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I. United States

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1. Clinton Visit to ROK

Reuters (Arshad Mohammed, "CLINTON SEES 'SIGNS OF DANGER' FROM N.KOREA," Seoul, 11/22/98), the Associated Press (Terence Hunt, "CLINTON PRAISES AMERICAN TROOPS," Seoul, 11/22/98), the Wall Street Journal (Jackie Calmes, "CLINTON CALLS FOR VIGILANCE IN KOREA AS SECURITY ISSUES SURFACE IN TRIP," Seoul, 11/23/98), the Washington Times (Bill Sammon, "CLINTON PLEDGES TO CONTAIN IRAQ, NORTH KOREA," Seoul, 11/23/98) and the New York Times (James Bennet, "CLINTON, IN SOUTH KOREA, SEES 'SIGNS OF DANGER'," Osan Air Base, 11/23/98) reported that US President Bill Clinton on Sunday toured US bases in the ROK and warned of "signs of danger" from the DPRK. Clinton stated, "Lately signs of danger have intensified, with incursions from the North, provocative missile tests and the question of a suspect underground installation. So we must remain vigilant." He urged the DPRK to abandon its efforts to develop ballistic missiles and chemical and biological weapons and warned it not to underestimate the US commitment to the ROK. He added, "We will continue to press North Korea to take these steps of peace and security but until it fully commits itself to a constructive role on this peninsula, we must remain ready." Clinton said that, despite the tension, there were "some hopeful signs" to justify ROK President Kim Dae-jung's engagement policy toward the DPRK, pointing to the resumption of military talks between the DPRK and the UN Command.

The Associated Press (Robert Burns, "CLINTON WANTS ANSWERS FROM N. KOREA," Seoul, 11/21/98), Reuters (Donna Smith, "CLINTON URGES ACCESS TO N. KOREA NUKE SITE," Seoul, 11/21/98), the New York Times (James Bennet, "CLINTON IN PLEA TO NORTH KOREA ON CLOSER TIES," Seoul, 11/22/98, 1) and the Washington Post (Kevin Sullivan and John F. Harris, "CLINTON, KIM DEFEND POLICIES ON NORTH KOREA," Seoul, 11/22/98, A36) reported that US President Bill Clinton and ROK President Kim Dae-jung held a news conference on Saturday, pledging to work together to combat the DPRK's nuclear threat. Kim said that his government would "spare no effort in supporting the U.S. endeavor" to resolve the nuclear question. He called for full access for US inspectors at a DPRK underground facility and said the DPRK must constrain its development and exports of missiles. He added, however, "North Korea is cautiously but noticeably taking measures to increase interaction and cooperation between the South and the North." Clinton said that the DPRK construction site "raises a strong suspicion. We need access to it." Clinton also noted the significance of the Mt. Kumkang tourism deal, saying, "Nothing could ever be put into that hole in the ground ... that would give the North Koreans as much advantage, as much power, as much wealth, as much happiness, as more of those ships going up there full of people from here." Defending the US policy of engagement with the DPRK, Clinton stated, "I hope that the North Koreans will not do anything to force us to change policy." Clinton's National Security Adviser Sandy Berger said that the US would insist on access to the underground site and would not pay the compensation demanded by the DPRK.

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2. DPRK Missile Program

The Washington Post (Dana Priest and Thomas W. Lippman, "N. KOREA EXPANDING MISSILE PROGRAMS," 11/20/98, A01) reported that unnamed US intelligence and diplomatic sources said that the DPRK is building at least two new launch facilities for the Taepodong 1 and has stepped up production of short-range missiles. Intelligence sources said that the DPRK is building a launch facility for the Taepodong 1 at Yongo-dong that could be completed in 1999, and a similar site is

under construction at Chiha-ri. An unnamed senior US official said, "We have identified some construction that we think might be bunkers to store Taepodongs in. You could roll them out and elevate them into a position to launch." Another unnamed administration official who monitors the DPRK program stated, "They are proliferator number one, selling not only missiles but production capability." White House foreign policy spokesman David Leavy stated, "The administration certainly has serious concerns about the missile program. This issue [is] an important element of the president's agenda in Japan and South Korea. We are going to raise this and make the security issues an important part of this trip." David Kay, chief UN nuclear weapons inspector from 1991 to 1992, warned, "The missile threat is much more immediate. These are weapons of terror and intimidation." Officials said that the US has urged the PRC to deliver the message to the DPRK that further missile launches over Japan would jeopardize the Agreed Framework because the Japanese parliament and the US Congress would cut off funding. US officials said that the US has set up a system of interdiction to block DPRK missile-parts cargoes from reaching their destinations. They said that the DPRK routinely falsifies cargo manifests for missile exports, making it possible for the US to tip off customs and other law enforcement officials at intermediate ports of call and have the shipments intercepted.

Reuters (Carol Giacomo, "U.S. SAYS TIES WITH N. KOREA AT 'CRITICAL' POINT," Washington, 11/21/98) reported that US Secretary of State Madeleine Albright said Friday that the US continues to have serious problems with the DPRK missile program. Albright stated, "We have insisted that the DPRK cease its long-range missile development, production and export program and we are at a critical juncture in our relations with Pyongyang." She added, "The choice is for the North to behave in a way that allows for a positive direction in our relations."

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3. DPRK Underground Construction

US Special Envoy for the Korean Peace Talks Charles Kartman ("KARTMAN 11/19 NEWS CONFERENCE ON TALKS WITH N. KOREA," Washington, USIA Transcript, 11/19/98) said Thursday that the US and the ROK are determined to resolve suspicions that the DPRK is using a site in the Kumchangni area for nuclear related purposes. Kartman said that he had two days of "quite intensive" discussions in Pyongyang with a team lead by DPRK Vice Foreign Minister Kim Kye-gwan, during which he made clear that it was "imperative" that US suspicions be resolved. He added, "Although we discussed some ideas for access to that site, there is still a rather wide gap between our positions, and I have to say that we are not yet satisfied that we have a solution in hand. Nonetheless, I feel that we have had a useful exchange of presentations, and we have invited the North Koreans to continue these serious talks as soon as possible and we will be discussing some particulars of timing and venue through our New York channel." Kartman stated, "I think it should be clear that my presentation about the need to resolve our suspicions contained a very clear element of the danger that the failure to resolve those suspicions would pose for the viability of the Agreed Framework." He said that the US and the ROK "both believe that there is compelling evidence that this site is intended to be used for nuclear related activities."

The Washington Post (Kevin Sullivan and John F. Harris, "CLINTON DEFENDS 'WISE' POLICY OF ENGAGING DEFIANT N. KOREA," Seoul, 11/21/98, A12) reported that US President Clinton on Friday said that it was difficult to determine the motivations behind the DPRK's demand that the US pay compensation for inspecting an underground construction site. He stated, "I think it's fair to say that no one can be absolutely sure of whether the North Korean position is simply a product of economic difficulties, so they're attempting to get more money out of various countries for doing what they should be doing anyway, or whether they really are moving toward a more aggressive posture." Clinton said that he remains convinced that the 1994 Agreement Framework "has done its

job." Without the deal, "North Korea already would have produced a sizable amount of weapons-grade plutonium." He warned, however, "Further provocations will threaten the progress we have made."

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4. Future of Agreed Framework

ABC News ("NORTH KOREA MAY PROVOKE STANDOFF OVER ITS NUCLEAR WEAPONS," 11/23/98) reported that analysts said that the US and the DPRK are approaching a confrontation that might jeopardize the 1994 Agreed Framework. [Richard Grinker](#), author of "Korea and its Futures: Unification and the Unfinished War," stated, "North Korea doesn't feel like it has any bargaining chips, any way to leverage the international community, other than the specter of nuclear weapons. It's not surprising that it continues to use that. The actual progress on the nuclear facility is almost beside the point. What the North Koreans want is for the international community to fear it." William Taylor Jr., a specialist in international security affairs at the Center for Strategic and International Studies, argued, "The North Korean pattern of diplomacy is pure brinkmanship. If we push, the North Koreans will threaten to pull out of the Nuclear Non-Proliferation Treaty or launch another missile over Japan." Taylor added that, given other foreign policy challenges the US is facing, "Crisis time is coming. Now we find out if the administration can walk and chew gum at the same time."

The Washington Post carried an opinion article by [Selig S. Harrison](#) of the Century Foundation ("THE KOREAN SHOWDOWN THAT SHOULDN'T HAPPEN," 11/22/98, C02) which said that the US bears much of the responsibility for the current tensions with the DPRK. The author argued that critics of the Agreed Framework "are waging a calculated campaign that misrepresents the inspection provisions in the agreement and blurs the distinction between actual violations of the freeze and suspected activity that could lead to violations." He maintained that, based on his conversations with DPRK officials, "Pyongyang is not yet committed to acquiring a nuclear weapons capability and would welcome a settlement with the United States that would rule out nuclear weapons and long-range missile deployments." He cited [Kenneth Quinones](#), former director of DPRK affairs in the US State Department, as recounting "running debates" over DPRK policy during his tenure between "hard-liners who completely distrust Pyongyang and those who argue that North Korea's economic problems offer an opportunity for constructive engagement." He also pointed to Quinones's argument in [NAPSNet Policy Forum Online #21](#) that opponents of the Agreed Framework deliberately leaked intelligence reports on the DPRK's underground site. The author said that the Agreed Framework sets up a two-stage inspection process, under which International Atomic Energy Agency (IAEA) verification of the DPRK's pledge not to build new nuclear facilities would not become mandatory until the two promised new nuclear reactors are completed. He argued that the current stalemate could be solved if the DPRK agreed to permit one-time US inspection access to several agreed-upon sites and declared a moratorium on missile tests and deployment beyond an agreed range and ending its exports of missiles and missile components. In exchange, the US "should accelerate the construction of the reactors and be prepared to end all sanctions on non-strategic trade and investment relations with North Korea that can be lifted by the president without congressional approval." He also called on the US to sponsor a multilateral program to help the DPRK develop its industrial base and should support a UN Development Fund program to make the DPRK self-sufficient in grain production. He concluded, "The American objective should be to maintain the freeze for as long as possible while continuing to pursue negotiations on a broader settlement."

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5. Alleged DPRK Incursion into ROK Waters

Reuters (Jean Yoon, "SEOUL DEMANDS NORTH KOREA STOP PROVOCATIONS," Seoul, 11/22/98) and the Associated Press (NORTH KOREA ACCUSED OF PROVOCATION," Seoul, 11/21/98) reported that the ROK Defense Ministry said Saturday that the ROK navy on Friday chased a suspected DPRK spy ship out of ROK territorial waters. The ministry said in a statement, "We demand North Korea to stop immediately its reckless acts of provocation that violate the Joint Armistice Agreement." A defense ministry spokesman said that a high security alert was issued early Friday, but was canceled late the same day after it was concluded that no DPRK agent had landed from the ship. The spokesman said that the ministry believed the ship was capable of carrying four to five DPRK agents and was sent to the ROK to either drop off agents or pick them up after a scouting mission. He added, "We believe they failed to accomplish the mission as the ship was spotted by us."

The Associated Press ("NORTH KOREA DENIES INFILTRATING SPY SHIP INTO SOUTH KOREA," Seoul, 11/23/98) reported that the DPRK denied Monday that it infiltrated a spy boat into ROK waters last week. The DPRK's official Korean Central News Agency said, "The loudmouthed intrusion incident is a product of premeditated anti-North smear campaign of the bellicose elements of the puppet military who seek tense inter-Korean relations and showdown." It added, "They are launching a smear campaign aimed to make an impression as if the North were a source of the tense situation, synchronized with U.S. President Bill Clinton's trip to South Korea."

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6. DPRK Tourism Project

Reuters (Hong Ki-soo, "S.KOREA TOURISTS RETURN FROM FIRST JOURNEY TO NORTH," Donghae, 11/22/98) reported that the first ROK tourists to the DPRK's Mt. Kumkang returned Sunday. Kang Nam-sool, one of the tourists, stated, "I believe the Mount Kumkang tour can speed up the reunification." A second tourist ship left Friday.

The Associated Press (Paul Shin, "CASH-HUNGRY N.KOREA EXPANDS TOURISM," Changjon, 11/22/98) reported that ROK Unification Ministry officials who accompanied the tourists to the DPRK's Mt. Kumkang said that members of the DPRK military had strongly opposed opening the port of Changjon but were overruled by Kim Jong-il. About half a dozen ministry officials were aboard the ship and were eventually allowed to disembark by the DPRK. The officials said that Changjon's harbor was until recently the home base of a major DPRK naval fleet, but most of the fleet was relocated farther north before the tour started. The article said that DPRK officials blocked transmission of reports by 200 journalists who accompanied the tour.

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7. ROK Prisoners from Korean War

Reuters ("SKOREA SAYS 136 POWS HELD IN N.KOREA," Seoul, 11/23/98) reported that ROK Vice Minister of Defense An Byong-kil said on Monday that the DPRK is still holding some 136 ROK prisoners of war (POWs). An based his estimate on eyewitness evidence from 16 former ROK POWs who had escaped the DPRK. He said that the government was trying to introduce a new law that would allow compensation and support for POWs who settle in the ROK. A ministry spokesman said the government was considering exchanging the 136 POWs with DPRK war veterans who have been in the ROK since the Korean War.

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8. US-Japanese Military Relations

Reuters (Teruaki Ueno, "U.S., JAPAN CEMENT STRONGER MILITARY TIES," Tokyo, 11/20/98) reported that an unnamed Japanese defense official said on Friday that the US and Japan took another step towards stronger military ties during US President Bill Clinton's visit to Tokyo last week. The official stated, "President Clinton's visit is extremely timely in the sense that Japan and the United States are trying to fully implement the Japan-U.S. guidelines for military cooperation." He also said, "Threats from North Korea are, in fact, working in favor of our military relationship." He added that the announcement of the resignation of Japan's defense chief over a procurement scandal had little impact on military talks because much of the groundwork had already been done. In a news conference at the end of his visit, Clinton stated, "The relationship between the United States and Japan is the cornerstone of stability and prosperity in the Asia-Pacific region." He added, "The Prime Minister and I had good discussions on important security issues including our shared concerns about North Korea."

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9. Japanese Defense Procurement Scandal

The Associated Press ("JAPAN'S DEFENSE CHIEF RESIGNS," Tokyo, 11/20/98) reported that the head of Japan's Defense Agency, Fukushima Nukaga, resigned Friday following the release of an internal agency report that exposed a high-level cover-up in a procurement corruption scandal. The scandal involves defense officials suspected of allowing NEC Corporation to inflate defense contract bills in exchange for providing jobs for retiring defense agency officials. Thursday's report said that officials throughout the agency conspired to hide evidence from prosecutors. Two Defense Agency officials have been indicted, as have a dozen employees and former employees from NEC and two subsidiaries.

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10. PRC-Japan Summit

The Associated Press ("TAIWAN WARY OVER CHINA PRES' JAPAN VISIT -DEPUTY FOREIGN MIN," Taipei, 11/23/98) reported that Taiwan Deputy Foreign Minister David Lee on Monday expressed concern about the effect that PRC President Jiang Zemin's trip to Japan will have on Taiwan. Lee stated, "We understand and respect the reasons behind Jiang's visit, but we hope that during the visit, Japan won't trade away, sacrifice or backtrack on Taiwan's interests." He said that Taiwan is mobilizing its contacts in Japanese political, media, and academic circles to remind Japan of its past commitments to Taiwan. Lee said that, while Taiwan supports a Japanese apology for its wartime atrocities against China, the PRC has no right to make such a demand because the Nationalists were China's wartime government and led the fight against the Japanese. He stated, "We feel Japan should apologize to the Chinese people ... but we don't feel Japan should apologize to the Chinese Communist political authority." He also accused the PRC of raising discussion about Taiwan's possible inclusion in a regional anti-missile defense network through its 1995-96 military exercises in the Taiwan Straits.

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11. PRC-Russian Summit

Reuters (Gareth Jones, "AILING YELTSIN, CHINA'S JIANG HOLD HOSPITAL SUMMIT," Moscow, 11/ 23/98) reported that Russian President Boris Yeltsin held talks with PRC President Jiang Zemin

Monday at the Central Clinical Hospital where Yeltsin is recovering from pneumonia. Kremlin spokesman Dmitry Yakushkin stated, "The two leaders held a good, working meeting." The two leaders were expected later to issue two joint statements -- one entitled "Russo-Chinese Relations on the Threshold of the 21st Century" and a second hailing completion of the border demarcation. Also on Monday, Jiang visited the Duma and met Speaker Gennady Seleznyov. He was also scheduled later to meet Yegor Stroyev, speaker of the Federation Council upper house, and Prime Minister Yevgeny Primakov. Jiang plans to visit the Siberian city of Novosibirsk Tuesday and fly on to Japan Wednesday.

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12. US Nuclear Arsenal

The New York Times (Steven Lee Myers, "PENTAGON READY TO SHRINK ARSENAL OF NUCLEAR BOMBS," Washington, 11/23/98) reported that US Defense Department officials are recommending that the US consider unilateral reductions in the nation's nuclear arsenal. Senior administration officials said that the recommendations, if adopted, would reduce the US arsenal below the 6,000 nuclear warheads allowed by START I. They pointed out that, because of Russia's delay in ratifying START II, and US legislation blocking unilateral cuts, the Defense Department faces the prospect of paying hundreds of millions of dollars to maintain nuclear weapons that the US has already agreed to scrap. The US has spent US\$95 million more over the past two years than it would have if START II had taken effect. Next year, it would cost US\$100 million more, and US\$1 billion in 2000. The Navy could be forced to pay more than US\$5 billion between now and 2003 to refuel nuclear reactors and install new missiles on four Trident ballistic-missile submarines that would otherwise be dismantled. A senior White House official said that US President Bill Clinton and US Secretary of Defense William Cohen would not make a decision on the recommendations until the Russian Duma completes its latest deliberations on START II.

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13. US-Indian Nuclear Talks

The Associated Press ("INDIA SAYS U.S. NUCLEAR TALKS SLOW," New Delhi, 11/21/98) reported that Indian Defense Minister George Fernandes said Saturday that seven rounds of nuclear talks between India and the US have made little progress. Fernandes stated, "The talks have shown that the United States has an agenda for India which is not acceptable." He added, "The United States should understand India's security concerns and reconcile itself to the obvious. India is too big and potentially a very powerful country to be subjected to a carrot and stick treatment."

US Department of State Spokesman James P. Rubin issue a statement ("RUBIN STATEMENT ON INDIA-US BILATERAL TALKS IN ROME," Washington, USIA Text, 11/20/98) that said: "Deputy Chairman of the Planning Commission of the Government of India Jaswant Singh and Deputy Secretary of State of the United States Strobe Talbott met in Rome on November 19-20, 1998, for the seventh round of bilateral discussions. The two sides reviewed issues related to disarmament, non-proliferation, and bilateral relations, as well as regional and international developments. Mr. Singh and Mr. Talbott received and discussed an extensive report on the recent meeting on export controls between Indian and American delegations in New Delhi on November 9-10. Those talks were deemed helpful to the prospect of continuing cooperation in this area. The Indian delegation raised its concern about the recently published entities list and access to international financial institutions. The American delegation described the circumstances that will enable the two countries to transcend such difficulties as currently exist. Both delegations found the November 19- 20 exchanges constructive and judge that they will contribute to an atmosphere that will facilitate

further progress in establishing the positive environment both sides seek. The two sides will meet again in January in New Delhi to carry forward this process."

II. Republic of Korea

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1. President Kim's DPRK Policy

JoongAng Ilbo ("PRESIDENT KIM, NO CHANGE IN DPRK POLICY," Seoul, 11/20/98) reported that ROK President Kim Dae-jung does not feel the alleged underground nuclear facilities in the DPRK or the unidentified DPRK vessel detected off the ROK's west coast are serious plots by the DPRK to undermine the Korean peninsula's growing stability. Kim commented on his return from visiting the PRC and the APEC summit meetings, "These kinds of incidents were considered a possibility in the growing relationship between the ROK and the DPRK. We will maintain the ongoing policy that preserves security and cooperation simultaneously." Regarding the alleged nuclear facilities in Kumchangri, Kim commented, "That is unconfirmed so far but only an allegation. No conclusive evidence has been found yet. There is also no evidence that the DPRK contravened the Geneva Agreement. If we worsen the situation without any conclusive evidence, our economy could suffer. The government will fulfill our stated policies towards the DPRK, while maintaining national security. Allegations about the DPRK's nuclear facilities should be cleared up as quickly as possible. If the DPRK has not developed nuclear arms, all they have to do is show it."

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2. Alleged DPRK Incursion into ROK Waters

Chosun Ilbo ("MOND WARNS DPRK OVER SPY SHIP," Seoul, 11/21/98) reported that the ROK Ministry of National Defense (MOND), in a strongly worded statement Saturday, warned the DPRK to cease operations that violated the armistice agreement, referring to the spy ship incident early Friday morning. The statement said "the ship which fled at 5:09am Friday after infiltrating ROK waters off Kanghwa island was confirmed to be a DPRK spy ship engaged in provocative action." It continued, "This action is a clear violation of the armistice and provocative military action, following the submarine and armed infiltrations in June and July. We once again call on the DPRK to stop this action." The ROK army remains on a state of high alert and marine units are conducting security checks in the area after unidentified footprints were allegedly found in the vicinity. [[[[]]]

3. ROK-US Summit

Chosun Ilbo ("KIM AND CLINTON URGE INSPECTION," Seoul, 11/21/98) reported that Presidents Kim Dae-jung and Bill Clinton held a morning meeting at Chongwadae Saturday and issued a joint statement urging the DPRK to allow an inspection of its suspected nuclear facility at Kumchangri, near Youngbyon. The two leaders shared the awareness that the DPRK's missile development is threatening peace and stability not only on the Korean peninsula, but also Northeast Asia. They called on the DPRK to halt weapon development and sales to prevent an arms race in the region. Both presidents agreed to continue their policies of engagement with the DPRK in order to foster change and reform there, but will do so in a manner that guarantees the security of the US and the ROK. Kim and Clinton discussed their respective visits to the PRC and Japan, and agreed to request active cooperation from the two countries in maintaining peace in the area

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4. ROK-US Summit

JoongAng Ilbo ("KIM-CLINTON HAVE A FRUITFUL SUMMIT," Seoul, 11/21/98) reported that ROK President Kim Dae-jung and US President Bill Clinton held a summit meeting on November 21 at the Blue House (Chong Wa Dae) and agreed upon major pressing issues, including suspicions about the DPRK nuclear program. The two leaders were in accord on the possibility of provocation by the DPRK, such as their missile development and alleged nuclear processing capabilities. They agreed that DPRK issues will be jointly managed by the ROK, the US, and Japan. However, they issued a strong warning that if the DPRK plans to exploit perilous nuclear weapons and missiles for military purposes, it would not be acceptable at anytime. They had no outstanding disagreements on major issues and President Kim obtained solid support from the US. Kim's focus, however, was on toning down the hard-line rhetoric and easing tensions over the DPRK's threat, while Clinton seemed more conscious of the Republican- controlled Senate's stance that the Geneva Agreement could be canceled if the DPRK's attitude does not change.

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5. DPRK Tourism Project

Korea Herald ("HYUNDAI'S FIRST CRUISE SHIP RETURNS FROM DPRK; MT. KUMGANG TOURS AVAILABLE TO FOREIGNERS IN MID-MARCH," Seoul, 11/23/98) reported that foreigners will be allowed to tour Mt. Kumkang in the DPRK aboard the "Hyundai Kumkang," a luxury cruise ship operated by the Hyundai Group, beginning in mid-March next year. Kim Yoon-gyu, head of Hyundai's DPRK business team, said at the press meeting at Changjon Port in the DPRK, "The DPRK is expected to lift its ban on foreigners' excursion to Mt. Kumkang aboard Hyundai's pleasure ship in mid-March at the earliest." Given the rich symbolism of Mt. Kumkang in Korean culture, the DPRK decided to first open the tours exclusively to its ROK brethren when it signed the historic contract for the Mt. Kumkang tourism and development project with Hyundai earlier this year. Under close cooperation with the Korea National Tourism Corp. (KNTC), Hyundai will also seek to build a casino business on its deluxe cruise ships which operate between Donghae Port in the ROK and the DPRK port of Changjon, he said.

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6. ROK-US Cooperation on Millennium Bug

Korea Times ("ROK, US SIGN ACCORD ON Y2K ISSUE," Seoul, 11/21/98) reported that the ROK and the US on November 20 signed an agreement to promote electronic commerce and enhance cooperation to solve the so- called "Y2K issue," also known as the "Millennium Bug." ROK Foreign Affairs-Trade Minister Hong Soon-young and US Secretary of Commerce William Daley signed the accord at Hong's office. Daley was accompanying President Bill Clinton on his four-day state visit. The agreement calls on the two countries to make joint efforts to enhance electronic commerce on the principle of minimizing government interference in business and encouraging greater private initiatives. During their meeting, Hong and Daley also shared the view that they would maintain the policy of not applying tariffs to Internet transactions and to support drafting of regulations on electronic commerce by the World Trade Organization (WTO). The two ministers also supported the protection of privacy and intellectual rights, prevention of distribution of obscene materials, and the recognition of electronic signatures. The two also agreed to share information dealing with the "Y2K issue" to bolster efficiency and cut costs.

III. Japan

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1. Japanese-US Summit

The Yomiuri Shimbun ("JAPAN AND US SHARE CONCERN OVER DPRK SUSPECTED NUCLEAR FACILITIES," 11/21/98) reported that Japanese Prime Minister Keizo Obuchi and US President Bill Clinton agreed on November 20 in Tokyo to establish Japan-US-ROK working meetings and to strengthen information exchange among the three countries regarding the DPRK's suspected nuclear facilities. Clinton said, "The Agreed Framework was useful in stopping the DPRK's nuclear development. I am sure that as policy it was appropriate." However, Clinton said that the US-DPRK talks on inspections of the DPRK's suspected underground nuclear facilities failed. Obuchi, on the other hand, said, "The suspected underground facilities infringes on the Agreed Framework itself," expressing a deep concern and emphasizing the need for close ties between Japan and the US. As for the DPRK's missile launch and export, Clinton announced his intention to continue to demand that the DPRK stop them. As for the issue of US bases on Okinawa, both agreed to support the framework of the Special Action Committee on Okinawa (SACO). Obuchi also gave a positive response to Clinton's expectation on an early passage of bills related to the New Guidelines for Japan-US Defense Cooperation. As for economic policy, while Clinton hailed Obuchi's decision on the 24 trillion yen emergency economic package, Clinton asked Obuchi to include additional stimulus measures in the 1999 fiscal year whenever necessary. Clinton also pointed out the need for Japan's further market liberalization and deregulation. According to the report, Obuchi and Clinton discussed both security and the economy for forty minutes each. Clinton also invited Obuchi to the US in the early May of 1999, and Obuchi accepted the offer.

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2. Japanese-PRC Relations

The Yomiuri Shimbun ("POLICY OUTLINE FOR JAPAN-PRC JOINT ACTIVITIES WAS REVEALED," 11/23/98) reported that the policy outline for Japan-PRC Joint Activities was revealed on November 22. The policy outline consists of two main themes including "Japanese-PRC bilateral cooperation" and "cooperation in the international community" and nine specific areas of cooperation. "Bilateral cooperation" involves summit and cabinet member exchanges, political dialogue, economic cooperation, and cultural exchanges. "Cooperation in the international community" includes environmental issues or nuclear nonproliferation. The policy outline will be announced along with the Japan-PRC Joint Document on November 26 during the visit by PRC President Jiang Zemin to Japan.

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3. US DPRK Policy

The Nikkei Shimbun ("US PRESIDENT DEMANDS DPRK TO ABOLISH NUCLEAR DEVELOPMENT," Seoul, 11/23/98) reported that US President Bill Clinton gave a speech at a US base in a suburb of Seoul on November 22, demanding that the DPRK abandon its nuclear program and development and export of chemical weapons and ballistic missiles. Clinton also stated that the US and the ROK should be ready to respond to military contingencies until the DPRK is able to play a constructive role for peace on the Korean Peninsula. Clinton pointed out that the spread of weapons of mass destruction is "the greatest threat in the post-Cold War world" and that the DPRK, in addition to Iraq, is a great concern. He emphasized that the US government is paying special attention to the

DPRK's missile test last August.

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4. DPRK Tourism Project

The Yomiuri Shimbun (Chiharu Mori, "DPRK KUMGANSAN TOURISTS RETURN HOME," Seoul, 11/23/98) reported that the ship named Hyundai Kumkangsan return to the ROK from Mt. Kumkang with 826 ROK tourists aboard after their four-day stay on November 23. According to the report, Hyundai will regularize the tour. However, because applications for the tour have been less than expected, they will lower the present average price. The period of stay will also be reduced from 4 nights to three nights.

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](#).

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