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I. United States

1. Four-Party Peace Talks

The AP-Dow Jones News Service ("OPTIMISM AS N. KOREA, S. KOREA PEACE TALKS BEGIN," New York, 11/21/97) and Reuters (Grant McCool, "OFFICIALS APPEAR OPTIMISTIC FOR KOREA TALKS," New York, 11/21/97) reported that delegates to the preliminary meeting for the four-party peace talks for the Korean Peninsula expressed optimism Friday at the beginning of the meeting. DPRK Vice Foreign Minister Kim Gye-gwan stated, "I know it is the third preparatory talks but I'm not going to disappoint you again." Chief US negotiator Charles Kartman said that he was "looking forward" to an agreement to move to formal peace talks, but added, "we'll know more later." PRC Deputy Foreign Minister Chen Jian also said he was also hopeful, and ROK Deputy Foreign Minister Song Young-shik crossed his fingers.

The Associated Press (Meg Richards, "N.KOREA AGREES TO 4-WAY PEACE TALKS," New York, 11/21/97), Reuters ("AGREEMENT REACHED ON KOREA PEACE TALKS," New York, 11/21/97), and United Press International (Chris Hawke, NORTH KOREA WILING [sic] TO TALK," New York, 11/21/97) reported that the DPRK agreed Friday to attend four-party peace talks for the Korean peninsula beginning December 9 in Geneva. The delegations from the US, the PRC, the DPRK, and the ROK issued a joint statement that said the negotiations would set out to establish a "peace regime for the Korean peninsula and issues concerning tension reduction there." President Bill Clinton said in Washington, "There's a lot of hard work ahead but this is an important first step and the United States is prepared to be a full partner in helping the Korean people build a future of peace." An anonymous US official familiar with the talks said Friday that the DPRK delegates agreed to drop their demand for the withdrawal of US troops from the ROK in return for assurances that they would be able to raise the issue in Geneva. The official added, "The language of the agenda is simple enough to assure that all parties are free to raise any issue." Another unnamed senior US official said that the peace process will have many sessions over "a period of at least a few years," but that the December 9 meeting will be mostly procedural and probably only take "a couple of days." He added that he believes there will be a correlation between the reduction of tension and the prospects of Korean reunification.

2. Alleged DPRK Spy Ring

The Los Angeles Times (David Holley, "SEOUL REVEALS ARRESTS OF ALLEGED SPIES," Seoul, 11/21/97), the Associated Press (Kyong-Hwa Seok, "NORTH KOREAN SPY NETWORK CRACKED," Seoul, 11/20/97), and the New York Times, (Nicholas D. Kristof, "SOUTH KOREA SAYS IT HAS SMASHED NORTH KOREA SPY RING," Seoul, 11/21/97) reported that officials of the ROK Agency for National Security Planning said Thursday that DPRK spies Choi Chung-nam and his wife Kang Yun-jung were arrested after a leftist leader whom they attempted to recruit on October 20 reported them to authorities. Kang subsequently committed suicide with a hidden cyanide capsule. Based on their interrogation of Choi, authorities arrested Koh Young-bok, an honorary professor of sociology at Seoul National University with strong ties to many leading ROK figures. Koh Song-jin, an intelligence agency investigator, said Thursday that Koh Young-bok "had contacted many ruling and opposition politicians." He added, "Now we are investigating to see whether some of them were linked to him, but we cannot disclose details of our investigation.... Judging from the fact that such a famous and pro-government conservative figure turned out to be a spy, we are really worried that we actually have lots of spies in our society." Han Sang-jin, a Seoul National University sociology professor and a former student of Koh Young-bok, stated that "Professor Koh has been quoted as saying that half of his students were sort of self-created leftists, socialists, and they have already deeply penetrated into every sector of society." Han warned that those remarks "might provide the government or the intelligence agency or conservative media" with an excuse "to start a kind of ideological cleansing campaign against alleged left-oriented intellectuals working within important sectors of our society." Koh was allegedly recruited in 1961 by a DPRK agent who brought him a letter from his uncle. According to the ROK media, the uncle was also a former Seoul National

University professor and had defected to the DPRK during the Korean War. Also arrested was Sim Chung-woong, a subway official who allegedly told the DPRK that it could paralyze Seoul's subway system by destroying water tanks and electrical facilities. Two of his family members were also detained. Authorities said that their probe also confirmed that the February 15 murder of defector Lee Han-young, nephew of Kim Jong-il's former wife, was an assassination by DPRK agents. [Ed. note: See "Past DPRK Defector Shot in Seoul," in the US Section of the February 17 Daily Report.] They added that one task assigned Choi and Kang, who came to the ROK in August, was to find the hiding place of defector Hwang Jang-yop, for a similar assassination. Their other assignments were to gather information on the December 18 election; collect airline, railway and inter-city bus schedules; recruit more spies; and get information on a new strain of corn being developed by ROK researchers.

3. ROK Financial Crisis

The Associated Press (Pauline Jelinek, "S. KOREA REQUESTS \$20B BAILOUT," Seoul, 11/21/97), the New York Times (Nicholas D. Kristof, "SOUTH KOREA SUGGESTS IT WILL SEEK HELP FROM IMF TO CURB CRISIS," the Wall Street Journal, ("SOUTH KOREA, UNDER PRESSURE, SEEKS \$20 BILLION IMF PACKAGE," Seoul, 11/21/97), and the Los Angeles Times (David Holley, "S. KOREA SEEKS \$60-BILLION IMF BAILOUT," Seoul, 11/21/97) reported that the ROK on Friday asked the International Monetary Fund (IMF) for a US\$20 billion loan to aid its foundering economy. The ROK also requested an open line of credit in case US\$20 billion was insufficient. In Washington, IMF Managing Director Michel Camdessus said he would give the ROK "full support." He added that the rescue effort will involve the international community as well as the IMF. ROK Finance Minister Lim Chang-yuel said that an IMF delegation will come to Seoul early next week to negotiate the size and terms of the bailout package, and the money will start arriving in three or four weeks. As recently as last week, the government called the idea of an IMF loan "unthinkable." The ROK's MBC-TV commented in its prime time evening news, "Leaving behind our glorious economic development, our country must suffer the humiliation of going bankrupt." Another network, SBS-TV, said however, "If we use the medicine wisely, Korea Inc. will overcome this humiliation and become an even stronger economy."

US Treasury Secretary Robert Rubin ("RUBIN 11/19 STATEMENT ON SOUTH KOREA FINANCIAL SITUATION," Washington, USIA Text, 11/20/97) stated, "The United States and the entire international community share a strong interest in seeing Korea succeed in restoring financial stability and in strengthening the fundamentals that have provided the foundation for a long period of impressive economic performance. We encourage the new economic team in Korea to move forward quickly to address the present challenges, in particular with forceful and effective action to strengthen the financial system."

4. ROK-Russian Military Cooperation

Reuters ("SEOUL AND MOSCOW AGREE ON MILITARY COOPERATION," Seoul, 11/21/97) reported that the ROK Ministry of Foreign Affairs said on Friday that the ROK and Russia on Thursday signed an agreement in Moscow for cooperation in military technology, defense industry and logistics. The agreement is expected to help enhance cooperation in the production, design and testing of weapons and equipment and in purchase and sales of weapons between the two countries. According to the agreement, a committee will be established to support companies in both nations involved in joint projects.

5. DPRK Famine

The Associated Press (Kathy Wilhelm, "AID WORKER: N. KOREA NEEDS HELP," Hong Kong,

11/21/97) reported that John Yale of the relief agency World Vision International said Friday that the DPRK has no prospects for an economic recovery anytime soon and is in dire need of most goods. He stated, "We saw people scavenging for food in fields that had already been harvested, looking for left-over roots -- children, older people, even men in uniform." He added, "One of the last pleas the government made before we left was for winter clothing." Other items desperately needed include medicine, fuel, farm tools, seeds and pesticide. Yale was in the DPRK from August 23 to November 15, together with representatives from four other aid groups, to monitor the distribution of 55,000 tons of corn donated by the US government. Regarding the toll of the famine, Yale said, "We were told there were deaths. We were never able to get figures; that seemed to be a sensitive issue." He added that some provincial officials said 30 percent of the population was suffering from malnutrition, while in other areas officials denied having a problem. "We did not see a lot of serious malnutrition on the streets," he said. "We saw serious malnutrition in hospitals, nurseries and schools. We were told people were staying home from school and work because they were sick." While food is the most urgent need, Yale said that conversations revealed serious shortages of almost everything needed to get the economy working again.

6. Taiwan Elections

Reuters (Lawrence Chung, "TAIWAN ELECTIONS PROMPT SOUL-SEARCHING," Taipei, 11/20/97) reported that campaigning began this week for Taiwan's November 29 local elections. Political scientist Hu Fu of National Taiwan University said that the question of national identity continues to dominate Taiwanese elections. "Basically, elections are the exemplification of democracy in advanced countries in the West, where candidates speak on public policies. But it is something else in Taiwan: a scenario where candidates debate or attack each other's ideological stance and assert their national identity." In Taipei county, a speaker campaigning for an opposition New Party candidate said, "If you think the [ruling] Nationalist Party is sincere in seeking Taiwan's eventual union with mainland China, just look what Lee Teng-hui told the international news media," referring to remarks by Taiwan President Lee Teng-hui that Taiwan was an independent and sovereign country. [Ed. note: See "PRC-Taiwan Relations" in the US Section of the November 10 Daily Report.]

7. Fire in Japanese Nuclear Lab

The Associated Press ("JAPAN NUCLEAR LAB REPORTS FIRE," Tokyo, 11/20/97) reported that a fire broke out Thursday at a uranium enrichment laboratory northeast of Tokyo, the third mishap at a nuclear energy complex in the area in less than a week. The Japan Atomic Energy Research Institute said the blaze was extinguished in an hour without any injuries or radioactive leaks. The fire burned cardboard boxes containing materials used to clean low-level radioactive waste. The cause of the fire was under investigation. On Wednesday, Japan Atomic Power Co. said it shut down a generator at its Tokaimura nuclear power plant after discovering an electrical current leak. No radiation escaped from the facility, it said. On Tuesday, the quasi-governmental Power Reactor and Nuclear Fuel Development Corp. reported a faulty ash vent at an incinerator in Tokaimura.

8. Japan PM Denies Affair with PRC Spy

The Associated Press (Chester Dawson, "JAPAN PRIME MINISTER DENIES AFFAIR," Tokyo, 11/21/97) reported that Japanese Prime Minister Ryutaro Hashimoto denied tabloid reports that he had had an affair with a PRC Embassy employee in the 1980s. Recent articles have cited anonymous government sources identifying the woman as a PRC spy. The Office of the Prime Minister responded Friday by denying both the affair and any security breach. Hashimoto said no investigation of the charges was merited. But Shingo Nishimura, a member of the Japanese opposition New Frontier Party, dismissed the prime minister's denial, saying "I don't believe a word

of it." He pledged to renew his call for an investigation of the allegations. "Should the reports prove true, it would be an affront to the national interest of Japan and the United States and other Western allies," he added.

II. Republic of Korea

1. Alleged DPRK Spy Ring

Authorities have reportedly uncovered a DPRK spy ring that has been operating in the ROK for more than thirty years. DPRK spies Choi Chung-nam and his wife Kang Yun-jung were sent from the DPRK on July 30 and arrived at Koje Island, ROK, on August 2 in a disguised fishing vessel. They contacted a political activist named Chung, and tried to persuade him to travel to the DPRK. Chung, however, contacted the police and the two were arrested. During interrogation they revealed the names of Koh Young-bok, a professor of the Social Culture Department at Seoul National University, and Sim Chung-woong, operations branch chief of the Seoul Subway Corporation. The ROK National Security Planning Agency announced Thursday that Koh, Sim, and several members of Sim's family have been detained on espionage charges. During interrogation Kang attempted suicide by swallowing a cyanide capsule, and died later in hospital after treatment failed to revive her. Also during questioning Choi said that the death of Lee Han-young, a nephew of the former wife of Kim Jong-il, was an assassination carried out by a two man team from the DPRK. In addition he said that three high school boys who went missing in 1978 from seaside areas were kidnapped by DPRK agents on training missions. Professor Koh reportedly volunteered for the DPRK army during the Korean war while a student at Seoul National University, but was captured by ROK troops and subsequently released. In 1962, while a lecturer at Ehwa Women's University, he was approached by a DPRK agent and commenced working for the DPRK. He was a member of the ROK National Red Cross team that visited Pyongyang in 1973, where he reportedly was able to brief his controllers on ROK strategy. Koh was a lecturer at SNU from 1969 to 1993, when he retired to become president of the Korean Sociology Institute and a Peaceful Unification Body adviser. Authorities are now investigating more than two hundred suspects, and have confiscated two hundred and five espionage items, including three Czech made .32 caliber pistols, four gas guns disguised as pens, three cyanide capsules hidden in lipstick, four radios and code books, forged documents, and money. They also discovered dynamite fuse at Sim's home and suspect that he was ordered to booby trap the subway system. (Chosun Ilbo, "NK SPY RING UNCOVERED," 11/21/97)

The Agency for National Security and Planning said Thursday that Choi Chong-nam and Kang Yon-jong had contacted Sim Jong-ung and plotted ways to interrupt subway operations to disrupt the major transportation system prior to a DPRK initiation of a full-scale war. Another top mission of the DPRK agents was to locate the whereabouts of DPRK defector Hwang Jang-yop. (Korea Times, "NK AGENTS TASKED TO RECRUIT SOCIAL LEADERS," 11/21/97)

2. Russian-DPRK Relations

Russian Foreign Minister Yevgeny Primakov will travel to the DPRK next year to sign a bilateral accord that would replace a pact on friendship, cooperation and mutual assistance signed by the Soviet Union in 1961, the ROK foreign ministry announced Thursday. The exact date of the visit was not given but the foreign ministry said that Russian envoys would go to the DPRK "this winter or in spring" to prepare the visit, ITAR-TASS news agency said. (Korea Times, "RUSSIAN FOREIGN MINISTER TO VISIT NORTH KOREA NEXT YEAR," 11/21/97)

3. ROK Financial Crisis

US Secretary of Finance Robert Rubin issued a statement Thursday urging the ROK Government's

new economic team to carry out reform measures for its financial system. Officers from the US Finance Department and Federal Reserve Board (FRB) are to discuss measures to solve the current crisis, including assistance from International Monetary Fund (IMF), with the new economic team. Rubin said that the US Finance Department has been closely observing the ROK situation along with the FRB and IMF, and has had close contact with the ROK Government for several weeks. (Chosun Ilbo, "US URGES PROMPT FINANCIAL REFORM," 11/21/97)

4. ROK-UK Relations

British Minister of State for Foreign Affairs Derek Fatchett yesterday told reporters that his visit to the ROK helped reinforce already friendly ties between the ROK and the United Kingdom, especially as the two countries are the hosts of the Asia-Europe summit talks next year and in 2000. "The talks were extremely useful and productive. This is something I hope we can both build on, especially during the run up to the ASEM (Asia-Europe Meeting) II Summit in London next April and ASEM III in Korea in 2000," he said in a joint press conference with ROK Vice Minister Lee Ki-choo. Fatchett said that the British government had held "medium-level, official contacts" with the DPRK. The ROK Embassy in London has been fully informed of UK-DPRK contacts, he added. (Korea Times, "KOREA, BRITAIN AGREE TO DEEPEN POLITICAL COOPERATION," 11/21/97)

III. Japan

1. Four-Party Peace Talks

The Yomiuri Shimbun ("FOUR-PARTY PEACE TALKS TO BE SLATED FOR NEXT MONTH," Washington, 11/21/97) reported that the third preliminary meeting for the four-party peace talks, slated for November 21 at Columbia University in New York, is likely to lead to an agreement to hold the four-party peace talks in Geneva early next month. The report pointed out that although previous preliminary meetings failed to resolve differences over the agenda, the DPRK began to soften its stance in early October. According to a US official, the DPRK agreed to hold the four-party peace talks at the working level before the ROK's presidential election. The report also cited the US official as pointing to Kim Jong-il's power succession as the reason for the DPRK's softening of its stance. Former State Department official David Brown, who specializes in Korean Peninsula issues, was quoted as saying, "The DPRK must have drawn from both the US and the ROK their promises to provide financial assistance to the DPRK." However, the report quoted another US official as saying, "We are optimistic, but are cautious as well."

2. Japanese-PRC Relations

The Asahi Shimbun ("PRC PRIME MINISTER LI PENG EXPRESSES DISSATISFACTION WITH JAPANESE PRIME MINISTER RYUTARO HASHIMOTO'S STATEMENT ON JAPAN-US DEFENSE COOPERATION GUIDELINES," 11/17/97) reported that PRC Prime Minister Li Peng expressed his dissatisfaction with Japanese Prime Minister Ryutaro Hashimoto's statements on the New Guidelines for Japan-US Defense Cooperation. Li stated, "I wanted Japanese Prime Minister Ryutaro Hashimoto to clearly state that the New Guidelines for Japan-US Defense Cooperation do not include Taiwan." Although Li hailed Hashimoto's statements that the New Guidelines do not exceed the Japanese constitution, are defensive, and do not infringe on the Japan-PRC Joint Statement and the Japan-PRC Treaty of Peace and Amity, he added, "If [Hashimoto] had clearly excluded Taiwan from the New Guidelines, he would have erased concerns among the PRC people."

IV. People's Republic of China

1. ROK-DPRK Relations

An article in the semi-monthly World Affairs (ECONOMIC EXCHANGES BETWEEN TWO KOREAS ASCENDING, No. 20, 1997, 28) said that since the end of the cold war, economic and trade relations between the ROK and DPRK have been improving. In the 1990s, the DPRK's trade with the ROK has increased every year, although its foreign trade with other countries worsened. Even in 1996 when political relations between the DPRK and the ROK were tense, the bilateral trade volume was still on the level of about US\$250 million dollars. The DPRK's yearly trade surplus to the ROK has been over US\$100 million for six years in succession. This is rather unusual, according to the article, because the DPRK has trade deficits with other countries. Many ROK companies, including some large groups, have begun their preparatory work for investment in the DPRK.

2. DPRK Famine

An essay in the semi-monthly World Affairs (COMMENTING ON FOOD CRISIS IN DPRK, No. 19, 1997, 24-25) said that the DPRK's food crisis was caused by many unfavorable elements with different aspects. In addition to geographic and natural conditions, the deterioration of the DPRK's foreign trade condition is an important reason. The reduction of the DPRK's foreign exchange reserves made it difficult to import rice or repair and renew agricultural machines and facilities. Additionally, the heavy burden of military spending also limited the DPRK's investment in agriculture. Facing the heavy famine, the DPRK government actively took measures to save the country, the article said. Internationally, the US, Japan and the ROK are the three major countries providing food aid to DPRK. However, the political requests attached to the food aid made the process of assistance not smooth. Thus, the article said, the fundamental relief of the famine disaster depends on the DPRK itself. Currently, the main challenge to the DPRK government and people is how to balance internal political stability and reform. On foreign policy, the article said, the DPRK should have some flexibility while adhering to its principles.

3. US-ROK Relations

An article in the semi-monthly World Outlook (PROSPECTS OF US-ROK MILITARY ALLIANCE, No. 20, 1997, 7-9) said that the US and the ROK will continue to strengthen their security alliance in the near future, because they still worry that the DPRK will launch a war against the ROK to divert attentions from its internal problems. However, the pattern of US-ROK military cooperation is changing, the article said. With the increase of the ROK's economic and military strength, the ROK is actively pursuing independent defense. The military relationship between the US and the ROK will gradually change from subordination to partnership. In the future, the article said, the ROK will try to expand its military influence in the Asia-Pacific area through its military cooperation with the US. The combat objectives of the US-ROK alliance will be extended from the DPRK to any country or region regarded as a threat to the interests of the US and the ROK.

4. Relations among Major Powers

PRC scholars on international relations studies believe that relations among major powers are experiencing a deep readjustment. The Jie Fang Daily (MAJOR POWERS RELATIONS INTERACT ON EACH OTHER, 11/06/97, 4) said that major powers presently are adapting to each other. Scholars said that, with the development of an integrated global economy, the out-dated philosophy saying that major powers can do nothing but compete with each other has been changed. Proceeding from bilateral relations, the major powers are considering establishing institutionalized dialogues and cooperation in the post-cold war period. The scholars said that the increase of multilateral cooperation among major powers based on the improvement of their bilateral relations will benefit all countries.

Commenting on PRC President Jiang Zemin's visit to the US and Russian President Boris Yeltsin's

visit to the PRC, Wen Hui Daily (ENLIGHTENMENT FROM NEW-TYPE RELATIONS BETWEEN MAJOR POWERS, 11/10/97, p.8) said that the PRC, Russia, and the US are making common efforts to redefine their relationships. The article regarded world peace and economic development as the common strategic interests which promote the coordination of the three powers' relations. It said that current relations among the major powers emphasize cooperation and coordination. Progress in bilateral relations will not damage the interest of the third party. This relationship differs from the cold-war relations among major powers.

Another report in Jie Fang Daily (MULTIPOLAR TREND DEVELOPS, 11/21/97, 4) said that the benign interaction of major powers' relations is an important feature of this year's international situation. The multipolar trend of the international structure is inevitable, although in certain areas, the US still maintains its domination.

5. PRC-Japan Relations

After reviewing the progress in PRC-Japan relations, an article in the Peoples' Daily (TO ESTABLISH A CHINA-JAPAN RELATIONSHIP FACING TO THE FUTURE, 11/11/97, 6) said that the key to developing a healthy and stable PRC-Japan relationship is increasing mutual trust between the two countries. The article, written by a media delegation composed of reporters from major PRC newspapers, said that in recent years, the dialogue channels between the PRC and Japan have not been unimpeded. The decrease of mutual confidence and occasional suspicion between the two countries have influenced the improvement of PRC-Japan relations. The article said that it is time to restart political dialogue and reestablish mutual trust between the two countries. In addition, the article called on the two sides to attach greater importance to the education of the younger generation. It said that expanding the exchanges between the young people of the PRC and Japan is of significance to the maintenance of bilateral friendship.

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.

Produced by [the Nautilus Institute for Security and Sustainable Development](#).

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