

# NAPSNet Daily Report 14 April, 1998

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## **I. United States**

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### **1. ROK-DPRK Talks**

The Associated Press (Charles Hutzler, "KOREA TALKS BOG DOWN ON AID," Beijing, 04/14/98) and Reuters (Paul Eckert, "TALKS BETWEEN NORTH AND SOUTH KOREA COLLAPSE," Beijing, 04/14/98) reported that ROK-DPRK talks stalled Tuesday, with the DPRK insisting that it receive fertilizer aid before discussing the ROK demand to allow reunions of divided families. DPRK lead negotiator Chun Kum-chul said that his country "urgently" needed fertilizer for spring planting and asked the ROK to provide 500,000 tons starting this month, but the ROK offered only 200,000 tons, which Chun said was "not generous." He added that the delivery of aid would speed negotiations on reunions and other unresolved issues. Chun stated, "Even if we don't sign an agreement today,

because of the supply of thousands of tons of fertilizer, the ice will melt, trust will be restored, and the tension alleviated." Chun's counterpart, ROK Deputy Unification Minister Jeong Se-hyun, responded that in exchange for fertilizer the ROK wanted the DPRK to set a timetable for opening a mail exchange and reunion center in the border village of Panmunjom to aid families seeking missing relatives, as well as an exchange of envoys and the reactivation of a liaison office in Panmunjom. He argued, "The North Korean side asked and demanded from our side a one-sided concession.... What we need is North Korea's good will and sincerity." He stated that because the DPRK agreed to similar ROK demands in 1991 but failed to carry them out, promises of future talks were unacceptable. He added that no progress had been made Tuesday and there was "no guarantee" more meetings would be held. However, ROK officials promised to stay in Beijing until Thursday, and DPRK negotiators pledged to seek instructions from Pyongyang.

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## **2. Reunions of Separated Korean Families**

Reuters (Jane Lee, "SEPARATED KOREAN FAMILIES LOOK TO TALKS FOR HOPE," Seoul, 04/14/98) reported that, according to the ROK Red Cross, more than 400,000 ROK citizens have family members in the DPRK. In a 1970s census, 5.4 million ROK citizens were counted as former residents of the DPRK, but most have now have died of old age, and the Red Cross says about 60 percent of those who are left are 60 or older. The article quoted Cho Dong-yong, who recently received a letter from his younger sister explaining that she was the sole survivor of his family in the DPRK, as saying, "Most of us don't have much time. If the reunion doesn't happen soon, many of us will have already died. What good is it for our second and third generations who don't even know the faces of their relatives in the North to meet them?"

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## **3. Monitoring of DPRK Food Aid**

State Department Spokesman James Rubin ("STATE DEPT. NOON BRIEFING, MONDAY, APRIL 13," USIA Transcript, 04/14/98) said Monday that monitoring and distribution of DPRK food aid where it is currently delivered by the World Food Program remains adequate. He added, "That is why we have chosen to make our humanitarian contributions done through the World Food Program because we have great confidence in their determination to make sure that they will only give food to those places where they believe their monitoring is adequate. Our aid is not going to be given if it can't be monitored." He argued that, while the DPRK remains opaque, "we are confident that there has been no significant diversion of assistance provided by the United States through the WFP." He pointed out that the October 1997 visit to the DPRK by a US Government Needs Assessment Team "saw no evidence of diversion or significant problems with the monitoring system." Rubin said that, to his knowledge, no US aid shipments are on hold. He also said that he doubted the question of food monitoring would come up during Secretary of State Madeleine Albright's visit to Asia, but he added, "with respect to the overall question of a North- South dialogue that has been occurring over the last few days with the overall question of the future of North Korea, she has obviously engaged with her South Korean colleagues on that subject and I am sure that she will talk with the Chinese about the prospect for the Four Party talks in South Korea."

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## **4. Japanese Aid to DPRK**

Dow Jones Newswires ("WORLD FOOD PROGRAM URGES JAPAN TO EXTEND N. KOREA AID -

KYODO," Tokyo, 04/14/98) reported that Japan's Kyodo News agency said that World Food Program (WFP) Executive Director Catherine Bertini on Tuesday urged Japan to extend further food aid to the DPRK in the coming months, saying DPRK children remain threatened with starvation. Bertini stated, "We are seeing already the pictures of malnourished children, but we must act now before we see the pictures of the dead children." She said that she discussed DPRK needs with Japanese officials, but did not propose a specific amount to them or receive a commitment from them. Noting that Japan has put a priority on food aid for young children, Bertini said she specifically sought further Japanese food aid for children 6 years old or under who are currently receiving meals at nurseries and kindergartens. However, Japanese Foreign Ministry officials said that State Foreign Secretary Masahiko Komura suggested to Bertini that Japan was reluctant to provide further food aid to the DPRK due to the DPRK's alleged involvement in the abduction of Japanese nationals in the 1970s and 1980s.

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## **5. Compensation for ROK Comfort Women**

The Associated Press (Sang-Hun Choe, "EX-SEX SLAVES REJECT SKOREA'S OFFER," Seoul, 04/14/98) and United Press International ("S. KOREA POSTPONES JAPAN SEX SLAVE FUND," Seoul, 04/14/98) reported that the ROK government has postponed the delivery of a US\$3.51-million government compensation fund to women forced into sexual slavery by Japan's Imperial Army during World War II. ROK President Kim Dae-jung said Tuesday, "Although the urgency of the issue is clear, payment could complicate matters in future Japan-Korea relations concerning compensation ... and Japan taking responsibility for the act." Kim's statement came after the ROK government decided to back away from a plan drafted last month to compensate the women and then recover the money from the Japanese government, saying that it would now not seek payment from Japan. However, the former sex slaves rejected the policy change. Yang Mi-kang, a spokeswoman for the women, stated, "A real apology will come only when the Japanese government will make a legal compensation. We will continue to fight for compensation from the Japanese government." A statement from an ROK group representing Japanese sexual slavery victims said 155 ROK victims were still alive, with about 260 survivors in the DPRK.

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## **6. ROK Financial Crisis**

Reuters ("I.M.F. SAYS SOUTH KOREA'S QUICK RECOVERY 'REMARKABLE'," Washington, 04/14/98) reported that International Monetary Fund (IMF) Managing Director Michel Camdessus said Tuesday that economic growth and international confidence are returning to the ROK quicker than expected because the government is fully implementing an international rescue package. He stated, "It is not only by sticking to its program but, as he told me, by implementing it 120 percent, that President Kim Dae Jung is obtaining probably a quicker recovery and regaining more quickly the international markets' confidence than we expected." He added that the strength of the recovery could lead to a reassessment or revision of the rescue program, although he said that was not yet required. US Treasury Secretary Robert Rubin also praised the ROK performance, saying, "I have, we all do, enormous respect for what the Korean government has accomplished and their commitment. We want to be helpful everywhere we can."

The Associated Press ("KOREAN BANK OFFICIALS QUESTIONED," Seoul, 04/13/98) reported that ROK prosecutors questioned three central bank analysts Monday, launching a probe into whether two former Finance Minister Kang Kyong-shik and former Senior Presidential Economic Secretary Kim In-ho ignored repeated warnings by subordinates that a financial crisis was threatening. The

three Bank of Korea officials quizzed Monday were economic analysts who reportedly delivered grave economic warnings to the Finance Ministry.

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## **7. PRC-Taiwan Talks**

The Associated Press ("TAIWAN'S COMING TALKS WITH CHINA SEEN 1ST STEP ON LONG ROAD," Taipei, 04/14/98) reported that analysts said Tuesday that Taiwan's acceptance of an invitation for a delegation to visit the PRC is a step towards resuming formal talks, but a thawing in relations will take time. Chang Wu-yueh, a professor at Tamkang University's Center for Mainland Studies in Taiwan, said that the invitation could pave the way for a slow improving of relations. He stated that the secretary-general of Taiwan's negotiating body, the Straits Exchange Foundation, may follow this month's visit with a trip to the PRC immediately after US President Bill Clinton's June trip there. He added that, if that trip goes well, the next step might be an informal trip to the PRC by Koo Chen-fu, the chairman of the Straits Exchange Foundation, later this year, which in turn could lead to an agreement to restart the talks. However, Yang Kai-huang, vice president of the Mainland China Studies Association, warned that Taiwan could balk if one of its few remaining allies suddenly switched recognition to the PRC, or if Clinton's visit to Beijing produced any statements that seemed to harm Taiwan's interests.

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## **8. US Missile Technology Transfer to PRC**

State Department Spokesman James Rubin ("STATE DEPT. NOON BRIEFING, MONDAY, APRIL 13," USIA Transcript, 04/14/98) said Monday that the US has developed strong safeguard programs to prevent technology transfer when US companies launch their satellites on PRC launchers. He added, "We have maintained a very strict policy, including these strong safeguards, to prevent the unauthorized transfer of sensitive missile technology to China." Regarding the report that Hughes Electronics gave sensitive technology to the PRC, Rubin stated, "that is a matter under investigation and one of the issues that is germane is the extent to which anything might or might not have harmed the national security. And so we would not want to say anything publicly that could interfere with such an ongoing investigation."

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## **9. Russian Ratification of START II**

State Department Spokesman James Rubin ("STATE DEPT. NOON BRIEFING, MONDAY, APRIL 13," USIA Transcript, 04/14/98) on Monday welcomed Russian President Boris Yeltsin's formal submission of the START II nuclear reduction treaty to the State Duma. However, he added, "we are not going to start popping champagne corks until we see the process move." Regarding revision to the treaty, he said, "we wouldn't want to see this treaty renegotiated through the ratification process in the Duma." He added that the US believes that the adjustments made through the various protocols that were signed by President Clinton and President Yeltsin at Helsinki are sufficient to take into account Russian concerns about the treaty.

## **II. Republic of Korea**

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## **1. ROK-DPRK Talks**

ROK and DPRK officials held a third day of high-level talks in Beijing Monday, with the DPRK hinting that it would keep its doors open to the ROK to seek ways to ease its food shortages. The third-day of talks had been put off by a few hours as the DPRK delegation apparently needed more time to receive directions from Pyongyang. Chon Kum-chul, head of the DPRK delegation, was joined for the closed-door talks in a downtown hotel room with his ROK counterpart Jeong Se-hyun. (Korea Times, "TWO KOREA HAGGLE OVER AID, PYONGYANG HINTS AT CONTINUING DIALOGUE," 04/14/98)

The ROK on Monday made it clear that the government-level supply of fertilizer to the DPRK will be linked to the DPRK taking reciprocal steps for the improvement of inter-Korean ties. The ROK Unification Ministry announced this in a report to a meeting of high-level officials from the administration and the ruling coalition of the National Congress for New Politics and the United Liberal Democrats. (Korea Times, "FERTILIZER AID TIED TO NK'S RECIPROCAL ACTIONS," 04/14/98)

DPRK delegation head Chon Kum-chul criticized the ROK for its tactic of linking its fertilizer aid to the DPRK's acceptance of contacts and reunions of separated families and exchange of special envoys. "If one thing is settled, the other thing will be settled naturally.... Politics must not interfere with this issue," Chon said. (Chosun Ilbo, "NK URGES FERTILIZER SUPPLY FIRST BEFORE FAMILY REUNION," 04/14/98)

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## **2. Funding for DPRK Heavy Oil**

The ROK Minister of trade and foreign affairs, Park Jung-soo, said Monday that the supply of heavy oil to the DPRK is in jeopardy as the US congress had failed to allocate budget funds to pay for the 500,000 tons pledged. Park added that, as of April, the total debt incurred by the Korean Peninsula Energy Development Organization (KEDO) for purchasing the oil has reached US\$55 million. The US government is requesting the members of KEDO and related countries to donate funds to ease the cash-flow shortage; however, the ROK government is maintaining its position that the responsibility for supplying the oil rests with the US. (Chosun Ilbo, "FUNDS FOR OIL TO NK RUNNING OUT," 04/14/98)

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## **3. Alleged DPRK Plot to Influence ROK Election**

The ROK prosecution and Agency for National Security Planning (NSP) are reportedly joining forces in their probe of the DPRK "North Wind" plot to influence the ROK election, until the latter wraps up its internal investigation into the case. Such a collaborative endeavor is aimed at an early conclusion of the probe of the conspiracy against then-presidential candidate Kim Dae-jung. According to the prosecution yesterday, two prosecutors, who were dispatched to the nation's top intelligence agency early this month, and NSP investigators are jointly staging comprehensive inquiries into the plot, including the Oh Ik-je letter, leaks of DPRK-connected documents, and DPRK soldiers' violation of the truce line. The prosecution is currently focusing its probe on scrutinizing the secret documents and how the confidential memos were drawn up and leaked. It is also continuing its supplementary investigation into former NSP director Kwon Young-hae, who is allegedly the mastermind of a manipulated news conference held by a Korean-American businessman to slander presidential candidate Kim. (Korea Times, "PROSECUTION, NSP JOINTLY PROBE ON NORTH WIND PLOT," 04/14/98)

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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