

# NAPSNet Daily Report 16 December, 1998

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## **I. United States**

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### **1. Food Aid for DPRK**

US State Department Deputy Spokesman James Foley ("STATE DEPARTMENT NOON BRIEFING, DECEMBER 15, 1998," USIA Transcript, 12/16/98) said that, as in the past, the US will continue to base its decision on whether to provide food aid to the DPRK on humanitarian grounds. Foley stated,

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"If such an appeal is issued, we would judge our response based on the humanitarian needs the World Food Program and other international humanitarian agencies have assessed. As you know, our track record in responding to such appeals has been very good over the last years."

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## **2. DPRK Military Preparedness**

The South China Morning Post (Jasper Becker, "NORTH KOREA READY FOR ALL-OUT WAR WITH US," Beijing, 12/14/98) reported that Zhao Jiaming, a PRC People's Daily newspaper reporter stationed in Pyongyang said that the DPRK is in a state of war readiness and is holding mass anti-US rallies. A front-page story in the Global Times newspaper said that commanders of combat troops had been sent to the Demilitarized Zone, while the general staff was drawing up a comprehensive plan to repel an expected US-led invasion. The report said that the DPRK was anticipating air strikes against its underground facility at Kumchangri, with an all-out war to follow. Zhao said that the press was full of warnings by top generals and threats that the US would be "exterminated." [Ed. note: This article appeared in the US Department of Defense's Early Bird News Summary for December 14.]

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## **3. ROK Participation in Vietnam War**

Reuters ("KIM VOICES REGRET OVER S.KOREA'S VIETNAM WAR ROLE," Hanoi, 12/15/98) reported that Lim Dong-won, ROK senior secretary for diplomacy and security, said that ROK President Kim Dae-jung on Tuesday expressed regret during a meeting with Vietnamese President Tran Duc Luong for the ROK's involvement in the Vietnam War. Lim quoted Kim as saying, "In the past we shared an unfortunate history and I'd like to express regret over this, and say we should work to overcome an unhappy past." Lim quoted Luong as responding, "We should set aside the unfortunate past and concentrate on the future, concentrate more efforts in the development of our economies." [Ed. note: This article appeared in the US Department of Defense's Early Bird News Summary for December 16.]

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## **4. ROK Labor Unrest**

The Associated Press (Sang-Hun Choe, "STUDENTS CLASH WITH COPS IN SKOREA," Seoul, 12/12/98) reported that hundreds of students and workers clashed with riot police Saturday at a rally in Seoul, demanding an end to an industry restructuring they feared will lead to mass layoffs. Thousands of workers at Daewoo and Samsung have staged daily rallies since Tuesday to oppose the changes. The Korean Confederation of Trade Unions threatened to call a nationwide strike unless the government cancels the restructuring. No serious injuries or arrests were reported.

The Associated Press ("WORKERS PROTEST MERGER OF SAMSUNG, DAEWOO UNITS," Seoul, 12/15/98) reported that thousands of workers rallied and marched in Seoul and Pusan on Monday to demand cancellation of the ROK government's industry restructuring plan. An estimated 10,000 Daewoo workers held a rally in front of their head office in central Seoul, while about 10,000 Samsung Motors workers marched in Pusan. As part of the restructuring, Samsung Motors is scheduled to be absorbed by Daewoo Motors, while Daewoo Electronics will be merged into Samsung's home-appliance arm.

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## 5. ROK Economy

The Wall Street Journal ("THINK TANK: SOUTH KOREA'S GDP WILL CONTRACT 5.9% THIS YEAR," 12/16/98) reported that the ROK government-run think tank Korea Development Institute (KDI) said Wednesday in its quarterly report that gross domestic product was expected to contract by 5.9 percent this year because of weak domestic demand. The latest estimate is an improvement over the contraction of 6.7 percent that the KDI predicted in October. KDI also predicted that the ROK economy will improve gradually on falling local interest rates and the implementation of government economic stimulus measures, leading to an expected growth of 2.2 percent in 1999. Inflation was expected to be around 7.5 percent this year and 1.6 percent next year. Reuters ("IMF SEES WORST OVER FOR THAILAND, S.KOREA," Washington, 12/16/98) reported that Anoop Singh, deputy director of the International Monetary Fund's (IMF) Asia and Pacific region, said on Wednesday that the worst of the economic crisis is over for the ROK. Singh stated, "I think all of Asia is benefiting from improved market sentiment, and this you see strongly in countries like Thailand and Korea." He added, "A general emerging market view, which we share, is that the worst should be behind us and that these countries are now bottoming out. Whether this means a bottoming out precisely in the next quarter or two is more difficult to pinpoint."

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## 6. Japanese Regional Cooperation

Reuters (Yoshiko Mori, "OBUCHI PLEDGES JAPAN WILL LEAD ASIAN RECOVERY," Hanoi, 12/15/98) reported that Japanese Prime Minister Keizo Obuchi predicted on Wednesday that Japan would once again lead Asian economies. Declaring Asian economic recovery a prerequisite for political and social stability, Obuchi stated, "I am confident that the Japanese economy will surely recover and once again vigorously lead the Asian economy." Obuchi added, "We have decided to start afresh local training of approximately 10,000 people who will comprise the core of industry in the Asian nations." He also said that Japan has decided to contribute 500 million yen (US\$4.29 million) for establishment of a "Human Security Fund" under the UN to address problems such as environmental degradation, narcotics, and international organized crime. He proposed that Japan, the PRC, and the ROK strengthen the network of dialogue among themselves in view of the growing maturity of ties between the respective countries. He stated, "In this connection discussions among the three countries on environmental problems and others that are common regional challenges may prove to be the first step towards the formation of a trilateral network of dialogue." Obuchi was scheduled to meet PRC Vice President Hu Jintao and ROK President Kim Dae-jung later on Wednesday.

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## 7. PRC-Taiwan Relations

The Washington Times (Ben Barber, "BEIJING STILL HOSTILE AFTER TAIWAN VOTE," 12/16/98, 12) reported that Taiwan Information Minister Chen Chien-jen said Wednesday that the PRC remains hostile toward Taiwan, even though it was relieved by the defeat of the Democratic Progressive Party (DPP) in recent elections. Chen stated, "There is no change in Beijing's hostile view toward us, especially in the international community. They say they'll continue to isolate us." He added, "Polls show 80 percent of people in Taiwan want the status quo." He also said that Taiwanese "felt uneasy" that US President Bill Clinton had promised in Beijing not to support Taiwan's membership in world organizations, but were reassured later that the US would stand by Taiwan as a military and economic ally. [Ed. note: This article appeared in the US Department of Defense's Early Bird News Summary for December 16.]

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## **8. US Military Businesses**

The Associated Press (Charles Hutzler, "CHINA'S MILITARY QUILTS BUSINESS," Beijing, 12/14/98) and the Wall Street Journal (Matt Forney, "CHINA WEIGHS HOW TO COMPENSATE PLA FOR GIVING UP ITS COMMERCIAL INTERESTS," Beijing, 12/15/98) reported that the PRC's official Xinhua news agency said that the People's Liberation Army (PLA) completed the transfer of its commercial holdings to civilian control on Monday. The office overseeing the transfer said in a report that starting Tuesday, the businesses would be handled by task forces. The report provided no figures on the number of enterprises or amount of assets handed over. The civilian leadership has offered annual budget increases to offset the PLA's lost revenue, plus a one-time payment for assets. Unnamed US diplomats claimed that the PRC government offered about US\$1.2 billion, but the military demanded US\$24 billion. The two sides have until March, when the new budget is announced, to reach an agreement. Western and Chinese observers said that senior army officers want military spending to match a fixed percentage of the PRC's gross domestic product.

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## **9. US Technology Transfers**

The Washington Post carried an opinion article by [Gary Milhollin](#), chair of the Wisconsin Project on Nuclear Arms Control ("HELPING OTHERS BUILD THE BOMB," 12/14/98, A23) which said that the Department of Energy has issued a new warning that the PRC, India, and Pakistan are seeking supercomputers to improve their bomb designs. The author stated, "Computers in this range, unfortunately, are the ones that the Clinton administration decided to free for export to these countries in 1996." He argued, "The administration therefore should tighten controls immediately. Why should the United States help Third World countries make better bombs and missiles when we can avoid it?" [Ed. note: This article appeared in the US Department of Defense's Early Bird News Summary for December 14.]

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## **10. Indian Nuclear Development**

The Associated Press ("INDIA PM: NUCLEAR DETERRENT MATTER OF POLICY, NOT NUMBERS," New Delhi, 12/16/98) reported that Indian Prime Minister Atal Bihari Vajpayee on Wednesday refused to describe his country's nuclear capabilities, but said they constituted the minimum necessary defense. He stated, "It is not a question of numbers, but of a policy approach." Vajpayee said that India needs no more tests and is now focusing on missiles to deliver nuclear warheads.

The Washington Post (Kenneth J. Cooper, "INDIA REJECTS SOME WEAPONS RESTRAINTS," New Delhi, 12/16/98, A37) and the New York Times (Barry Bearak, "INDIAN GOVERNMENT VOWS TO CONTINUE NUCLEAR MISSILE PROGRAM," New Delhi, 12/16/98) reported that Indian Prime Minister Atal Bihari Vajpayee on Tuesday rejected three voluntary restraints on strategic weapons systems proposed by the US, declaring that his government will maintain the deployment of nuclear weapons, continue development of ballistic missiles, and reserve the right to produce more bomb-grade material. However, Vajpayee repeated his promise that India will adhere to the Comprehensive Test Ban Treaty (CTBT) and also announced his government is already moving to tighten technology export controls. US officials called Vajpayee's speech encouraging, saying that he appears to be laying the political groundwork for India's acceptance of the CTBT. They added that nothing in his remarks was inconsistent with what External Affairs Minister Jaswant Singh has been

saying in his discussions with US Deputy Secretary of State Strobe Talbott. Meanwhile, an unnamed senior Indian official said that by "deployment," Vajpayee did not mean maintaining nuclear weapons on high-alert as the US does. The official said that, because India's short-range Prithvi missile is dispersed in ordnance depots controlled by civilians from the Defense Ministry, it would take days for India to ready a nuclear missile attack. [Ed. note: This article appeared in the US Department of Defense's Early Bird News Summary for December 16.]

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## **11. US Nuclear Posture**

The Washington Times carried an opinion article by Charles Ferguson of the Federation of American Scientists and Frank Von Hippel of Princeton University ("TASK FORCE SHOULD LOOK AT OTHER NUCLEAR-DETERRENT OPTIONS," 12/16/98, 18) which criticized findings by the Defense Science Board Task Force on Nuclear Deterrence that taking Russian and US missiles off launch-on-warning alert would amount to "unilateral disarmament." The authors argued, "Insisting that Russia keep its missiles on hair-trigger alert when its control systems are not being maintained and its military is not being paid is the height of irresponsibility. But Russia will not de-alert its missiles unless the United States does." They added, "The panel's reported concern that de-alerting 'would undermine deterrence' reveals that it has not bothered to look seriously at detailed de-alerting proposals, such as one that one of us co-authored for the November 1997 issue of Scientific American. According to that proposal, the United States would keep 600 invulnerable nuclear warheads on ballistic-missile submarines at sea." They concluded, "It might take 10 hours to prepare all those warheads for launch, but that fact would be small comfort for any nation that was considering attacking the United States." [Ed. note: This article appeared in the US Department of Defense's Early Bird News Summary for December 16.]

## **II. Republic of Korea**

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### **1. Alleged DPRK Spy Activities**

Chosun Ilbo ("DPRK RECRUITING ATTEMPTS IN JSA REVEALED," Seoul, 12/15/98) reported that since 1984, the DPRK Army has been making an average of 250 attempts a year to win over ROK soldiers stationed in the Joint Security Area (JSA) in Panmunjom. According to a report sent to the UN Command by the Army Security Command (ASC) following the debriefing of a DPRK soldier who defected to the ROK in February, the DPRK maintains at least six military agents solely for the purpose of propagandizing the superiority of the DPRK's communist system and recruiting ROK soldiers to act as spies for DPRK upon their discharge from the ROK Army. The report was sent with a recommendation that ASC staff be sent to monitor DPRK activities in the JSA. The ASC is the military intelligence arm of the ROK Army. The report also said that the ASC had recommended to Kim Dong-jin, the former defense minister, that ASC agents be posted in the JSA. Kim then urged the UN Command to allow for an ASC presence in the area, but the recommendation was turned down on December 11, with the claim that the measure would not be possible.

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### **2. Operational Control of Joint Security Area**

Korea Herald ("UNC SHOULD MAINTAIN CONTROL OF JSA," Seoul, 12/16/98) reported that a UN

Command (UNC) official said Tuesday that the UNC should continue to maintain operational control of the Joint Security Area in the truce village of Panmunjom, and it should also oppose any serious change to the existing command structure. The anonymous official said that he opposes suggestions that either all the existing JSA guards be replaced by US soldiers or that the ROK Army take over the JSA. "The idea that the JSA guards be replaced by American soldiers is the very one the DPRK would welcome, because they always try to exclude the ROK and have direct talks with the United States," the official said. He noted that the DPRK has time and again attempted to erode the Armistice maintenance mechanism in the UNC-controlled JSA. The 800-meter-by-600-meter area is guarded by four ROK Army platoons, and an ROK major is the second-ranking officer in the JSA Battalion, which is led by a US lieutenant colonel. The official also said that allowing the ROK military to take over the JSA would take away the UNC's ability to use the area as a buffer zone between the ROK and the DPRK. The JSA is the only contact point along the 155-mile Demilitarized Zone between the UNC and the DPRK's army. The suggestions were reportedly raised by ROK Defense Ministry officials following the December 4 arrest of a former JSA sergeant on suspicions that he was involved in the death of Army 1st Lieutenant Kim Hun.

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### **3. DPRK Membership in International Organizations**

JoongAng Ilbo ("DPRK WANTS MEMBERSHIP IN IMF AND IBRD," Seoul, 12/15/98) reported that the DPRK is seeking membership in the International Monetary Fund (IMF) and the International Bank for Research and Development (IBRD). The report said that the DPRK will receive economic guidelines from the IMF in Shanghai, PRC sometime in March 1999. The IMF recently announced that the DPRK showed a deep interest in getting various materials and data from the IMF in an effort to gain membership and to receive potential bailout money from the IMF in the future. The IMF explained that the DPRK's economy has been mired in a deep recession for the past few years as a result of the central government's planned economy, the collapse of the former Soviet Union, and diminished agricultural output.

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### **4. Hyundai Chairman's Visit to DPRK**

JoongAng Ilbo ("CHUNG VISITS DPRK AGAIN," Seoul, 12/15/98) reported that Chung Ju-yung, the honorary chairman of Hyundai Group, visited the DPRK on December 15. He once again entered the DPRK through the truce village of Panmunjom. He said, "I plan to receive 20 million pyong of land (1 pyong = 3.3 square meter) from the DPRK government for our company's use. I will meet Kim Yong-sun, the head of DPRK Asia Pacific Peace Committee, to discuss general details of economic cooperation. I don't have any plans to meet Kim Jong-il, yet." Chung continued, "If the DPRK approves the land, our small- and medium-sized companies will provide the technology and facilities. This can help the DPRK handle its food shortage problem and economic development." He plans to stay in Pyongyang for three days and meet various DPRK officials.

Korea Herald ("CHUNG JU-YUNG PLANNING INDUSTRIAL ESTATE, CITY IN DPRK," Seoul, 12/16/98) reported that Hyundai Group founder Chung Ju-yung said Tuesday that he will discuss a plan to develop a large area of land in the DPRK into an industrial park and city when he meets DPRK officials. "I am planning to develop 20 million pyong (66 million sq. meters) of land near Haeju into an industrial complex for small- and medium- sized companies in the ROK to move into," said Chung. The land near Haeju, southwest of Pyongyang, is 20 times as large as Yoido in Seoul. The business tycoon unveiled the land development plan shortly before crossing the heavily armed border village of Panmunjom into the ROK for a three-day visit. "The southern companies that will

move into the industrial complex will transfer both technology and facilities to DPRK," Chung said in a news conference at Freedom House in Panmunjom. "In that case, it is expected that the DPRK will resolve food shortages and develop its economy." Hyundai plans to develop 8 million pyong of the land into an industrial park and the rest into a city, said Lee Ik-chi, president of Hyundai Securities Co., who is accompanying Chung with four other Hyundai executives.

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## **5. ROK-Japan Fisheries Agreement**

Korea Times ("GNP DETERS ROK-JAPAN FISHERIES ACCORD," Seoul, 12/15/98) reported that the Unification-Foreign Affairs-Trade Committee of the National Assembly failed on Tuesday to approve the ROK-Japan Fisheries Agreement initialed in October during President Kim Dae-jung's state visit to Japan. The opposition Grand National Party (GNP) even prevented the issue from being included on the committee agenda. As a result of the GNP's obstruction, the standing committee failed to open a full session, thus causing deliberations on other pending bills to be shelved. The opposition camp, irked by the legal action against Lee Hoi-sung, brother of its leader Lee Hoi-chang, had earlier threatened to "sabotage" the ratification of the accord and other pending bills. Given the GNP's stance, the National Assembly is unlikely to ratify the fishery accord before the regular session ends on Friday. To justify its hindrance of the accord's passage, the GNP cited the fact that the nation's territorial sovereignty over Tok-do islets in the East Sea was not declared in the accord. It also claimed that the agreement would greatly hurt the fishing industry. Party spokesman Representative Ahn Taik-soo also cited results of a GNP survey on the accord, which shows that more than 70 percent of respondents disapproved of its ratification.

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## **6. ROK Participation in Vietnam War**

Korea Times ("KIM REGRETS ROK'S ROLE IN VIETNAM WAR," Seoul, 12/15/98) reported that President Kim Dae-jung and his Vietnamese counterpart Tran Duc Luong on Tuesday agreed to overcome the "unfortunate period between our two countries" and to open a future-oriented partnership for the new millennium. The two leaders expressed full satisfaction with the progress that has been made between their countries in political, economic, cultural and other areas following the normalization of their diplomatic ties in 1992. Kim noted that there was an unfortunate period between the two countries during the Cold War era and apologized for the ROK's involvement in the Vietnam War. He then suggested that the two countries make joint efforts to forge a future-oriented partnership. Luong fully accepted Kim's proposal, according to Chong Wa Dae spokesman Park Jie-won. Kim made the apology "voluntarily" in order to foster a true partnership between the ROK and Vietnam, although Vietnam's official policy is not to demand an open apology for the ROK's participation in the Vietnam War, according to Lim Dong-won, top foreign policy advisor for the President. It was the first time an ROK head of state commented officially on the unhappy past between the two nations.

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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