid through the World Food Program, the diplomatic sources said. The DPRK reversed its earlier stance that the underground facility in Kumchangni was intended for civilian purposes, saying it was related to national security.

#### **2. Kim Jong-pil's Visit to Middle East**

China Daily ("ROK PM'S VISIT," Jerusalem, 2/8/99, A11) reported that ROK Prime Minister Kim Jong-pil arrived in Israel on February 7 for the highest level visit by an official from the ROK since bilateral relations were established in 1962. Kim flew in from Egypt, accompanied by a delegation of ministers and members of the Korean National Assembly, for the three-day visit. On February 9, the Koreans will also visit the Palestinian Authority president Yasser Arafat in the West Bank city of Ramallah. Kim was scheduled to meet with Israeli Prime Minister Benjamin Netanyahu later on February 7. The two leaders were to sign economic cooperation agreements, including pacts to protect investments between their countries.

#### **3. PRC-US Relations**

China Daily ("CHINA REJECTS CIA'S COLD WAR THINKING," 2/5/99, A1) reported that during a regular news briefing in Beijing on February 4, PRC Foreign Ministry spokeswoman Zhang Qiyue reiterated that the PRC does not represent a threat to any country. In response to a question concerning a recent report issued by the Central Intelligence Agency (CIA) of the US critical of the

PRC as a military threat, Zhang said that it is known to all that the PRC's absolute expenditure on national defense is the lowest among major countries, and is among the lowest in the world in terms of either GNP or per capita expenditure. The PRC pursues a defensive national defense policy and a peaceful foreign policy of independence, she said.

People's Daily ("JIANG: MEDIA'S ROLE EXPANDING," 2/6/99, A1) reported that PRC President Jiang Zemin met with Norman Pearlstine, editor-in- chief of US-based Time Inc, in Beijing on February 5. Jiang said that the PRC needs to enhance exchanges with the international community to further promote mutual understanding and cooperation. News and other media will play an important and positive role in this regard, Jiang said. Jiang also wishes that the Fortune Global Forum--to be held in Shanghai this September--will be a success.

#### **4. Japanese-Russian Relations**

People's Daily ("RESOLUTION OF TERRITORY ISSUE IS THE PRECONDITION," Tokyo, 2/8/99, P6) reported that at a three-day national meeting held in Tokyo to urge return of the northern territories, Japanese Prime Minister Keizo Obuchi said that the solution of the northern territories issue is the precondition to the conclusion of a Japanese-Russian peace treaty. According to Obuchi, Japan is making efforts to realize Russian President Boris Yeltsin's visit to Japan earlier this year and is trying to conclude a Japanese-Russian peace treaty before 2000.

#### **5. PRC Nuclear Industry**

China Daily ("NUKE SECTOR REFORM UNDER WAY," 2/5/99, A5) reported that the PRC's nuclear industry is undertaking a far-reaching shake-up as part of the country's largest-ever program to restructure its military industries. China National Nuclear Corporation (CNNC) is to split into two groups. Industry insiders said that one group will be large, with business ranging from the mining of uranium to nuclear fuels, isotopes, nuclear manufacturing for both military and civilian use, nuclear waste treatment, and nuclear safety. The other group will be a construction group, responsible for building nuclear power plants. Meanwhile, the group will be required to make efforts to tap other building and construction markets. Major nuclear research institutes will belong to the larger group. According to the report, the restructuring plan still needs a final nod from the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party. Under the plan, the administrative function of the CNNC will be handed over to the State Commission of Science, Technology, and Industry for National Defense.

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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