

# NAPSNet Daily Report 28 August, 1998

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## Recommended Citation

"NAPSNet Daily Report 28 August, 1998", NAPSNet Daily Report, August 28, 1998,  
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-28-august-1998/>

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### **I. United States**

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#### **1. DPRK Missile Sales**

The Associated Press ("N. KOREA'S DEFENSE INDUSTRY SAGGING, S. KOREAN OFFICIALS SAY," Seoul, 08/28/98) reported that ROK Unification Ministry officials said Friday that the DPRK's defense industry is sagging, depriving the country of a vital source of foreign currency. The officials said that the DPRK is believed to have earned US\$2.5 billion by selling missiles and other weapons mostly to Middle East countries in 1980-89, but only US\$300 million between 1990 and 1995. The officials said that their information was obtained from Germany and other friendly countries. The

officials believe that the DPRK's missile sales to Iran, Syria, and other Middle East countries have dropped sharply because of the weapons' low quality and difficulty in transporting them. They added that while the DPRK has made significant progress in certain areas of missile development, its program faces "serious technical problems." One anonymous ministry official stated, "Signs are clear that North Korea's defense industry is declining." He added, "That is one reason they have recently proposed to the United States that the DPRK halt missile development and sales in return for financial compensation."

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## **2. KEDO**

US Department of State Deputy Spokesman James B. Foley ("KARTMAN NAMED U.S. REPRESENTATIVE TO KEDO," Washington, USIA Text, 08/28/98) reported that US Ambassador at-large Charles Kartman has been named as US Representative to the Korean Peninsula Energy Development Organization (KEDO) and Chairman of its Executive Board, succeeding Ambassador Paul Cleveland. Kartman is also the US Special Envoy for the Four-Party Peace Talks. The statement added, "Under Ambassador Cleveland's leadership, KEDO's Executive Board concluded an ad referendum burdensharing agreement last month under which the Republic of Korea pledged 70 percent of the estimated LWR project cost of \$4.6 billion, and Japan pledged the yen- equivalent of \$1 billion. The agreement is scheduled to be formally signed in Seoul on August 29."

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## **3. DPRK Releases Korean-American**

The Associated Press ("PASTOR RELEASED BY NORTH KOREA," Seoul, 08/28/98) reported that the DPRK's Korean Central News Agency (KCNA) said that Lee Kwang-dok, a Christian minister from Los Angeles, was released Friday at the request of the US government. KCNA said that Lee was expelled from the DPRK after he paid an unspecified fine. It added, "He was caught red-handed while committing such crimes as alluring citizens of the DPRK into South Korea, spying on the actual conditions of the DPRK and distributing anti-DPRK propaganda materials." ROK news reports quoted Lee's family in Los Angeles as saying that the fine was more than US\$100,000. Lee's release reportedly was arranged at the meeting in New York last week between US and DPRK representatives.

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## **4. Alleged Terrorist Threat in ROK**

The Associated Press ("SECURITY STRENGTHENED AT U.S. INSTALLATIONS IN S. KOREA," Seoul, 08/28/98) reported that security was tightened Friday at US military installations, businesses, and the US embassy in the ROK because of an unconfirmed terrorist threat. The heightened security came after the US Embassy issued an advisory Thursday saying it had received "unconfirmed information of a possible terrorist action" against US citizens in the ROK. Embassy spokesman Patrick Linehan declined to discuss the nature of the threat, but added, "We're obviously taking it seriously."

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## **5. US Military in ROK**

The Associated Press ("RAINS HURT U.S. MILITARY IN KOREA," Seoul, 08/28/98) reported that the

US Army Corps of Engineers said Friday that torrential rains in the ROK caused an estimated US\$300 million damage to U.S. military buildings, equipment and supplies. Three US servicemen were killed and more than 450 buildings were damaged at three military bases in and around Seoul.

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## **6. US Military Sales to Taiwan**

Reuters (Benjamin Kang Lim, "CHINA DENOUNCES U.S. MISSILE SALE TO TAIWAN," Beijing, 08/28/98) reported that a PRC foreign ministry spokesman on Friday denounced US sales of missiles and anti-submarine torpedoes to Taiwan. He stated, "We demand the U.S. government strictly abide by the Aug. 17 Sino-U.S. communique through practical action and stop any moves that violate China's sovereignty and sabotage China's peaceful reunification." He added, "The U.S. side has ignored the consistent opposition of the Chinese side and continuously sold advanced weapons to Taiwan, violating the Aug. 17 communique. The Chinese side expresses its resolute opposition to this." The 1982 communique calls for the US to gradually reduce arms sales to Taiwan in quantity and quality.

The Associated Press ("TAIWAN SEEKING U.S. MISSILES," Washington, 08/27/98) reported that the US Defense Department said Thursday that the US planned to sell US\$350 million in missiles and anti-submarine torpedoes to Taiwan. It said the proposed sale of 61 vehicle-mounted "Stinger" anti-aircraft missile launchers and 728 missiles for US\$180 million would be included in the requested package. The package would also include 131 MK-46 torpedoes and associated equipment made by Hughes Aircraft Co for US\$69 million. The final part of the proposed package would be 58 Harpoon anti-ship missiles and eight Harpoon training missiles for US\$101 million. The Department said, "The proposed sale of this military equipment will not affect the basic military balance in the region."

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## **7. US-Russian Summit**

Reuters ("CLINTON COMMITTED TO MAKING RUSSIA TRIP NEXT WEEK," Edgartown, 08/28/98) reported that White House spokesman Barry Toiv said that US President Bill Clinton held a conference call with senior advisers on Russia on Friday and reiterated his intention of traveling to Moscow next week. Toiv denied speculation that Clinton might cancel or postpone the visit because of the political and economic uncertainty in Russia.

# **II. Republic of Korea**

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## **1. Allegations of DPRK Nuclear Plant**

The ROK government held a National Security Council (NSC) meeting Thursday to discuss the possible underground nuclear plant being constructed at Yongbyon by the DPRK. A spokesman for the ROK Ministry of Foreign Affairs and Trade (MOFAT) said that substantial construction was underway and the government is closely watching to see if it has anything to do with nuclear weapons. Information on the facility has been gathered for some time and the administration, in cooperation with the US, is trying to find out its purpose, though it cannot confirm that the construction is for nuclear weapons at this time. If it is confirmed that the DPRK is seeking to develop nuclear weapons, the government will use every method possible to prevent it. ROK

Presidential spokesman Park Ji-won said in a regular morning briefing that construction was at a stage where it was difficult to judge whether or not people should be concerned. (Chosun Ilbo, "NSC DISCUSSES POSSIBLE NK NUCLEAR PLANT," 08/28/98)

ROK conservative local dailies are speculating that the DPRK is constructing an "underground nuclear power plant," but one high-ranking ROK government official described this as pure fiction. The more progressive Han-Kyoreh daily reported Wednesday that there is no concrete evidence that the DPRK has been digging an underground tunnel in order to construct a nuclear plant. ROK government officials said the report is "generally true." Although the public is becoming more and more sensitive to and apprehensive about the conflicting reports, presidential secretaries are more "relaxed than before." Their sentiments might be an indication that the government has ample evidence that the Yongbyon underground work is not related to nuclear facilities. They have said privately that a few conservative local media are engrossed in a pointless "witch hunt." No country in the world has an underground nuclear power plant, they said, except Sweden, which has a subterranean facility for research purposes. They questioned whether the DPRK has the technical capability to construct a nuclear plant underground. A government source said that is absurd to suggest that the DPRK is building an underground hangar in Yongbyon, and it is equally absurd to say that the DPRK is building a nuclear plant. He added, however, that the government will chart a "worst-case scenario," and that observers are free to speculate. He acknowledged that the DPRK has built ventilation and irrigation channels underground, but added that this does not mean that a nuclear facility is being built. In any underground tunnel, there always have to be ventilation and irrigation channels to support human activity, he said. He surmised that the underground tunnel might be part of the DPRK's decades-old effort to fortify the country, moving all facilities underground to prepare for an attack from the ROK. ROK government officials said that even if the underground area is intended to support nuclear facilities, it would probably take as long as six years for the DPRK to install the needed equipment. The Kim Dae-jung administration is worried that groundless speculation by "conservative" domestic media might harm its "sunshine policy" toward the DPRK. It is speculated that by taking its present course, the DPRK is "demonstrating" against the US for its reluctance to ease its economic sanctions and its delay in constructing two light water nuclear plants and delivering the heavy oil it has promised to provide. (Korea Times, "SPECULATION MOUNTS OVER NK UNDERGROUND FACILITY IN YONGBYON," 08/28/98)

### **III. Japan**

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#### **1. Japan-US Defense Relations**

The Yomiuri Shimbun ("TMD JOINT RESEARCH TO BE FINANCED IN THIS YEAR," Washington, 08/28/98) reported that the Japanese and US governments held an official foreign ministerial-defense authority meeting at the Pentagon on August 27. During the meeting, Japan announced its decision to finance the proposed joint research on the theater missile defense (TMD) initiative this year outside the framework of the budget for fiscal year 1999. Japan also told the US side regarding the Diet's examination of the bills related to the New Guidelines for Japan-US Defense Cooperation, "We are hoping that the bills will be passed as soon as possible." As for the 2-Plus-2 Japan-US Security Consultation Committee, both sides agreed to meet in late September. Regarding US bases in Okinawa, they reaffirmed that the final report by the Special Action Committee on Okinawa should be fully implemented.

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## 2. Japan's Defense Policy

The Yomiuri Shimbun ("DEFENSE AGENCY TO INCREASE INTELLIGENCE EXPERTS," 08/24/98) reported that Defense Agency decided to increase South Asian experts in its information center by approximately one hundred and to spend approximately 10 billion yen in the fiscal year of 1999. The reasons for this include the diversification of the activities of the Self-Defense Forces (including rescue of Japanese civilians overseas and US Peace-Keeping Operations), the Japanese government's inability to predict the resignation of President Suharto of Indonesia in May, and the increasing uncertainties in Southeast Asian security due to the recent nuclear tests by India and Pakistan. The report also pointed out that, although the agency has already been increasing its ability to gather and analyze information concerning the PRC, Russia, the DPRK, and the post- Cold War-driven political turmoil in Southeast Asia, South Asia and the Middle East motivated the agency to make this decision. The report cited a Defense-Agency high-ranking official as saying, "We have not accumulated enough information on these areas, and we have not been ready to analyze a huge amount of first-hand information, either."

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## 3. Japanese Communist Party

The Nikkei Shimbun ("COMMUNIST PARTY MAY ACCEPT JAPAN-US SECURITY TREATY," 08/25/98) reported that Tetsuzo Fuwa, head of Japan's Communist Party, announced in the party's newspaper "Akahata (Red Flag)" on August 25 that, if the Liberal Democratic Party (LDP) cannot gain the majority in the next lower house election, the Communist Party may join a coalition administration by temporarily freezing its opposition to the Japan-US Security Treaty. According to the report, the 1961 Communist Party statement insisted on discarding the Japan-US Security Treaty as "a US-dependent alliance." However, Fuwa revealed that the party is ready to deal with the treaty as it is, will not revise the treaty to adjust to the present situation, and will not aim to terminate it.

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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