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I. United States

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1. DPRK Underground Construction

Reuters ("U.S. ENVOY FLIES TO N.KOREA FOR NUCLEAR TALKS," Seoul, 11/15/98) reported that US Special Envoy for Korea Charles Kartman was scheduled to arrive in Pyongyang on Monday for a three-day fact-finding tour, in what would be the highest level US visit since 1994. The US embassy in Seoul said Sunday that Kartman left by a military flight from the ROK's Osan airbase, which flew to Japan before heading to Pyongyang. An unnamed ROK Foreign Ministry official said that the ROK and the US had agreed that the DPRK has to allow on-site inspections of its underground construction site near Yongbyon. He stated, "The two sides decided to explain to North Korea that the clarification would have a positive effect on U.S.-North Korea relations and on providing the economic assistance that the North needs." Kartman is scheduled to brief US President Bill Clinton on the trip when Clinton visits Tokyo Thursday and Friday.

Reuters ("ALBRIGHT SOFTENS U.S. WARNING ON N. KOREA," Washington, 11/13/98) reported that US Secretary of State Madeleine Albright said Friday that, despite concerns about an underground construction site in the DPRK, the 1994 Agreed Framework is performing its intended function. Albright stated, "We believe that the Agreed Framework is doing what it's supposed to do, which is to freeze their nuclear materials program." Albright also denied that having former Defense Secretary William Perry do a review of US policy toward the DPRK showed dissatisfaction with current US strategy.

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2. Clinton Trip to Asia

Reuters ("CLINTON INTENDS TO VISIT JAPAN, KOREA THIS WEEK," Washington, 11/16/98) reported that White House spokesman Joe Lockhart said Monday that US President Bill Clinton intends to visit Japan and the ROK this week. Lockhart said that, despite canceling his plan to attend the Asia-Pacific Economic Cooperation meeting in Malaysia, "The president intends to go" to the ROK and Japan.

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3. DPRK Tourism Project

The Associated Press ("SOUTH KOREAN CRUISE SHIP RETURNS FROM SUCCESSFUL TEST RUN TO NORTH KOREA," Seoul, 11/16/98) reported that Chung Se-yung, honorary chairman of Hyundai Motor Co., said that a chartered ROK cruise ship returned from the DPRK on Monday after carrying 415 tour guides and Hyundai officials on a two-day tour of Mt. Kumgang in the DPRK. The trip was a final check by ROK's Hyundai group and the DPRK of regular five-day tours to the mountain that are scheduled to start on Wednesday. Chung stated, "It was a successful test run, and I hope this will lay the foundation for national unification." Chung said that the cruise ship arrived at Changjon port on Sunday after a 12-hour voyage and that visitors climbed the mountain in two groups. It was the largest single group of ROK citizens to visit the DPRK since the Korean War. The same ship will carry 980 tourists and 600 crew Wednesday for a five-day tour of the mountain. Hyundai officials said earlier that instead of taking a four-hour coastal route, the ship took a longer route in deference to DPRK concerns about sensitive military facilities located along the coast near the border with the ROK.

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4. ROK Food Aid for DPRK

The Associated Press ("S.KOREA GROUP SHIPS COWS TO N.KOREA," Seoul, 11/15/98) reported that the Seoul-based relief group Good Neighbors said that an ROK ship left Sunday with 96 milk cows to be donated to the DPRK. The ROK has given the DPRK US\$315 million in food aid since the DPRK appealed to the international community in 1995.

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5. DPRK Famine

The New York Times (Nicholas D. Kristof, "CONGRESSMAN FEARS FAMINE IS DECIMATING NORTH KOREANS," Tokyo, 11/15/98, 13) reported that US Congressman Tony P. Hall, D-Ohio, showed photographs Saturday of DPRK children suffering from malnutrition. Hall said that recent reports that the DPRK's food situation has improved might have been based on the apparent improvement of conditions in Pyongyang. He added that in rural areas where foreigners are rarely allowed to visit, the overall situation is worse than ever. Hall also said that he had visited four hospitals in the DPRK, and that health care had declined sharply. He said that the UN had gathered and would soon release data showing that 30 percent of DPRK children under age 2 are acutely malnourished and that 67 percent of all children are physically stunted. The US Bureau of the Census recently released estimates that the DPRK's population declined from 21.55 million in 1995 to 21.23 million this year. Based on the growth rate from the early 1990's, the population would be expected to grow by about 925,000 during that period. [Nicholas Eberstadt](#) of the American Enterprise Institute noted that the DPRK's Constitution calls for one delegate to the People's Assembly for every 30,000 citizens, and that this year's Assembly had the same number of delegates as in 1990. He speculated that the figure may indicate that the DPRK's population is down to 20.6 million or fewer.

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6. ROK Economic Crisis

Dow Jones Newswires (Joseph Edwin, "S KOREAN PRES SAYS NATION REMAINS ECONOMICALLY INDEPENDENT," Kuala Lumpur, 11/16/98) reported that ROK President Kim Dae-jung said Monday that the ROK has not lost its economic independence as a result of the financial restructuring initiated by the International Monetary Fund (IMF). He stated, "The conditions of the IMF bailout have helped us carry out reforms, especially in the public sector." Kim added that the ROK encourages foreign investment to help the country resolve its currency shortage and create jobs.

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7. Asian Financial Crisis

The Associated Press (Martin Crutsinger, "US, JAPAN MAKE DEAL TO REVIVE ASIA," Kuala Lumpur, 11/16/98) reported that the US and Japan announced proposals Monday to pump an additional US\$10 billion into troubled Asian economies to help lift the region out of its economic crisis. The package includes US\$5 billion in new support offered by the US, and the creation of a US\$5 billion joint initiative supported by the US, Japan, the World Bank, and the Asian Development Bank. According to US Vice President Al Gore, the new US\$5 billion in US support includes US\$1 billion each in loans to Indonesia, Thailand, and the ROK. The remaining US\$2 billion will provide loan guarantees through the Overseas Private Investment Corp. to support private business deals.

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8. US Bases on Okinawa

The Associated Press ("JAPAN GOV. LOSES RE-ELECTION BID," Tokyo, 11/15/98) and the Washington Post (Kevin Sullivan, "CRITIC OF U.S. BASES LOSES OKINAWA GOVERNORSHIP," 11/16/98, Tokyo, A21) reported that incumbent Okinawa Governor Masahide Ota, an opponent of US military bases on the island, lost his re-election bid to Keiichi Inamine, an adviser to a group of local business leaders. Inamine, who was backed by the ruling Liberal Democratic Party (LDP), stated, "There was a feeling that Okinawa was stuck, with the military base issues and the economy both not moving forward at all. I wanted to break this gloomy feeling and improve the situation so that people can start seeing some light and make Okinawa a place for young people to have future dreams and hopes." Inamine backs a plan calling for a military heliport to be incorporated into a new airport in northern Okinawa to replace the current facility at Futenma Air Force Base. Yoshiro Mori, secretary-general of the LDP, said that voters supported Inamine's ideas about economic measures and the US military presence.

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9. Japan-PRC Summit

Agence France-Presse ("JAPAN TO MAKE STATEMENT ON HISTORY, TAIWAN DURING JIANG VISIT," Kuala Lumpur, 11/14/98) reported that Japanese Foreign Minister Masahiko Komura said Saturday that Japan was working on a joint statement with the PRC which would include a "recognition of history" and a reference to Taiwan. Komura stated, "Working level officials are preparing a joint statement. The important item in it will be our recognition of history and the Taiwan issue." He said that the statement would be issued during the visit to Japan later this month by PRC President Jiang Zemin. Komura said that it should be "a statement that looks at history squarely and looks towards the future in order to be suitable to the visit."

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10. Spratly Islands Dispute

Reuters ("MANILA URGES MULTILATERAL TALKS ON SPRATLYS," Manila, 11/14/98) reported that Philippine President Joseph Estrada on Saturday urged all claimants to the Spratly Islands to hold multilateral talks to resolve their dispute. Estrada made the call ahead of scheduled bilateral talks with PRC President Jiang Zemin. He stated, "The latest development in the Spratlys will top our agenda."

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11. PRC-Taiwan Relations

The Associated Press ("GORE [sic] TOUTS TAIWAN AS MODEL FOR CHINA," Taipei, 11/16/98) reported that Taiwanese Vice President Lien Chan said Monday that Taiwan's model of modernization remains valid for the PRC. Lien said that Taiwan's push for full democracy and free markets, though flawed, is "what the Chinese people have been striving for for the past 150 years." He stated, "We are convinced that since we both share the same cultural origin, the experience developed by the Chinese on Taiwan can and will serve as a valuable and irreplaceable reference for the mainland." He added, "The Republic of China has a solemn goal, that of disseminating democracy on the Chinese mainland."

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12. PRC-Russian Summit

Reuters ("CHINA, RUSSIA TO CHALLENGE U.S. AT MOSCOW SUMMIT," Beijing, 11/16/98) reported that Russian Ambassador to the PRC Igor Rogachev told Xinhua news agency that the PRC and Russia will work to forge a new international order aimed at reducing US influence in global affairs during a summit meeting next week in Moscow. Rogachev stated, "At present, there are no political issues that hinder the development of bilateral ties" between Russia and the PRC. He added, "The two countries share similar or identical views on many international issues." PRC President Jiang Zemin is scheduled to visit Moscow from November 22 to 25 for a summit meeting with Russian President Boris Yeltsin. He is also expected to meet Prime Minister Yevgeny Primakov and leaders of the Duma. After leaving Russia, Jiang is scheduled to visit Japan from November 25 to 30.

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13. Russian Nuclear Arsenal

The Associated Press ("LEBED: RUSSIA MUST MAINTAIN NUKES," Moscow, 11/15/98) reported that retired Russian general Alexander Lebed said Sunday that Russia's armed forces cannot fight a large-scale war with conventional weapons and the country must maintain its nuclear forces at all costs. Lebed stated, "The only thing for which Russia is respected in the world and which makes us worthy partners in any talks is our strategic rocket forces. And this asset must be preserved."

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14. Decommissioning of Russian Nuclear Submarines

The Washington Post (David Hoffman, "ROTTING NUCLEAR SUBS POSE THREAT IN RUSSIA," Murmansk, 11/16/98, A01) reported that more than 100 decommissioned submarines with their nuclear reactors intact are floating in fjords and bays off the Kola Peninsula because Russia cannot afford to offload their spent fuel and cut them up. Andrei Zolotkov, a chemical engineer who works with Russia's fleet of civilian atomic icebreakers, stated, "We can't cope with this problem until we become a rich country. In the near future we are not going to solve it. It will take 20 to 30 years to offload all the fuel in the north." Alexei Yablokov, head of the Center for Russian Environmental Policy in Moscow, stated, "when they produced nuclear submarines, it's ridiculous, but nobody thought about how to decommission them. How is it possible, even in such a centralized economy, that no one thought about the fate of these submarines?" According to the Norwegian environmental group Bellona, the region has 18 percent of the world's nuclear reactors. The Russian Atomic Energy Ministry recently acknowledged that the situation there requires "urgent measures" to "reduce the ecological risk." Nikolai Melnikov, director of the Mining Institute, has estimated that, as of early 1996, there were 57,000 fuel assemblies backed up in the north of Russia, including those from civilian nuclear power stations. Joshua Handler of the Woodrow Wilson School at Princeton University estimates in Jane's Navy International that the Northern and Pacific fleets have a total of 72,000 spent fuel assemblies.

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15. US South Asian Sanctions

Reuters ("U.S. RELEASES SOUTH ASIA NUCLEAR SANCTION LIST," Washington, 11/13/98) reported that the US Commerce Department said on Friday that it would place sanctions on more

than 300 Indian and Pakistani government agencies and private companies for alleged nuclear and military ties. Under the sanctions, the targeted agencies and companies would be barred from buying US goods that might have nuclear or other military applications. The department said in a statement, "Today's announcement specifies Indian and Pakistani entities believed to have been involved in Indian or Pakistani nuclear, missile and military programs." It added, "Commerce Department licenses will be required for exports to the entities listed, and most licenses will be denied."

II. Republic of Korea

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1. Kim Jong-il's Activity

JoongAng Ilbo ("KIM JONG IL FOCUSES ON MILITARY CONCERNS," Seoul, 11/16/98) reported that DPRK leader Kim Jong-il's official activities are concentrated on military matters. According to a study by JoongAng Ilbo on November 16, more than 70 percent of all Kim's official activities this year were related to military matters. As of November 13, Kim performed 43 separate official activities related to military matters, including 27 visits to military units. Recently, Kim made consecutive visits to Air Force Headquarters and military units on the southern front.

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2. DPRK Famine

JoongAng Ilbo ("DPRK CROP HARVEST INCREASED BY 30 PERCENT," Seoul, 11/16/98) reported that crop production in the DPRK has increased by 30 percent over last year. The World Food Provision announced recently that the DPRK produced 1.3 million tons of rice, 1.7 million tons of corn, and 370,000 tons of wheat this year. The DPRK is still 1.3 million tons short of what it needs to adequately feed its populace, however. The DPRK plans to import 300,000 tons of crops, but will still need 1 million tons more. Before 1995, DPRK citizens received 260kg of corn and cereal every year. Currently, each is given only 135kg per year to survive. There was literally no supply of food from April through August except through international aid. Chemical fertilizer is also in short supply and truck and combine machines are only being used for 18 percent of the harvesting due to gasoline and parts shortages.

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3. DPRK Energy Shortage

Korea Times ("DPRK EAGER TO BUILD POWER PLANTS," Seoul, 11/16/98) reported that the DPRK, suffering from a chronic shortage of electricity, has begun a pan-national campaign to set up relatively small wind and thermoelectric power plants. "The DPRK is establishing power plants in provincial areas in a bid to help mitigate the critical power deficiency," stated the ROK Economy Information Office, based in Dusseldorf, Germany. The plants are designed to generate power in a short period of time to help the DPRK resolve the energy problems, said the institute, which mainly deals with DPRK affairs. The institute noted that construction of the plants has been pursued at the provincial community level, not at the state level. "This means the managerial leaders of the main facilities like power plants have begun to expand to provincial communities and enterprises," said the organization. Currently, there are some 500 small and medium-sized power plants under construction across the nation and their managerial rights have increasingly been transferred to

provincial bodies and enterprises.

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4. Alleged DPRK Counterfeiting

Korea Times ("DPRK PRINTS \$15 MILLION IN FAKE DOLLARS," Seoul, 11/16/98) reported that, facing the danger of economic ruin, the DPRK is printing counterfeit dollars in the amount of US\$15 million every year, and earmarks the dummy bills for overseas circulation. According to a recent publication by the ROK Agency for National Security Planning (NSP), the DPRK also engages in the international narcotics trade, with its sales network expanding by leaps and bounds. The NSP-published booklet, titled, "New Threats in the 21st Century: International Crime and Countermeasures," points to an urgent need to address increasing attempts by the DPRK to smuggle the counterfeits or "Super notes" and illegal drugs into the ROK via contacts such as pro-DPRK residents in Japan and ethnic Koreans in the PRC. "Since the early 1990s, the DPRK has operated several factories in the suburbs of Pyongyang, its capital, fronting as trading firms, which mass-produce counterfeit dollars so well-made they are extremely difficult to distinguish from genuine greenbacks," the NSP publication says.

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5. DPRK Tourism Project

JoongAng Ilbo ("DPRK MAY OPEN UP MORE IN NEAR FUTURE," Seoul, 11/13/98) reported that Chung Se-hyun, vice minister of Unification, said on November 13, "If the Mt. Kumgang tour program by Hyundai Group goes well, the DPRK might open other mountain places such as Paekdu and Chilbo in the future." Chung, who was participating in a seminar related with Mt. Kumgang travel and countermeasures at the Tower Hotel, added, "We expect that if the DPRK can make ends meet through the program, they will invite tourists to more venues. Moreover, when natural contact between the ROK and the DPRK expands, the meeting places for those people separated from family members due to the peninsula's division might be moved near the Mt. Kumgang area rather than the demilitarized zone at Panmunjom." The DPRK has refused to set a meeting place for those separated, saying, "A fruitful result cannot be obtained." Lee Chan-woo, head of the Daewoo Economic Institute, emphasized that the DPRK from this point onward will try its best to induce foreign capital, since it is set on its leader Kim Jong-il's policy shift.

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6. DPRK Defectors

JoongAng Ilbo ("DPRK REFUGEES WILL RECEIVE MORE MONEY," Seoul, 11/13/98) reported that the money granted to DPRK refugees who settle in the ROK will be increased. The Ministry of Unification announced that a refugee who qualifies for the relocation allowance will receive the equivalent of US\$30,000 beginning in 1999, which is a two-fold increase over the current allowance. Lee Jong-yol, director of humanity in the Ministry of Unification, said, "The age limit for those who want to attend university will also be raised from 30 to 35 years old, but the new regulations are not retroactive for former refugees."

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7. US President to Visit ROK

Chosun Ilbo ("CLINTON TO VISIT ROK AS SCHEDULED," Seoul, 11/16/98) reported that US

President Bill Clinton will make his planned visit to the ROK and Japan as originally scheduled. Clinton was forced to abandon his earlier plan to attend the recent Asia-Pacific Economic Cooperation summit because of the possibility of US military action against Iraq. However, with the situation in Iraq diffused, Clinton will be able to return to his original plan to visit the ROK from November 20-24. Sources added that an official announcement of the reinstated travel plans is expected from the US in a matter of days.

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8. ROK-PRC Summit Meeting

Chosun Ilbo ("PRC TO HELP DPRK-ROK DIALOGUE," Seoul, 11/13/98) reported that ROK President Kim Dae-jung said that he believes his PRC counterpart Jiang Zemin will play an important role in achieving rapprochement on the Korean peninsula. Kim made the statement to press on the third day of his state visit to the PRC. He added that during their Beijing summit, he had asked Jiang to exert his influence and press the DPRK to open its doors, as the ROK has no intention to malign or harm its brother country, the DPRK. President Kim spent most of his time that day meeting with top PRC government officials, including Premier Zhu Rongji and Vice Presidents Hu Jintao and Li Peng. Kim and his entourage attended a final dinner that evening, which was hosted by Zhu, with a plan to leave Beijing for Shanghai the next day.

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9. Controversy about Professor Choi

Chosun Ilbo ("DPRK DEFENDS PROFESSOR CHOI," Seoul, 11/13/98) reported that the DPRK on Friday, in a statement from its Central Committee of the Chosun Reporters Union, praised Professor Choi Jang-jip's writing that the Korean War was a "national liberation war." It continued that the world has recognized publicly that the war was one of aggression, totally provoked by US imperialists, and that the DPRK acted to liberate and protect the fatherland's pride and sovereignty. The statement said that the ROK media, academics, and society as a whole are condemning the Monthly Chosun for its article on Choi and are organizing a campaign critical of the Chosun Ilbo group. It added that Choi's writings were based on stark historical fact and reflect the views of an astute, intelligent scholar with a conscience. The committee went on to say that the Monthly Chosun is unjustified in raising questions on Choi's ideology and criticized the group as "unjustifiably slandering our most popular and independent political system, praised by the progressive people of the world." The DPRK had threatened to bomb the "Chosun Ilbo" headquarters last year, when it carried an editorial calling on Kim Jong-il to step down during the serious famine.

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10. ROK Missile Development

Korea Times ("3 TO 6 YEARS TO BE NEEDED FOR DEVELOPING 300-KM RANGE MISSILE," Seoul, 11/13/98) reported that the ROK needs three to six years to develop a missile with a striking range of up to 300 km and a payload of 500 kg. "The period of development can be extended or shortened, depending on the amount of funding and the required operational accuracy," an ROK Defense Ministry official said. The ROK operates NHK-2 surface-to-surface missiles (SSM), its first self-made SSM, modeled after old US missiles. Some high tech parts used for the NHK-2s are imported from the US. With the completion of NHK-2 deployment, the ROK is trying to develop a 300-km range missile despite reservations by the US, the world's nonproliferation leader. "We will face some technological problems in developing a longer-range missile without outside help," the official

responded when asked what options will be considered if the US does not provide sensitive parts and prevents other countries from doing so. The ROK has been highly motivated to develop a longer-range missile to defend itself against the DPRK, which has recently shown the world its capability to develop an inter-continental ballistic missile with its firing of a rocket to put a satellite into orbit on August 31. According to the article, pieces of the rocket were found as far away as the coast off Alaska. It also said that the DPRK's 1,000-km range Rodong I missile has been operational since 1994, putting the entire southern part of the peninsula and parts of Japan under its striking range.

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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