NAPSNet Daily Report 23 September, 1998

Recommended Citation

"NAPSNet Daily Report 23 September, 1998", NAPSNet Daily Report, September 23, 1998, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-23-september-1998/

IN TODAY'S REPORT:

I. United States

- 1. ROK "North Wind" Scandal
- 2. ROK Anti-Corruption Campaign
- 3. ROK Economic Crisis
- 4. US-Japanese Missile Defense Cooperation
- 5. PRC-Taiwan Talks
- 6. US-Indian Talks
- 7. Indian-Pakistani Talks

II. Republic of Korea

- 1. Korean-Japanese Talks
- 2. DPRK Execution
- 3. ROK President's Sunshine Policy

II. Russian Federation

- 1. Funding of RF Armed Forces
- 2. RF Cabinet Reshuffle
- 3. PRC Political Reforms
- 4. RF-Japan Relations

I. United States

[][]

1. ROK "North Wind" Scandal

The Associated Press ("SKOREAN CONVICTED IN SMEAR CAMPAIGN," Seoul, 09/23/98) reported that Kwon Young-hae, former head of the ROK Agency for National Security Planning, was sentenced to five years in prison Wednesday for plotting to depict President Kim Dae-jung as a

communist during last year's election campaign. Kwon admitted in court that he paid a Korean-American businessman to hold news conferences in Beijing, Tokyo, and Seoul just before the December 18 presidential election, alleging that Kim's campaign was funded by the DPRK. A three-judge court also handed down prison terms of up to two years to six former intelligence agents, all but one of whom had his sentence suspended, for participating in the scheme. Sohn Choong-moo, a publisher, was sentenced to two years in prison for spreading unfounded, hostile rumors about Kim through his magazine. He was found to have received bribes from Kwon. In a separate trial earlier, four people, including the Korean-American businessman, Yoon Hong-joon, were convicted of similar charges and sentenced to up to two years in prison.

[][][]

2. ROK Anti-Corruption Campaign

The Associated Press ("10,000 S.KOREA OFFICIALS PUNISHED," Seoul, 09/23/98) reported that the ROK government announced Wednesday that it had fired or reprimanded more than 10,000 public servants, including two assistant Cabinet ministers, in an anti-corruption campaign. About 500 officials were fired for taking bribes. The remainder were given pay cuts and subjected to other disciplinary actions.

[][][]

3. ROK Economic Crisis

Dow Jones Newswires (Shin Jung-won, "S. KOREA SHOULD ADOPT BETTER SOCIAL SAFETY NET - US OFFICIAL," Seoul, 09/23/98) reported that Alan P. Larson, visiting US assistant secretary of state for economic and business affairs, said Wednesday that the ROK should adopt a stronger social safety net program in order to successfully carry out its economic restructuring. Larson stated, "We do think that a social safety net is crucial to successfully carry out the country's ongoing reform. The South Korean government should increase spending in social safety net and infrastructure in order to ease the pain of the unemployed and support domestic consumption which have been depressed." Larson also said that the ROK is unlikely to be hit by another financial crisis because of improvement in its building up foreign reserves and greater stability in the ROK currency versus the US dollar.

[][][]

4. US-Japanese Missile Defense Cooperation

US Defense Department Spokesman Kenneth Bacon ("PENTAGON SPOKESMAN'S REGULAR BRIEFING, SEPT. 22," USIA Transcript, 09/23/98) said that US Secretary of Defense William Cohen and Japanese Defense Minister on Tuesday Fukushiro Nukaga discussed ways that the US and Japan can move toward cooperation in theater missile defense. Bacon added that the attempted satellite launch aboard a DPRK Taepodong missile "clearly creates a more urgent need to move forward with theater missile defense capabilities in that area."

[][][]

5. PRC-Taiwan Talks

The Associated Press (Renee Schoof, "TAIWAN, CHINA EDGE CLOSER," 09/23/98) and Reuters ("CHINA, TAIWAN NEGOTIATORS START TALKS IN BEIJING," Beijing, 09/22/98) reported that Zhang Jincheng, secretary general of the PRC's Association for Relations Across the Taiwan Straits (ARATS), and Shi Hwei-yow, vice chairman of Taiwan's semi-official Straits Exchange Foundation

(SEF), met in Beijing on Wednesday to prepare for talks between SEF chairman Koo Chen-fu and ARATS head Wang Daohan, scheduled for October 14-19. Shi and Zhang decided that Koo and Wang would not be holding formal negotiations, but just "exchanging opinions." Wang and Koo will meet at least four times in Shanghai during the visit, Shi said. While in Beijing, Koo will meet Vice Premier Qian Qichen and may visit Beijing University and the Forbidden City. Shi stated, "What's important is that Koo and Wang have several opportunities to meet and exchange opinions. That is satisfactory."

[][][]

6. US-Indian Talks

The Associated Press ("U.S. OFFICIALS SAY CLINTON VISIT TO INDIA UNLIKELY," Washington, 09/23/98) reported that US Deputy Secretary of State Strobe Talbott met Tuesday with Indian defense and foreign policy adviser Jaswant Singh for another in a series of discussions on nuclear issues. The US State Department had no comment on the meeting. Meanwhile, US officials said that a planned visit by President Bill Clinton to South Asia in November is unlikely given the lack of progress on Indian and Pakistani nuclear issues.

[][][]

7. Indian-Pakistani Talks

The Associated Press (Anwar Faruqi, "PAKISTAN, INDIA LEADERS IN MEETING," New York, 09/23/98) reported that Indian Prime Minister Atal Bihari Vajpayee and Pakistani Prime Minister Nawaz Sharif met Wednesday for the second time since both countries carried out nuclear tests last May. Vajpayee indicated that the dispute over Kashmir would be the main topic of discussion, adding that both sides should stop cross-border firing attacks.

II. Republic of Korea

[][][]

1. Korean-Japanese Talks

JoongAng Ilbo ("NORTH KOREA DENOUNCED KOREAN-JAPANESE TALKS," Seoul, 09/22/98) reported that the DPRK denounced the recent talks between Obuchi Keizo, the Japanese Prime Minister, and Park Tae-jun, the chairman of the United Liberal Democrats (ULD) of the ROK's ruling coalition. The talks were held to discuss countermeasures toward the DPRK's recent satellite launching. The DPRK's state-run Korean Central Broadcasting Agency reported on September 22, "A South Korean politician conspired together with Japanese reactionary elements against our republic. This is another intolerable provocation against us." It repeatedly emphasized, "What we launched is not a ballistic missile but a satellite. The 'puppet regimes' in the South and in Japan insisted that although it is a satellite, it can threaten their security." The broadcasting added, "We will continuously make our republic unified in spite of the reaction and will sweep away all obstacles in our way."

[][][]

2. DPRK Execution

JoongAng Ilbo ("GOVERNMENT PRUDENT ON NK EXECUTION," Seoul, 09/23/98) reported that the

ROK government has not made any official reaction to the execution of a high-ranking DPRK official. According to Japan's Kyodo News Agency, Kim Jong-u, a senior DPRK economic official, was recently put to death for illegally accumulating wealth. Kim, known as a reformist technocrat who advocated a more open door economic policy, was shot last December for collecting personal money while inducing external investment. He was also head of the external economic cooperation promotion committee. He was rumored to have fallen from power when the DPRK started a corruption investigation into the Workers' Party. It is believed that his house was searched and DPRK authorities found more than US$300,000 in cash bribes from foreign companies. The ROK Ministry of Unification said on September 23, "We are not sure how it will effect North Korean economic policy or if it signals a change. We should be very cautious."

[][][]

3. ROK President's Sunshine Policy

Yonhap News Agency ("NO SUNSET FOR THE SUNSHINE POLICY," Seoul, 09/23/98) reported that ROK President Kim Dae-jung repeated that he will continue his "sunshine policy" toward the DPRK. He reiterated that the ROK's policy is based on the principles of non-aggression, bringing about unification without absorbing the DPRK, and the separation of politics and economy.

II. Russian Federation

[][][]

1. Funding of RF Armed Forces

Sovetskaya Rossia ("COMMANDER-IN-CHIEF OF PAUPER ARMY," Moscow, 2, 09/22/98) published an article by Aleksandr Korzhakov, member of the RF State Duma Committee on Defense and former Chief of RF Presidential Security Service, on the miserable state of RF Armed Forces. Quoting from an official paper on financing of RF Defense Ministry as of September 14, Mr. Korzhakov said that of 80.4 billion rubles earmarked by the RF budget to the Armed Forces, only 24.8 were actually allocated. As for the third quarter of 1998, only 16.8 percent of the earmarked funds have been allocated in reality. "Should one be surprised now by the facts of servicemen committing suicides and their families blocking airstrips at airdromes? Or the extraordinary act by Major Igor Belyaev" who after having been denied his salary for several months brought his T- 80PV tank to the central square of Novosmolino City in July of this year? His colleagues supported him and the salaries were paid them at last. "Should the servicemen 'smite out' their wages by using tanks, planes, missiles, weaponry of all kinds?" As for the much talked-about reform of RF Armed Forces, only 2.05 billion rubles have so far been allocated this year for that purpose out of 4 billion promised by RF President Boris Yeltsin. In addition to military wage delay arrears amounting to over 16 billion rubles, this year only 48.8 percent of funds earmarked for fuel and lubricants have been actually allocated, 10.4 percent for weapon and equipment repairs, 17.5 percent for communication channels renting, 10.2 percent for medical services, 8.4 percent for research and development, and 18.3 percent for capital construction. The RF administration is wrong in believing that the military will not act on such "trifles," Mr. Korzhakov stressed, because in fact "a hungry soldier is an angry soldier." In his opinion, the military would just be glad to hear the following message: "Due to an irreversible inability to carry out my duties, I revoke my authority as the Supreme Commander-in-Chief. Boris Yeltsin."

Nezavisimaya gazeta's Vadim Solovyov ("RF DEFENSE MINISTRY PROMOTES COMMERCE," Moscow, 2, 09/23/98) reported that RF Defense Minister Igor Sergeyev this Monday suggested to

the RF Government a number of measures "to let the Armed Forces earn money.... We just need a right granted to us to do it according to the experience of the Chinese Armed Forces at the time of hardships. A package of such documents has already been submitted to First Vice Premier Yuriy Maslyukov and hopefully he will support it." Preliminary estimates show that the People's Liberation Army (PLA) of the PRC owns over 15,000 commercial facilities, including 1,500 hotels. Army-run pharmaceutics plans produce one tenth of all drugs in the PRC. Four of the top ten clothing-making companies also belong to the PLA. Some estimate that military business accounts for 3 percent of the PRC's US$1 trillion GNP. Below this waterline there are some other activities, with the PRC military allegedly being the largest producer of pirated software and compact discs. At a party conference in June this year, PRC Chairman Jiang Zemin announced that the Chinese Communist Party Central Committee resolved to put an end to the Army-run businesses. Some doubt if that is possible. In Moscow, it seems either they hope to keep the military commercialization process under some legitimate control, or possibly the Armed Forces are in such a plight that putting a blind eye on their economic criminalization is the only chance left to keep them afloat at all.

[][][]

2. RF Cabinet Reshuffle

Nezavisimoye voyennoye obozreniye's Vadim Solovyov and Aleksandr Shaburkin ("A NEW CABINET, THE OLD POWER MINISTERS," Moscow, 1, 09/18- 24/98, #35, 109) predicted that the newly-appointed RF Premier Yevgeniy Primakov would hardly reshuffle the existing "force ministers," that is those of defense, security, and intelligence. The first two are relatively new and have not yet "irritated the top officials" with request for additional funds, while the last one is Yevgeniy Primakov's own "creature." Therefore, one should not expect radical changes in those bodies. Yet Anatoliy Kokoshin, RF Security Council Chairman, a leading ideologue of military reform who allegedly lobbied in favor of Moscow Mayor Yuriy Luzhkov being appointed as a new RF Premier, was recently dismissed from his position. He was replaced by General Nikolai Bordyuzha, former Federal Border Guard System (FBGS) Director; a career military man with no political background and allegedly no political ambitions. FBGS Academy Director General Konstantin Totskiy filled the vacant FBGS Director position. All in all, Nezavisimoye voyennoye obozreniye's authors concluded that ideas about the possibility of civilian control over the RF "power ministries" remained illusions

[][][]

3. PRC Political Reforms

Nezavisimaya gazeta's Pavel Spiriv ("JIANG ZEMIN PREPARES REFORMS," Beijing, 6, 09/22/98) reported on a tacit political campaign allegedly permitted by PRC Chairman Jiang Zemin himself in order to chart a path for future development of the PRC. For example, a non-formal "Union for Development of China" operating under the auspices of the Chinese Corporation of Cultural Exchanges, which in its turn allegedly operates under the auspices of PRC State Security Ministry, held a session last week in Beijing and stated the inevitability of "important political reforms." PRC leaders have already planned to reduce the number of central administration officials by 4 million by the year 2000. The East Asian financial crisis, and especially the fate of Indonesia, further activated the search for new political models. For instance, Deputy Director of the PRC Academy of Social Sciences Bai Gan was recently asked by the Chinese Communist Party Central Committee officials to carry out a comparative analysis of various presidential systems in foreign countries. Even more importantly, there are rumors that some senior political scholars are discuss the idea of introducing a US-like two- party system in the PRC, although both those parties are to be actually Communist.

[][][]

4. RF-Japan Relations

Izvestia's Vasiliy Golovnin ("'FRIEND RYU' HAS COME TO MOSCOW TO REMIND ABOUT THE SOUTHERN KURILS," Moscow, 3, 09/17/98) reported that Ryutaro Hashimoto, former Premier of Japan and presently chief foreign policy advisor of the Japanese Government, arrived at Moscow on September 16 to meet with RF President Boris Yeltsin. "Friend Ryu," as Boris Yeltsin calls him, is expected to try to find out whether the RF, with all its present-day crises, remembers its promise to strive for settlement of territorial disputes and conclusion of a bilateral peace treaty by 2000. The political and economic turmoil in the RF caused grave concerns among Japanese politicians who believe that Boris Yeltsin alone can push those plans through despite the RF State Duma's resistance. The RF State Duma victory over the RF President, manifested by its rejection of Viktor Chernomyrdin and appointment of Yevgeniy Primakov as RF Premier, increased those concerns considerably. Besides, "the Japanese are frustrated by the disappearances in the present-day reshuffle of practically all senior officials who dealt with their country," namely RF-Japan intergovernmental commission co-chairman Boris Nemtsov and Presidential Spokesman Sergey Yastrzhemskiy, who were allegedly the main persons who persuaded RF President to undertake the above-mentioned commitments. Generally speaking, Ryutaro Hashimoto is expected to bring more clarity to whether Japan should continue its dealings with the RF or wait for better times.
Segodnya's Aleksandr Chudodeyev ("AN EX TESTS THE PRESIDENT," Moscow, 3, 09/18/98) commented on Japanese ex-Premier Ryutaro Hashimoto's visit to Moscow. According to him, Mr. Hashimoto's goal is to press for recognition by the RF of Japanese sovereignty over the Southern Kurils with a postponement of the actual handover till a later time. In exchange, Japan will sign a peace treaty with the RF before 2000 and step up bilateral economic interaction. The RF would prefer those events to take place in another sequence. RF President Boris Yeltsin, talking with his "friend Ryu," again spoke about economics and omitted the territorial issue. Obviously, the "long-standing Russo-Japanese dispute over the Southern Kurils will hardly be resolved in this century," Segodnya's author concluded.

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 in partnership with:
The Center for Global Communications, Tokyo, Japan
Center for American Studies,
Fudan University, Shanghai, People's Republic of China

Wade L. Huntley: napsnet@nautilus.org
Berkeley, California, United States

Timothy L. Savage: napsnet@nautilus.org
Berkeley, California, United States

Choi Chung-moon: cily@star.elim.co.kr
Seoul, Republic of Korea

Hiroyasu Akutsu: akutsu@glocomnet.or.jp

Tokyo, Japan

Peter Razvin: icipu@glas.apc.org
Moscow, Russian Federation

Chunsi Wu: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

Dingli Shen: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

View this online at: https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-23-september-1998/

Nautilus Institute
608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org