NAPSNet Daily Report 12 November, 1998

Recommended Citation

"NAPSNet Daily Report 12 November, 1998", NAPSNet Daily Report, November 12, 1998, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-12-november-1998/

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DPRK Underground Construction

Reuters ("NORTH KOREA UPS ANTE IN INSPECTION ROW WITH U.S.," Tokyo, 11/12/98) reported that the DPRK's Korean Central News Agency (KCNA), in a report monitored in Tokyo by Radiopress, on Thursday demanded that the US pay "reparations" for the right to see its suspect underground construction site. The report said, "Should the U.S. wish, despite all, to see the (facilities), they must respond to our open and aboveboard demands and pay proper reparations." It added, "If the U.S. side wants to break off our agreement, let them." Referring to Tuesday's remarks by a US State Department official, KCNA said, "This statement by the State Department about the so-called inspection suggests they mean to search inside the Democratic People's Republic of Korea and slanders and blasphemes the DPRK, which is earnestly working to carry out the agreement. If they really want to see the site, they may. And when it becomes clear that it is not a nuclear plant, they must of course pay reparations for their slander."

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2. US Missile Test

The Seattle Post-Intelligencer ("MISSILE WILL TEST U.S. DEFENSE RADAR," 11/04/98) reported that the US on November 5 was set to test-fire a US$5.5 million Air Force missile from Kodiak Island near Alaska to the Pacific Ocean 300 miles off Seattle. The missile's flight path was designed to mimic the trajectory that an intercontinental ballistic missile would follow if one were fired from the DPRK in the direction of Los Angeles, so that US military radar could watch the approach of such an incoming missile.

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3. DPRK Famine

Reuters (David Brunnstrom, "N.KOREA SITUATION 'VERY SERIOUS' --UNICEF," Bangkok, 11/12/98) reported that Runar Soerensen, UNICEF's resident project officer in Pyongyang, said that malnutrition in the DPRK has eased slightly in the past year but tens of thousands of children are still hungry and infant and maternal death rates are climbing. Soerensen stated, "The situation is still very serious, in many different areas -- not only in nutrition, but also with the health system, water and sanitation." He said that a joint assessment by UNICEF and the UN Food and Agricultural Organization had found there would be "quite a lot of shortfall of food for 1999. I was in one of the southern provinces last week and they stated that the food -- the rice and the cereal like maize they have harvested in the 1998 harvest season -- would keep them until around January or February but not any longer." Soerensen said that while the malnutrition situation among children aged from six months to five appeared to have improved in recent months, "we are also very worried about children above that age in primary and secondary school. We have also recently seen quite a lot of malnourished older children and we are very worried about that." He said that the number of people suffering malnutrition ran into the tens of thousands. However, he added, "We don't believe in any of these horror stories that have been told in the press that millions of people have died of hunger. UNICEF believes that if this was the situation in the country, it would be reflected in the whole society. The government states themselves that there is a famine in North Korea, but it's not like the famines that we are used to in Africa. It's not like people are laying and dying in the streets, but people are living under very difficult situations." He added that UN agencies were joining with the Red Cross in launching appeals for relief programs for the DPRK in December. Senior Red Cross officials said in Seoul on Thursday that the DPRK was heading towards a "catastrophe" unless it received more assistance from the international community.

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4. ROK-PRC Summit

The Associated Press (Renee Schoof, "CHINA SEES BETTER KOREAN RELATIONS," Beijing, 11/12/98) reported that PRC Foreign Ministry spokesman Zhu Bangzao quoted President Jiang Zemin as telling ROK President Kim Dae- jung on Thursday that the PRC expects tensions between the DPRK and the ROK to ease. Zhu said that Jiang told Kim that the PRC wants to safeguard peace and stability on the Korean peninsula and believes "the situation on the whole is relaxing." Zhu added that closer relations between the PRC and the ROK are "not directed against any third party. We will continue to maintain and develop our relations with North Korea." Kim and Jiang ended their meeting by signing an agreement on a new "partnership for the 21st century." Zhu said that they would release details of the agreement Friday. In a speech later at Peking University, Kim said that the accord would expand cooperation to all areas beyond the economic ties the two countries have enjoyed since opening diplomatic relations six years ago. Kim added that he would ask the PRC to play a more active role in four-party peace talks for the Korean peninsula. He stated, "The region must be safeguarded from such weapons of mass destruction as nuclear bombs and missiles."

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5. Northeast Asia Security Dialogue

Reuters (Matt Pottinger, "S.KOREA PRESIDENT URGES NE ASIA SECURITY GROUPING," Beijing, 11/12/98) reported that ROK President Kim Dae-jung on Thursday called for the creation of a Northeast Asian regional security body to manage territorial disputes and military tension. Kim stated, "Northeast Asia remains the only region in the world where there is no regional cooperative system for the maintenance of peace. We cannot but feel the need for the establishment of a cooperative regional organization."

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6. ROK Economic Crisis

The Associated Press ("S KOREA WATCHDOG SLAPS $16M FINES ON 5 BIGGEST CONGLOMERATES," Seoul, 11/12/98) reported that the ROK Fair Trade Commission (FTC) fined the ROK's five biggest conglomerates a total of US$16 million Thursday for illegally subsidizing weak subsidiaries. Park Sang-jo, a chief auditor at the FTC, stated, "We may investigate the top conglomerates again." Park added that a separate investigation was already underway in smaller conglomerates accused of similar illegal trade practices. Hyundai was fined US$7 million, Samsung US$2.3 million, Daewoo US$3.4 million, LG US$1.7 million and SK US$1.6 million.

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7. Alleged PRC Missile Technology Transfers

The Associated Press (Charles Hutzler, "CHINA MAY HAVE MOVED MISSILE DATA," Beijing, 11/12/98) reported that an anonymous US official said Thursday that the US suspects the PRC may have transferred missile technology to Iran and Pakistan despite Chinese pledges to strengthen missile export controls. The official would not comment on whether the PRC may have assisted the missile program of the DPRK, but he noted that the PRC has been a constructive partner in the four-party peace talks. He added that the US has determined that Pakistan received DPRK, not Chinese, help in developing the Ghauri missile launched in April. He added that the issue of PRC missile transfers was discussed during a day and a half of meetings between senior US arms-control negotiators, led by Undersecretary of State John Holum, and their PRC counterparts, led by Foreign

Minister Tang Jiaxuan and senior military commander General Zhang Wannian. The two sides also discussed the DPRK's rocket launch in August. Holum met with his counterpart, Vice Foreign Minister Zhang Deguang, for the first time since the Clinton-Jiang summit. The US team reportedly answered Chinese questions about joining the Missile Technology Control Regime and how it operates. Holum said, "We are working with them on a road map and a set of steps to take to" secure PRC adherence to the treaty.

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8. PRC Missile Development

The Washington Times (Bill Gertz, "CHINA PREPARED TO TEST ICBM WITH ENOUGH RANGE TO HIT U.S.," 11/12/98) reported that the US intelligence agencies said that the PRC is set to conduct the first flight test next month of a new mobile intercontinental ballistic missile (ICBM) that could reach the western US. The article quoted unnamed officials familiar with classified intelligence reports as saying that satellite photographs taken within the past several weeks over the PRC's Wuzhai Missile and Space Center revealed increased test preparation activity and appear to include plans for an "ejection test" of the new DF-31 ICBM. According to the officials, the DF-31 is the first PRC ICBM capable of being moved on roads. The missile will have a maximum range of about 5,000 miles and will use solid fuel, which makes it capable of being launched within minutes. It also will be equipped with a "second- generation" thermonuclear warhead with a yield of about 500 kilotons. A 1996 report by the US Air Force's National Air Intelligence Center in Ohio said the DF-31 will "narrow the gap between current Chinese, US, and Russian ballistic missile designs." The report said that the DF-31 "will give China a major strike capability that will be difficult to counterattack at any stage of its operation, from pre-flight mobile operations through terminal flight phases." It added, "Road-mobility will greatly improve Chinese nuclear ballistic missile survivability and will complicate the task of defeating the Chinese threat." The article quoted an unnamed US Defense Department official as saying, "The Chinese have indicated they will do something around the time of the [December 5] Taiwan elections. We don't know what it is." Li Zhaoxing, PRC Ambassador to the US, declined to comment when asked about the upcoming missile test, but said that the PRC is "extremely concerned" about any developments that would alter Taiwan's status. He added that the PRC's People's Liberation Army (PLA) modernization process is "peaceful." Li said that the PRC is as open with the UN about its arms programs as "any other world power."

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9. PRC Military's Business Activities

Reuters (Bill Savadove, "THE BUSINESS OF CHINESE MILITARY STILL IS BUSINESS," Shanghai, 11/12/98) reported that, despite a decree by PRC President Jiang Zemin four months ago ordering the PRC military to cease commercial activities, the People's Liberation Army (PLA) continues to run many firms. Gerald Segal, director of studies for the International Institute for Strategic Studies, stated, "So far there is little to show for it, but that may be expecting too much. This process was always going to take time. The PLA divestiture issue is also tied up with state enterprise reform more widely and that is clearly stalled." He added that military spending was likely to rise sharply next year to compensate for forcing the army out of business. One large Guangdong-based military-run company, the Sanjiu Enterprises pharmaceutical firm, has promised to be handed over to the State Council. An official from Shanghai Jinhong (Group) Co. Ltd., which includes 10 companies with links to the Public Security Bureau, stated, "We will be independent soon -- by the end of this year. It won't affect business."

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10. PRC-Japan Relations

Reuters ("JIANG SAYS JAPAN TRIP TO LOOK AT PAST, BUILD TIES," Tokyo, 12/11/98) reported that PRC President Jiang Zemin said in an interview with Japan's Asahi Shimbun conducted on Wednesday and published on Thursday that he hopes his visit to Japan later this month will allow the two countries to squarely face their past and build a relationship for the future. Jiang stated, "Although the people of China, Asia and even Japan itself suffered greatly in the past, this was the responsibility of the Japanese military. The object of my trip to Japan will be for our two countries to take a look at the past together and then build a framework for future friendship and cooperation." Regarding a possible apology by the Japanese government, Jiang stated, "A statement is meaningless if it is only written prettily and can't be actually carried out."

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11. Japan-Russia Summit

The Associated Press (Mitchell Landsberg, "RUSSIAN, JAPANESE LEADERS MEET," Moscow, 11/12/98) reported that Russian President Boris Yeltsin presented visiting Japanese Prime Minister Keizo Obuchi on Thursday with a plan to resolve the conflict over the Kuril Islands. The two leaders were expected to sign previously resolved agreements on investment protection and cooperation in transport, tourism, and environmental protection. Yeltsin stated, "It's good that our agreements are being implemented. I think we should fulfill the program." Russian officials did not immediately describe in detail the proposal Yeltsin handed Obuchi, but Russian Foreign Minister Igor Ivanov described it as creating conditions that would allow joint activity by both countries in the Kurils.

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12. Russian Ratification of START II

The Associated Press ("NEW RUSSIAN BILL MAY PAVE WAY FOR START II RATIFICATION," Moscow, 11/12/98) reported that Gennady Seleznyov, speaker of the Russian State Duma, said that several parliamentary committees agreed Thursday to revise a bill that could pave the way for ratification of the START II nuclear arms reduction treaty. Seleznyov said that the bill was ready for consideration by the chamber and the government and could be acted upon within weeks if President Boris Yeltsin accepts its provisions. He said that the bill would specify how START II would be implemented and financed. He added that Russian lawmakers objected to Yeltsin's call to approve START II because it only gave them the option of ratifying the treaty without spelling out other details. Roman Popkovich, head of the Duma's Defense Committee, said Thursday that ratification of START II would enhance Russia's defense capability by allowing Russia to devote large sums of money to developing new weapons and reviving the military. He added that Duma deputies were concerned about such issues as the expansion of NATO and deployment of nuclear forces and NATO forces closer to the Russian border, but he claimed that possible revisions of the treaty would not alter its "essence."

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13. Pakistan Nuclear Safety

The Associated Press ("U.S. OFFERS TO TRAIN PAKISTANIS," Islamabad, 11/12/98) reported that the Pakistan Foreign Ministry said that the US offered Thursday to train Pakistanis in customs and export controls to prevent the proliferation of nuclear weapons. The ministry added, "Pakistan remains committed not to export sensitive materials and technologies to third countries and on this

score its record is impeccable."

II. Republic of Korea

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1. ROK-PRC Summit Meeting

Chosun Ilbo ("KIM AND JIANG EMPHASIZE PARTNERSHIP," Seoul, 11/12/98) reported that ROK President Kim Dae-jung and his PRC counterpart Jiang Zemin held summit talks Thursday in which it was agreed that the diplomatic relationship between the two countries will be geared to building comprehensive "partnership" ties for the next century. The two presidents made a joint communique which set forth 34 concrete items which will see bilateral cooperation increased to realize a partnership bond. Projects include increased association between the heads of state, governments, parliaments, and political parties of the two countries. As well, they have agreed to enhance cooperation for political stability on the Korean Peninsula and Northeast Asia; coordinate efforts to overcome the economic crisis in Asia; and see the participation of ROK businesses in projects in the PRC, such as highway and railroad construction. During the summit meeting, President Kim urged that the ROK and the PRC coordinate closely to establish partnership ties for the 21st century, and Jiang lauded Kim's support for an improved political relationship between the DPRK and the US. Meanwhile, Kim asked Jiang to visit the ROK at his convenience, and Jiang answered that he would like to visit Seoul at an appropriate time.

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2. ROK-DPRK Economic Cooperation

Chosun Ilbo ("HYUNDAI AND SAMSUNG WARNED ON DPRK PROJECTS," Seoul, 11/12/98) reported that ROK Deputy Minister of Unification Chung Sae-hyun announced Thursday that he had sent a warning to the Hyundai and Samsung groups for issuing statements on DPRK projects without consulting the government. In addition, the two companies were warned about announcements concerning ventures that have not been agreed upon with the relevant body in the DPRK, namely Hyundai's oil field development and Samsung's west coast industrial plant. Chung said the two companies were disrupting the order of economic cooperation between the ROK and the DPRK. He continued that the principle of separation of politics and business entrusts feasibility studies, methods and timing to companies, but government approval is necessary for a project to go ahead. In the future the administration will use licensing to control work in the DPRK, and companies ignoring procedure will be penalized. The minister called on the media only to report on DPRK projects that had been confirmed by the government. A team has been established led by a deputy minister for unification to ensure smooth operation of the Mount Kumgang Tour.

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3. DRPK Famine

Korea Times ("RED CROSS CHIEF REVEALS GRAVE DPRK FOOD SITUATION," Seoul, 11/12/98) reported that an international Red Cross leader, citing the grave food situation in the DPRK, said that her agency will double humanitarian works in the reclusive country next year, especially in health services. Dr. Astrid Heiberg, president of the International Federation of Red Cross and Red Crescent Societies, made the remarks in a press conference in Seoul after a five-day visit to the DPRK that began November 6 and included the city of Sinuiju. Heiberg paid a courtesy call on ROK

Prime Minister Kim Jong-pil and held talks with Chung Won- shik, president of the Korea National Red Cross (KNRC), before leaving on Wednesday. "We trust that the world will respond. We hope to double our work in health services in 1999," she said. She revealed that her agency will appeal for US$9 million to help the DPRK. With her agency focusing on health services, the other humanitarian organizations are expected to play a central role in distributing food aid. The Red Cross society showed a four-minute film illustrating the situation in the DPRK, which included scenes of children suffering from malnutrition and disease. She also appealed to the ROK, noting that they should not discontinue assistance to their "brothers and sisters."

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4. ROK-US Trade Relations

Korea Herald ("US-ROK TRADE RELATIONS LIKELY TO WORSEN," Seoul, 11/12/98) reported that the ROK and the US are likely to enter into another round of trade disputes as the US is stepping up pressure to restrict imports from Asia, including the ROK. Trade relations between the two countries had been relatively smooth until recently, owing in large part to the recent settlement of the bilateral auto trade issue and the decision to resume investment in the ROK by the US Overseas Private Investment Corp. (OPIC). The hard-won thaw in trade ties, however, may prove to be short-lived, the sources said, citing US President Bill Clinton's remarks Tuesday that the US will no longer tolerate the importation of low-price products from Russia and Asia, as they endanger the job security of US workers. His remarks came after he met representatives of US steel firms and unions who called for immediate steps to restrict imports of steel goods, including those from the ROK. The US government is also working out measures to cope with the complaints from other US industries, including automobile parts and components, machinery and semiconductors, who also report cases of injuries. "The latest move by the United States seems to have been sparked by ROK steel exporters' strategy to increase shipments to the United States and the European Union (EU), to make up for losses from the shrinking domestic consumption under the IMF-led stringency," said a researcher at the Korea Institute for Industrial Economics and Trade. The US import regulations on steel products from Asia will likely continue until 2000, unless the ongoing financial market crisis sweeping the Asian region eases before then, she added.

III. Announcements

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1. Job Opportunity

Project Underground, a non-profit, human rights organization dedicated to supporting communities threatened by the mining and oil industries, announces an opening for the position of Development Director. Responsibilities include developing relationships with potential donors and foundations; soliciting grants and donations; "membership" supporter development; proposal and report writing; and lead implementation of marketing/ communication plan for Project Underground. The position offers a full-time salary with competitive rates depending on experience, plus benefits. The closing date for this position is December 10th, 1998. Project Underground is an equal opportunity employer encouraging women and people of color to apply. To apply, send resume and three references to: Project Underground, ATTN: Search Committee, 1847 Berkeley CA 94703.

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

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