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I. United States

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1. DPRK Underground Construction

Reuters ("US MISSION TO SEEK ACCESS TO SUSPECT N.KOREAN SITE," Washington, 10/28/98) reported that US State Department spokesman James Rubin said on Wednesday that Ambassador Charles Kartman will visit Pyongyang from November 16 for talks on access to an underground construction site. Rubin stated, "The talks ... are aimed at completely satisfying U.S. concerns regarding the suspect construction." He added, "We will press for concrete action, including our access to clarify the nature of underground construction.... Verbal assurances will not be sufficient."

Rubin noted that it would be the first time that the DPRK and the US have met in Pyongyang for "a real dialogue on a specific issue."

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2. DPRK Missile Development

Reuters (Carol Giacomo, "U.S. PESSIMISTIC ON CURBING NORTH KOREA MISSILES," Washington, 10/28/98) reported that anonymous US officials said on Tuesday that they were pessimistic about persuading the DPRK to curb its missile program any time soon. The officials said that there was no movement during the third in a series of US- DPRK missile talks held recently. One unnamed official told a seminar sponsored by the Henry L. Stimson Center, "We will continue to face a threat from North Korea's missile activities.... The political track is going to be slow." He added, "We are not sure they are prepared to restrain themselves, or abide by restraints, at a cost we're prepared to pay." Some US officials said that the DPRK might heed US warnings and curb its testing, while others said that they fully expect additional rocket launches at some uncertain point. These officials said that they believe the DPRK feels strongly that it has a right to have a space satellite program and that it needs a missile capability for security and revenue. The officials said that, during a second round of missile talks in June 1997, the US put forward a specific package of incentives for the DPRK to curb production, deployment, and sales of ballistic missiles. In the third round of talks earlier this month, the DPRK made a counterproposal, but one official described the cost demanded as "pure fantasy." US officials acknowledged that they have "limited options" in dealing with the DPRK on missiles, but added that they have a good proposal on the table and there is no need to sweeten it further. They also said that the US runs a "very active interdiction effort" that several times a month tries to halt the transfer of missiles or weapons of mass destruction from states like the DPRK to other countries of concern. One official said that most of these efforts involve work with a foreign government that has some jurisdiction or control over the shipment and "some are successful, including in cases directly involving North Korea."

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3. US-PRC Cooperation on DPRK Policy

The Los Angeles Times carried an analytical article (Jim Mann, "CHINA'S RESPONSE TO U.S.: SLOW, SLOW, SLOW," Washington, 10/28/98) which said that the PRC has been slow to help the US in dealing with the DPRK. The author stated, "whenever the United States asks Chinese officials to help restrain North Korea, they reply that they have little clout in Pyongyang." He pointed out, however, "China ... remains North Korea's most powerful neighbor and is the only major government that has any significant ties with Pyongyang. The Chinese are also North Korea's main outside source of food and energy." He said that the US last week sent Undersecretary of Defense Walter P. Slocombe to Beijing "for what were officially described as consultations. One of Slocombe's unannounced tasks was to urge China to work more closely with the United States on North Korea and to weigh in more heavily with Pyongyang."

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4. Repatriation of Sakhalin Koreans

The Associated Press ("DEPORTED KOREANS TO RETURN HOME," Moscow, 10/28/98) reported that Russia's Interfax news agency said Wednesday that Koreans deported by the Japanese military to Sakhalin Island more than 50 years ago may be able to return to the ROK. Japan deported 1,300 Koreans to Sakhalin between 1943 and 1945. Representatives of the ROK Foreign Ministry and the

Red Cross arrived in Sakhalin on Wednesday and were scheduled to hold talks Thursday with those who want to return to the ROK. Interfax said that 500 Koreans have returned home over the past five years.

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5. US Defense Secretary's Asian Trip

The US Department of Defense ("DEFENSE DEPARTMENT REPORT, OCTOBER 27, 1998," 10/27/98) announced that Secretary of Defense William J. Cohen will depart Honolulu on October 31, 1998, for travel to Hong Kong, the ROK, and Japan. While there, he will meet with his counterparts and visit US forces in the region. Cohen will return to Washington on November 6.

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6. US-Japan Theater Missile Defense

The Associated Press (Susanne M. Schafer, "COHEN TO TALK MISSILES WITH JAPAN," Washington, 10/27/98) reported that an anonymous senior US Defense Department official said Tuesday that US Secretary of Defense William Cohen will meet with Japanese officials next week on possible collaborative research development of missile defense systems. The official stated, "The overarching issue ... is the question of the U.S. continued role in the Asian region. We're the big constant in the region. They want us to continue our commitment and our leadership."

Reuters ("JAPAN TO SEEK MISSILE DEFENSE BUDGET," Tokyo, 10/23/98) reported that Japanese Defense Agency chief Fukushiro Nukaga said on Friday that the Japanese government would try to set aside one billion yen (US$8.4 million) next year for joint research with the US on a Theater Missile Defense (TMD) system. Nukaga stated, "TMD is an important theme for Japan's defense policy." He added that Japan would do its best to secure an understanding from its neighbors on the project. He stated, "We would like to sincerely explain it to our neighboring countries. We want them to understand our plans are still at the stage of technical research from the standpoint of self-defense."

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7. Hijacking of PRC Airliner

Reuters ("TAIWAN REPATRIATES HIJACKED CHINESE AIRLINER," Taoyuan, 10/28/98) reported that Taiwan on Wednesday sent back to the PRC an Air China airliner that was hijacked to Taiwan by its own captain, but detained the pilot and his wife for criminal investigation. The plane was obliged to return via Hong Kong so as to comply with Taipei's ban on direct air crossings of the Taiwan Strait. Captain Yuan Bin had redirected the flight out of Beijing to Taiwan, where it was intercepted by four Taiwan fighter jets that escorted it to Taipei. Taiwan authorities said that Yuan expressed dissatisfaction with his salary and other compensation at Air China and had planned the hijacking with his wife for three months.

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8. Russian Nuclear Safety

The Associated Press ("RUSSIAN OFFICIAL: NO NUCLEAR MATERIALS STOLEN RECENTLY-TASS," Moscow, 10/28/98) reported that Nikolai Redin, who oversees security issues at the Russian Nuclear Energy Ministry, said Wednesday that no radioactive materials have been reported stolen

from Russia's nuclear facilities for the past three years. Redin said there were about 30 thefts of radioactive substances in 1992-1995, although none of them involved weapons-grade materials. He said that most of the earlier thefts were by impoverished nuclear workers, excited by media speculation about the growing black market demand for enriched uranium. He stated, however, "There is no black market, there is a regular one on which you can legally buy and sell uranium on regular prices." He added that a new automatic safety system at Russia's nuclear facilities, set up with help from the US and the European Union, has helped to significantly improve nuclear safety.

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9. India-Pakistan Nuclear Arms Race

The Associated Press ("INDIA, PAKISTAN SCHOLARS TRY TO DEFUSE NUCLEAR TENSIONS," Islamabad, 10/28/98) reported that scholars from Pakistan and India held a two day conference to seek ways to build trust between the two countries in light of their nuclear tests. Nishat Ahmad, chairman of the Pakistan Institute of Regional Studies, said Wednesday at the end of the conference, "We gathered here to find ways to ease tension, discourage nuclear arms race and resolve long-standing problems including the core Kashmir issue." Among the items on the agenda was the signing of a no-war pact between the two nations and a reduction in missile production. Manzoor Ahmed, former vice- chancellor of Karachi University, said that participants at the workshop agreed that the cost of owning nuclear weapons as a deterrent was too high. He stated, "It will hit their economies and development in the social sector."

II. Republic of Korea

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1. ROK-US Annual Security Meeting

Korea Herald ("ROK-U.S. ANNUAL SECURITY MEETING SLATED FOR NOVEMBER 2-3," Seoul, 10/28/98) reported that the ROK and the US will hold their annual Security Consultative Meeting (SCM) in Seoul next Monday and Tuesday. US Secretary of Defense William Cohen is scheduled to be in Seoul Monday to hold talks with his ROK counterpart, Chun Yong-taek. The Chun-Cohen agenda will include the DPRK's August 31 launch of a rocket to put a satellite into orbit, and bilateral cooperation in logistics and defense technology, an ROK Defense Ministry spokesman said. ROK and US chairmen of the Joint Chiefs of Staffs of both countries will also hold their annual Military Committee Meeting Tuesday. Cohen, leading a 10-member delegation, will embark on an Asian trip Friday that will also take him to Hong Kong and Japan. The US defense secretary is to return to Washington on November 6.

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2. Hyundai Activities in DPRK

JoongAng Ilbo ("JOINT OIL WELLS TO BE DISCUSSED DURING CHUNG'S VISIT," Seoul, 10/27/98) reported that Chung Ju-young, the honorary chairman of Hyundai Group, crossed the most fortified border area in the world and entered the DPRK through Panmunjom on October 27. He transported a further 501 "Unification Cattle," 20 cars, and 85 tons of fodder. Chung said, "I am expecting to meet Kim Jong-il, the Head of the Defense Committee. I want to discuss economic cooperation projects, including joint oil drilling around the DPRK's sea, as well as Mt. Kumgang tourist development." Regarding the Mt. Kumgang tourism project, he emphasized, "There are no obstacles

to the cruises." Chung plans to confirm the schedule for the start date of Mt. Kumgang tour cruises while staying in Pyongyang for four days. He also will discuss various cooperation projects, including an industrial complex construction project on the DPRK's west coast, electronics-related businesses, joint development of third party country markets, old ship dismantling, and small car assembly.

JoongAng Ilbo ("HYUNDAI TO OPEN FIRST ROK GAS STATION IN DPRK," Seoul, 10/28/98) reported that Hyundai Oil Refining will set up the first ROK gas station in the DPRK. The company announced on October 28, "The company decided to set up a gas station in Mt. Kumkang's tourist area and will complete the construction by November 10." The service station, which will be named Kumkangsan Oil Bank, will provide gas for tour buses making the journey between Mt. Kumkang and Changjon harbor. A source at Hyundai said, "The company will continue its efforts to increase gas station businesses afterwards in the DPRK."

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3. Alleged Plot to Influence ROK Election

Korea Herald ("DPRK HINTS AT GNP'S GUILT IN SHOOTOUT PLOT," Seoul, 10/28/98) reported that the DPRK has taken the ROK ruling party's side in a battle with the opposition, which is accused of having tried to organize a staged border shoot-out to enhance its chances of winning the presidential election last year. "The ROK opposition Grand National Party (GNP) will have nothing to gain if it goes on talking too freely, without discretion," the DPRK warned on Tuesday. "Lee Hoi-chang and his GNP caboodle should know that if we open our mouth, it would not be good for them at all," said a spokesman for the Committee for the Peaceful Reunification of the Fatherland, the DPRK's anti-ROK propaganda arm. The DPRK's warning is an apparent insinuation that the GNP actually plotted to arrange a shoot-out in the truce village of Panmunjom. The DPRK's Monday response is the second since the prosecution was reported to be investigating the scandal last month. Breaking its silence on the political dispute in the ROK, the DPRK's committee threatened two weeks ago that it would reveal the details of the scheme some time in the future. The DPRK's accusation against the GNP this time sparked speculation in the ROK that it is displeased with some opposition lawmakers' rejection of the project to send ROK tourists to Mt. Kumgang in the DPRK.

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4. ROK President's Visit to PRC

Korea Herald ("PRESIDENT KIM DAE-JUNG TO VISIT PRC NOVEMBER 11-15," Seoul, 10/28/98) reported that President Kim Dae-jung will make a state visit to the PRC November 11-15 and then go on to Kuala Lumpur, Malaysia, for the annual Asia-Pacific Economic Cooperation (APEC) summit scheduled for November 17-18. In addition to participating in the APEC forum, Kim will hold exclusive summit talks with the leaders of Malaysia, Canada, Chile, Singapore and Australia during his stay in Kuala Lumpur from November 15-19. Presidential spokesman Park Jie-won said that Kim will hold summit talks with PRC President Jiang Zemin and meet other PRC leaders, including Premier Zhu Rongji, during his visit to Beijing. The Kim-Jiang talks are expected to focus on security affairs in Korea and Northeast Asia and the current economic crisis sweeping across East Asia, Park and other presidential aides said. The President's aides said that President Kim is expected to seek PRC leaders' cooperation in his efforts to improve ties with the DPRK. Kim has been pursuing a policy of engaging the DPRK government. One of Kim's aides has indicated that during his visit to the PRC, Kim will discuss the idea of establishing a multilateral security and cooperation forum in Northeast Asia.

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5. Kia Auction

Chosun Ilbo ("FORD STILL HOPING TO BUY KIA," Seoul, 10/28/98) reported that a high-ranking official of Ford Motors said that the US motor company has not given up hopes of buying Kia Motors and is ready to begin further negotiation with Kia's creditors' group and the ROK government. The official, in a telephone interview with the Chosun Ilbo, also said that he believes Ford's absorption of Kia would be the best solution in dealing with the debt- ridden automaker. He added that creditors would eventually see the their loan write-off paid back in full if Ford absorbs Kia. The official disclosed that Ford had sent a letter to Chongwadae and the Korea Industrial Bank, Kia's major creditor bank, in which it expressed its regret at the result of the third and final bidding, which was won by Hyundai.

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
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Fudan University, Shanghai, People's Republic of China

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

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

Lee Dong-young: leedy112@unitel.co.kr
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