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CONTENTS

I. United States

1. Remains of US Soldiers from Korean War
2. Japanese Satellite Purchases
3. PRC Activity in Panama Canal
4. US Missile Defense

II. Republic of Korea

1. DPRK Weapons Import
2. Inter-Korean Summit Talks
3. DPRK-ROK Economic Cooperation
4. DPRK-ROK Cultural Exchange
5. DPRK Bonds Price Declines
6. DPRK Military Personnel Abroad
7. DPRK Foreign Currency Earnings
8. ROK Aid to DPRK
9. Security Talks in Northeast Asia
10. IAEA Meeting
11. ROK Participation in East Timor Peacekeeping

III. People's Republic of China

1. DPRK-US Relations
2. DPRK-PRC Relations
3. PRC-US Relations
4. PRC-Japanese Relations

I. United States

1. Remains of US Soldiers from Korean War

USA Today (Barbara Slavin, "KOREAN WAR VETS SAY POLICY HINDERS RECOVERY OF REMAINS," Washington, 09/29/99, 10) reported that US veterans groups said that the US Defense Department's policy of having the remains of soldiers from the Korean War returned via the UN Command at Panmunjom, regardless of DPRK objections, is delaying repatriation. Frank Metersky of the Chosin Few, which represents veterans of the Chosin Reservoir battle in 1950, stated, "You have four sets of remains sitting in Pyongyang because of political considerations for the U.N. Command. It's a disgrace." Metersky said that his group and four other veterans organizations--the Veterans of Foreign Wars, American Legion, Korean War Veterans' Association and the Coalition of Families of Korean and Cold War POW/MIAs--asked Tuesday for a meeting with national security adviser Samuel Berger to review the policy. Donna Knox of the Coalition of Families stated, "We are calling for a statement of the reasons for holding up the repatriation. We'll be needing to hear from the White House on this." Knox said that with ties between the US and the DPRK improving, "it would be wonderful if the MIA issue could be the connecting link." US National Security Council spokesman David Leavy said that an "interagency team is currently working on this issue, seeking a solution that will allow the remains to be returned. The accounting of U.S. servicemen lost in the Korean War is a top priority for the president." Bob Jones, deputy assistant secretary of Defense for POW/MIA affairs, blamed the DPRK for refusing to discuss a new procedure with the UN Command earlier this year and for unilaterally suspending the return of remains. Jones stated, "I am hopeful we can resolve this issue." [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 29.]

2. Japanese Satellite Purchases

Reuters ("JAPAN AGREES TO BUY U.S. PARTS FOR SPY SATELLITES," Tokyo, 09/29/99) and the Associated Press ("JAPAN TO BUY U.S. SATELLITE PARTS," Tokyo, 09/29/99) reported that Japan on Wednesday formally agreed to buy US parts and components to build its first spy satellites, planned for launch in early 2003. Japanese Foreign Minister Masahiko Komura and US ambassador to Japan Thomas Foley signed a document in Tokyo Wednesday to confirm the deal. Japanese government sources said that Japan could end up "virtually importing whole satellites" from the US because it was not currently capable of developing key functions. Japan also plans to set up a satellite information center by March 2001 to operate the satellites and deal with incoming data.

3. PRC Activity in Panama Canal

The Associated Press ("CHINA SAID UNINTERESTED IN PANAMA," Washington, 09/28/99) reported that US Defense Department spokesman Admiral Craig Quigley said Tuesday that the administration sees no indication that that the PRC has any desire to control the Panama Canal. Quigley stated, "It's an issue within the Panamanian government's control and one that we look at and do not consider to be a security issue or a security threat to the United States at all."

4. US Missile Defense

Aerospace Daily (Kerry Gildea, "FIRST NATIONAL MISSILE DEFENSE INTERCEPT TEST SLATED FOR THIS WEEK," 09/29/ 99) reported that the US Department of Defense's Ballistic Missile Defense Organization (BMDO) this week is scheduled to conduct the first intercept test of its

national missile defense (NMD) program. The launch window opens on Saturday, October 2. NMD Joint Program Office Director Brigadier General Willie B. Nance said in August, "I will not guarantee absolute success of this flight test in terms of hit-to-kill." He added, "A great job has been done in the theater systems, demonstrating hit-to-kill. We now have got to take it to the national missile defense and we've got to demonstrate we can do it with our system at the closing velocities we're going to deal with, and with the threat array we are going to face in the exo [atmospheric] area." This test is the first of three slated before a review in 2000, when the president will decide whether to deploy an NMD system. [Ed. note: This article was included in the US Department of Defense's Early Bird news service for September 29.]

II. Republic of Korea

1. DPRK Weapons Import

The Korea Herald ("N.K. IMPORTED US$105 MIL. IN WEAPONS OVER LAST FIVE YEARS," Seoul, 09/29/99), The Korea Times (Shim Jae-yun, "NK'S WEAPONS IMPORTS RISE DESPITE ECONOMIC PINCH," Seoul, 09/28/99) and Chosun Ilbo (Yoo Yong-won, "NK CONTINUES MILITARY SPENDING," Seoul, 09/28/99) reported that an ROK Defense Ministry report released on Tuesday said that the DPRK purchased US$105.63 million in weapons from seven nations over the past five years. This year alone, the DPRK imported eight MI-8 choppers from Kazakhstan and 40 MIG-21 fighters from Russia for US$12 million, according to the report. Last year, the DPRK spent US$51.8 million on arms purchases: US$2.78 million for ammunition, tank engines and blankets from the PRC; US$2.6 million for ammunition and anti-air guns from Kazakhstan; US$3.15 million for tank engines and engine batteries from Slovakia; and US$43.27 million for MI-8 and MI-26 choppers and trucks from Russia.

2. Inter-Korean Summit Talks

The Korea Herald (Shin Yong-bae, "N.K. MINISTER SAYS P'YANG READY FOR S-N SUMMIT," Seoul, 09/29/99), Joongang Ilbo (Kang Joo-an, "NK FOREIGN MINISTER'S COMMENT ON SUMMIT TALKS WAS INFORMAL," Seoul, 09/28/99), Chosun Ilbo (Kwon dae-yol, "NK MINISTER ATTACKS SUNSHINE POLICY," Seoul, 09/28/99) and The Korea Herald (Chon Shi-yong, "SEOUL SAYS N.K. OFFICIAL'S REMARKS ON INTER- KOREA SUMMIT 'NOT SINCERE'," Seoul, 09/29/99) reported that DPRK Foreign Minister Paek Nam-sun said that the DPRK is ready to hold summit talks with the ROK if it accepts the DPRK's previous proposal for a high-level political meeting. "I believe the summit talks can take place if the South complies with our proposal and respects the three principles of self-reliance, peaceful unification and national solidarity included in the 1972 July 4 Joint Declaration on Peace," Paek was quoted as saying. "(Holding of a summit meeting) entirely depends on the attitude of South Korea," Yonhap News Agency quoted him as saying in an interview with Voice of America (VOA) in New York on Monday. "The sunshine policy is an anti-North Korea scheme aimed at absorbing the North into the South in the name of reconciliation and cooperation," Paek told the VOA. Commenting on its missile programs, he also said that the DPRK would continue developing missiles to protect "the right to live and sovereignty." ROK officials reacted cautiously to DPRK Minister Paek's comments on inter-Korean summit talks, saying they are analyzing the DPRK's real intentions. Some DPRK watchers, however, played down the meaning of Paek's remarks, speculating that it may be a variation on the DPRK's usual propaganda proposals. "Paek appeared to have opened the possibility of an inter- Korean summit meeting in a scheme to press the South to abolish the security law," said an ROK analyst.

The Korea Times ("SEOUL WELCOMES ANY TYPE OF S-N TALKS, SUMMIT," Seoul, 09/28/99) reported that the ROK Kim Dae-jung administration is open to any type of inter-Korean government-to-government talks, including a possible summit between the leaders of the divided Koreas, Chong Wa Dae said on Monday. Commenting on the Yonhap news report on DPRK Foreign Minister Paek Nam-sun's hinting at an inter-Korean summit, presidential press secretary Park Joon-young said that President Kim has already made public his willingness to get involved in any level of ROK-DPRK talks, including a summit with DPRK leader Kim Jong-il, as long as the dialogue serves to dismantle the Cold War structure lingering on the Korean peninsula. "As President Kim has reiterated frequently, Seoul has neither any intention of absorbing Pyongyang nor tolerating armed provocation by them. In addition, we hope inter- Korean exchange and reconciliation will be promoted. All inter-Korean issues will be resolved under these three principles," he added.

3. DPRK-ROK Economic Cooperation

The Korea Herald (Kim Ji-ho, "HYUNDAI FOUNDER SANGUINE ON N.K. GUARANTEE OF EXCLUSIVE RIGHTS TO DEVELOP MT. KUMGANG," Seoul, 09/29/99), The Korea Times (Son Key-young, "CHUNG JU- YUNG TRAVELS TO N.KOREA," Seoul, 09/28/99) and Joongang Ilbo (Bong Hwa-shik, "CHUNG VISITS NORTH KOREA FOR SIXTH TIME," Seoul, 09/28/99) reported the Hyundai Group's inter-Korean projects chief said on Tuesday that its projects, including the exclusive 30-year development rights to Mt. Kumgang, will likely take off. Chung Ju-yung, founder and honorary chairman of Hyundai, also told reporters that he hopes to meet with DPRK leader Kim Jong-il to explain his group's plan to construct a large industrial complex along the DPRK's western coast. It is Chung's sixth visit to the DPRK. Chung and his entourage of four Hyundai executives will watch the first inter- Korean friendly basketball matches and attend the groundbreaking ceremony for an 11,788-seat sports complex that Hyundai is building. Hyundai officials said they were quite upbeat about concluding a drawn-out discussion on industrial operations, citing the improved US-DPRK relationship.

The Korea Herald (Kim Ji-ho, "NORTH KOREA EARNS US$183 MILLION FROM HYUNDAI TOUR PROJECT," Seoul, 09/29/99) reported that the ROK Unification Ministry said on Tuesday that the Hyundai Group's tour project at the DPRK's Mt. Kumgang has earned the DPRK about US$183 million, while losing about US$258 million for the group since it began last November. The ROK conglomerate was set to pay the DPRK US$942 million until February 2005 and has since remitted monthly tour fees ranging between US$8 million and US$15 million, against Hyundai's total investment of US$318.333 million. In comparison, Hyundai's revenue from the business has remained at US$59.926 million. The ministry released these and other statistics as part of its report for the parliamentary inspections that started Wednesday. Touching on the possibility that the DPRK might use the money to fortify its military forces, the report said, "The government is closely consulting with related agencies to monitor North Korea's foreign trade and economic situation, but has not found any grounds for such allegations of diversion."

4. DPRK-ROK Cultural Exchange

Chosun Ilbo (Lee Dong-han, "HYUNDAI CAGERS TO PLAY IN PYONGYANG TUESDAY," Seoul, 09/28/99) reported that Hyundai's men's and women's basketball teams arrived in Pyongyang via Beijing at 4:10 pm on Monday for a series of exhibition matches both with and against their DPRK counterparts. Tuesday saw a series of matches pitting teams combining players from both Koreas against each other, with the two ROK teams to play their DPRK counterparts the following day.

5. DPRK Bonds Price Declines

Joongang Ilbo (Bong Hwa-shik, "NORTH KOREAN BOND PRICE DECLINES SHARPLY," Seoul, 09/28/99) reported that according to the ROK Ministry of Unification on Tuesday, national bonds issued by the DPRK were dealt at 40 percent of par value in 1997 and 34 percent in early 1998, but suddenly fell by up to 5 percent after the military conflict in the West Sea in June. The bond price might be influenced by the improvement of relations between the DPRK and the US, the possibility of mutual talks between the ROK and the DPRK, and the issue of Northern Limit Line (NLL) in the West Sea, the ministry predicted.

6. DPRK Military Personnel Abroad

The Korea Times ("NK SENDS 442 MILITARY OFFICERS O'SEAS FOR DOLLARS," Seoul, 09/29/99) reported that the DPRK has increased the number of military officers sent overseas, apparently for the purpose of raising much- needed foreign currency, mostly US dollars. According to a report submitted by the ROK Defense Ministry to the National Assembly, the DPRK has dispatched 442 military officers to 12 countries in Africa, Asia and the Middle East as of July this year, compared with 350 last year. Most of the DPRK military officers sent abroad are in charge of development of military technology, in particular missiles, and mining, which shows that they are mostly engaged in earning foreign currency, according to the ministry. The Congo Republic has the largest number of DPRK officers at 147, ahead of Iran and Ethiopia, which have 70 and 69, respectively, most of whom are missile technicians. Syria, Yemen, and Angola were found to have 40, 30, and 25 DPRK officers, respectively, while Egypt and Pakistan registered 15 and seven.

7. DPRK Foreign Currency Earnings

The Korea Times ("NK EARNS US$850 MILLION LAST YEAR," Seoul, 09/28/99) reported that the DPRK has earned a total of US$850 million last year through various means, including trade and tourism, according to statistics of the ROK Foreign Affairs-Trade Ministry. Noting that they are only estimated figures, the ministry said in a report to the National Assembly that the DPRK's total sum of exports amounted to US$559.33 million. It also earned about US$100 million through tourism and another US$50 million in the export of weapons. However, the remittances by pro-DPRK Korean residents in Japan are estimated at less than US$50 million, it said. The ministry said that the DPRK's hard currency earnings by illegal means such as drug trafficking amounted to about US$100 million.

8. ROK Aid to DPRK

The Korea Times ("RELIGIOUS GROUPS EXTEND W6.5 BILLION OF AID TO NK," Seoul, 09/28/99) reported that, according to a report from the ROK Culture-Tourism Ministry on Monday, ROK religious groups extended 6.52 billion won of humanitarian aid to the DPRK from last year until this August. Catholic churches donated the largest amount of food and clothing, worth 3.61 billion won. Protestant churches supplied 3,000 tons of flour and other foods worth 2.4 million won, while Buddhist groups donated 442 million won of aid funds to the DPRK.

9. Security Talks in Northeast Asia

The Korea Times ("SEOUL TO SEEK SECURITY TALKS IN NORTHEAST ASIA," Seoul, 09/28/99) reported that according to the ROK Foreign Affairs-Trade Ministry's report to the National

Assembly, senior officials from the ROK, Japan, and the US will hold a policy planning meeting in the southern port city of Pusan in mid-October to explore the possibility of convening a security dialogue at the earliest possible date. In 1994, former ROK foreign minister Han Sung-joo proposed at the ASEAN Regional Forum that six countries, including the ROK, the DPRK, the US, Japan, the PRC, and Russia, hold the "Northeast Asia Security Dialogue" to promote peace in this region. The proposal was welcomed by the US, Japan, and Russia, but the DPRK and the PRC have been reluctant to embrace the idea, postponing the realization of the dialogue indefinitely. As there is the possibility that the PRC might join the five-party dialogue, the ROK hopes to convene a security forum between the five countries, excluding the DPRK. So far, the PRC has joined the private-level five-nation "Northeast Asia Cooperation Dialogue" which has been held annually since 1993, but the DPRK has refused to associate with it.

10. IAEA Meeting

The Korea Times ("IRAQ, N.KOREA URGED TO COME CLEAN ON NUCLEAR STOCKS," Seoul, 09/28/99) reported that the world's nuclear powers on Monday called on Iraq and the DPRK to come clean on their nuclear activities and stocks, saying there was "no alternative" to full compliance. US Energy Secretary Bill Richardson singled out the two states at the start of the week-long annual meeting of the nuclear watchdog, the International Atomic Energy Agency (IAEA). "We cannot stand by as states -- specifically Iraq and North Korea -- violate their NPT (Nuclear Non-Proliferation Treaty) and IAEA safeguards obligations," he told the meeting in Vienna. IAEA Director General Mohamed ElBaradei said notably that the DPRK has still offered only "limited" cooperation with international nuclear inspector , making it almost impossible to verify its safety compliance.

11. ROK Participation in East Timor Peacekeeping

The Korea Herald (Lee Sung-yul, "ADVANCE TEAM FOR TIMOR PKO LEAVES TOMORROW," Seoul, 09/29/99) and The Korea Times ("419-STRONG ARMY UNIT TO JOIN UN PEACEKEEPERS," Seoul, 09/28/99) reported that the ROK Defense Ministry said on Tuesday that the 60-member advance team of the 419-man ROK peace force for East Timor will leave tomorrow. Ministry officials said that half of the remaining troops will depart October 4 and the rest around October 9. On the three separate departure dates, the ROK peace force will fly aboard C-130 aircraft to Townsville in northeastern Australia. They will stay in the town for about a week to attend a preparation program for subtropical weather and topography before flying to Dili. The troops will remain for up to a year, officials said.

The Korea Herald (Kim Kyung-ho, "RULING COALITION SET TO RAM THROUGH BILL ON TROOP DISPATCH TO EAST TIMOR," Seoul, 09/29/99), The Korea Times (Kim Yong-bom, "HOUSE RATIFIES DEPLOYMENT OF PEACEKEEPERS TO EAST TIMOR," Seoul, 09/28/99) and Chosun Ilbo (Yoo Yong-won, "TROOP BILL PASSED," Seoul, 09/28/99) reported that the ROK National Assembly ratified the government's bill on sending combat troops to East Timor on Tuesday as the opposition Grand National Assembly (GNP) boycotted the vote. The ruling National Congress for New Politics (NCNP) and United Liberal Democrats (ULD) passed the bill unanimously as the GNP walked out of the chamber, having abandoned a plan to occupy the speakers platform after deciding this was too reminiscent of past, bad practices.

III. People's Republic of China

1. DPRK-US Relations

People's Daily ("USING RELIGION TO INTERFERE IN INTERNAL AFFAIRS CONDEMNED," 9/28/99, A6) reported that a DPRK Foreign Ministry spokesman criticized the US on September 26 for using religious affairs to exert pressure on the DPRK. The spokesman said that the action of the US would hurt the narrowly progressing DPRK-US relationship. This was another attempt of the US to interfere in other countries' internal affairs in violation of the elementary principles of international laws, the spokesman said.

People's Daily (Zhao Jiaming, "DPRK AGREE TO HOLD HIGH-LEVEL TALKS WITH US," Pyongyang, 9/25/99, A3) reported that when answering a question about the recent lifting of US sanctions on the DPRK, a spokesman for DPRK Foreign Ministry said that as the move created a favorable atmosphere, the DPRK agreed to hold high-level talks with the US. He added that the DPRK would not launch a missile test while the talks are under way with a view to creating an atmosphere more favorable for the talks. According to the spokesman, the declaration of lifting economic sanctions on the DPRK is a step taken by the US in a bid to fulfill its commitments to remove trade and investment barriers under the DPRK-US Agreed Framework adopted in 1994. He urged the US to completely discard its hostile policy against the DPRK and to lift remaining sanctions.

2. DPRK-PRC Relations

People's Daily ("TANG JIAXUAN TO VISIT DPRK," Beijing, 9/29/99, A4) reported that PRC Foreign Ministry spokeswoman Zhang Qiyue announced on September 28 that Foreign Minister Tang Jiaxuan will make a friendly visit to the DPRK from October 5 to 9 at the invitation of his DPRK counterpart. Minister Tang will attend the activities marking the 50th anniversary of the establishment of diplomatic relations between the PRC and the DPRK, Zhang said.

3. PRC-US Relations

People's Daily ("CHINA INDIGNANT AT ANTI-CHINA US DEFENSE ACT," Beijing, 9/29/99, A4) reported that PRC Foreign Ministry spokeswoman Zhang Qiyue said in Beijing on September 28 that the PRC is intensely indignant at and strongly opposes the US Defense Authorization Act. According to Zhang, the 2000 Fiscal Year Defense Authorization Act, which was passed recently by the US Congress, contains many anti-PRC clauses proposed by a small number of congressmen. She said that the act is attempting to interfere in China's internal affairs and impair the Sino-US relationship by making use of such issues as Taiwan, the PRC's construction for national defense, Sino-US scientific exchange, the alleged PRC "espionage case" and non-proliferation. It needs to be pointed out, said Zhang, that once the clauses become law, they will severely harm the exchange and cooperation between the two countries in many fields, and poison bilateral ties. The PRC side demands that the US administration fully realize the disastrous and damaging nature and bad impact of the act, and from the overall interest of the Sino-US relations, take immediate and effective measures to prevent it from becoming law, in order not to set any new obstacles for the improvement and development of Sino-US ties, Zhang said.

China Daily (Shao Zongwei, "KISSINGER: SINO-US TIES CRUCIAL," Shanghai, 9/29/99, A1) said that US President Bill Clinton said on September 28 in a congratulatory message sent to the on-going '99 Fortune Global Forum in Shanghai that the PRC's continuous economic growth is beneficial to the US and the world as a whole. Clinton said that it is important to make the PRC a full and constructive member of the international trading system. He noted the US is ready to work with the PRC in meeting all challenges in the country's economic development. In another development,

former US Secretary of State Henry Kissinger, attending the '99 Fortune Global Forum in Shanghai, stressed on September 28 the importance of maintaining and developing Sino-US relations. On the issue of the PRC's entrance into the World Trade Organization, Kissinger said the issue is political and symbolic rather than just technical. Emphasizing that the PRC's participation in the organization would be in the interests of the PRC, the US, and the world community, he also said that, with the wisdom on both sides, "a solution should be achievable this year."

4. PRC-Japanese Relations

People's Daily (Pan Xiaoying, "HU JINTAO MEETS JAPANESE SDP DELEGATION," Beijing, 9/28/99, A1) reported that PRC Vice-President Hu Jintao met with a Japanese Social Democratic Party delegation led by party leader Takako Doi and former Japanese prime minister Tomiichi Murayama in Beijing on September 27. During the meeting, Hu said that PRC President Jiang Zemin made a successful visit to Japan last year during which, in the spirit of learning from history and looking toward the future, an important agreement was reached regarding the establishment of Sino-Japanese friendly cooperative partnership devoted to peace and stability, thus mapping out the direction for the long- term and strategic development of Sino-Japanese relations into a new era. He also said that the successful PRC visit by Japanese Prime Minister Keizo Obuchi this year reconfirmed this important consensus. On the Taiwan issue, Hu voiced his concern over the recent earthquakes in Taiwan and expressed sympathy and solicitude for Taiwan compatriots, and reiterated the PRC government's consistent policy on this issue. At the meeting, Doi said, "our recognition of the 'one China' policy has further deepened, and we shall continue to hold to this principle."

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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