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I. United States

1. DPRK Underground Construction

The Associated Press (Alexander G. Higgins, "US, N. KOREA DISCUSS NUCLEAR SITE," Geneva, 01/24/99) and Reuters (Andrew Gray, "NORTH KOREA, UNITED STATES TALK AGAIN ON ALLEGED NUCLEAR SITE," Geneva, 01/24/99) reported that the US and the DPRK on Sunday ended a second day of talks regarding the DPRK's suspect underground site. DPRK Deputy Foreign Minister Kim Gye-gwan said that there was "some narrowing of opinion" and that more talks will be scheduled. Kim said that if the US has difficulties coming up with compensation for access to the site, "they should give some political, economic benefit in other form." He added that the DPRK

would provide the US with a list of what it needs. An anonymous US official said that although the two days of talks were finished, another brief meeting was likely on Monday. [Ed. note: This article appeared in the US Department of Defense's Early Bird news service for January 25.]

Reuters ("JAPAN PM REGRETS POOR PROGRESS IN NORTH KOREAN TALKS, Tokyo, 01/25/99) reported that Japanese Prime Minister Keizo Obuchi on Monday called on the DPRK to allow inspection of a suspect underground site. Obuchi stated, "I hope for the DPRK's fullest efforts to gain the understanding of international public opinion." He added, "It is regrettable (there was no solution in US-DPRK talks). As the Japanese government is not in a position to negotiate directly, we hope to see progress in the US-North Korea talks."

2. Four-Party Talks

The Associated Press (Geir Moulson, "U.S., CHINA, KOREAS WRAP UP TALKS," Geneva, 01/22/99) reported that the latest round of four-party peace talks for the Korean peninsula in Geneva ended on Friday. The delegations said that they would meet again in mid-April. In a joint statement, they said that agreement had been reached on procedures for two working groups that are discussing how to reduce tensions and construct a permanent peace mechanism. An anonymous senior US official said that that step was "highly significant," but there was unlikely to be any "measurable progress" any time soon on replacing the Armistice Agreement. DPRK Deputy Foreign Minister Kim Gye-gwan stated, "I don't think I can find any visible progress out of the current talks." He added that the talks would be "empty" unless DPRK demands are met concerning US troop withdrawal from the ROK and other issues. He said that the DPRK will continue to press its demands. Kim also said that the issue of a missing DPRK diplomat was a "great obstacle" to progress. Delegates said that ideas for tension reduction on the Korean peninsula, including a humanitarian corridor and a new communications channel, were raised but not agreed on this week. PRC delegation leader Qian Yong-nian stated, "We didn't have time to discuss these details," adding that he was "rather happy" with the outcome.

The Associated Press ("DISPUTE SURFACES IN KOREA TALKS," Geneva, 01/21/99) reported that the DPRK at the four-party talks on Thursday complained for the second straight day that its envoy was kidnapped in Germany last week by ROK agents and then handed over to the US. DPRK deputy delegation leader Li Gun said that the incident could affect the talks and demanded an explanation from the US. US officials responded that the peace talks are not the place to raise the issue.

3. DPRK War Warnings

Reuters ("N. KOREA ACCUSES UNITED STATES OF THREATENING NUCLEAR WAR," Tokyo, 01/23/99) reported that a commentary in the DPRK's official party newspaper Rodong Sinmun on Saturday accused the US of pushing the Korean peninsula to the brink of nuclear war. The commentary stated, "It is the final goal of the U.S. warmongers to stifle the Korean socialist system with nuclear attacks." The paper said that the US had made the threat to use nuclear weapons against the DPRK at the 20th Military Committee Meeting with the ROK earlier this week. It added that unless the US changes direction, "an armed conflict, that is a nuclear war, is unavoidable." It said that the DPRK is ready to meet the US challenge and that it will attack the US mainland if the US "attempts to inflict a nuclear holocaust on the DPRK."

Agence France-Presse ("KOREAS STEP UP WARNINGS AMID TALKS," Seoul, 01/22/99) reported that ROK President Kim Dae-jung said Thursday that the ROK must be fully prepared for any rapid military strike that the DPRK might launch with weapons of mass destruction. Kim stated, "As long as North Korea has a strategy to stage a rapid preemptive military strike against South Korea using

weapons of mass destruction, we should be fully prepared for this." He added, "Together, South Korea, the United States and Japan should show strong determination to annihilate North Korea, so that North Korea does not even consider [staging an attack]." He also stated, "If Pyongyang should provoke a war, we will win. But the priority is to prevent the recurrence of a war in advance." ROK officials in the US said Thursday that Kim's speech did not represent a change in his "sunshine policy" toward the DPRK. Meanwhile, the DPRK's official Rodong Sinmun newspaper stated, "If the U.S. imperialists, their henchmen and followers dare unleash a war against the DPRK, the Korean people and revolutionary armed forces will never miss the opportunity to plunge the provokers into a sea of fire and to reduce them to ashes." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for January 22.]

4. DPRK Missile Development

Defense Week (John Donnelly, "INTEL SAYS TAEPO DONG 2 COULD STRIKE ENTIRE U.S.," 01/25/99, 1) reported that Robert Walpole, National Intelligence Officer for Strategic and Nuclear Programs, said in a speech to the Center for Strategic and International Studies on December 8 that, given a light enough payload, the DPRK's Taepodong 2 missile could soon have sufficient range to strike all the US. Walpole said that a classified memorandum "notes, for example, that the first and second stages performed to North Korean expectations, providing what amounts to a successful flight test of a two-stage Taepo Dong 1 medium-range missile. With an ability to deliver several-hundred kilogram payloads about 2,000 kilometers, the system poses a threat to U.S. allies and interests in the region." He added, "We also assess that after North Korea resolves some important technical issues, including assessing why the third stage failed, they would be able to use the three-stage configuration as a ballistic missile, albeit with great inaccuracy, to deliver small payloads to ICBM ranges." He continued, "Taking note of that relationship between payloads and ranges, the update looks at the implications of lighter payloads for the Taepo Dong 2, which we had assessed in the mid-1990s could deliver larger payloads—several hundred to a thousand kilograms—4,000 to 6,000 kilometers. At the upper end of that range, the Taepo Dong 2 could reach mainland Alaska and the Hawaiian islands with these heavy payloads ... with the stage demonstrated in August, the Taepo Dong 2, again with significant inaccuracy, could reach the rest of the United States, depending on the size of its payload." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for January 25.]

5. ROK Policy toward DPRK

The Los Angeles Times carried an opinion article by Yearn Hong Choi, Former Assistant for Environmental Quality in the Office of the US Secretary of Defense ("NO DAYLIGHT IN SEOUL'S 'SUNSHINE POLICY'," Seoul, 01/25/99) which argued that ROK President Kim Dae-jung's "sunshine policy" toward the DPRK is a cynical attempt to solve a difficult diplomatic problem by "throwing money at it." The author noted that, despite the ROK's humanitarian aid, the DPRK continues to pursue an aggressive military posture. He stated, "However logical it may seem to separate politics and humanitarian concerns, this may be impossible. In North Korea, there is only politics." He added, "Despite everything, North Koreans still revere Kim Jong Il. He and his government are free to continue in their paranoid policies and are quite willing to be paid for them." The article maintained, "In dealing with the North Korean extremism over the years, South Korea has recreated itself into the economic and philosophical antithesis of North Korea. Its belief in capitalism is total, to the point where its leaders apparently believe that money can solve any inter-Korean relations obstacle." It also argued against a proposal to set up an institutionalized fee system to pay the DPRK for cross-border family reunions, and against formalizing an informal arrangement whereby the DPRK receives US\$3,000 to US\$10,000 per family from the ROK government to allow families to be

reunited in the PRC. The author stated, "Despite these bad ideas, a policy to speedily reunite separated families members is a must," and he called for greater international pressure to accomplish this goal.

6. ROK-Russian Relations

Reuters ("RUSSIA, S. KOREA HEAL RIFT, EYE COOPERATION," Moscow, 01/25/99) reported that Russian Foreign Minister Igor Ivanov met with ROK Foreign Minister Hong Soon-yung on Monday and agreed to develop relations in the economic, cultural, scientific, and technical areas. Ivanov also said that the two countries had "especially paid attention to action on easing the situation on the Korean peninsula." Russian Prime Minister Yevgeny Primakov stated, "Our two countries have a mutual hope to develop bilateral relations. This not only helps our plans for working together but also helps regional stability." Hong said that a planned visit to Russia in April by ROK President Kim Dae-jung would further cement ties.

7. ROK Economy

The New York Times (Sheryl WuDunn, "SOUTH KOREA'S MOOD SWINGS FROM BLEAK TO BULLISH," Seoul, 1/24/99, 3) reported that analysts said that they see signs that the ROK economic crisis may have bottomed out, although it will still be some time before economic recovery is complete. John Dodsworth, senior resident representative for the International Monetary Fund in Seoul, stated, "It's moving ahead more quickly than we had anticipated. There's a lot of optimistic sentiment out there." However, analysts argued that the ROK has a long way to go to achieve the needed economic reforms. Oh Ho-gen, executive chairman of the ROK banking industry's Corporate Restructuring Committee, argued, "It's not just a restructuring of business or industry. Restructuring is a misleading term. It's redefining our economic system." You Jong-keun, economic advisor to ROK President Kim Dae-jung, stated, "In a sense, he stakes the success of his presidency ... on reforming the chaebol system. He would consider a failure to reform the chaebol system as a failure of his economic reform system." Despite the signs of optimism, however, the article noted that unemployment continues to rise, with the government forecasting that the number of unemployed would reach 2 million.

8. Taiwan-PRC Fishing Row

Reuters ("TAIWAN EXPELS 106 CHINA FISHING BOATS," Taipei, 01/24/99) reported that the Taiwan Coast Guard Command said that Taiwan early on Sunday expelled 106 PRC fishing boats that approached the island's coast. A coast guard spokesman said the coast guard and marine police had expelled all the boats, although two had been briefly detained for investigation first. The spokesman stated, "They said they were fishing, but we did not find much fishing stocks on boats. We suspected they were smuggling something into Taiwan, but on the two boats we took back for investigation, we found no solid evidence."

9. PRC Military Modernization

Time Magazine (Douglas Waller, "CHINA'S ARMS RACE," Washington, 02/01/99, 32) reported that the PRC is attempting to develop its military to be able to conduct "limited war under high-tech conditions." The article quoted unnamed US investigators as saying that the PRC has made a concerted effort to obtain any kind of military intelligence from the US that it can, using not only official government agencies but Hong Kong front companies, co-production agreements with US

firms, and private Chinese citizens visiting the US. An unnamed CIA source stated, "The Chinese will use anybody who's available or has access. It's across the board." However, White House aides argued that a recent congressional report overstated the PRC's intelligence threat. The article noted that the PRC has also increased its arms purchases in recent years. However, Bates Gill of the Brookings Institution said that the PRC has not demonstrated that it can use "the nifty new pieces of hardware Beijing has bought in a way that poses a credible threat." Some US analysts suggested that the PRC military may be 30 years behind the US. Ralph Cossa, director of the Pacific Forum Center for Strategic and International Studies in Honolulu, stated, "China isn't trying to project power to San Francisco Bay. It's trying to project power to the South China Sea." Kent Harrington, a former CIA intelligence officer for Asia, stated, "Are the Chinese building a gun that ultimately they're going to point at us? I don't think today we can reach that conclusion. But we need to talk to them about it now to make sure it doesn't happen in the future." [Ed. note: This article was one of the top stories in the US Department of Defense's Early Bird news service for January 25.]

The Washington Post (Michael Laris, "CASTOFF RUSSIAN AIRCRAFT CARRIER DRAWS TOURISTS IN CHINA," Shatian, 01/25/99, 16) reported that the Minsk, a decommissioned Russian aircraft carrier that the PRC bought from an ROK company, along with an unfinished Ukrainian carrier bought last year by a Macao company headed by a former PRC army officer, are both slated to become amusement centers for tourists. Bernard Cole, a specialist on the PRC navy at the National Defense University in Washington, stated, "Anything the Russians would sell them would be junk." He added that if the PRC wanted an aircraft carrier it would be better off buying a new one from Spain. [Ed. note: This article appeared in the US Department of Defense's Early Bird news service for January 25.]

10. PRC Views of US Missile Defense

The New York Times (Elizabeth Becker, "MISSILE PLAN PUTS U.S. IN QUANDARY ON CHINA," Washington, 01/22/99) reported that US officials said Thursday that the Clinton administration has twice delayed sending Congress a classified report on a proposed missile system to defend Japan, the ROK, and Taiwan, for fear of negative reactions from the PRC. One unnamed administration official who has seen the documents stated, "They've gone over the draft several times. No one wants China to be offended." Richard Armitage, a former Defense Department official, stated, "One of the biggest ironies of this debate is that it was China's client -- North Korea -- that brought this debate into full daylight and that is causing such problems for China." Joseph Nye, dean of the Kennedy School of Government at Harvard University, stated, "It's not a question of whether we will do this. It will go ahead. The question is how we do it. What is open for discussion is the fine print about it. The Chinese should not overreact." [Ed. note: This article appeared in the US Department of Defense's Early Bird news service for January 22.]

11. Anti-Ballistic Missile Treaty

Reuters (Jonathan Wright, "UNITED STATES ASSURES RUSSIA IT WANTS TO KEEP MISSILE PACT," Washington, 01/23/99) reported that US Secretary of State Madeleine Albright told a joint news conference Friday with Slovak Foreign Minister Eduard Kukan that the US wanted to stay within the Anti-Ballistic Missile (ABM) Treaty. Albright stated, "It's the basis of an arms control regime that has now existed for decades and one that we are committed to." She added, "We have many new threats with which to deal and we need to make sure that we are able to fulfill our responsibilities regarding our own defense. There need to be no concerns about withdrawal.... The ABM is the basis for most of our strategic thinking."

The Washington Post (Daniel Williams, "RUSSIA REJECTS CHANGES TO ABM TREATY," Moscow, 01/23/99, 18) reported that Russian Foreign Minister Igor Ivanov on Saturday rejected any changes in the Anti-Ballistic Missile (ABM) Treaty with the US. Ivanov asserted that the US recognizes that the ABM Treaty is "the cornerstone in further cuts in strategic offensive weapons" and said he was confident the US would make no changes. General Leonid Ivashov, head of the Defense Ministry's international cooperation desk, said that canceling the treaty would be a "violation of strategic stability" and give the US decisive supremacy over Russia.

The Wall Street Journal carried an opinion article by Jesse Helms, R-NC, chairman of the Senate Foreign Relations Committee ("AMEND THE ABM TREATY? NO, SCRAP IT," 01/22/99) which said that the Anti-ballistic Missile (ABM) Treaty is preventing the US from deploying a nationwide missile defense. The author argued, "We do not need to re-negotiate the ABM Treaty to build and deploy national missile defense. We can do it today. The ABM Treaty is dead. It died when our treaty partner, the Soviet Union, ceased to exist." He added, "America is today vulnerable to ballistic missile attack by unstable outlaw regimes, and that missile threat will increase dramatically in the early years of the 21st century." The author argued that protocols to extend the ABM Treaty to the former Soviet republics require ratification by the Senate. He warned, "Not until the administration has submitted the ABM protocols and the Kyoto global-warming treaty, and the Senate has completed its consideration of them, will the Foreign Relations Committee turn its attention to other treaties on the president's agenda."

12. Russian Ratification of START II

The Washington Post (David Hoffman, "RUSSIA SAYS START II IS IMPERILED," Moscow, 01/22/99, 16) reported that Russian specialists said Friday that the US decision to move ahead with a national ballistic missile defense system could destroy any hope that the Russian Duma will ratify the START II strategic arms treaty. Dmitry Trenin, deputy director of the Carnegie Endowment for International Peace Moscow Center, stated, "The whole window of opportunity for START II that opened up last year has now closed." Alexei Podberiozkin, a Communist Party member who recently decided to support START II ratification, said the US decision "certainly will make ratification of START II impossible. But we don't know how far this decision goes beyond the ABM treaty. It must be studied carefully." Paul Podvig, a researcher at the Center for Arms Control, Energy, and Environmental Studies in Moscow, said that draft legislation in the Duma to accompany the START II ratification already stipulates that the US must stick by the ABM Treaty. Podvig argued, "It will be very difficult to get START II ratified if the United States is serious about changing the ABM Treaty." He added, "I have an impression that the United States has given up on START II. They see that the chances to get it ratified by the Duma are very small ... that Russia is going to destroy our missiles with or without START II. They see that Russia is going to reduce anyway, so why worry that much?" Podvig also said that the Duma was on the verge of ratification before the US air attacks on Iraq. He stated, "Everything was more or less in place. I think that somebody in the State Department or the administration should have thought about that, about timing, and they didn't. Which means they just don't care."

The New York Times (Jane Perlez, "ALBRIGHT SEEKS TO REASSURE MOSCOW ON 'STAR WARS' PLAN," Moscow, 01/25/99) reported that US Secretary of State Madeleine Albright insisted Monday that the US plan to develop a missile defense system would not affect any Russian decision to ratify the Start II treaty. Albright said that she believed that the Russian Duma would sign Start II when it "believed it was in their national interest." She suggested that the Duma would ratify the treaty only when the lawmakers understood that it was best to reduce the number of nuclear weapons through the treaty because Russia cannot afford to maintain its large number of nuclear weapons. Albright said she would explain to the Russians that the new missile defense system would not be deployed

until 2005, and then only deployed if the threat from the DPRK, Iraq, and other nations existed as fully as now anticipated. She added that it would be "irresponsible" for the US not to move forward on the missile defense system given the emerging nuclear threats from the DPRK and Iraq. An unnamed senior administration official traveling with Albright said that the Duma had held the treaty hostage for political reasons and would probably continue to do so until lawmakers were sufficiently persuaded by the Russian military.

II. Republic of Korea

1. DPRK Underground Construction

Chosun Ilbo ("US NARROWING DIFFERENCES WITH DPRK," Seoul, 01/25/99) reported that the US and the DPRK are narrowing their positions on the deadlocked issue of site access at the Kumchang-ri underground facilities, according to a high-ranking ROK government official on Monday. The official said that the DPRK is likely to allow a one-time site investigation and continue its discussion with the US for any further investigations, if necessary. In return, the US will supply food aid demanded by the DPRK for site access through the World Food Program and ease economic sanctions.

2. US Military Assistance for ROK

Chosun Ilbo ("US TO ASSIST IN DPRK INFILTRATION CASES," Seoul, 01/25/98) reported that ROK Defense Minister Chun Yong-taek said Tuesday that in the future, the ROK can count on US military reinforcement in case of limited infiltration by the DPRK. Previously, US military involvement would have been available only if the DPRK waged an all-out war against the ROK. Chun continued that the ROK and the US agreed last year to coordinate military action in cases of limited provocation carried out by the DPRK. As evidence of the change in military coordination between the two countries, he cited the dispatch of one Los Angeles-class nuclear submarine and two cruisers to the East Sea following the infiltration of a DPRK Yugo-class submarine in June last year. The minister added that the US has made intelligence on DPRK military movements available to the ROK during other provocative acts by the DPRK.

3. DPRK Military Factories

JoongAng Ilbo ("DPRK OPERATES 180 MILITARY FACTORIES," Seoul, 01/24/99) reported that the National Intelligence Service (NIS) disclosed on January 24 that the DPRK operates more than 180 factories for military- armament production, including 40 gun and artillery and 50 ammunition factories. The NIS estimated that the DPRK can produce most weapons for itself, including new fighter aircrafts of the Mig-29 model. These factories are hidden in underground facilities deep inside the mountainous regions of the DPRK. Regarding missile development, the NIS explained, "The DPRK has augmented its missile forces, which it inaugurated in the mid-80s, to brigade-size units which have hundreds of missiles." The NIS also revealed that the DPRK attached a small artificial satellite "Kwangmyongsong 1" on its "Taepodong 1" missile, but it failed to achieve orbit.

4. ROK-Russian Relations

Korea Times ("ROK TO RECEIVE \$200 MILLION HIGH TECH MILITARY TRANSFER FROM RUSSIA," Seoul, 01/25/99) reported that the ROK is considering the transfer of military and

industrial high technology worth US\$200 million from Russia in a partial accommodation of Russia's offer to repay its debts of US\$1.7 billion entirely with weapons. "We are checking what technology we need most," an ROK Defense Ministry official said, adding that radar, missile guidance and other electronic technology are possible areas of interest to the ROK. In fact, the ministry conducted negotiations with Russia to acquire technology related to a missile guidance device for its ongoing program to develop medium-range surface-to-air missiles (SAM) to replace its aging Hawk air defense system. The ROK is aiming to make its SAM capable of intercepting not only enemy aircraft but also incoming missiles, according to sources. A senior ministry official said that he doubts that Russia would transfer to the ROK its military high technology in payment of its debts. "Russia always demands cash for its technology transfers and I am doubtful that they will make an exception on this case," he said.

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[International Policy Studies Institute](#) Seoul, Republic of Korea
[The Center for Global Communications](#), Tokyo, Japan
[Center for American Studies](#),
[Fudan University](#), Shanghai, People's Republic of China

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

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

Lee Dong-young: UNPOL@netsgo.com
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

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Nautilus Institute

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

nautilus@nautilus.org