



NAPSNet Daily Report 13 April, 1999

Recommended Citation

"NAPSNet Daily Report 13 April, 1999", NAPSNet Daily Report, April 13, 1999,
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-13-april-1999/>

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I. United States

1. Illegal Sales to DPRK

The Associated Press ("CONVICTION FOR BOAT SALE TO N.KOREA," 04/12/99, Greenville, N.C.) reported that Shei-Kei Mak, a nuclear power engineer, was convicted Monday of violating the US Trading with the Enemy Act by arranging the purchase by the DPRK of seven boats worth US\$1.7 million from Powerboat Industries Inc. The indictment said that the crafts were shipped from North Carolina to Hong Kong, and from there to Pyongyang, where an unnamed witness said they had apparent military uses. Mak testified that he thought he was helping his brother in Hong Kong with a legal transaction and stopped doing business with him when he learned the truth. Mak's brother, Shea-Yee Mak, also was indicted but remains in Hong Kong and has not been arrested. Mak was released on bond pending sentencing on July 26. The maximum sentence is five years in prison and a US\$250,000 fine.

2. DPRK Military Promotions

The Associated Press ("N. KOREA PROMOTES 79 GENERALS," 04/13/99, Seoul) reported that the

DPRK's official Korean Central News Agency said that Kim Jong-il on Tuesday promoted 79 military officers, creating one colonel general, two lieutenant generals, and 76 major generals. The promotions commemorated the 87th anniversary of Kim Il-sung's birth. The ROK's Yonhap News Agency commented that since taking power, Kim Jong-il has regularly promoted generals to placate the military. It added that over 1,000 generals have been promoted during the younger Kim's tenure. The ROK government said last year that it believed there were about 1,200 generals in the DPRK.

3. Taiwanese Military Exercise

BBC News (Francis Markus, "TAIWAN TO STAGE MILITARY DRILL," 04/12/99, Taipei) reported that Taiwanese Defense Minister Tang Fei announced that Taiwan will hold military exercises on the Pescadores Islands in mid-May. Tang added that the drills will be on a smaller scale than previously, citing the effect on the local community. He also pointed to modern information technology as reducing the need for large-scale exercises. Tang acknowledged that the exercises would come at a sensitive time given the expected visit to Taiwan this year of PRC chief negotiator Wang Daohan, but he said that military considerations could not be permanently subordinated to political ones. Defense officials said that the exercises would focus on repelling attacks by sea. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 13.]

4. Alleged PRC Espionage

The New York Times (James Risen, "WHITE HOUSE SAID TO IGNORE EVIDENCE OF CHINA'S SPYING," 04/13/99, Washington) reported that Energy Department intelligence official Notra Trulock told the Senate Armed Services Committee on Monday that his superiors and other US officials repeatedly ignored evidence that the PRC had stolen nuclear weapons secrets from Los Alamos National Laboratory. Trulock said that in some cases, senior officials made it clear to him that information about the suspected espionage would harm the credibility of the laboratories, hurt their efforts to work with scientists in the PRC and Russia, or might be used by Congress to attack US President Bill Clinton's policies. He stated, "I must tell you that our warnings were ignored, they were minimized and occasionally even ridiculed, especially by laboratory officials." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 13.]

The New York Times (James Brooke, "SENATOR TELLS NUCLEAR BOMB LABS TO END FOREIGN SCIENTISTS' VISITS," 04/13/99, Los Alamos) reported that Senator Richard Shelby, R-Ala., said Monday that the directors of US nuclear weapons laboratories should put an end to visits by foreign scientists. Shelby, chairman of the Select Committee on Intelligence, stated, "We are very concerned about the faxes, e-mails, people walking through. It is a question of a very few people, who have -- in the past and I am sure will in the future -- tried to damage our national security." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for April 13.]

5. Indian Missile Test

The Associated Press ("US CONCERNED BY INDIA MISSILE TEST," 04/12/99, Washington) reported that US State Department spokesman James Foley expressed regret Monday over India's missile test. He stated, "We hope that India will provide tangible indications that it is prepared to practice restraint consistent with its declared intentions. Absent these indications, missile tests can only deepen concern about the direction of Indian security policy and could put at risk promising developments in India's relations with its neighbors."

II. Republic of Korea

1. Alleged DPRK Nuclear Weapons

JoongAng Ilbo ("NK ALLEGEDLY A NUCLEAR POWER," Seoul, 04/12/99) reported that the Japanese weekly magazine AERA on April 13 quoted DPRK defector Kim Duck-hong as saying that the DPRK has already developed nuclear missiles and has some stockpiled. Kim, a former high-ranking DPRK official, arrived safely in the ROK after defecting from the DPRK in February 1997. At the time he was relatively unknown compared to Hwang Jang-yop whom he accompanied to the ROK. Hwang, the former secretary of the DPRK Labor Party, was the highest-ranking defector ever to come out of the DPRK. Kim said in the interview with the magazine, "When I was working at the International Juche Unit, designed for earning dollars, in 1996, I heard that NK had been importing precise components from Japan and uranium from Pakistan for the development of nuclear weapons." "I confirmed NK already has nuclear weapons, even though it did not carry out a nuclear test, via Kim Byung-ho, Labor Party secretary responsible for munitions," he asserted. He added, however, that he is not sure whether the DPRK would dare use the weapons.

2. Light-Water Reactor Construction

Korea Herald ("SEOUL, TOKYO TO SIGN LOAN ACCORDS WITH KEDO NEXT WEEK," Seoul, 04/14/99) reported that the ROK and Japan are expected to sign loan agreements with the Korean Peninsula Energy Development Organization (KEDO) early next week. Both countries and other KEDO members are reviewing the agreement's text after nearing an accord on key issues at an executive board meeting and working-level talks earlier this month in New York. Once the ROK and Japan sign and get parliamentary endorsement for the agreements, KEDO can start the main construction work for the two light-water reactors in the DPRK.

3. DPRK-Japan Relations

Chosun Ilbo ("JAPAN CONSIDERS RESUMING FLIGHTS TO NK," Seoul, 04/13/99) reported that Japanese Foreign Minister Masahiko Komura told reporters in Tokyo on Tuesday that Japan is currently considering lifting a ban on flights between Nagoya and Pyongyang imposed last August following the launch of a DPRK rocket over Japanese territory. Komura said that the lifting of the ban could happen before a visit by members of the Japanese Diet to the DPRK, scheduled for the end of this month.

4. ROK-DPRK Business Cooperation

Korea Herald ("INTER-KOREAN BUSINESS COOPERATION NEARLY FROZEN IN LAST FIVE MONTHS," Seoul, 04/14/99) reported that, despite the ROK government's active engagement policy toward the DPRK, inter-Korean economic contact on the private level appears to have almost completely dried up in recent months. According to the government tally, there have been no government approvals of inter-Korean business deals since the Mt. Kumgang tourism project was launched last November. "The last inter-Korean business project approved by the government was the inauguration of telephone service in the Mt. Kumgang area on November 12," said an ROK Unification Ministry official. The ministry has since authorized only two ROK companies to engage in inter-Korean business, a preliminary qualification for actually conducting businesses with the DPRK, but stopped short of approving their specific project plans, the officials said. The two are Pusan-based Haejoo Co., which wants to market fisheries products caught in the DPRK in ROK, and

Hyundai Asan Corp., the conglomerate's affiliate for DPRK projects.

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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