

# NAPSNet Daily Report 10 April, 2000

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#### I. United States

#### 1. ROK-DPRK Summit

The New York Times (Howard W. French, "TWO KOREAS AGREE TO FIRST MEETING AT SUMMIT LEVEL," Seoul, 4/10/00), Agence France Presse (Marc Lavine, "NORTH AND SOUTH KOREA UNVEIL PLANS FOR EPOCHAL SUMMIT," Seoul, 4/10/00), the Washington Post (Doug Struck, "TWO KOREAS AGREE TO HISTORIC SUMMIT," Tokyo, 4/10/00) and the Wall Street Journal (Michael Schuman and Jane L. Lee, "NORTH AND SOUTH KOREAN LEADERS TO HOLD

BREAKTHROUGH SUMMIT," Seoul, 4/10/00) reported that the ROK government announced on Monday that the DPRK had agreed to a summit meeting between the two countries. ROK officials said that the issues to be discussed at the summit meeting from June 12-14 in Pyongyang would include economic cooperation, reunification of separated families, and political reconciliation. ROK Unification Minister Park Jae-kyu said in making the announcement, "we hope that the summit will make its mark as an end to the Cold War of confrontation, and a starting point to create a new history of reconciliation and cooperation." The planned summit was confirmed by the DPRK's official Korean Central News Agency (KCNA), which called it a "historic meeting." KCNA said that the summit was "aimed at accelerating national reconciliation and unity, exchange and cooperation, peace and reunification." The US State Department welcomed the announcement. US State Department counselor Wendy Sherman said, "it's been an underpinning of U.S. policy ... that dialogue is central to peace and stability on the Korean Peninsula." Park Jie-won, ROK's culture and tourism minister, said Monday, "this is clear evidence that North Korea has full confidence in President Kim Dae-jung's engagement policy with North Korea." [Ed. note: The New York Times article was included as a Top Story in the US Department of Defense's Early Bird news service for April 10, 2000.]

#### 2. ROK Views of Inter-Korean Summit

Agence France Presse ("NORTH GIVES S. KOREAN LEADER ELECTION GIFT OF SUMMIT BREAKTHROUGH," Seoul, 4/10/00) reported that ROK analysts said Monday that the DPRK has offered ROK President Kim Dae-jung an unprecedented political summit as an electoral gift in return for boosted financial aid. Park Kie-duck, a fellow of the Sejong Institute, said that the inter-Korean summit was a typical give-and-take deal that could benefit the DPRK's regime and the ROK's ruling party. Park said, "it seems the North has intentionally agreed to the summit right before crucial elections in the South in order to give a maximum benefit to Seoul's ruling party and so to get the most concessions from it." The ROK will hold general elections on April 13. Park said that the DPRK appeared inclined to help the ROK's ruling Millennium Democratic Party because it expounds a policy of engagement that can realistically help the DPRK. He continued, "even if it is not a decisive factor in the elections, the summit would likely help the ruling party draw more votes from South Koreans who dream of being reunited with their relatives in the North." Kim Chung-kyung of Hyundai Economic Research Institute also suggested that a deal had been made with the DPRK in exchange for the summit. Kim said, "concessions must have been made, reacting to North Korea's request for South Korean investment in social infrastructure such as railroads and power facilities." A researcher at the Korea Institute for National Unification in Seoul, Kim Byung-ro, said, "the summit will bring significant changes to inter-Korean ties not only symbolically but practically. [However,] the summit was agreed as Pyongyang is actively seeking more economic aid from the outside world to save its troubled economy. The North seems to be focusing more on the South's economic role." Kim Man-heum, a professor at Seoul National University, agreed that the summit would help the election campaign of Kim's Millennium Democratic Party. He stated, "the ruling party will likely enjoy an advantage in the polls because the government can show that its North Korea policy has yielded fruit."

Agence France Presse ("SOUTH KOREA WARMLY EMBRACES PLANS FOR HISTORIC INTER-KOREAN SUMMIT," Seoul, 4/10/00) reported that ROK officials said that the summit between ROK President Kim Dae-jung and DPRK leader Kim Jong-il in Pyongyang will serve as a starting point for reunification of the Korean peninsula. ROK business groups said that the summit would galvanize inter-Korean economic cooperation. Kim Dae-jung said, "I'm surprised by such a rapid development in inter-Korean relations ... even though the government has made strenuous and steady preparations to improve inter-Korean relations." However, civic groups urged the ROK government

to be cautious. The Citizens Coalition for Economic Justice said in a statement, "the president's sunshine policy is bearing fruit. But he must be careful in dealing with North Korea."

#### 3. US Views of Inter-Korean Summit

The Office of International Information Programs, U.S. Department of State released a statement by US President Bill Clinton ("STATEMENT BY THE PRESIDENT," 4/10/00) which said, "I welcome the announcement that the Republic of Korea and the Democratic People's Republic of Korea will hold an historic first summit in June. Direct dialogue between the two Koreas is something we have long advocated and is fundamental to solving the problems of the Korean Peninsula. This announcement is testimony to the wisdom and long-term vision of President Kim Dae-Jung's engagement policy. I congratulate both leaders on their decision to meet."

Agence France Presse ("US HOPES HISTORIC NORTH-SOUTH KOREA TALKS CURB GROWING NUCLEAR THREAT," Washington, 4/10/00) and the Associated Press ("U.S. WELCOMES KOREAN SUMMIT TALKS," Washington, 4/10/00) reported that the US on Monday welcomed news of a firstever ROK-DPRK summit. US State Department spokesman James Rubin said, "we believe (this) could be a history-making event. We've long said that central to developing peace and stability on the Korean peninsula is a direct dialogue between the north and the south." White House spokesman Mike Hammer said, "this is really something that the South Korean government has been hard at work at." According to Patrick Cronin of the US Institute of Peace, "the US is trying to play a stronger supporting role of the south in bringing the north to deal with its neighbor in a way other than brandishing missiles and spewing threats." Cronin also said that the US will continue to be an active player in the ROK-DPRK talks. He continued, "where the US and others found some concern with the Sunshine policy was when they saw cash flowing directly to the North because that can be exploited for military purposes." William Taylor of the Center for Strategic and International Studies pointed to the threat of DPRK nuclear development as another important issue that the US must watch. Taylor said, "we are in a period of maximum danger with North Korea and we cannot afford flareups. North Korea has us between a rock and a hard place. They have over 100 surface-t--surface missiles that could cover all of South Korea, Japan, Alaska and Hawaii, and within 2 years all of the United States."

#### 4. DPRK Participation in ARF

The Financial Times ("NORTH KOREA POLITICS: BID TO JOIN ASIAN SECURITY FORUM," Manila, 4/6/00) reported that Philippine foreign secretary Domingo Siazon said the DPRK told the Philippines government that it wants to attend the next meeting of the Association of South-East Asian Nations' (ASEAN) Regional Forum (ARF) in Thailand in July. Siazon said that the DPRK and the Philippines are in talks to establish diplomatic relations and should be completed by June. The DPRK would then have diplomatic relations with all ten ASEAN members.

## 5. ROK-DPRK Territorial Dispute

U.S. News and World Report (Paul Bedard, "WASHINGTON WHISPERS FISHING SEASON," 4/17/00) reported that US Defense Department officials fear that with the blue crab season soon to open off the west coast of Korea, disputes over fishing rights could lead to naval warfare between DPRK and the ROK. However, the US and the ROK insist that the DPRK threat is bogus. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 10, 2000.]

#### 6. DPRK Energy

Agence France Presse (Shigemi Sato, "NORTH KOREA DIMS WITH POWER SHORTAGE AHEAD OF BIG HOLIDAY," Pyongyang, 4/6/00) reported that planned festivities for "Sun's Day," the birthday of late DPRK President Kim Il-Sung on April 15, could be hurt by the power shortage in the DPRK. Foreign residents in Pyongyang said that electrical voltage was unstable, causing trouble to sophisticated electronic gadgets. Energy shortage reached its extreme last February when a train reportedly slid back on a slope and derailed due to insufficient electricity. According to Russian press reports, dozens of people were killed. The air-brake system failed to stop the runaway train on a Pyongyang-Chongjin route.

### 7. PRC Policy toward Taiwan

The Washington Post (John Pomfret, "BEIJING FIRM ON CONDITION FOR TAIWAN TALKS," Shanghai, 4/8/00) reported that according to PRC and Taiwanese officials and analysts, the PRC government has insisted that Taiwan's president-elect, Chen Shui-bian, clearly endorse the "one-China" principle as a condition for renewing reunification talks. They added that the PRC wants Chen to make this statement during his inauguration on May 20. If Chen refuses, officials and analysts said that relations between the RPC and Taiwan will again deteriorate. However, a senior US official in Beijing, following US Security Advisor Sandy Berger's meetings with PRC officials, said that PRC leaders would stick to a "wait and see" attitude and are open to resuming a dialogue with Taiwan. The official also said that he got an impression that the PRC could be persuaded to modify its stance on the strict interpretation of the one-China principle. Fung Hu-hsiang, a Taiwanese legislator who met with a series of high-ranking PRC officials a few days before Berger went to the PRC, said, "the Americans misrepresented the Chinese view. China is saying the same things to everyone: Chen must accept 'one China' or else there could be frightful consequences. The American failure to face up to this issue is increasing the danger to Taiwan. What the Americans say has a lot of influence on Taiwan. They should not make things prettier than they [are]." Fung also said that in his discussions, PRC officials, including Tang Shubei of the cabinet's Taiwan Affairs Office and others directly involved in Taiwan policy, told him that if Chen fails to accept the 'one-China' principle, "Taiwan could be facing dangerous consequences." Zhou Jianming, director of the Institute of Asian and Pacific Studies at the Shanghai Academy of Social Sciences and an adviser to the PRC government, said, "the position of the Chinese government on this issue is very, very clear. But sometimes the Americans have too much imagination.... The Americans are hoping for ambiguity. But the Chinese government is not being ambiguous on this issue." One anonymous PRC government advisor said, "the Americans use their public statements as a way to put pressure on both sides.... They try to make China softer and they try to make Chen Shui-bian not as radical; to a certain extent, that is fine. But our understanding of the meeting in this case was very different from what the Americans said." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 10, 2000.]

Agence France Presse ("CHINA'S ZHU ATTACKS TAIWANESE SEPARATISM IN TALKS WITH SINGAPORE'S GOH," Beijing, 4/10/00) reported that the official PRC Xinhua news agency said that PRC Prime Minister Zhu Rongji Monday used a meeting with his Singaporean counterpart Goh Chok Tong to criticize Taiwanese separatists. Zhu said, "we will by no means allow Taiwan to separate from China. That is an issue of principle, and we will never give in an inch in matters of principle." Goh said that Singapore considered Taiwan an internal Chinese issue and stressed that his government was opposed to the island's independence or any steps in that direction.

#### 8. US Policy toward PRC

The New York Times (Craig S. Smith, "ENVOY ASKS MODERATION ON TAIWAN; REJECTS PORTRAYING BEIJING AS 'ENEMY'," Shanghai, 4/10/00) reported that US Ambassador to the PRC Joseph Prueher said that the US has "both the strength and the time" to work with the PRC and to try to ensure that its government and economy develop in ways that fit US interests. However, Pruher said, "I think it's important not to get a mind-set that sees China as an enemy. We need to hope and work for the best, while remaining prepared for the worst." Prueher echoed US President Bill Clinton's view that the US can help effect positive change in the PRC by engaging the country, including granting it permanent normal trade relations. He also said that despite the PRC's threats to Taiwan, he believes the PRC will maintain its wait-and-see attitude. Prueher also added, "Taiwan security -- for Taiwan not to get kicked around -- comes from US backing, not from any particular weapon system." He continued that the PRC's accelerating procurement of arms from Russia "is not a troubling issue because of degrees of scale, but it's a trend we'll have to watch." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 10, 2000.]

#### 9. Bombing of PRC Embassy in Belgrade

Reuters ("A STAFF DISCIPLINED OVER CHINESE EMBASSY BOMBING," Washington, 4/10/00) and The New York Times ("CIA FIRES OFFICER BLAMED IN BOMBING OF CHINA EMBASSY," Washington, 4/9/00) reported that the US Central Intelligence Agency (CIA) said on April 9 that one mid-level employee was fired and several others, including a senior official, disciplined because of errors that led to the bombing of the PRC Embassy in Belgrade during last year's Kosovo war. The CIA released no names. An anonymous CIA official said that counseling was recommended for another CIA representative who was serving with another agency at the time of the targeting mistake. The punishments were imposed by CIA Director George Tenet within the past few days following an investigation into the bombing of the PRC embassy in Belgrade. The CIA official said, "the sanctions range from oral reprimands to letters of reprimand that contain prohibitions on promotion and rewards for periods of time." One CIA employee was praised for trying unsuccessfully to intervene to prevent the bombing after recognizing that the wrong target had been selected. Roy Krieger, a Washington lawyer representing one of the CIA officers who was reprimanded, issued a statement saying, "the CIA has shamefully forsaken responsibility to its officers merely to achieve political appeasement," adding that the CIA officers had been placed "at the mercy of misinformation they thought they could trust." Krieger declined to identify the CIA officer whom he represents and said he was "going on record with our protest while we evaluate our options" for possible legal action aimed at overturning the reprimand. The CIA issued a statement on April 9 repeating the US stand that the PRC Embassy bombing was an accident. However, it said that it has taken steps to deal with "systemic organizational problems that contributed to the accidental bombing of the Chinese embassy."

The Associated Press ("CHINA REJECTS U.S. EXPLANATION, DISCIPLINE FOR EMBASSY BOMBING," Beijing, 4/10/00) reported that PRC Foreign Ministry spokesman Zhu Bangzao said that the PRC rejected US explanations for last year's bombing of the PRC Embassy in Belgrade and said it was unsatisfied by the firing of a US Central Intelligence Agency (CIA) employee. Zhu repeated earlier demands that the US thoroughly investigate the bombing, strictly punish those responsible and give the PRC "a satisfactory explanation."

## 10. Israeli Arms Sales to PRC

The Los Angeles Times (Tracy Wilkinson, "ISRAEL PUT ON DEFENSIVE OVER ITS PLANNED MILITARY DEAL WITH CHINA," Jerusalem, 4/9/00) reported that the US has repeatedly protested what it calls Israel's "deepening defense relationship" with the PRC and has raised specific

objections to the impending US\$250-million sale to the PRC of an advanced airborne radar system. However, Israeli Prime Minister Ehud Barak has indicated that the sale will go through despite US concerns. PRC President Jiang Zemin will make the first state visit of a PRC leader to Israel at midweek, and there is speculation that he will confirm additional orders of the new radar, an Israeli-developed Falcon early-warning system, being installed on a PRC-owned, Russian-built Ilyushin transport plane. According to at least one estimate, the hundreds of millions of dollars that the PRC spends account for about one- quarter of Israel's arms exports. Gerald Steinberg, an arms expert at Tel Aviv's Bar Ilan University, said that the dilemma for Israeli policymakers is made deeper by the possibility that Israeli technology could in theory help a huge power like the PRC crush a small neighbor like Taiwan. "A lot of Israelis could see themselves in Taiwan's position," he said. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 10, 2000.]

## 11. Alleged Technology Transfers to PRC

Reuters ("CHINA DENIES U.S. SATELLITE TECHNOLOGY ALLEGATIONS," Beijing, 4/10/00) reported that the PRC's Great Wall Industry Corporation on Monday denied US government allegations that it had probably obtained sensitive satellite-related technology from US-based Lockheed Martin Corporation. The Great Wall said in a statement, "the U.S. (State) Department stated that China has probably acquired technical assistance from Lockheed Martin in 1994 in the development of the EPKM. This is groundless." The EPKM, a satellite perigee solid kicks motor, fires after launch to send a satellite into its final orbit. The statement continued, "China has developed the EPKM entirely relying on its own efforts. We have never acquired from Lockheed Martin or other party any technical assistance in this regard. The EPKM used in the AsiaSat-2 launch has been independently developed by China. There has been no technical assistance from any foreign countries."

## 12. Japanese Military Role

Knight Ridder News Service (Michael Zielenziger, "JAPANESE LEADER HINTS OF BIGGER ROLE FOR MILITARY," Tokyo, 4/8/00) reported that in his inaugural speech to the Diet, Japan's new Prime Minister Yoshiro Mori said that his government may propose legislation that would allow Japanese soldiers to carry weapons abroad and take part in UN peacekeeping operations. Mori also said that eventually, Japanese forces also might be permitted to take action against ships that violate Japan's territorial waters. Mori assured that he would continue former Prime Minister Keizo Obuchi's legacy and "not hesitate to carry out reform." A spokesman for Mori confirmed that his remarks were the first time a prime minister had vowed to broaden the international role of Japanese soldiers, but the spokesman denied that the pledge represented any change from policies envisioned by Obuchi. Defense analyst Kuniko Inoguchi, a professor at Tokyo's Sophia University, said, "this is one of the next major government initiatives on the agenda." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 10, 2000.]

## II. Republic of Korea

#### 1. DPRK-US Talks

The Korea Times ("NK-US TALKS FACE ROADBLOCK OVER NUCLEAR TRANSPARENCY," Seoul, 04/09/00) reported that ongoing negotiations to improve ties between the US and the DPRK faced a

roadblock as the DPRK refuses to comply with a section of the 1994 Geneva Agreement that requires the country to reveal its past nuclear activities. ROK diplomatic sources said on April 9 that the Geneva Agreement calls for the DPRK to reveal how much compressed plutonium it produced before the agreement was signed, a disclosure the DPRK refuses to make. One source said, "this appears to be the biggest hurdle to the talks, all but preventing the negotiations from moving forward."

## 2. US Policy on DPRK

The Korea Herald (Kim Ji-ho, "NO U.S. POLICY SHIFT ON N. KOREA PEACE TREATY, BOTH SEOUL, WASHINGTON SAY," Seoul, 04/08/00) reported that the ROK government denied an April 7 report that William Perry, US policy coordinator on the DPRK, had officially hinted at the possibility of the US and the DPRK signing a peace treaty. ROK officials stressed that Perry's remarks were not an indication of a possible US-DPRK treaty and did not hint at any shifts in US policy. An ROK official at the Ministry of Foreign Affairs and Trade said, "the primary parties involved in establishing a peace agreement should be South and North Korea." The official emphasized that the US and the PRC will only play "support roles" in dealing with the peace treaty issue. The US Embassy in Seoul echoed the ROK statement and also dismissed the report as inaccurate.

## 3. DPRK-Japan Talks

Joongang Ilbo (Oh Young-hwan, "MORE TALKS BETWEEN NORTH KOREA AND JAPAN IN MAY," Seoul, 04/07/00) reported that diplomat-level rapprochement talks between the DPRK and Japan ended on March 7 with no significant move forward on major issues. The two countries agreed on the need for normalizing DPRK-Japan relations and made an announcement to meet in Tokyo sometime in May. The recent meeting has set the stage for the full-scale talks in May, which are expected to touch on issues like Japan's military past and alleged kidnappings by the DPRK.

#### 4. DPRK-ROK Economic Cooperation

Joongang Ilbo (Shin Ye-ri, "HANVIT BANK ESTABLISHES BRANCH OFFICE IN NORTH KOREA," Seoul, 04/09/00) reported that Hanvit Bank became the first commercial bank from the ROK to work with a DPRK Bank. On April 9, Hanvit Bank said, "soon after the General Election, Hanvit Bank will begin operations in the North in cooperation with Union Community and North Korea's Coryo Commercial Bank." <u>Union Community</u>, an intermediary between DPRK and ROK companies, is to remit income and assistance money from the ROK to the DPRK through Hanvit Bank.

The Korea Herald ("KT SEEKING TO MODERNIZE NK'S TELECOMMUNICATIONS," Seoul, 04/09/00) reported that ROK Unification Ministry officials said on April 8 that Korea Telecom (KT) is currently seeking to participate in the modernization of the DPRK's telecommunications network. KT officials visited Pyongyang from February 29 to March 4 to discuss their intentions to join in modernizing the DPRK's telecommunication facilities, including international calls and establishing long distance lines. The two sides will likely meet next month in Beijing to discuss further details.

#### 5. Inter-Korean Concert

The Korea Herald ("INTER-KOREAN CONCERT IN P'YANG POSTPONED UNTIL NEXT MONTH," Seoul, 04/09/00) and Chosun Ilbo (Choi Hong-ryul, "SOUTH KOREAN MUSICIANS RETURN FROM NK," Seoul, 04/07/00) reported that Kang Man-kil, an ROK audience member who was in Beijing waiting for an inter-Korean concert that was scheduled to take place last weekend in Pyongyang,

said that the concert has been postponed until May. Kang said the concert has been rescheduled under an inter-Korean agreement. He attributed the delay to the bad timing of the event and the issue of performance fees. The DPRK was reluctant to hold the concert over the weekend because of their nationwide celebration of late leader Kim Il-sung's birthday (April 15), and because of the ROK's general elections on April 13. However, Kang said there will be no problem holding the Pyongyang concert in May.

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We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

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