NAPSNet Daily Report 10 November, 1998

Recommended Citation

"NAPSNet Daily Report 10 November, 1998", NAPSNet Daily Report, November 10, 1998, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-10-november-1998/

IN TODAY'S REPORT:

I. United States

- 1. Light-Water Reactor Project
- 2. DPRK Underground Construction
- 3. US Policy toward DPRK
- 4. ROK Policy toward DPRK
- 5. DPRK Famine
- 6. DPRK Human Rights
- 7. ROK Financial Crisis
- 8. US Energy Secretary's Taiwan Visit
- 9. Spratly Islands Dispute
- 10. Russian Ratification of START II
- 11. US-Indian Nuclear Talks
- 12. US South Asian Sanctions
- 13. Pakistani Nuclear Policy

II. Republic of Korea

- 1. President Kim's PRC Visit
- 2. ROK-DPRK Trade
- 3. Asian Economic Crisis
- 4. Alleged Plot to Influence ROK Election
- 5. ROK Missile Development
- 6. ROK-US Trade Relations

I. United States

[][]

1. Light-Water Reactor Project

The Korean Peninsula Energy Development Organization (KEDO) issued a press release ("KEDO

EXECUTIVE BOARD AGREES ON COST SHARING FOR LIGHT WATER REACTOR PROJECT," 11/10/98) which announced that KEDO Executive Board members met at KEDO headquarters in New York on November 9 and formally adopted a resolution on cost sharing for the light-water reactor project. The statement said, "Resolution of this important issue will allow KEDO in the near future to conclude a contract with its prime contractor for the project (the Korea Electric Power Corporation) and to increase significantly work at its project site in Kumho, DPRK. Significant preliminary infrastructure work involving hundreds of workers has been underway at the project site since August, 1997 and has made very good progress." The Executive Board agreed on a new budget estimate for the project of US$4.6 billion, down from the original estimate of US$5.1785 billion. Under the agreement, the ROK will provide 70 percent of the project's actual cost, Japan the equivalent of US$1 billion in yen as of October 20, 1998, and the European Union 75 million ECU equally over five years. The statement also said, "the US has reconfirmed its commitment to seek funding for the supply of heavy fuel oil to the DPRK and for other KEDO needs, as appropriate, from the US Congress and all other possible sources." It added, "Executive Board members further agreed to make all appropriate efforts to obtain funding for the difference between the new budget estimate of US$ 4.6 billion and the total amount so far pledged to the project, should any additional funding be required."

[][][]

2. DPRK Underground Construction

Reuters ("U.S. TAKES TOUGH LINE ON NUCLEAR DEAL," Washington, 11/10/98) reported that an anonymous senior US State Department official on Tuesday said that the 1994 Agreed Framework could "collapse" if the DPRK cannot prove it has not revived its nuclear weapons program. He stated, "We have some pretty serious doubts about whether they are living up to that deal.... They are going to have to prove to us they are not doing it." He called the Agreed Framework a "foundation stone for North Korea's relations with the rest of the world," adding that without it "the other things that we are doing would pretty much collapse."

US State Department Spokesman James Rubin ("STATE DEPARTMENT NOON BRIEFING, NOVEMBER 9, 1998," USIA Transcript, 11/09/98) said that the US does not expect the DPRK to instantly provide access to its suspect underground site. He added, "in the absence of clarification on this issue, it is one that is important enough that it could call into question the viability of the Agreed Framework." Rubin stated, "It isn't new for North Korea to put out rather dramatic positions ... calling for compensation for providing information necessary to see the Agreed Framework lived up to. In previous discussions in New York leading up to this agreement to have this meeting, they did raise subjects like that; that's not new for us. Given that kind of posture, it's why we don't expect to see this resolved because we don't intend to pay money to see whether they are living up to their obligations under the Agreed Framework." He added, "But the idea of a cash bribe like that is simply not on the table -- not on our side of the table."

[][][]

3. US Policy toward DPRK

Former US Ambassador to the ROK James Laney held a telephone press briefing on Tuesday ("POLITICS AND THE AGREED FRAMEWORK: NORTH KOREAN DEAL ON THIN ICE?") sponsored by the Center for War, Peace, and the News Media. Laney said that the 1994 Agreed Framework, by freezing the DPRK's nuclear program, has helped to maintain the balance of power on the Korean peninsula. Recent actions by the DPRK, however, have increased the sense of skepticism about the DPRK's motives. Regarding US President Bill Clinton's upcoming trip to Japan and the ROK, Laney

said that the trip was very important in light of Clinton's failure to visit those two countries during his trip to the PRC. Laney added that he hoped the trip would help establish the basis for cooperation on DPRK between the US and its allies. Laney acknowledged that not all the steps outlined in the Agreed Framework have been taken, adding that the US needs to put all the aspects together and move forward. He said that he had read the recent article by Ken Quinones, Asia Foundation representative in the ROK [NAPSNet Policy Forum Online #21] and that, in his opinion, the DPRK's recent underground construction was more than the "normal" type of digging that the DPRK engages in. He added that the US needs reassurance for its legitimate concerns about this activity. Laney said that if it turns out the facility is being used for nuclear development, it would call into question the DPRK's trustworthiness. He said that the question of the DPRK's nuclear and missile development should be considered from the standpoint of regional stability, pointing out that Japan's concerns about the DPRK's recent rocket launch could fuel PRC fears about Japanese rearmament. Thus it is in everybody's interest to prevent the DPRK from developing nuclear weapons. Laney speculated that these concerns might induce the PRC to bring more of its influence to bear on the DPRK. He argued that a special coordinator for US DPRK policy is needed to put together the various "pieces" of US policy into a coherent whole. He added that, while the Agreed Framework may be flawed, it was an "extraordinary achievement" at the time, as it successfully resulted in the canning of the 8,000 spent fuel rods in the DPRK's possession that could have been used to build nuclear weapons. He expressed support for ROK President Kim Dae-jung's policy of allowing private contacts with the DPRK. Laney concluded that the world would not want to return to the situation in 1994, when there was very little communication between the US and the DPRK.

[][][]

4. ROK Policy toward DPRK

Newsweek ("'OPEN ARMS, OPEN DOORS'," 11/09/98) published an interview with ROK President Kim Dae-jung. Kim said that since his first meeting with US President Bill Clinton, there have been "substantial changes" in the situation regarding the DPRK, including the formal elevation of Kim Jong-il to head of the National Defense Commission and the revision of the DPRK Constitution. President Kim stated, "Some of these indicate they are showing the early stage of a socialist opening to the free market, like the opening stage of China's [reforms]. There are lots of contradictory signs." Kim said that his policy toward the DPRK "can be compared to West Germany's policy toward East Germany." He pointed out that West Germany did not push government-level exchanges, but focused on the private sector. He argued, "Ultimately, North Korea has two choices. One is to have the end come by military conflict. The second is to reform and liberalize. I don't believe they will choose war. They have no choice but to go forward just as China did." He added, "Simply put, we will promote exchanges in all possible sectors, and we will be patient in pursuing government-level talks. This is my personal feeling, but I believe I will have a chance to meet Kim Jong-il during my term and we will have very in-depth discussions on matters related to the North and South, and we will have solutions." Kim said that his agenda for such talks would be to deter military conflict, promote cooperative exchanges, and demonstrate to the DPRK that the ROK did not plan to absorb it. He said that he did not discuss any specific plan for Theater Missile Defense during his meeting with Japanese Prime Minister Keizo Obuchi, but that they did agree to "a more intimate, cooperative system among the United States, Japan, and Korea against North Korea." He said that he would encourage the PRC to exert its influence on the DPRK by demonstrating the ROK's peaceful intentions.

[][][]

5. DPRK Famine

The Associated Press ("RED CROSS APPEALS FOR N. KOREA AID," Beijing, 11/10/98) and Reuters (Christiaan Virant, "NORTH KOREAN FOOD CRISIS SPREADS TO GOVERNMENT," Beijing, 11/10/98) reported that senior Red Cross officials said Tuesday that the DPRK is entering its fourth winter of chronic food shortages. Margareta Wahlstrom, the Red Cross' undersecretary of disaster relief, who returned to Beijing Tuesday after a week spent inspecting the agency's operations in the DPRK, stated, "Humanitarian suffering cannot be routine in any part of the world." She said that electricity is supplied to only half of Pyongyang at a time, elderly people are swollen from long-term hunger, and children are stunted from malnutrition. Red Cross President Astrid Heiberg said that even at government ministries, people were being served noodles and cakes made from soybeans mixed with acorns, grass and herbs. Heiberg likened the additives to "cattle food" and noted that doctors reported a rise in stomach illnesses from the mixtures. She added that doctors confirmed and official statistics show that widespread malnutrition and tuberculosis are on the rise, and that doctors are worried that the respiratory illnesses common in the winter may "take a toll" on the weakened population. Heiberg said the Red Cross would nearly double its aid to health institutions in the country next year to US$9 million for basic medicines, heating coal, and essential repairs to hospital buildings. She added that the federation was also considering plans to bring food to the hospitals it was assisting.

The Associated Press ("S.KOREA GROUP GIVES COWS TO N.KOREA," Seoul, 11/10/98) reported that the ROK Good Neighbors relief organization said Tuesday it will ship more 96 milk cows to the DPRK on Saturday. The group donated 104 milk cows to the DPRK in September. Thus far, the ROK has given the DPRK US$315 million in food since 1995.

[][][]

6. DPRK Human Rights

The Associated Press (Edith M. Lederer, "U.S. CITES WORLD OPPRESSION," United Nations, 11/09/98) reported that Acting US Ambassador to the UN Peter Burleigh on Monday criticized human rights violations in the DPRK and other countries. Burleigh said that the DPRK's "notoriously poor human rights record" has not improved this year. He added that its failure to provide even the most basic sustenance for its people is linked to its repressive regime.

[][][]

7. ROK Financial Crisis

The Associated Press (Joseph Coleman, "S. KOREA, THAILAND CRISIS SAID OVER," Tokyo, 11/10/98) reported that James Wolfensohn, president of the World Bank, said Tuesday that the ROK is over the worst of the Asian economic crisis. Wolfensohn stated, "We've come a long way in Korea and Thailand in building the economic and financial base ... to try to stabilize the economic situation." He said that those two countries have largely overcome the "worst excesses" of problems of interest rates, foreign reserves, and lack of credit.

[][][]

8. US Energy Secretary's Taiwan Visit

The Associated Press (Christopher Bodeen, "U.S. OFFICIAL MEETS TAIWAN LEADER," Taipei, 11/10/98) reported that Taiwan President Lee Teng-hui met with US Energy Secretary Bill Richardson on Tuesday. Lee stated that Taiwan's government "not only exists, but also strenuously upholds democracy and freedom." Lee added that the PRC must recognize Taiwan as an equal

partner in dialogue in order to permit real progress in renewed negotiations about improving ties. Richardson assured Lee that US support for Taiwan remains steady, and that the US backs Taiwan's entry into the World Trade Organization on its own economic credentials.

Reuters ("CHINA SNIPES AT U.S. OVER TIBET, TAIWAN," Beijing, 11/10/98) reported that PRC Foreign Ministry spokesman Zhu Bangzao on Tuesday criticized the visit to Taiwan of US Energy Secretary Bill Richardson. Zhu stated, "The Chinese side has always opposed exchanges between the United States and Taiwan of any official nature." Zhu expressed the PRC's "serious concern and strong dissatisfaction" over the trip.

[][][]

9. Spratly Islands Dispute

The Associated Press (Oliver Teves, "PHILIPPINES INCREASING NAVY PATROLS," Manila, 11/10/98) reported that Philippine presidential spokesman Jerry Barican said Tuesday that the Philippines will increase naval patrols around Mischief Reef in the Spratly Islands. Barican stated, "This is not in any way a military confrontation. This is to discourage particularly Chinese vessels, fishing vessels, from entering into that particular area." Philippine President Joseph Estrada said that he would take up the issue with PRC President Jiang Zemin on the sidelines of the Asia-Pacific Economic Cooperation meeting in Malaysia next week. Estrada stated, "We will do it through negotiations. Let us not be confrontational. You know we cannot afford to."

[][][]

10. Russian Ratification of START II

Reuters (Patrick Worsnip, "RUSSIA GOVERNMENT URGES DUMA TO RATIFY ARMS PACT," Moscow, 11/10/98) reported that Russia's Interfax news agency said that Russian First Deputy Prime Minister Yuri Maslyukov urged the Duma on Tuesday to ratify the START-II arms deal to pave the way for START-3. RIA news agency quoted Vladimir Lukin, chairman of the Duma's international affairs committee, as saying that Maslyukov had raised the START issue in order to "create a political environment" for rescuing Russia from its economic problems.

The Associated Press ("RUSSIAN PARLIAMENT TO CONSIDER START II RATIFICATION," Moscow, 11/10/98) reported that the agenda-setting council of the Russian Duma on Tuesday gave parliament committees 10 days to prepare documents for ratifying the START-II arms reduction treaty. Vladimir Ryzhkov, the first deputy Duma speaker, said that once the documents are ready, the council will meet again to discuss its next step.

[][][]

11. US-Indian Nuclear Talks

Reuters ("INDIA, U.S. END 'CONSTRUCTIVE' NUCLEAR TALKS," New Delhi, 11/10/98) and the Associated Press ("US PRAISES INDIA'S NUCLEAR CONTROLS," New Delhi, 11/10/98) reported that India and the US on Tuesday concluded a preliminary round of talks on control of the export of sensitive nuclear technology. An unnamed Indian official stated afterwards, "The talks were a constructive dialogue." The US embassy said in a statement, "The purpose (of the talks) has been to reconcile India's security concerns with the need to strengthen the global non-proliferation regime." It stated, "The United States appreciates India's commitment for nonproliferation ... and applauds India's support for enhancing its export control system." It added, "Countries that produce and possess potentially sensitive goods and technologies have a responsibility to ensure that their

exports do not contribute the acquisition of weapons of mass destruction and missile delivery systems."

[][][]

12. US South Asian Sanctions

The Associated Press ("CLINTON URGES INDIA, PAKISTAN STEPS," Washington, 11/09/98) reported that White House spokesman Joe Lockhart said Monday that US President Clinton will lift some sanctions against India and Pakistan but wants both countries to take further steps toward curbing their nuclear programs before he reschedules his visit to the region. Lockhart said that Clinton will seek to restore International Monetary Fund assistance to both countries and lift prohibitions on their participation in investment and trade programs run by the Export-Import Bank and the Overseas Private Investment Corp. He added, "Allowing (Clinton) the flexibility in using these sanctions can often be more productive than the rigid implementation of these."

US State Department Spokesman James Rubin ("STATE DEPARTMENT NOON BRIEFING, NOVEMBER 9, 1998," USIA Transcript, 11/09/98) said that the US decided to lift some sanctions on India and Pakistan so as to respond positively to positive actions on their part. Rubin pointed out that India and Pakistan have declared a moratorium on further testing and publicly committed to move towards adherence to the Comprehensive Test Ban Treaty by September 1999, and have also indicated that they will participate in fissile material cut-off negotiations and hold bilateral dialogue. He added, "There are other things that we've specified where they still fall significantly short of our objectives, including restraints on further development and deployment of nuclear missile systems. That's an example of where we still have a lot of work to do. But because the areas where I defined progress constitute, in our view, real and substantive progress, and because we want to create the maximum climate possible to create progress in the remaining areas, we decided to limit the extent of the coverage of the sanctions."

[][][]

13. Pakistani Nuclear Policy

The Associated Press ("PAKISTAN WON'T DEPLOY NUCLEAR WEAPONS, IF INDIA DOESN'T," Islamabad, 11/10/98) reported that Pakistan Foreign Minister Sartaj Aziz said Tuesday that Pakistan will pledge not to deploy nuclear weapons if India makes a similar promise. Aziz stated, "We proposed to India in the recent talks last month a framework that we call strategic restraint and we hope India will respond to that." Aziz added that it is likely Pakistan will sign the Comprehensive Test Ban Treaty following the withdrawal of some sanctions, but a ban on fissile material and the Nuclear Non-proliferation Treaty are more difficult. Regarding US worries about the export of nuclear technology, Aziz stated, "There we have no difference in principle - we have no intention of exporting."

II. Republic of Korea

[][][]

1. President Kim's PRC Visit

JoongAng Ilbo ("PRESIDENT KIM TO VISIT PRC," Seoul, 11/10/98) reported that ROK President Kim Dae-jung and First Lady Lee Hee-ho will make a five-day state visit to the PRC from November 11-15. President Kim will also attend the Asia Pacific Economic Cooperation (APEC) Summit, which will

be held from November 15-18 in Kuala Lumpur, Malaysia. During his visit to the PRC, Kim will hold a summit meeting with PRC President Jiang Zemin on November 12 to discuss cooperative efforts to overcome the ongoing economic crisis in Asia. The two leaders will not only develop an economic- and trade-oriented relationship between the two countries, but also forge a new "partnership" which would include politics, security, and culture, as well as personnel exchanges. After meeting with PRC Prime Minister Zhu Rongji, Kim will travel to Shanghai on November 14. Kim will visit Kuala Lumpur on November 15 to attend the APEC Summit. He will hold separate summit meetings with the Canadian, Malaysian, New Zealand, Singaporean, Australian, and Chilean heads of state. Kim will also visit Hong Kong before he returns home on November 18.

[][][]

2. ROK-DPRK Trade

JoongAng Ilbo ("GOLD IS NUMBER ONE PRODUCT TRADED BETWEEN DPRK AND ROK," Seoul, 11/10/09) reported that the gold bar has ranked first for three consecutive years from 1995 to 1997 among products that are exported from the DPRK to the ROK. According to the ROK Ministry of Unification (MOU), the total sum of gold bars imported from the DPRK amounted to US$46.2 million during 1997, US$58.8 million during 1996, and US$78.2 million during 1995. The second largest trading item is zinc. The total sum of zinc imports reached US$33.4 million during 1997, US$30.7 million during 1996, and US$50.0 million during 1995. A source at the MOU said, "The amount of finished or manufactured products, including shirts and slacks, is growing continuously."

[][][]

3. Asian Economic Crisis

Korea Herald ("PRESIDENT KIM DAE-JUNG CALLS ON DEVELOPED COUNTRIES TO PLAY BIGGER ROLE IN ASIA-PACIFIC," Seoul, 11/10/98) reported that ROK President Kim Dae-jung said Monday that Japan, the US and the European Union (EU) must play a bigger role in coping with the world's economic problems. In the Asia-Pacific, Japan, the US, and the PRC should assume a larger responsibility in overcoming the current economic crisis faced by Asian nations, Kim was quoted as saying. The President spoke to Senator Craig Thomas, R-Wyoming, the visiting chairman of the Subcommittee on East Asia and the Pacific of the US Senate Foreign Relations Committee. Kim said that during the upcoming Asia-Pacific Economic Cooperation (APEC) forum in Malaysia, developed countries are expected to demand wider market access. In turn, developing countries will ask for technology transfers from developed countries, the President was quoted as saying by Chong Wa Dae spokeswoman Park Sun-sook. "We actively support market opening," Kim said. Park said that Thomas expressed support for President Kim's economic reforms and market opening efforts. Thomas also said he was interested in whether the DPRK will abide by the 1994 Geneva agreement.

[][][]

4. Alleged Plot to Influence ROK Election

Korea Herald ("SHOOTOUT PLOT CONSPIRATOR DELIVERED DPRK MESSAGES TO ROK," Seoul, 11/10/98) reported that an opposition lawmaker alleged Monday that one of the three suspects in the alleged conspiracy to stage a border clash delivered secret DPRK messages to President Kim Dae-jung's government. "Missing from the Unification Ministry's report to the National Assembly is the fact that the government secretly sent Chang Sok-chung to Pyongyang early this year to contact DPRK officials," said Representative Lee Shin-bom of the Grand National Party (GNP). Representative Lee accused the ministry of having intentionally taken out the record of Chang's

visits to the DPRK from its report to the National Assembly. Chang was one of the three indicted by the prosecution last month on charges of violating the National Security Law by meeting with DPRK officials right ahead of last December's presidential vote to ask them to stage a shootout in the Demilitarized Zone to sway the election in favor of then ruling party candidate Lee Hoi-chang, now head of the opposition GNP.

[][][]

5. ROK Missile Development

Korea Times ("ROK-US TUG OF WAR OVER MISSILE RANGE LIKELY TO BE EXTENDED," Seoul, 11/10/98) reported that the ROK and the US are engaged in a "tug of war" over the ROK's efforts to develop a missile with a striking range of 300 kilometers, up from the present limit of 180 kilometers set by an "arrangement" between the two countries. According to sources at the Defense Ministry Monday, the ministry will convey a clear message of its intention to extend the range when John Holum, US Undersecretary of State in charge of nonproliferation, meets with Defense Minister Chun Yong-taek on November 13 in Seoul. The same message will be delivered to the US in the sixth ROK-US nonproliferation meeting, scheduled for December in Seoul, they said. The US Embassy in Seoul commented that it is not aware of the December meeting. The ROK is taking the issue of the longer-range missile development as a matter of national sovereignty.

[][][]

6. ROK-US Trade Relations

Korea Times ("ROK-US TRADE TIES THAWING RAPIDLY," Seoul, 11/10/98) reported that trade relations between the ROK and the US have been thawing rapidly recently. The bilateral trade tension which peaked last year began to ease with the wrap-up of automobile negotiations last month. The two nations also succeeded in settling the dispute concerning anti-dumping duties against ROK-made color television sets, which had haunted ROK manufacturers over the past 15 years. The decision to resume investment by the US Overseas Private Investment Corporation (OPIC), which halted investment in 1993, has further heightened the cooperative mood. Buoyed by the renewed ties, private business organizations have been engaging in trade promotion drives. Some 50 entrepreneurs and business leaders took part in the economic cooperation committee between the ROK and US Southeast States, which was held November 7-9 in Williamsburg, Virginia, agreeing to strengthen economic cooperation and friendly ties. The second ROK-US Committee on Business Cooperation (CBC) meeting will be held early next year. US Secretary of Commerce William Daley will attend the session, leading a massive trade and investment delegation. Experts forecast the meeting will help the two nations expand business relations remarkably, especially at the private level.

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.

Produced by the Nautilus Institute for Security and Sustainable Development in partnership with: International Policy Studies Institute Seoul, Republic of Korea

The Center for Global Communications, Tokyo, Japan
Center for American Studies,
Fudan University, Shanghai, People's Republic of China

Wade L. Huntley: napsnet@nautilus.org
Berkeley, California, United States

Timothy L. Savage: napsnet@nautilus.org
Berkeley, California, United States

Lee Dong-young: leedy112@unitel.co.kr
Seoul, Republic of Korea

Hiroyasu Akutsu: akutsu@glocomnet.or.jp
Tokyo, Japan

Peter Razvin: icipu@glas.apc.org
Moscow, Russian Federation

Chunsi Wu: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

Dingli Shen: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

View this online at: https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-10-november-1998/

Nautilus Institute
608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org