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I. United States

1. Four-Party Peace Talks

The delegations to the four-party peace talks ("KOREA FOUR PARTY TALKS 1/22 JOINT PRESS STATEMENT," Geneva, USIA Text, 01/25/99) issued the following joint press statement on January 22: "The fourth plenary session of the Four Party Talks was held in Geneva from January 18 to January 22, 1999. Delegations of the four parties, the DPRK, PRC, ROK, and U.S., had useful and productive discussions which were conducted in a business-like manner. The two subcommittees

that were established at the third plenary session -- to discuss, respectively, the establishment of a peace regime on the Korean Peninsula and tension reduction there -- held meetings over two days during the fourth plenary on January 20-21. The two subcommittees agreed on procedures for their operation, exchanged substantive views, and reported to the plenary on January 22 on their activities. The four delegations expressed their expectation that the establishment of procedures by the two subcommittees will expedite progress on substantive issues in future rounds of the Four Party Talks. The fifth plenary session will be held in Geneva in mid-April 1999. A deputy head of delegation preparatory meeting will be convened to discuss arrangements for organizing the work of the next plenary session in Geneva a day before the plenary meets. In accordance with established procedure, the Chair state will prepare for the plenary session from the closing of the previous plenary session and will assume chairmanship for the preparatory meeting before the plenary session. The four delegations expressed their deep appreciation to the Swiss government for its support for this meeting and for its hospitality extended to the delegations."

US State Department Deputy Spokesman Jim Foley ("STATE DEPARTMENT NOON BRIEFING, JANUARY 25, 1999," USIA Transcript, 01/25/99) said that organization of subcommittees on tension reduction and the establishment of a new peace regime during the latest round of the Four Party Talks was a modest but significant steps towards the ultimate goals of the talks. Foley stated, "We believe that the fact that these sub-committees have begun their work is a good start in what, I would hasten to add, will be a lengthy and difficult process." He added, "I don't think we should underestimate the symbolic and practical importance or significance of the fact that, for the first time since the Korean War armistice, the parties have now begun to sit down at a table and engage in substantive talks designed to take concrete steps towards establishing a new peace regime in place of the armistice, and reducing tension on the Korean Peninsula." He noted, "Each of the four parties was able not only to discuss issues of procedure, ... they also began a discussion of substantive views." Foley also stated, "we believe that the second issue - establishment of a peace regime - probably is something that will take the longest to achieve, given the fact that we've been in this state, governed by the armistice, for almost going on five decades now; whereas the issues of tension reduction are issues that have to do with the daily interaction of the parties and involve steps that could be practicable, and steps that could be conceivably reached and implemented in a shorter period of time."

2. DPRK Underground Construction

US State Department Deputy Spokesman Jim Foley ("STATE DEPARTMENT NOON BRIEFING, JANUARY 25, 1999," USIA Transcript, 01/25/99) said that while differences remain between the US and the DPRK on the underground construction at Kumchangri, both sides are negotiating seriously. Foley added, "It's also noteworthy that both sides have agreed to continue negotiations as soon as practical arrangements can be made. I have nothing to announce specifically in that regard, but we expect those arrangements to be finalized through the New York channel." He said that the US "bottom line remains the same - that access to the site is necessary to allay our concerns." Regarding the question of the US providing further food aid to the DPRK in exchange for site access, Foley stated, "we have made clear, over the past several years, that we treat the question of food aid on its own merits, and that we have developed a remarkable record of dealing with appeals from the World Food Program for food assistance to North Korea.... But as regards our discussions with the North Koreans about the suspect site, we have always made clear that the issue of access to the site is not one over which we're prepared to pay any form of compensation."

3. DPRK Elections

Reuters (Bill Tarrant, "NORTH KOREA PLANS LOCAL ELECTIONS ON MARCH 7," Seoul, 01/26/99) reported that the DPRK's official Korean Central News Agency (KCNA) said on Tuesday that it would hold nation-wide local elections on March 7. KCNA stated, "The people's committees of provinces (municipalities directly under central authority), cities and counties decided to hold elections of deputies to relevant people's assemblies. The Presidium of the Supreme People's Assembly of the DPRK announced on January 26 that the election of deputies will be held on March 7." Yu Suk-ryul of the ROK Institute of Foreign Affairs and National Security stated, "Kim Jong-il is saying his era is opening from now (with the elections). He has to show something new." Yu added, "At the moment social cohesion is pretty bad. They would like elections to help create a consensus and get cooperation from the people." He also argued, "They would like to show their reform and democratic way to the outside world because the United States and other countries are showing a hardline posture against North Korea." One unnamed Western diplomat said, "(The elections) could reinvigorate the process of bringing the government out of a coma and giving greater authority to local units to try and feed, house, clothe and give medicine to people." He added, "They have been talking about devolving economic authority." Elections of deputies to people's assemblies in provinces were last held in November 1993 and those for cities and counties in November 1991. Local elections are normally held every four years but have been on hold since Kim Il-sung's death on July 8, 1994.

4. PRC Military Exercises

The Washington Times (Bill Gertz, "CHINESE EXERCISE TARGETS TAIWAN," Washington, 01/26/99) reported that unnamed US military intelligence officials said that the PRC army conducted a military exercise last month with simulated missile firings against Taiwan and also for the first time conducted mock attacks on US troops in the region. According to a December 2 Defense Intelligence Agency report, the exercise began in late November and ended in early December and involved road-mobile CSS-5 medium-range missiles and silo-based CSS-2 intermediate-range missiles. The report cited intelligence gathered by US satellites, aircraft, and ships as showing that People's Liberation Army units practiced firing missiles at Taiwan as well as at US Army troops based in the ROK and US Marine Corps troops on Okinawa and mainland Japan. The missiles were targeted, but none were fired. An unnamed senior US official stated, "They were doing mock missile attacks on our troops." He added that the missiles involved in the exercise had "never been pointed our way before. The important point is these are not new missiles." One unnamed military official said that the exercises also showed the PRC's growing capability to counter US laser-guided bombs. Richard Fisher, a China specialist at the Heritage Foundation, said that the targeting of US forces in the recent exercise "highlights the most important aspect of any future Chinese military threat to the region. Chinese doctrine puts special emphasis on missile forces -- concealing mobile forces for obtaining surprise, and using a wide variety of current and future nuclear and non-nuclear warheads." US Defense Department spokesman Kenneth Bacon said that he would not comment on any specific intelligence report, "but I can tell you we are not aware of a simulated attack against US troops in Asia during a missile exercise." [Ed. note: This article was on of the top stories in the US Department of Defense's Early Bird news service for January 26.]

5. Japanese Peacekeeping Operations

Agence France-Presse ("JAPAN: NO ARMS ON U.N. MISSIONS," Tokyo, 01/26/99) reported that Japanese Chief Cabinet Secretary Hiromu Nonaka said that Japan will not let its troops carry arms or ammunition on UN peacekeeping missions. Nonaka said that the coalition Government will ease restrictions on troops in such missions, but the Cabinet will determine the roles for the troops case by case. [Ed. note: This article was included in the US Department of Defense's Early Bird news

service for January 26.]

6. US Missile Defense

The United States Information Agency (Wendy S. Ross, "US DEVELOPING LIMITED MISSILE DEFENSE AGAINST ROGUE STATE THREAT," Washington, 01/21/99) reported that Robert Bell of the US National Security Council confirmed on January 21 that the US is developing a limited national missile defense system to counter possible threats from "rogue" states. Bell said that the US is concerned "with the recent accelerated trends in the threat" of long-range missiles from states like the DPRK and Iran. He added, "We cannot assume that if North Korea perfects a three-stage ICBM capable of striking the American homeland with a meaningful military warhead ... that North Korea will not seek to sell that capability to other states." Bell said that the current US effort is to develop "an extremely limited" land-based defense designed primarily to provide defense from a state "that gets a handful of missiles that it tries to blackmail us with or use against us in a crisis." He added that a decision on deployment will not be made until the year 2000 or later, "at which we will again assess our evaluation of the threat, review the program, in terms of its technology, its maturity, and program risk as of that date." Bell said that the development of this limited national missile defense system is in full compliance with the Anti-Ballistic Missile Treaty, but deployment "may, or may not," require modifications to the Treaty.

The Christian Science Monitor carried an editorial ("CAUTION ON MISSILE DEFENSE," 01/26/99) which said that the US should not scrap the Anti-Ballistic Missile (ABM) treaty in the interest of building a national missile defense. The article argued that scuttling the ABM treaty might destroy any chance for Russian ratification of the START II nuclear weapons reductions treaty. It added that unilaterally annulling the ABM could have serious political repercussions in Russia. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for January 26.]

The Washington Post carried an editorial ("MOVING TO MISSILE DEFENSE," 01/22/99, 34) which said that the US government's policy of delaying a decision on deployment of a national missile defense system until both the need and the feasibility of such a system have been proven is "sensible." The article argued also stated, "The United States has good reason to keep the [Anti-Ballistic Missile] treaty from confounding its emerging security requirements for a limited national missile defense.... But it also has good reason to unhitch from relevant treaty obligations in a way that does not undermine Russian confidence. It's a hard task but a doable one."

The New York Times carried an editorial ("DEFENSE AGAINST A MISSILE ATTACK," 01/22/99) which said that the Clinton Administration is right to commit to designing a limited missile defense system against a potential missile threat from states like Iran and the DPRK. It added, however, that "America's preparations have to be guided by the imminence of the danger, the technical challenges and the possible diplomatic consequences for managing nuclear relations with Russia and China." It argued, "Renegotiating the treaty to allow a limited defensive system directed against North Korea and other rogue states may be possible, despite Russia's current reluctance to do so. But the subject must be approached carefully. Defense Secretary William Cohen's threat that America could simply renounce the treaty if Russia resists amendments was a poor way to start this discussion."

II. Republic of Korea

1. ROK Politics

JoongAng Ilbo ("PRESIDENT SEEKS RECONCILIATION WITH OPPOSITION," Seoul, 01/26/99) reported that ROK President Kim Dae-jung has been displaying conciliatory signs towards the opposition Grand National Party (GNP). A source from the ruling coalition said that a recently proposed broad-scale pardon may include Kim Hyun-chul, former President Kim Young-sam's son. The president said on January 26 at a meeting with Kim Sang-hyon, a leading politician with the ruling National Congress for New Politics (NCNP), "The role of the opposition party is very important. I fully admit Lee Hoi-chang, the president of the GNP, as a partner and will meet him at any time without any conditions attached." He also urged former president Kim Young-sam's cooperation by saying, "It is only natural that a former president should assist an incumbent." It is reported that a "concord cabinet" is being considered in the hopes it will ease friction among political factions and regions.

2. ROK Economy

Korea Times ("KANG ADMITS MISMANAGING CRISIS," Seoul, 01/26/99) reported that ruling coalition lawmakers on Monday criticized a former top economic aide of ex-president Kim Young-sam for his economic team's suspected incompetence in managing the national economy. Former finance-economy minister Kang Kyong-shik and three economic advisors to former president Kim were standing witnesses or references in an economic hearing at the National Assembly on the financial debacle. Before answering the questions of lawmakers at the hearing, Kang stated, "As an economic official of the former government, I painfully recognized my responsibility for the economic failure and the severe hardships the ROK people are suffering as a result." The previous administration's top economic policy decision makers were asked to provide their accounts of the events leading up to the ROK economy's abrupt collapse. The session was perhaps the most critical so far, with key witnesses, including Kang Kyong-shik and ex-presidential economic advisor Kim In-ho, describing the state of the ROK's economy prior to the crisis and outlining the steps that were followed in applying for the International Monetary Fund bailout.

Korea Times ("S and P UPGRADES ROK'S RATINGS," Seoul, 01/26/99) reported that Standard and Poor's Ratings Group (S and P) on Monday raised the ROK's sovereign credit ratings on its long-term foreign currency debt from BB plus to BBB minus, the lowest investment-grade rating. The US rating agency also upgraded the ROK's short-term foreign currency rating to A-3 from B, and the long-term local currency rating from BBB plus to A minus. The country's A-2 short-term local currency rating was affirmed. S and P kept its outlook on the ROK's long-term and short-term ratings positive, keeping open the possibility that "the ROK's credit standing could continue to improve over a one- to three-year time horizon." S and P's upgrade followed a similar move by Fitch IBCA last week. On January 19, Fitch IBCA upgraded its sovereign ratings on the ROK by one notch to investment grade, becoming the first major rating agency to do so.

3. Anti-corruption Agreement

JoongAng Ilbo ("ANTI-CORRUPTION AGREEMENT WORRIES ROK COMPANIES," Seoul, 01/26/99) reported that ROK companies are reacting sensitively towards the agreement that prohibits bribery abroad as it will come into effect this coming February. Many companies related to construction and export businesses are busy taking countermeasures, including collecting information and educating employees. Several LG subsidiaries, including LG Electronics and LG Corporation, are giving their employees company guidelines on ethical business practices. Ssangyong Business Group delivered documents to its construction offices abroad that urge extreme caution in regards to the agreement. Kim Sok-jun, chairman of Ssangyong Construction, placed phone calls to heads of all its local construction offices in Singapore and Indonesia and said, "All local offices should maintain

transparent contract negotiations and aboveboard construction projects." The Federation of Korean Industries (FKI) revised its charter of corporate ethics, which prohibits any illegal provisions to politicians, and decided to further fortify it next month.

III. Russian Federation

1. ROK Foreign Minister in the RF

Segodnya ("MOSCOW IS INTERESTED IN ITS RELATIONS WITH THE REPUBLIC OF KOREA," Moscow, 2, 1/26/99) reported that ROK Foreign Minister Hong Soon-yung had talks Monday in Moscow with RF Premier Yevgeniy Primakov, RF Foreign Minister Igor Ivanov, and RF State Duma Chairman Gennadiy Seleznyov. Primakov, in particular, stressed that "presently there are all opportunities and prerequisites for development of relations" between the two countries. Hong asked Seleznyov to assist, if possible, a restoration of the presently frozen inter-Korean dialogue. He expressed concern about the deteriorating economic situation in the DPRK and the lack of ROK-DPRK negotiations. He said his visit was "to show once again South Korea's readiness to cooperate with the RF," as "revival of the Russian economy is of great importance to Korea, which wishes to develop economic cooperation with the RF." In his opinion, inter-parliamentary interaction plays a big role in that process.

Segodnya's Aleksandr Chudodeyev ("MOSCOW PROPOSES TO UNTIE THE KOREAN KNOT JOINTLY," Moscow, 3, 1/23/99) commented on ROK Foreign Minister Hong Soon-yung's visit to Moscow starting on January 25. The visit officially is to prepare the ground for ROK President Kim Dae-jung's visit to Moscow, the exact date of which is yet undetermined. Kim received the invitation rather long ago, but obviously the financial crisis has prevented him from coming. Now however, Segodnya's author argued, "the situation is somewhat different. Pyongyang's outrageous international behavior is the overwhelming reason," including the DPRK's missile test last year, its suspicious underground construction, its threats to unfreeze its nuclear program, and recent indications that it would hold another missile test. There is "neither peace, nor war" in the Korean Peninsula, and ROK leaders, in the author's opinion, seem to have finally realized that it would be expedient to have the RF join the US and the PRC in the efforts to alleviate the situation. Sources in the RF Foreign Ministry expressed hope that the ROK President's visit will result in bilateral and regional arrangements covering sea and air safety, international economic projects with political benefits (for instance, East Siberian natural gas development), and environmental protection. Segodnya's author recalled also the RF's idea of 1994 about an international conference.

2. Renaming of ROK Intelligence Service

Izvestia's Vladimir Skosyrev ("A CHANGE OF THE SHOP-SIGN," Moscow, 3, 1/23/99) reported that the ROK intelligence service operating both inside the country and abroad was renamed the National Intelligence Service. The ROK secret service got a bad reputation as it participated in political repression under dictatorial regimes in the past. According to ROK President Kim Dae-jung, the Korean Central Intelligence Agency made four attempts on his life when he was the most prominent dissident in the country. After his coming to power, he declared that the service would be thoroughly reorganized. He fired two-thirds of its agents and introduced a tougher punishment for those who might be caught engaged in politics. "An intelligence service must serve the country and the people, not some regime," he said. Yet, last summer it was found that within the service there was "a division to deal with the mass media," and later opposition members of ROK National Assembly found that agents had a room on the parliamentary premises and spied on opposition

parliamentarians. Though no direct connection was detected, the allegations hurt Kim's reputation.

3. Kuril Islands

Izvestia's Vasilii Golovnin ("JAPAN IS DISPLEASED WITH ITS DIALOGUE WITH RUSSIA," Tokyo, 3, 1/23/99) reported that for the first time since its rapprochement with the RF started in 1997, Japan expressed its displeasure with the way its dialogue with the RF on the fate of the South Kurils and a bilateral peace treaty is developing. Japanese Foreign Minister Masahiko Komura at a press conference in Tokyo, while commenting on the first round of bilateral talks on border delimitation and joint economic development of the isles, said: "There are big divergences between us. It's a fact. At the talks, though, there is no rollback, but they stand still." Japan insists on inclusion of a provision establishing its full sovereignty over all the South Kurils into the draft treaty. The RF prefers to include just a general intention to settle the territorial dispute and to solve the specific demarcation issues in another agreement to be signed "later." Allegedly, during Komura's planned visit to Moscow this March-April, Japan will officially and finally reject the RF's proposals. That, in its turn, might make an official visit of the RF President or RF Premier to Tokyo impossible. On February 21, RF Foreign Minister Igor Ivanov is scheduled to visit Tokyo, with his visit to be followed by the second round of delimitation talks. The Japanese Foreign Ministry until recently had been trying to work out some compromise scenario. For instance, "an intermediate agreement" was suggested to establish the RF's readiness to hand over just Habomai and Sikotan, although it is doubtful that the RF would agree to that. On the other hand, Japanese political leaders attacked the idea and ordered the diplomats to stop all work of that kind and firmly hold to their initial position.

4. PRC Membership in the G8

Nezavisimaia gazeta ("CHINA IS READY TO JOIN THE G8," Moscow, 6, 1/26/99) reported that Hans Dietrich Genscher, former German Foreign Minister, on a visit to the PRC said, in particular, that the present machineries of the Group of 8 were paralyzed with bureaucracy and called on G8 leaders to admit the PRC as "a great nation in the world" to their ranks. Official spokesman of the PRC Foreign Ministry replied that the PRC supported a view aimed at a closer cooperation of the G8 with other countries.

5. PRC Separatism Movement

Izvestia's Vladimir Skosyrev ("IT IS UNQUIET IN XINJIANG," Moscow, 3, 1/22/99) reported that PRC security forces in Xinjiang Uighur Autonomous Region are on alert and took official buildings, railway stations and airport in the capital of Urumchi under their protection as a reaction to reports that separatists acting under the slogan of "Independent Eastern Turkestan" were preparing terrorist acts. Izvestia's author recalled that in 1997, as a result of riots there under Islamic fundamentalist slogans, 10 persons died and 132 were injured. Uighur sources abroad claimed 100 persons died. Yet, due to stricter control measures last year there no disturbances or, at least, no reports to that effect. Recently, PRC customs officers in Xinjiang intercepted a truck with small arms and ammo coming from Kazakhstan. There is an arrangement between the PRC and Kazakhstan to combat fundamentalist and separatist forces.

6. Alleged US Violations of Non-Proliferation Regime

Nezavisimaia gazeta's Viktor Cherepakhin ("USA VIOLATES THE NON-PROLIFERATION REGIME," Moscow, 6, 1/26/99) commented on recent US sanctions against three RF research institutes for

alleged violations of the non-proliferation regime. According to the author, the purpose of the measure is "to squeeze Russia out of the international market for peaceful nuclear technologies, as well as to minimize Russian scientists' international contacts" and, on the other hand, to present the US as almost a sole guarantor of non-proliferation. Yet, the US itself does not comply with the Non-Proliferation Treaty, using a double standard. With a reference to Western media, the author pointed out, in particular, that the US did nothing about the cooperation of British-based Surrey Satellite Technologies company with some threshold countries. The company arranged training trips for nuclear experts from Pakistan, Chile, the ROK, South Africa and some others. In the ROK, for instance, the former trainees established their own research center and are actively engaged in military missile development under the auspices of the ROK Defense Ministry. Other examples include last December's agreement between British-French Matra Bae Dynamics firm and Saudi Arabia to sell cruise missiles to the latter; the fact that 200 Western companies sold technologies and components for mass destruction weapon production to Iraq; and that Iraqis studied nuclear energy and missile subjects in Germany, the US and Canada.

7. RF-US Sea Border Dispute

Izvestia's Yuriy Golotyuk ("SEA OTTER ROCK BETWEEN MOSCOW AND WASHINGTON," Moscow, 1, 1/21/99) reported that last weekend in Seattle another round of RF-US talks concluded. The subject concerns 49 kilometers of sea border between the two countries and the adjacent sea areas. According to RF delegation head Vladimir Izmailov, Deputy Chairman, RF Fishing Committee, the only positive result is that in the protocol the parties "noted the necessity to look for a compromise solution of the problem." The problem is that, while the US Congress ratified the bilateral delimitation agreement of 1990 within a year, the RF State Duma not only refused to do that, but adopted a resolution denouncing the agreement and calling for "restoration of the RF's right to 40,000 square kilometers of sea area in the Bering Sea" with its huge fish resources and shelf raw materials. On the other hand, "an independent group for monitoring US foreign policy" in the US recently made a statement alleging that residents of Alaska protested against a hand-over of 9 US isles to the RF by the US State Department.

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.

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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