

NAPSNet Daily Report 26 August, 1999

Recommended Citation

"NAPSNet Daily Report 26 August, 1999", NAPSNet Daily Report, August 26, 1999,
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-26-august-1999/>

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I. **United States**

1. **US-DPRK Talks**

US State Department Deputy Spokesman James B. Foley ("U.S. SPECIAL ENVOY KARTMAN TO MEET DPRK OFFICIALS IN BERLIN SEPTEMBER 7," USIA Text, 08/25/99) issued the following statement: "U.S. Special Envoy for the Korean Peace Talks, Ambassador Charles Kartman, will lead a

delegation of U.S. officials to meet with DPRK counterparts in Berlin, September 7-11. Ambassador Kartman will meet DPRK Vice Foreign Minister Kim Gye Gwan to resume discussions begun in June in Beijing and continued August 3 to 9 in Geneva. The two sides have been exploring ways to improve relations while addressing the concerns of both sides."

US State Department Deputy Spokesman James B. Foley ("STATE DEPARTMENT NOON BRIEFING, WEDNESDAY, AUGUST 25, 1999," USIA Transcript, 08/25/99) said that the upcoming US-DPRK talks are part of the framework of ongoing bilateral talks. Foley stated, "We have used a series of meetings to continue discussions on the range of issues that we have with the DPRK. As in the past, we intend to use this meeting in September in Berlin to stress the advantage to the DPRK of taking steps to improve its relations with the United States and the international community based on the ideas discussed during former Defense Secretary Perry's visit to Pyongyang. We also intend to use the meeting with the DPRK to reiterate the concerns we had previously raised concerning the DPRK's missile program, including the question of another long-range missile launch." Foley added, "Some of the potential for better relations on the economic and political front were inherent also in the agreed framework, as well. But at the same time, we have some very serious concerns that we've not made light of in these past few months, particularly involving North Korea's missile program. That certainly will be a matter for discussion in Ambassador Kartman's meetings in Berlin." Foley stated, "The question in our mind was not when they would test but, rather, whether they would. I think it wasn't a question of capability but of actual intention and acting." Foley stated, "We believe ... that the Korean Peninsula is one of the most dangerous, if not the most dangerous, flash point in the world today. So the idea that nuclear weapons could be introduced onto the Korean Peninsula, that you could have long-range missiles introduced on to the Korean Peninsula, could be profoundly destabilizing not only for peace and stability on the Korean Peninsula, but with a much wider impact, as well." He added, "We believe that it is a positive sign that we and North Korea decide to meet bilaterally, and we have such meetings because we believe progress can be achieved. But I don't want to predict any particular results."

2. Perry Review

US State Department Deputy Spokesman James B. Foley ("STATE DEPARTMENT NOON BRIEFING, WEDNESDAY, AUGUST 25, 1999," USIA Transcript, 08/25/99) said that former US Defense Secretary William Perry is finalizing his review of US policy toward the DPRK. Foley stated, "I have not a date ... as to when it will be complete. But the results of his visit to Pyongyang and any subsequent developments could be factored into his review; but it's not necessarily a requirement." He added, "I believe we will be in a position to describe it publicly. Whether we're going to issue a report which could easily be a classified report, I don't know that for a fact. But it's just in the nature of our work, in the government we don't always provide you texts of internal documents, classified or not. We will be reporting to Congress, certainly, in full on his report and we will be in a position to talk about the report."

3. US Congressman in DPRK

Reuters ("U.S. CONGRESSMAN HALL ARRIVES IN PYONGYANG," Tokyo, 08/26/99) reported that the DPRK's Korean Central News Agency (KCNA) was quoted as saying by monitoring agency Radiopress that US Congressman Tony Hall arrived in Pyongyang on Thursday.

4. DPRK-European Relations

Reuters ("N.KOREA AND FINLAND FOREIGN MINISTERS COULD MEET," Helsinki, 08/26/99) reported that Pertti Torstila, head of the political department of the Finland Foreign Ministry, said on Thursday that Finland may agree to a request from the DPRK for a foreign ministers' meeting at the UN General Assembly next month. Torstila added that if the meeting takes place, Foreign Minister Tarja Halonen would not represent the European Union (EU) even though Finland currently holds the EU presidency. Torstila stated, "I don't see any obstacles to the meeting, the only problem is Minister Halonen's tight schedule. We have not yet replied (to the request), but we are trying to find a suitable slot." He added, "We have diplomatic relations with North Korea and this would be a normal routine meeting. Really no drama."

5. DPRK Economy

The Associated Press ("NORTH KOREA ECONOMY CONTRACTS AGAIN," Seoul, 08/26/99) reported that the ROK central bank said Thursday that the DPRK contracted 1.1 percent last year, the ninth straight year of recession. The contraction was smaller, however, than the 6.8 percent of 1997, thanks to improved agricultural production. The DPRK economy contracted 3.7 percent in 1996 and 4.6 percent in 1995. The report said that the DPRK generated 17.6 trillion won (US\$14.7 billion) in gross national income during 1998, or about 4 percent of the ROK's. The report also said that the DPRK's international trade reached US\$1.44 billion last year, down from US\$2.18 billion in 1997, largely because of the financial difficulties in Asia. The DPRK's trade with the ROK shrank by 28 percent to US\$222 million in 1998. The DPRK exported US\$560 million worth of goods last year but imported US\$880 million worth for a trade deficit of US\$320 million. The report estimated the DPRK's foreign debts at US\$12.1 billion.

6. Japanese Military Posture

The New York Times carried an editorial ("JAPAN DISCOVERS DEFENSE," 08/26/99) which said that Japan's changing attitude toward the military carries important implications for Asia and the US. The article stated, "Japan's new assertiveness on defense is a healthy development that should not alarm other Asian countries. More than 50 years after the end of World War II, it is appropriate for Tokyo to cast off some of the inhibitions stemming from its earlier record of aggression and conquest. Japan is now committed to democracy and is unlikely to repeat that violent history, especially if it maintains a close partnership with the United States." Regarding the recent decision to give legal backing to the national flag and anthem, the article argued, "Both long predate World War II, and for all but a handful of right-wingers, their revival represents a return to tradition, not to imperial ambitions." It concluded, "Japan is the world's second-largest economic power, and nobody should expect it to remain aloof to matters involving its own defense. As Tokyo starts finding its way to a new military role, it must continue coordinating its defense policies closely with Washington."

7. PRC Entry to WTO

Reuters (Jane Nelson, "CHINA, U.S. MAY RESTART WTO TALKS NEXT MONTH," Canberra, 08/26/99) reported that U.S. Assistant Secretary of State for East Asian and Pacific Affairs Stanley Roth said on Thursday that the US and the PRC may resume negotiations on the PRC's entry to the World Trade Organization (WTO) during next month's meeting of the Asia-Pacific Economic Cooperation (APEC) forum. Roth stated, "I think that there is a real desire on both sides to make this a success." He added, "Obviously we hope that this meeting can be the occasion for significant progress on WTO -- the ideal outcome to reach an agreement at that time or before, but at a minimum to use the meeting to get the negotiations restarted on an urgent basis." Roth also noted,

"China is increasingly refocusing its attention away from the embassy bombing and more towards events across the strait in Taiwan ... so this is another reason for China to get the relationship back on track bilaterally with the United States." He stated, "I think it would be wrong, even grievously wrong, to assume that U.S.-China relations have been permanently disrupted or derailed."

8. Russian Atom Bomb Anniversary

Reuters ("YELTSIN HAILS 50 YEARS OF RUSSIA A-BOMB," Moscow, 08/26/99) reported that Russian President Boris Yeltsin on Thursday praised Russia's nuclear scientists ahead of Sunday's 50th anniversary of the first Soviet atomic test. Yeltsin said in a statement, "By their selfless labors half a century ago, our scientists, engineers, workers and military personnel laid a powerful basis for Russia's nuclear shield. In the most difficult conditions, in the shortest time, they succeeded in resolving a complex scientific and technical task -- unlocking atomic energy." Russia's Itar-Tass news agency quoted First Deputy Atomic Energy Minister Lev Ryabov as saying that Russia "must keep its powder dry" in light of US tactics in recent arms-cut talks. Ryabov was also quoted as saying that nuclear weapon output had been cut by 10 times, due to post-Cold War disarmament. He said that workers in the nuclear arms industry would fall to 35,000 from 75,000 by 2005 and only two of a current four nuclear weapons plants would remain open.

II. Republic of Korea

1. DPRK-European Relations

JoongAng Ilbo (Seo Jang-soo, "NK REPORTEDLY SUGGESTS FOREIGN MINISTER TALKS WITH EU," 08/25/99) and The Korea Herald (Shin Yong-bae, "N. KOREA PROPOSES FOREIGN MINISTERS' TALKS WITH FOUR EU COUNTRIES AT U.N.," Seoul, 08/26/99) reported that ROK officials said on Wednesday that DPRK Foreign Minister Paik Nam-sun last week proposed talks with foreign ministers of some European Union (EU) countries for next month. "It was confirmed that Minister Paik has sent letters to five EU countries and Norway proposing to hold bilateral talks on the sidelines of the UN General Assembly which opens September 14 in New York," said an official at the ROK Ministry of Foreign Affairs and Trade. The five EU countries are Britain, Germany, France, Austria, and Denmark, the official said, adding that the DPRK might have sent similar letters to other EU members. There have been no replies from the six countries, he said. The DPRK's proposal for talks is seen as a diplomatic effort to acquire more foreign aid from these industrialized countries and improve relations at the same time, analysts here said. The ROK government, meanwhile, welcomed the DPRK's proposal. "We see it as a positive development given that the talks can be used as an opportunity to further engage the Communist North," said a ranking foreign ministry official, who asked not to be identified.

2. ROK-PRC Talks

The Korea Times ("CHINA CALLED UPON TO PLAY BRIDGING ROLE FOR 2 KOREAS," Seoul, 08/25/99) reported that ROK Defense Minister Cho Seong-tae on Monday called for the PRC to play a bridging role, linking the ROK and the DPRK to ensure peace and stability on the Korean peninsula and in Northeast Asia. Delivering a speech at the PRC Defense College in Beijing, Cho said, "South Korea expects China to play a greater role in deterring a fresh war on the Korean peninsula." He said that the ROK hopes for balanced military ties with the US, Japan, Russia and the PRC. Cho's remarks were taken as indicating that the ROK may diversify its military diplomacy away from the

US and will seek a multilateral security system.

3. Agreed Framework

The Korea Times ("US ABIDING BY N.KOREA NUCLEAR DEAL: STATE DEPARTMENT," Seoul, 08/25/99) reported that the US on Tuesday dismissed as without basis the DPRK's claim that the US was not meeting its commitments under the Agreed Framework. Earlier the DPRK accused the US of delaying construction of a light water reactor as stipulated in the 1994 deal and threatened to abandon the accord. "Since the U.S. considers the implementation of the DPRK-U.S. agreed framework as drinking poison, there is no need for the DPRK to be bound to it," the official Rodong Sinmun newspaper, cited by the Korean Central News Agency, said. "We don't believe there's a basis for the claim," State Department spokesman James Foley said. "The United States is meeting all of its obligations under the agreed framework and remains committed to the light water reactor project." "North Korea is stirring the pot all it can to get as many concessions as it can. This is traditional brinkmanship," said Bill Taylor, an East Asia Korea expert at the Center for Strategic and International Studies (CSIS).

4. Aid to DPRK

The Korea Herald (Kim Ji-ho, "SEOUL SWITCHES TO DIRECT CHANNEL IN SENDING AID TO PYONGYANG," Seoul, 08/26/99) reported that ROK Unification Ministry officials said on Wednesday that the ROK government will send its humanitarian aid directly to the DPRK this year, instead of using international organizations, including the UN World Food Program (WFP). The decision was reached at the latest meeting of the National Security Council (NSC). "Although the WFP has persistently asked us to contribute to its additional appeal for North Korea aid, we conveyed the government's clear refusal to the U.N. official," said a ministry official, speaking on condition of anonymity. "Our basic stance is that we should push ahead with direct aid to North Korea, instead of resorting to international channels," he added.

5. US-DPRK Trade

The Korea Herald (Kim Ji-ho, "U.S.-N. KOREA TRADE NOSEDIVES IN FIRST HALF," Seoul, 08/26/99) reported that the Korea Trade and Investment Promotion Agency (KOTRA) said on Wednesday that bilateral trade between the DPRK and the US plunged by more than 90 percent in the first half of the year to US\$392,000. Six-month trade between the US and the DPRK remained at a mere 9.7 percent of the US\$4.04 million recorded a year earlier, it said, based on US Department of Commerce statistics. "Actually, it was not two-way but one-way trade with all the transactions being U.S. humanitarian aid for North Korea," a KOTRA official said. The sharp drop in trade volume was mainly attributed to the freezing of relations caused by the DPRK's suspected nuclear site construction and missile threats, he added.

6. ROK -DPRK Cultural Exchange

Joongang Ilbo (Kang Joo-an, "SENIOR PAINTERS TO VISIT NORTH KOREA," Seoul, 08/25/99) and The Korea Herald (Lee Sung-yul, "11 SOUTH KOREAN PAINTERS TO VISIT NORTH NEXT WEEK," Seoul, 08/26/99) reported that an official at the Kumgangsan International Group said that 11 artists, including Kwon Ok-yon, a member of the National Academy of Arts, are scheduled to meet DPRK artists during a trip that starts next Tuesday. While in the DPRK, the ROK artists will paint and draw near the Taedong River in Pyongyang along with DPRK painters, the official said. The two

sides may exhibit the paintings in Seoul and Pyongyang early next year, he added. The ROK visitors, invited by Kim Yong-soon, a secretary at the Central Committee of the DPRK Workers Party, will also meet top DPRK culture officials to exchange views on ways to increase inter-Korean cultural exchanges.

7. ROK-Japan Forum

The Korea Herald ("FORUM TO PUSH FOR ENHANCING KOREA-JAPAN TIES," Seoul, 08/26/99) reported that prominent politicians, businessmen, scholars, and journalists of the ROK and Japan will gather in Seoul on Friday to discuss ways to enhance bilateral relations in the 21st century. The seventh ROK-Japan Forum, sponsored by the Korea Foundation, will focus on the political, economic, and social situations in both countries and bilateral security, economic, and cultural cooperation.

8. DPRK Defectors to ROK

Joongang Ilbo ("THREE N.KOREANS DEFECT TO S.KOREA," Seoul, 08/25/99) and The Korea Herald ("THREE N.K. DEFECTORS ARRIVE IN SEOUL," Seoul, 08/26/99) reported that the ROK Ministry of Foreign Affairs and Trade said that three DPRK defectors arrived in Seoul on Tuesday after residing in a third country for a few years. Yun Kyong-chol, 45, a collective farm worker, his son Sang-shik, 18, and Kim Yong-hun, 41, a power distribution station worker, recently sought political asylum at the ROK embassy in the third country, spokesman Chang Chul-kyoon said. The government accepted them on humanitarian grounds and helped to bring them to Seoul with the help of the government of the third country and the UN High Commissioner for Refugees. Yun and his son fled from the North in July 1997 and Kim did so a month later.

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:
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