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I. United States

1. US-DPRK Relations

The Washington Times (Martin Sieff, "N. KOREAN SHOWS FOR TALKS HERE; MORE SET," Washington, 11/28/97) reported on Wednesday's meeting at the State Department between DPRK Vice Foreign Minister Kim Gye-gwan and US Deputy Assistant Secretary of State Charles Kartman. The article quoted Donald Gregg, chairman of the US-Korea Society and former US ambassador to the ROK, as saying, "The fact that these talks are being held is, in part, a function of the fact that Kim Jong-il is now more confidently in place." However, he warned, "The North Koreans have their own agenda. I think they are going to be difficult to deal with." William Taylor, vice president for international security affairs at the Center for Strategic and International Studies, stated, "The North Koreans know what they want. They want U.S. aid, food aid and to keep South Korea out of

their dialogue with Washington." Larry Niksch, an East Asian affairs analyst with the Congressional Research Service, said that the DPRK "is clearly going to press for more food [aid] and for the lifting of U.S. economic sanctions." Niksch added that the DPRK "has raised some blocking and delaying obstacles about [liaison offices] so the administration will be looking for explanations for this delay and trying to get the issue moving again." Meanwhile the DPRK's Korean Central News Agency said Thursday, "In order to develop the [US-DPRK] contacts and dialogues into ones for dispelling mistrust and misunderstanding between the two countries and improving bilateral relations, above all, the U.S. forces must get out of South Korea."

The US State Department released a statement ("STATE DEPT. 11/26 RELEASE ON U.S.-DPRK BILATERAL MEETING," Washington, USIA text, 11/28/97) on Wednesday's meeting between DPRK Vice Foreign Minister Kim Gye-gwan and US Assistant Secretary of State Charles Kartman. The statement said that subjects discussed at the meeting included "cooperation on the return of remains of Korean War dead, establishment [of] liaison offices, missile proliferation, and terrorism." The department stated "bilateral dialogue will continue in the future at both the working level and in occasional meetings, like today's, between more senior officials," but added, "there are no dates set for the next meetings at this point." The statement said that "technical issues still remain to be resolved before we can open liaison offices," and that "there are no dates to announce yet for the resumption of missile talks." It stated that the DPRK "did raise issues of concern" to the food situation, and "thanked us for the food assistance we have provided to date."

2. DPRK Famine

The Associated Press ("MORE HUNGER FORECAST FOR N. KOREA," Rome, 11/26/97) reported that the UN's World Food Program and Food and Agriculture Organization said Wednesday that the DPRK needs at least another 1 million tons of emergency food aid to fight hunger. Further aid should target children in nurseries and kindergartens as well as pregnant and nursing mothers, the agencies said. The report said that the DPRK needs about 1.95 million tons of food imports for 1997-1998. Trade with the PRC will account for 700,000 tons, and food aid already pledged will account for 241,000 tons. The report also urged DPRK authorities to provide "random access to distribution centers and different parts of the country."

The Los Angeles Times ("KOREATOWN FAST HELD TO PUBLICIZE HUNGER IN NORTH KOREA," 11/27/97) reported that community groups and student organizations in Los Angeles, members of the Campaign to Stop Famine in North Korea, staged a one-day fast and candlelight vigil Wednesday to publicize the plight of people in the DPRK suffering from food shortages. Campaign spokeswoman Alyssa Kang stated, "We are doing this to give hope to people in North Korea."

3. Northeast Asian Military Development

Reuters (Bill Tarrant, "CHINA LOOMS LARGE IN ASIA DEFENCE DRIV[sic]," Seoul, 11/28/97) reported that analysts across Asia argue that the two biggest variables in the future of Asian military development are the PRC's rise as a military power and the region's dependence on Middle East oil and its consequent need to defend vital sea lanes. The article said that analysts tend to see the PRC as developing in one of two ways. One view sees the PRC as rapidly modernizing its armed forces to project power beyond its frontiers and to challenge the US as the world's only superpower. The other view sees current military trends in the PRC as normal for a country of its size. Robert Karniol of Jane's Defence Weekly said that "The concern centers on the issue of transparency." He added, "you get all kinds of reassurances from China, but nothing concrete." Another issue, said Japanese military analyst Haruo Fujii, is "whether Japan will maintain its military alliance with the United States or if it will change its pacifist constitution to become an independent military power to defend itself." He argued, "Japan is so sensitive to responses from its Asian neighbors that the country will

find it almost impossible to become a military superpower and pull out from its security alliance with United States." Regarding the Korean peninsula, the article quoted Yu Suk-ryul of the ROK Institute of Foreign Affairs and National Security as saying, "In my assessment unification can be achieved in 2010 or earlier," adding that the collapse of the DPRK regime is the most likely scenario. However, he said that the ROK envisions a US military presence on the peninsula for at least the next quarter century.

4. ROK Financial Crisis

The Washington Post ("S. KOREAN OFFICIAL SAYS \$20 BILLION NOT ENOUGH," Seoul, 11/28/97, B13) reported that ROK Finance Minister Lim Chang-yuel said Friday that the World Bank and the Asia Development Bank are willing to contribute to a bailout program led by the International Monetary Fund (IMF). "The South Korean government would welcome their participation," Lim stated. He added that the government's earlier proposal of a US\$20 billion rescue loan from the IMF was no longer valid, and that the specific amount would be determined in working-level negotiations. He said that cooperation with the US and Japan remains another important factor in the formulation of the bailout package.

The Associated Press ("JAPAN PLEDGES HELP FOR S. KOREA," Tokyo, 11/28/97) reported that ROK finance minister Lim Chang-yuel met Friday with his Japanese counterpart, Hiroshi Mitsuzuka, to formally ask for Japan's support for the International Monetary Fund package. Afterwards, Mitsuzuka said that Japan would support the ROK after the IMF and the ROK reach an agreement on the terms of the package. However, Lim said that he believes the upcoming IMF aid package is "sufficient and adequate" to calm ROK markets. ROK officials also said that US President Bill Clinton had a 20-minute telephone conversation with ROK President Kim Young-sam Friday to discuss the IMF bailout.

II. Republic of Korea

1. Four-Party Talks

On Tuesday, Radio Pyongyang warned the US to stop threatening the DPRK. "The United States has tried to crush us militarily behind the talks table. In October, the US conducted with the ROK puppet regime a joint-military drill, Foal-Eagle. In November, it conducted military exercises with Japan," the broadcast said. "If these military pressure tactics continue, we can not expect progress in the four-party talks or an improvement in our relations with the United States," it said. The latest broadcast repeated the calls for US troop withdrawal from the ROK and discussion of a bilateral peace treaty with the US. Park Sung-hoon, director-general of the First Information's Analysis Office at the ROK Ministry of National Unification, said, "This seems more like the voice of the North Korean military. You see more saber-rattling, hostile words." Last Sunday, the DPRK Central News Agency (KCNA) made similar claims, saying that the DPRK had been promised discussions on US forces withdrawal and a bilateral peace treaty with the US. DPRK analysts said that this two-track approach to the US may indicate a division between the DPRK Foreign Ministry and the military, the two state organizations in charge of the DPRK's external dealings. (Korea Herald, "NORTH KOREA SHOWS CONFLICTING STANCES ON FOUR-PARTY TALKS," 11/27/97)

2. US-DPRK Relations

The DPRK and the US held six hours of talks but failed to reach agreement on restarting missile talks or advancing any of the other issues in bilateral relations. The State Department issued a statement saying the meetings were held "in a businesslike manner" and that further talks "like today's between more senior officials" will be held in the future, although no dates were set. Before

the meeting, the DPRK Central News Agency (KCNA) reiterated its call for withdrawal of US troops from the ROK. "In order to develop the contacts and dialogues into ones for dispelling mistrust and misunderstanding between the two countries and improving bilateral relations, above all, the US forces must get out of South Korea," KCNA said. It was the third time this week that the DPRK has called for an end to the US military presence in the ROK. The US indicated that it was not surprised by the DPRK's demands for US troop withdrawals and that it expected the issue to be on the table at the Geneva talks. US hopes that the DPRK delegation would announce a new date for talks on curbing missile proliferation were apparently dashed as the US State Department said in the statement that no dates could yet be announced for the resumption of those discussions. (Korea Times, "US,NK FAIL TO REACH PACT ON MISSILE TALKS," 11/28/97)

The DPRK's peace envoy came to Washington Monday for meetings with lawmakers and at the State Department, becoming the most senior DPRK official to be received at US diplomatic headquarters. Kim Yong-u, spokesman for the DPRK mission at the UN, said that DPRK Vice Foreign Minister Kim Gye-gwan was to go to Capitol Hill Tuesday before holding talks at the State Department Wednesday with Deputy Assistant Secretary of State Charles Kartman.

3. Aid to the DPRK

With years of food shortages having left many DPRK citizens weak and susceptible to disease, the Red Cross appealed Tuesday for aid to rebuild the DPRK's tottering health care system. Hospitals and clinics in the DPRK lack essential drugs and equipment and are unable to treat patients except with traditional herbal remedies, the Red Cross said in a statement. Much of the population is at risk for infections and epidemics, and with the onset of the long, brutal DPRK winter, the Red Cross warned that a failure to reverse the "collapse" of the health care system could have "devastating" consequences. The International Federation of Red Cross and Red Crescent Societies wants US\$14.3 million in cash, medicine and equipment to run all 700 hospitals and clinics in North Pyongan and Changang provinces for a year. That would care for 2.25 million people, nearly a tenth of the population. (Korea Times, "RED CROSS PLANS TO PROP UP NORTH KOREA'S HEALTH CARE SYSTEM," 11/27/97)

4. APEC Conference

ROK President Kim Young-sam asked leaders at the Asia-Pacific Economic Cooperation summit (APEC) to join in the International Monetary Fund (IMF)-led bailout package for the troubled ROK economy and financial market. All APEC members extended full moral support toward pulling the ROK out of its current woes. However, none of the leading economies, including the US and Japan, committed, in detail, how much money they would lend to the ROK under the IMF package. US President Bill Clinton said, "Washington will join in the IMF rescue package for Korea if Japan participates." Japanese Prime Minister Ryutaro Hashimoto said in his summit with ROK President Kim that he would fully support Korea. But, Japan's economy and financial system has its own troubles, including the recent collapse of Yamaichi Securities, one of the four biggest brokers in Japan. (Korea Times, "APEC LEADERS LUKEWARM IN COMMITTING FUNDS TO KOREA," 11/28/97)

ROK President Kim Young-sam Tuesday called on the US, Japan, and Canada, the Asia-Pacific Economic Cooperation (APEC) members of the G-7 industrialized countries group, to take the lead in helping restore stability in the Asian foreign exchange markets. In a keynote speech at the 5th session of 18 APEC leaders, Kim also expressed his hope that the meeting of APEC finance ministers will be convened at an early date so as to explore ways of rescuing Asian financial markets, including that of the ROK. Kim sought to relieve anxieties about the ROK currency crisis by saying "we expect stability to be restored in the Korean financial market soon, now that Seoul has

requested a standby credit from the International Monetary Fund (IMF) and that other economies have kindly expressed their willingness to support us." To cope with these difficulties, the Seoul government on November 19 announced a package of important measures to stabilize the financial market. As part of the package, the ROK will create a US\$10-billion special fund aimed at reducing non-performing loans of Korean financial firms by half within the next two years, he said. (Korea Times, "PRESIDENT KIM CALLS ON G-7 TO TAKE LEADERSHIP ROLE IN SOLVING ASIAN FINANCIAL CRISIS," 11/27/97)

III. Japan

1. Japan-ROK Fisheries Talks

The Yomiuri Shimbun ("WORKING-LEVEL TALKS ON JAPAN-ROK FISHERIES AGREEMENT START," Seoul, 11/27/97) reported that the seventh working-level talks on the Japan-ROK Fisheries Agreement opened in Seoul on November 26. Talks between Japanese Prime Minister Ryutaro Hashimoto and ROK President Kim Young-sam in Vancouver on November 24, which ended in a positive mood, are hoped to accelerate the negotiations. However, the second round of talks among experts on November 26 resulted in no progress.

2. DPRK Execution

The Yomiuri Shimbun ("DPRK SECRETARY WAS EXECUTED IN MID-OCTOBER," 11/28/97) reported that Beijing sources revealed on November 27 that Worker's Party Secretary So Kwang-hi, who specialized in agriculture and was ranked 26th in the party hierarchy, was executed by firing squad last month shortly after being given a death sentence at a closed public court attended by representatives from the party, the military, and farmers. The alleged reasons for his execution were "anti-party and anti-revolutionary activity," and "misconduct." According to the report, So is known to have been a technocrat on agriculture policy and one of the ten party secretaries, but had not been seen in public since March, 1996. The sources assess that given the date of his execution, which came shortly after Kim Jong-il's official succession of power, the execution was aimed to be a warning to the anti-Kim Jong-il faction. In addition, three other officials of Kim Jong-il's socialism alliance organization were also executed at the same time as So on the charge of compiling unjust savings.

3. US Singer to Perform in Panmunjom

The Yomiuri Shimbun ("MICHAEL JACKSON TO PERFORM IN PANMUNJON," Seoul, 11/27/97) reported that it was revealed November 27 that US popular singer Michael Jackson is planning a charity concert in Panmunjom for hungry children. According to the ROK's National Congress for New Politics, the singer told party head Kim Dae-jung that he wants to hold the charity concert next year. The party's spokesman also said that Jackson had previously tried to conduct his concert in Pyongyang because he knew that Kim Jong-il is a fan of his and hoped that he would allow such a concert, but in the end found it too difficult. Jackson said he will invite former US President Jimmy Carter and South African President Nelson Mandela to the concert, which will be broadcast live worldwide.

4. Japanese Defense Reorganization

The Nikkei Shimbun ("CHIEF CABINET SECRETARY ASKS LIBERAL DEMOCRATIC PARTY (LDP) TO CANCEL RAISING STATUS OF DEFENSE AGENCY TO 'MINISTRY OF DEFENSE'," 11/27/97) reported that Chief Cabinet Secretary Kenzo Muraoka asked LDP Director General Kouichi Kato over the phone November 27 to cancel plans to raise the status of the Self-Defense Agency to that of

Ministry of Defense. Kato forwarded the demand to the inter-ruling party meeting, which eventually decided that the issue of status-raising should be separated from the ongoing discussion of administrative reform, that the ruling parties should deal with the issue from the viewpoint of national security, and that the idea of including the Defense Facilities Administration Agency into the Defense Ministry should be withdrawn for the time being.

5. Russian Participation in APEC

The Asahi Shimbun ("RUSSIA'S PARTICIPATION IN ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM NEXT YEAR IS UNKNOWN," Vancouver, 11/27/97) reported that despite some opposition to Russia's participation in next year's APEC summit meeting, US President Bill Clinton's had the last word on letting Russia in the forum next year. According to the report, Clinton and Japanese Prime Minister Ryutaro Hashimoto laid the groundwork for the final decision, which would accelerate Japan's initiative in future negotiations with Russia on the issue of the Northern Territories. However, the report pointed out, skepticism among some APEC countries on Russia's insufficient market mechanisms may turn into criticism against Japan if Russia's economic plan fails. Additionally, the report concluded that given the difficulty of the Northern Territories issue and disagreement over the New Guidelines for Japan-US Defense Cooperation between the Japan-US side and the PRC, the future of the APEC forum seems unpredictable.

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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