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I. United States

1. Four-Party Peace Talks

Reuters ("CHINA'S JIANG PRAISES KOREAN PEACE TALKS," Tokyo, 12/12/97) reported that PRC President Jiang Zemin, in an interview with Japan's Nihon Keizai Shimbun published on Saturday, praised the first round of four-party Korean Peninsula peace talks in Geneva, as well as the recent thaw in relations between the DPRK, the US, and Japan. Jiang stated, "We hope that the improved relations among the United States, North Korea and Japan will eventually lead to the normalization of diplomatic ties." Jiang said that the PRC would continue to be an active participant in the peace process.

The Washington Times carried an analytical article (Richard Halloran, "BAILOUT OF SEOUL TO WEIGH HEAVILY ON KOREAN TALKS," Panmunjom, 12/15/97) which said that the International

Monetary Fund's (IMF) rescue of the ROK economy will affect DPRK-ROK relations in two ways. First, the DPRK "will stiffen its already hard line" at the four-party peace talks in Geneva, making certain the negotiations will be even more difficult than expected. Second, "The prospects for reunification, already dim, have been pushed further into the future, because Seoul can't afford to revive the stricken North Korean economy." The article quoted a DPRK commentary as saying, "As long as the treacherous, corrupt and reactionary politics of the puppets continues, the South Korean economy can never extricate itself from total bankruptcy." The author added, "The negotiations in Geneva will almost certainly take a long time, will be marked with belligerence and have no guarantee of success."

2. DPRK Famine

The Associated Press (Joe McDonald, "SICK, YOUNG SUFFER IN NORTH KOREA," Beijing, 12/13/97) reported that Norwegian Red Cross officials who returned from a week-long trip to the DPRK said Saturday that a severe winter is taking its toll on the sick and the young in that country as temperatures inside hospitals and orphanages drop to freezing and medicines are in short supply. Red Cross spokeswoman Marte Ramborg said that while the food shortage has eased slightly due to the fall harvest and tons of food donated by aid groups, hospitals lack basic medicines, with some using only 10 percent of their beds because fuel is so scarce that they cannot heat their rooms. She stated, "The critical thing now is the winter, and the medical situation in the hospitals. Patients are lying there with blankets that are not enough." The Red Cross said it has flown 154,000 pounds of antibiotics and other medicines to the DPRK this month. The international Federation of Red Cross Societies is buying blankets, winter jackets and coal for the DPRK.

3. Reunion of Separated Families

The Associated Press (Pauline Jelinek, "KOREANS LOOK FOR LOST FAMILIES," Seoul, 12/15/97) reported that Cho Dong-young, secretary-general of the ROK Korean Assembly for the Reunion of Ten Million Separated Families, said that chances appear slim for a reunion of separated families from the DPRK and ROK in the near future. However, he stated, "We cannot afford to lose hope, even though there's hardly a ray of hope." Cho said that Japan, the US, and other rich nations that have leverage with the DPRK through their potential to offer aid should press the divided family issue. The ROK government meanwhile has said that its records show that in the last nine years about 130 ROK citizens have arranged meetings with DPRK relatives in a third country and about 4,000 have written to their relatives. Underground contacts in the PRC reportedly charge US$500-US$1,000 to look for relatives in the DPRK. The ROK National Assembly recently budgeted about US$53,000 to provide roughly US$225 each to a maximum of 235 people next year to contact their relatives in the DPRK.

4. ROK Financial Crisis

The Associated Press (Sang-Hun Choe, "S. KOREA TO END CURRENCY CONTROLS," Seoul, 12/15/97) and the Wall Street Journal ("SOUTH KOREA LETS WON FLOAT IN MOVE TO STABILIZE MARKETS," Seoul, 12/15/97) reported that the ROK Finance and Economy Ministry said Monday it will abolish all controls on the won in the hopes of acquiring more foreign currency. The government also said it was willing to let foreigners buy at least one commercial bank and that it will issue state bonds overseas worth US$10 billion. Ministry officials said that the lifting of controls Tuesday was unlikely to result in significant changes in the value of the won because most of the pressure on the currency had been removed in the past month.

The Associated Press (Sang-Hun Choe, "2,000 PROTEST SKOREA'S IMF BAILOUT," Seoul, 12/13/97) reported that 2,000 students and workers on Saturday held a rally in downtown Seoul to protest the

IMF-led economic bailout deal. The protesters chanted, "We oppose IMF trusteeship! Abolish the IMF agreement!" No clashes or arrests were reported. The Citizens' Coalition for Economic Justice said in a statement Saturday, "It is a totally justifiable reaction on the part of the Korean people to suspect that the IMF bailout was used as a golden opportunity for the U.S. and Japan to push their own agenda onto a Korea on its knees."

The Associated Press (Sang-Hun Choe, "S. KOREA CANDIDATES BACK IMF PLAN," Seoul, 12/13/97) reported that ROK President Kim Young-sam and the three leading presidential candidates issued a joint statement Saturday promising to support the terms of the IMF-led economic bailout. "We will do our best to boost international confidence by honoring the terms of the agreement with the International Monetary Fund," the statement said. President Kim was quoted as telling the candidates during a meeting in the presidential Blue House, "In the international news media, South Korea is depicted as a country not keeping its promises. If the candidates and I speak in one voice, it will help restore the confidence of the international community."

5. ROK Presidential Election

The Washington Post (Mary Jordan, "A Dubious Victory Awaits In S. Korea," Seoul, 12/14/97, A25) reported that ROK opposition presidential candidate Kim Dae-jung said Saturday that if the ruling party is reelected in Thursday elections, "there will be no improvement" in the economic crisis. "On the other hand, I have been working for [restructuring] the economy for 30 years. I am prepared," he stated. Lee Jong-chan, Kim's campaign manager, stated that unlike past presidential candidates, Kim has "no support from big business, not a penny." However, political scientist Park Jai Chang said that in light of the crisis, "Many people are looking for stability, not change." He added, "If the opposition wins, it is a historic moment. The vested interests will change for the first time in modern Korean history." Meanwhile, the ruling Grand National Party revealed that it is so short of cash that it had trouble meeting its payroll. The party said in a statement, "Unlike past campaigns, where enormous amounts of payments were made in bribes, the [Grand National Party] is making efforts to set the example of a clean and thrifty campaign."

6. US-PRC Naval Pact

The Associated Press ("U.S., CHINA INITIAL NAVAL PACT," Washington, 12/12/97) reported that on the final day of the US-PRC Defense Consultative Talks on Friday, Walter Slocumbe, US undersecretary of defense for policy, and Lieutenant General Xiong Guangkai, deputy chief of the general staff for the PRC People's Liberation Army, initialed an agreement designed to minimize the risk of naval accidents in the Pacific. They also agreed to exchange information on their military's role in humanitarian relief missions, although the PRC did not agree to a US proposal to hold joint exercises for humanitarian assistance. In a brief statement issued after the meeting, the US Defense Department said that Slocumbe would visit the PRC next year as part of a plan to regularize high-level defense meetings.

7. Russian Uranium Sales

Reuters ("RUSSIA SAYS TO SELL ONLY NATURAL URANIUM ON MARKET," Moscow, 12/15/97) reported that Vladimir Mikerin, deputy director of the government-owned Uranservice, said on Monday that Russia will begin selling natural uranium directly on world markets but will continue to honor a 1994 deal sending reprocessed uranium from nuclear missiles to the US. He said that the contract to sell uranium to foreign buyers "involves exclusively natural uranium and does not involve any uranium from warheads." Russian officials said they wanted to sell natural uranium directly to world markets to get better prices.

8. US Nuclear Policy The New York Times (James Brooke, "SLEEPING BELOW THE PLAINS, MISSILES STAY AT THE READY," Urns, Wyoming, 12/15/97) reported that the idea of taking US and Russian nuclear missiles off alert is gaining popularity among nuclear weapons experts in both nations. Andrew Koch, a nuclear weapons analyst for the private military research group Center for Defense Information, stated, "The basic concept of de-alerting, of taking a step away from the hair trigger, is gaining momentum." A panel headed by Vice Admiral Dennis Cutler Blair, joint staff director of the Joint Chiefs of Staff, is currently studying potential de-alerting techniques such as blocking missile silo lids or removing batteries or guidance circuit boards from the missiles. However, Major General Donald G. Cook, the commander of the US 20th Air Force, stated, "as long as Russia's capability exists, we have to be aware that their intentions could change overnight." He added, "The likelihood of an accidental launch is virtually zero. It takes multiple crews to launch. It takes a message from the president. It is very secure, very predictable." Captain Robert Fabian added, "The Russians are holding on to their weapons like crazy -- it's what makes them a superpower." Bruce G. Blair, a senior fellow at the Brookings Institution, stated, "The main nuclear threat today is not a deliberate, cold-blooded Russian attack. It is loss of Russian control over its arsenal. Both our forces are cocked on hair-triggers. Both sides can retarget a missile in seconds -- just a few strokes on a keyboard."

II. Republic of Korea

1. Presidential Election

The three major presidential candidates have all said that, if elected, they will keep the four-party peace talks on track but will also emphasize the need for an inter-Korean summit soon after taking the presidential office. All three have indicated they will actively seek a breakthrough in inter-Korean relations through meeting with DPRK leader Kim Jong-il. In a series of interviews last week, all three presidential candidates made it clear they would not adhere exclusively to the four-way peace conference, expressing the hope of realizing the first-ever inter-Korean summit. (Korea Herald, Kim Kyung-ho, "NEXT PRESIDENT TO PUSH FOR SOUTH-NORTH SUMMIT," 12/15/97)

2. DPRK Famine

The Naewoe Press said that high-level DPRK officials are reportedly saying that the ROK has contributed only instant noodles to the DPRK famine relief efforts. The officials reportedly said that the ROK has not sent a grain of barley to the DPRK, despite having received rice from the DPRK in 1984 when the ROK was devastated by floods. The Naewoe Press made the report based on testimony by numerous ethnic Koreans in the PRC who have some access to the DPRK. The ethnic Korean visitors said that the food crisis in the DPRK remains a critical problem, with people still starving to death. The ROK this year has given 100,000 tons of mostly corn through its Red Cross and 200,000 tons through international relief organizations. (Korea Herald, "DPRK STILL HIT HARD BY FAMINE," 12/15/97)

3. PRC-US Relations

PRC defense minister Chi Haotian told the US Pacific commander Admiral Joseph Prueher Thursday that the two countries' militaries should expand ties to increase trust and understanding. Chi also reminded Prueher of US pledges to support the PRC's stance that Taiwan is a part of the PRC, the state-run Xinhua News Agency reported. Prueher arrived in Beijing Wednesday as a guest of the People's Liberation Army. The visit is part of efforts to increase contacts between the two countries' militaries that were frozen after the PRC army massacred pro-democracy protesters in Tiananmen Square in 1989. Chi also called for increased military ties and said, "We attach great importance to the development of our relations with the US Pacific Command and hope to expand contacts to

increase mutual understanding and trust." (Korea Times, "PRC CALLS FOR CLOSE TIES WITH US PACIFIC COMMAND," 12/13/97)

4. Russian Uranium Sales

Russian Deputy Atomic Energy Minister Alexander Belosokhov said Thursday that Russia has decided to back out of part of a US-arranged deal to sell uranium from dismantled nuclear weapons, saying it can make more selling the uranium on the world market instead of through Western intermediaries. He stated that Russia would have lost as much as US$900 million by going through middlemen to market part of the uranium through three Western firms. Russian officials say they expect to be able to find customers in Western Europe, North America and Southeast Asia, and make a far higher profit than selling through the Western companies. (Korea Times, "RUSSIA TO PUT URANIUM SALES ON WORLD MARKET," 12/14/97)

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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