

# NAPSNet Daily Report 11 February, 1998

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### **I. United States**

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#### **1. Light-Water Reactor Project**

US President Bill Clinton ("PRESIDENT CERTIFIES N. KOREAN COOPERATION ON SEVERAL ISSUES," USIA Text, 02/10/98) released the following statement regarding DPRK adherence to the terms of the US-DPRK Agreed Framework on Nuclear Cooperation: "Pursuant to the requirements set forth under the heading 'Nonproliferation, Anti-Terrorism, Demining and Related Programs' in title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998

(Public Law 105-118), I certify that: (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by April 1, 1998; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended."

The Associated Press ("ALBRIGHT RECEIVES COMMITMENTS ON NORTH KOREAN NUCLEAR PLANTS," Washington, 02/11/98) reported that US Secretary of State Madeleine Albright said Tuesday that ROK officials told her last week that "they are going to continue" to contribute to the light-water reactor project for the DPRK. Albright stated, "The South Koreans are going to be able to fulfill their responsibilities, and ... the Japanese also. And we are talking to others to add, to make sure that the ... process really is able to continue." She said that building nuclear power plants in the DPRK remains "an essential part of controlling nuclear proliferation." She added that US oil shipments to the DPRK are continuing under the agreement.

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## **2. DPRK Participation in Olympics**

The New York Times (Nicholas D. Kristof, "NORTH KOREAN ATHLETES MORE FRIENDLY AT NAGANO OLYMPICS," Nagano, 02/11/98) reported that if DPRK has success at the Winter Olympics, it may try to use its athletes more to connect with the outside world. Kim Pong-hi, a DPRK coach, stated, "If these athletes do a bit better than their personal records, then North Korea is planning to send them out as often as possible." Jung-sook Koh, a Korean-American who has worked to use sports to build ties between the DPRK and the outside world, stated that the DPRK athletes are "more flexible now than they were in Barcelona or Atlanta or ever before. Their atmosphere is exceptionally friendly." He added that this flexibility suggested that this was a good time for the US and the DPRK to begin sporting exchanges.

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## **3. ROK Layoff Bill**

The Wall Street Journal (Michael Schuman, "SOUTH KOREA'S UNIONS VOW TO STRIKE OVER LAYOFF DEAL," Seoul, 02/11/98) and the New York Times (Stephanie Strom, "STRIKE THREAT UNDERMINES KOREAN LABOR AGREEMENT," Seoul, 02/11/98) reported that the ROK agreement on layoffs may have to be renegotiated in light of its rejection Monday by the Korean Confederation of Trade Unions (KCTU). Yoon Young-mo, international secretary of the KCTU, stated, "The law is not in any way perceived by workers to provide them protection, but rather to give employers the power to dismiss them." However, Kim Hyun-mee, a spokeswoman for President-elect Kim Dae-jung's National Congress for New Politics, stated, "Renegotiation is definitely not a possibility." Meanwhile, many analysts discounted the possibility of widespread labor unrest. Richard Samuelson, branch manager and head of research at SBC Warburg Dillon Read in Seoul, said "I don't discount the possibility that there will be strikes, but I don't think that you'll see strikes on the French order, where highway traffic is disrupted and the whole country comes to a grinding halt. Work stoppages, yes, even demonstrations, but nothing severe." Sogang University Professor Park Young-ki, argued, "Everybody has conceded something to reach this agreement. If the government starts renegotiating it now, no one will honor it." However, he added, "You'll see the real impact of

the situation in the spring, and then there will be very rapid destabilization kicked off by unemployment caused by recession and dismissals that will really stretch capacity of this society to sustain itself and its morale."

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#### **4. Asian Economic Crisis**

The Washington Post (Steven Mufson, "CHINA'S ECONOMIC ILLS MAY IMPERIL REGION," Beijing, 02/11/98, A26) reported that analysts are hoping that the PRC will remain stable during the Asian financial crisis. PRC Vice Premier Li Lanqing said last week that the PRC will put extra money into infrastructure and environmental projects if necessary to keep its growth rate at 8 percent this year. He added, "China should not add fuel to the flames.... We are very firm in our determination not to devalue the yuan."

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#### **5. US Bases in Japan**

State Department Deputy Spokesman James Foley, ("STATE DEPARTMENT NOON BRIEFING," USIA Transcript, 02/09/98) said that the US and Japan remain committed to the goals of the Special Action Committee on Okinawa, despite the rejection of a US heliport by Okinawa governor Ota. Foley stated, "the Special Action Committee on Okinawa developed recommendations on ways to realign, consolidate and reduce US facilities and areas, and to adjust operational procedures of US forces in Okinawa in order to reduce the burden on the people of Okinawa." He added that the floating base proposal was only one option for reaching that goal. Foley stated, "We still think that that is a good option and a viable option, but clearly, the Japanese political process will have to address this issue and find its way forward towards a solution that we both can agree on, whether it's this option or another option. "

## **II. Republic of Korea**

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### **1. Six-party Peace Talks Proposed**

Kim Jong-pil of the United Liberal Democrats (ULD) passed a message from President-elect Kim Dae-jung to PRC President Jiang Zemin on February 10, proposing a new declaration of peace be made by the leaders of six Asia-Pacific nations. According to the proposal, the four-party talks would be extended to include two additional regional states, Russia and Japan. (Korea Times, "KIM DJ SUGGESTS 'SIX NATION DECLARATION' FOR PEACE IN NORTHEAST ASIA," 02/11/98)

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### **2. Survey on Korean Unification**

The Korea Institute of National Unification (KINU) reported on February 10 that many DPRK specialists in the ROK and the US believe that a presidential system of government would best serve a unified Korea. The KINU recently conducted a survey of forty DPRK experts in the ROK and the US to ascertain their predictions on a reunified Korea. The army of a unified Korea would shrink while its navy and air force would be reinforced, according to the predictions of 92.5 percent of the participants. Almost all the respondents, or 97.5 percent, said that a unified Korea would be able to

work as a political balance in Northeast Asia. A unified Korea would be also able to serve as a locomotive for the formation of a pan-Asian security council, similar to the North Atlantic Treaty Organization. Respondents to the survey included Kim Hak-joon (president of the University of Incheon), Moon Chung-in (professor of political science at Yonsei University), Robert Scalapino, and Kenneth Quinones (former official at the US State Department). (Korea Herald, "DPRK EXPERTS ADVOCATE PRESIDENTIAL SYSTEM FOR A UNIFIED KOREA," 02/11/98)

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### **3. ROK-Indonesia Military Barter**

A military aircraft-for-trucks barter deal between the ROK and Indonesia faces trouble amid the financial crisis in the two countries. According to sources at the ROK Ministry of Defense on February 10, Indonesia has failed to open a letter of credit account for a deal in which the ROK will barter eight Indonesian-made CN 235 medium-sized military transport aircraft (worth US\$140 million) in exchange for its military vehicles. (Korea Times, Oh Young-jin, "KOREA'S PURCHASE OF INDONESIAN-MADE CN-235 PLANES APPEARS IN TROUBLE," 02/11/98)

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

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### **1. DPRK's Opinion on Arms Race**

Jie Fang Daily ("DPRK: THE US IS THE SOURCE OF ARMS RACE," Pyongyang, A3, 02/04/98) reported that DPRK's official newspaper, Rodong Shinmun, said on February 3 that as the largest exporter of weapons, the US is the source of the regional and worldwide arms race. When commenting on an arms race report issued by the US Congress not long ago, the newspaper said that 90 percent of the weapons used in the armed conflicts in the 1990s were provided by the US. The provision of these arms is not a specific business activity, but a means to realize the US policy of domination, the article said.

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### **2. ROK-Taiwan Relations**

People's Daily ("ROK WILL NOT DEVELOP OFFICIAL RELATIONS WITH TAIWAN," Seoul, p. 3, 02/07/98) reported that in an interview with Chinese correspondents prior to his visit to the PRC, Kim Jong-pil, honorary president of the United Liberal Democrats of the ROK, said that the ROK will not develop official relations with Taiwan, as specified in the agreements signed by the ROK and the PRC for establishing diplomatic relations. Kim said that the Taiwan issue is an internal affair of the PRC and the ROK's contacts with Taiwan will continue being restricted to a non-governmental level.

According to People's Daily ("HU JINTAO MEETS WITH ROK GUEST," Beijing, p. 1, 02/10/98), Hu Jintao, Standing Committee member of the Political Bureau of the Communist Party of China (CPC) Central Committee, met with Kim Jong-pil, honorary president of ROK's United Liberal Democrats (UDL) on February 9. Hu said that healthy ties between the PRC and the ROK will benefit peace, stability, and development on the Korean Peninsula, and in the Asia-Pacific region. The CPC is prepared to develop new party-to-party relations with the UDL and other political parties in the ROK, in line with the principles of independence, self-reliance, equality, mutual respect, and mutual noninterference. During the meeting, Kim said that the ROK will abide by agreements reached with the PRC when the two countries established diplomatic relations, and will adhere to the "one China"

position.

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### **3. PRC-Japan Relations**

People's Daily ("CHI HOLDS TALKS WITH JAPANESE COUNTERPART," Tokyo, p. 6, 02/05/98) reported that PRC Defense Minister Chi Haotian, who began a visit to Japan on February 3, exchanged views with Japanese Defense Agency Director-General Fumio Kyuma on February 4. During the meeting, Chi said that the PRC has noticed that Japan's chief leaders have repeatedly expressed their willingness to face up to history, and to recognize and apologize for aggressive history. Speaking about the updated guidelines for Japan-US defense cooperation, Chi said that the important reason for the PRC's concerns about them is that Taiwan is involved. If Japan can display a more definite stance on Taiwan, it will help dispel the PRC's doubts about the guidelines.

Wen Hui Daily ("JAPAN IS LOOKING FORWARD TO JIANG ZEMIN'S VISIT," Tokyo, p. 2, 02/07/98) quoted Japanese Foreign Minister Obuchi as saying that the mutual visits between Japan and the PRC by Prime Minister Ryutaro Hashimoto and Premier Li Peng in 1997 promoted the development of bilateral relations. While meeting with PRC Vice Foreign Minister Tang Jiaxuan, who was attending the regular negotiations between the two governments, the Japanese Foreign Minister said that his government is cordially looking forward to PRC President Jiang Zemin's visit to Japan late this year.

China Daily published an article ("JAPAN SHOULD STAY OUT OF TAIWAN ISSUE," p. 4, 02/11/98) written by Yu Guoqiang, saying that just before PRC Defense Minister Chi Haotian began his visit to Japan, Japanese former Chief Cabinet Secretary Seiroku Kajiyama visited Taiwan. People cannot help but wonder if the Japanese Government was trying to put improving cross-Straits relations and also PRC-Japanese relations under new risks. The article said that the main purpose of Kajiyama's Taiwan visit was to assure Taiwan, on behalf of the Japanese Government, that Japan would adhere to its promise of protecting Taiwan under the framework of the US-Japan security alliance. The second purpose is said to have been the exchange of views on joint exploration of Okinawa by the two sides. Following Hong Kong's return last year, the Taiwan authorities attempted to develop Okinawa into a booming transit port to replace Hong Kong in a bid to block cross-Straits direct mail, commercial, and transport services. The third purpose of Kajiyama's visit was to strengthen and enhance Japan's inter-governmental exchanges with Taiwan. According to the article, Kajiyama's Taiwan visit has obviously sown discord between Taiwan and the mainland. It hopes that Japan can maintain its promise of not supporting Taiwan's independence in word as well as in deed. Any irresponsible words and activities on Japan's part concerning the Taiwan issue will not only hinder peaceful reunification of Taiwan with the mainland but severely hurt Sino-Japanese bilateral relations.

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### **4. PRC Disarmament**

According to China Daily ("CHINA CUT ARMY BY 7M SINCE 1949," p. 4, 02/07/98), China has reduced its armed forces by 7 million since the founding of the PRC in 1949. A senior officer of the People's Liberation Army (PLA) said that the PRC's latest disarmament was initiated following the 1997 September announcement by Jiang Zemin, chairman of Central Military Commission, that the PLA would further reduce its forces by 500,000 personnel over the next three years, marking the ninth cut of the country's armed forces in 49 years. A number of field troops from the PLA Group Army have been transferred to armed police units during the current ongoing ninth round of military

disarmament, the report said.

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](#).

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