

Chapter 2

The Korean Peninsula

1. South Korea — The Advent of the Kim Dae Jung Government

(1) Economic Crisis and the New Government

Opposition candidate Kim Dae Jung won a presidential election held in December 1997 and a new government was inaugurated in February 1998. This marked the first change of government from the ruling party to an opposition party through an election in the history of South Korea. However, the new government got off to a rocky start amid an economic crisis.

In November 1997, South Korea fell into a currency crisis, and early in December it had to seek — and received — international financial assistance including those from the International Monetary Fund (IMF), Japan and the United States. As the month rolled on into 1998, isolated signs of improvement, such as an increase in its foreign exchange reserves, began to emerge. However, the real growth rate of its gross domestic product (GDP) was estimated to fall sharply from 5.5 percent in 1997 to minus 6 percent



Kim Dae Jung on a visit to Japan (October 1998)

in 1998. In the process, a number of large corporations and banks had gone bankrupt — with the result that the number of the unemployed has increased to 1.53 million (8.5 percent of the workforce, seasonally adjusted) in October 1998.

The government of President Kim Dae Jung has legalized layoffs and this has given management a broader power to lay off workers. At the same time, the government pressed chaebol (conglomerates) and banking institutions to reform their operations. Although such policy would help improve the economic structure in the long run, it will increase the number of the unemployed in the short run. In protest, some of laid-off workers went to the streets for demonstrations while others locked themselves up in workplaces. President Kim Dae Jung exhorted management, as well as labor unions, to share the pain, and sought to stabilize social order by cracking down on illegal strikes and intervention in the labor movement by radical students.

Despite the economic hardships and stringently restrictive economic policies he had enforced, the approval rating of Kim Dae Jung stood as high as 67 percent in June 1998. Some argue that had it not been for the farsighted and experienced political leadership of Kim Dae Jung, economic and social turmoil would have been worse and more widespread. The strong collective will of its people to overcome the economic crisis might have been a factor that helped avert more serious social turmoil in South Korea.

(2) The Ruling Coalition Parties Win a Majority, and Debate about Constitutional Amendment Looms Ahead

The immediate task facing the Kim Dae Jung administration was to win control of the National Assembly. It did secure a majority in the National Assembly in September 1998, but there remained the possibility of differences among the ruling coalition partners coming to the fore over the controversial issues, particularly constitutional amendment pledged during the election campaign.

The most decisive cause of Kim Dae Jung's election victory was the split of the New Korea Party, the ruling party of outgoing President Kim Young Sam, into the Grand National Party (GNP) led by Lee Hoi Chang and the New Party of the People led by Rhee In Je. On the other hand, the National Congress for New Politics (NCNP) led by Kim Dae Jung succeeded in persuading the United Liberal Democrats (ULD) led by Kim Jong Pil to put up — and support — a single common candidate in the person of Kim Dae Jung of NCNP in exchange for a promise that Kim Dae Jung would, if elected, nominate Kim Jong Pil as prime minister and that the presidential system would be shifted to a parliamentary cabinet system. However, GNP which continued to command a majority after the election, put up strong resistance to the new government and created a gridlock in the National Assembly by refusing to confirm the nomination of Kim Jong Pil as prime minister. Among other things, GNP charged that the prosecution of its party's assemblymen on corruption charges was political retaliation and that the appointment and promotion of government officials by President Kim Dae Jung were biased in favor of natives of the Cholla region from which he hails. As a result, the formal installation of Kim Jong Pil as prime minister did not materialize until mid-August of 1998. The ruling coalition parties succeeded in securing a majority in the National Assembly early in September by winning support from some of the GNP's assemblymen and by absorbing members of the New Party of the People into NCNP.

The ruling coalition parties, even though they had thus secured a majority in the National Assembly, still have seeds of uncertainty. The most serious of them all is the question of amending the Constitution in favor of a parliamentary cabinet system. A constitutional amendment requires a two-thirds majority. However, there are differences in positions on the matter among assembly members. The NCNP has long been advocating the maintenance of the existing presidential system. On the other hand, some members of GNP support the parliamentary cabinet system. On the

Chart 3. Distribution of Seats of the National Assembly

	1998	
	Feb. 24	Sept. 8
The Ruling Party	121	153
National Congress for New Politics	78	101
United Liberal Democrats	43	52
Others	173	146
Grand National Party	161	140
New Party of the People	8	—
Independent	4	6
Vacancies	5	—
Total	299	299

Note: Assemblymen of the New Party of the People joined en masse the National Congress for New Politics on August 29, 1998.

Sources: *Hankyoreh Shinmun*, February 25 and September 9, 1998.

grounds that the nation should concentrate its collective efforts on the rehabilitation of the economy, Kim Dae Jung takes the position that debate about a constitutional amendment should be put on hold for the time being. However, debate and struggle over this issue will gradually grow more intense, coupled with the issue of who is going to succeed Kim Dae Jung. It may change the present division between the ruling and opposition parties and may lead to a major political change in South Korea.

(3) Kim Dae Jung and the Military

Kim Dae Jung was once a target of political suppression by the military regime. When he was sworn in as president in February 1998, the military accepted him as the head of state as it should. As commander in chief, he sought to establish a rule of fair personnel management and purge the military of corruption, and embarked upon reform of the military in the face of fiscal difficulties as discussed in detail later.

It is no exaggeration to say that the military had ruled the roost in South Korea since the 1960s. Two military coups d'etat had given birth to the Park Chung Hee and Chun Doo Hwan regimes. And the military and the intelligence organizations had gained

much clout with the government by assigning their personnel to other governmental organizations. However, since the president was elected in 1987 through the democratic process, the intervention of the military in political affairs has been eased.

And the tradition of a civilian's assuming the post of commander in chief was started by President Kim Young Sam. Convinced that a private group within the military controlled the personnel management, Kim Young Sam disbanded the group and has firmly established civilian control of the military. In the course of such developments, Kim Dae Jung who had been kidnapped, incarcerated and sentenced to death by the military regime assumed the presidency. The fact that Kim Dae Jung stressed the necessity of "strong security measures" during the election campaign must have given the military a sense of relief. A considerable number of retired general and flag officers have voluntarily joined the Kim Dae Jung camp.

First signs of a change in the military appeared in the personnel policy. Kim Dae Jung had announced a policy designed to boost the moral of the military by making the personnel management fair to all. The policy was largely aimed at promoting those who hailed from the Cholla region (his own constituency) who had been shut out of the highest posts of the military. A case in point was Chun Yong Taek who assumed the office of national defense minister. A graduate of the Military Academy, Chun served in a variety of high-level command and staff positions including an army corps commander. After he was transferred to the reserve duty as a lieutenant general, he was elected to the National Assembly in 1996 and has since been serving Kim Dae Jung as an adviser on security policy. President Kim Dae Jung also appointed Gen. Kim Dong Shin and Lt. Gen. Lee Nam Shin, natives of the Cholla region, as chief of staff of the Army and chief of the Defense Security Command (DSC) which is in charge of counterintelligence, respectively. These marked the first appointments of natives of the Cholla region to key posts of the military, including defense minister.

Meanwhile he sought to maintain a regional balance by appointing Gen. Kim Jin Ho (a native of Seoul) as chairman of the Joint Chiefs of Staff and Gen. Park Chun Taek (a native of the Kyongsang region) as Air Force chief of staff and by allowing Admiral Yu Sam Nam (another native of the Kyongsang region) to remain in office as chief of naval operations. For all his efforts to engineer a regional balance in his personnel administration, the appointment of Kim Jin Ho as chairman of the Joint Chiefs of Staff was seen by some as an unprecedented promotion, because he was the first graduate of the Reserve Officers' Training Corps (ROTC), which are established at civilian universities, to be appointed to the highest post of the military in active duty. This reflected what Kim Dae Jung called "the fairness of personnel management."

Advance of natives of the Cholla region was not confined to the military. It was extended to law enforcement agencies and intelligence agencies, such as the Ministry of Justice, the Public Prosecutors' Office, the National Police Agency and the Agency for National Security Planning (NSP). Particularly, in the case of NSP, three deputy director-level posts were filled, if on a temporary basis, by natives of the Cholla region. This prompted GNP to deliver harsh criticism against his favoritism, in response to which Kim Dae Jung explained that he had merely given a fair chance to those who had been denied the opportunity they deserved.

One policy objective to which the Kim Dae Jung administration attached importance along with the fairness of personnel management was to purge the military of corruption. Kim Young Sam before him had initially tried to uproot corruption from officialdom — but in vain. Kim Dae Jung was particularly disturbed by a widespread draft evasion by sons of men of influence arranged with the help of certain army officers, and he ordered the law enforcement agencies to arrest those involved in the evasion and overhaul the draft system. He also ordered a crackdown on unfair promotion or assignment and corruption in the procurement of weapons.

2. The Kim Dae Jung Government's North Korea and Security Policies

(1) The Sunshine Policy

Aside from the task of turning around the economy, one policy objective to which Kim Dae Jung assigned a top priority was the improvement of relations with North Korea through economic exchanges. Complementing this "gentle policy" toward North Korea was building a strong defense capability and the strengthening of its alliance with the United States. In addition, he attached importance to cooperation with neighboring Japan, China and Russia.

In an inaugural speech delivered in February 1998, Kim Dae Jung announced three principles on North Korea: (1) South Korea will not tolerate armed provocations from North Korea; (2) South Korea will not hurt or absorb North Korea; and (3) South Korea will vigorously press ahead with a policy of reconciliation and cooperation between the North and the South, and start implementing it wherever it is feasible and advisable. The main objective of the third point was to promote economic exchanges between the North and the South under the principle of separation of economy from politics. He made it clear that as long as it does not interfere with the exchanges and cooperation between the two Koreas, he will not oppose any effort made by North Korea to improve its relations with either the United States or Japan. This policy is to be known as the "sunshine policy" and its objective is to "gently lead the North toward openness and reforms."

It is said that the sunshine policy of Kim Dae Jung was formulated on the basis of lessons learned during the reign of President Kim Young Sam. The former government had initially advocated an expansion of exchanges with North Korea under the principle of separation of economy from politics. However, the government of President Kim Young Sam had to restrict private direct investment in North Korea when the latter declared its secession from the Nuclear Non-Proliferation Treaty (NPT) in March 1993

and again when a submarine incident occurred in September 1996. Kim Young Sam mentioned the possibility of an early collapse of the North Korean regime on repeated occasions, and his remark was used by North Korea as a pretext for refusing official dialogue with South Korea. And quite a few said that the attitude of the Kim Young Sam administration was inconsistent and that it pandered too much to public opinion.

During the three months from June to August 1998, a string of incidents which tested the relevance of the sunshine policy occurred. They included a North Korean submarine and the body of North Korean armed agent found in the territorial waters of South Korea, and the launching of a missile by North Korea. These incidents prompted conservatives in South Korea to call the effectiveness of the sunshine policy into question. So far, the Kim Dae Jung administration has stayed the course of its sunshine policy by stressing the importance of maintaining consistency in its policy toward North Korea. However, as ULD, its coalition partner, has many hawks among its members, pressure for a hard-line policy might mount.

(2) The U.S.-ROK Alliance, and Security Cooperation with Neighboring Countries

Kim Dae Jung stresses the necessity for backing up the sunshine policy with a strong security posture. According to “One Hundred Points Priority Tasks” for the Kim Dae Jung administration announced shortly before he took office, a strong security posture should be built to be multi-tiered by strong armed forces, an alliance with the United States, and multilateral security cooperation.

Among those three pillars, Kim Dae Jung repeatedly stressed the importance of South Korea’s relationship with the United States. He seized every opportunity to assert that the stationing of the U.S. armed forces in South Korea was necessary not just for now but even after the unification of the country. The clearness

with which he made the above statements makes his position apart from those of the previous administrations. Such a pro-U.S. attitude suggests that he learned lessons from the previous cases in which while the past administrations cooperated with the United States, they at times caused friction with Washington. For instance, Kim Young Sam reportedly had sharp differences with the Clinton administration over how to handle the submarine incident of September 1996. In June 1998, Kim Dae Jung made an official visit to the United States. During the visit, his sunshine policy met with a cordial reception from the U.S. government as a policy that accords with the U.S. engagement policy toward North Korea.

As a ramification of “multilateral security,” which constitutes another pillar of the security policy of the Kim Dae Jung administration, the concept of six-nation security declaration may be mentioned. This — which would consist of Japan and Russia plus the members of the four party talks, the North and the South, the United States and China — was reportedly unveiled by Premier-designate Kim Jong Pil to President Jiang Zemin of China when he visited Beijing in January 1998. As the proposal has not been made public by the Kim Dae Jung administration, its details are not available. However, the concept seems to propose that when a peace treaty for the Korean Peninsula is negotiated through North-South dialogue and the four-party talks, Japan and Russia will be invited to join the four parties in guaranteeing the security of the Korean Peninsula.

The indications are that the Kim Dae Jung administration attaches importance to expanding its cooperative relationships with non-U.S. major neighboring countries of Japan, China and Russia in the field of defense in the name of “multilateral security.” South Korea’s Vice Minister of National Defense Lee Jung Rin visited Beijing in November 1997, and Lt. Gen. Xiong Guangkai, deputy chief of the General Staff of the Chinese People’s Liberation Army visited Seoul in August 1998. These visits were the highest-level in the history of defense exchanges which started in 1994 between the

two countries. During his visit to China in November 1998, Kim Dae Jung expressed the hope of having even higher-level defense exchanges between the two countries.

Where Russia is concerned, Vice Defense Minister Lee Jung Rin visited Moscow in November 1997 and signed an agreement calling on one side to provide the other with assistance for technology transfer and information on design, testing and production of weapons (or an agreement concerning cooperation on military technology, defense industry and logistics, as the Russians call it). In return, Nikolay Mikhailov, first deputy minister of defense of Russia, visited Seoul in May 1998 and signed a document concerning the expansion of military exchanges between the defense ministries and the general staffs of the two countries. Amid such progress the two countries have been making in the area of defense exchange, each of the two countries expelled a diplomat of the other on espionage charges in July 1998. And the relations between the two countries had thus become strained for a while.

(3) The Impacts of the Currency Crisis

Kim Dae Jung stresses the necessity of building a strong armed forces, but the recent deterioration of the economy has dealt a serious blow to the procurement of military equipment. The new government has been endeavoring to enhance the efficiency of its armed forces while trying to strike a suitable balance between sound finance and the modernization of its military equipment.

South Korea has a force of 560,000 ground troops, about 190 naval vessels and 490 combat aircraft. Its armed forces, geared to deter an invasion by North Korea, are built around the ground forces. More recently, however, it appears that South Korea has been devoting its efforts to modernizing its military equipment — larger naval vessels and longer-range aircraft — and their domestic production. And it has been explained that this policy is designed to improve the deterrence against North Korea and to elevate South Korea to an equal for the neighboring countries.

The Army has been trying to improve its air mobility and strengthen its fire power. For instance, it has introduced CH-47D LR transport helicopters and multiple-launch rocket systems from the United States, and has developed its own 155-mm self-propelled artillery. It has imported T-80 tanks and BMP-3 infantry combat vehicles from Russia in partial payment for its loans extended to the Soviet Union. It appears that more BMP-3 were imported in 1998. In October 1997, South Korea successfully test launched a short-range surface-to-air missile (SAM), the Chonma (Pegasus). This was believed to have been built locally on the basis of technology provided by France. In the same month, South Korea selected the French-made Mistral as its portable SAM.

The Navy has been trying to graduate from a coastal navy to a blue-water navy. As part of its plan, South Korea started building a 3,900-ton destroyer (code-named KDX-1), and the first KDX-1 destroyer named Kwanggaeto Daewang was put into service in July 1998. In May the same year, the seventh domestically-built submarine Lee Sunsinn (1,200-ton), was launched. In addition, a 4,800-ton-class destroyer (KDX-2), which is equipped with stronger anti-air defense capability, and a 1,500-ton-class submarine (SSU) were being planned.

The Air Force has been planning to develop a jet-propelled trainer (KTX-2), the first ever to be produced domestically. In July 1997, Samsung Aerospace of South Korea and Lockheed Martin of the United States signed an agreement on a joint development of the plane. It is planned to introduce Airborne Warning and Control Systems (AWACS). It is said that these AWACS will be mounted on Boeing 767s as is the case with Japan's AWACS, and the South Korean government planned to include funds for their purchase in its fiscal 1998 budget. In addition, South Korea also planned to import CN-235 transport aircraft from Indonesia.

The original budget for fiscal 1998 (ending December) was approved by the National Assembly on November 18, 1997, and it earmarked about 14.6 trillion won in defense appropriations. This

represented a mere 6.2 percent increase over the year before, a 14-year low since 1984. However, the government had to revise the original budget on account of the currency crisis that hit the country soon thereafter. A supplementary budget was drawn up with the consent of President-elect Kim Dae Jung, and it passed the National Assembly on March 25, 1998. Under the new budget thus revised, the defense appropriations were cut to 14.03 trillion won, down 4.1 percent from the original budget. What is worse, the value of these defense appropriations in U.S. dollars shrank sharply on account of the depreciation of the won in the wake of the currency crisis, compelling the government to postpone the implementation of large-scale procurement projects such as AWACS and SSU until 1999 or beyond. It was reported that the government had given up the plan to start building KDX-2 destroyers in fiscal 1998. The plan to import CN-235 transport aircraft was shelved, and the development of KTX-2 trainer had to be postponed. These cases suggest that programs that have implications upon future relations with neighboring countries were postponed.

However, this does not mean that South Korea has shelved all of its plans for the procurement of military equipment. For instance, the plan to produce Chonma short-range SAMs and new self-propelled artillery will be continued, albeit on a reduced scale.

On the other hand, the Kim Dae Jung administration started formulating a five-year national defense reform program in March 1998. The plan announced in August aims at improving the efficiency of the armed forces and reducing the defense-related budget by simplifying the command and control structure and by consolidating functions that are being duplicated by different services and branches of the armed forces. The most important point was to consolidate the First and Third Armies, which had been deployed in front-line defense, into a Ground Operations Command planned to be newly established, which will direct the operations of the army corps. The Second Army, which is deployed in the rear area, will be reorganized into a Rear Areas Command.

(4) The Maintenance of a Combined Defense Posture with the United States

Under the U.S.-ROK (Republic of Korea) Mutual Defense Treaty, the United States stations approximately 36,000 troops in South Korea and maintains the ROK-U.S. Combined Forces Command. With the aim of improving the combined defense capability, the two countries have been conducting joint exercises each year in South Korea. The Foal Eagle conducted in fall is a field training exercise designed to help troops acquire skills for combating imaginary enemy commandos infiltrating rear areas. The Ulchi-Focus Lens, which is conducted in summer, is an exercise designed to train personnel at command posts in checking the emergency posture. On the South Korean side, not only troops but employees of administrative agencies and private companies are mobilized for training. The Team Spirit exercise has been suspended since 1994 in recognition of the fact that North Korea had signed an Agreed Framework with the United States and had agreed to participate in the four-party talks. It is reported that since the submarine incident in June 1998, South Korea has strengthened its anti-submarine surveillance posture jointly with the United States.

In consideration of the economic difficulties South Korea suffered, U.S. Defense Secretary William Cohen agreed in principle during his visit to South Korea in January 1998 to lessen the host nation support payable by South Korea, and the agreement was formally made public in June. The two countries reportedly agreed in May that the payment of \$1,196 million out of \$1,370 million that South Korea was supposed to pay to the United States by the end of 1999 for weapons it had purchased will be postponed until the year 2000.

Although South Korea is thus closely allied with the United States, there are issues on which there are differences in their positions, including an attempt by South Korea to diversify the sources of its purchase of weapons. When South Korea imported weapons from Russia, the United States expressed concern that the

Russian-made weapons could undermine their interoperability with U.S.-made weapons. Soon after the U.S. government announced its plan in 1997 to sell portable surface-to-air Stinger missiles to South Korea, the latter's government announced that it had selected French-made Mistral missiles, and a policy discord has thus come to the fore. Moreover, the United States has been opposing a South Korean plan to equip itself with longer-range surface-to-surface missiles. The two countries held a meeting in August 1998 to iron out the differences, but the United States reportedly stuck to its position opposing such South Korean plan.

3. North Korea — The Kim Jong Il Regime and Its Military

(1) Session of the Supreme People's Assembly, the First in Four Years

In September 1998, the Supreme People's Assembly (SPA) of North Korea held a session for the first time in four years. Contrary to general expectations, Kim Jong Il did not take the presidency of the Democratic People's Republic of Korea (DPRK). However, this does not change the fact that Kim Jong Il as general secretary of the Workers' Party of Korea (WPK) controls the party, the military and the state. It is believed that it was a ploy to avoid the necessity of appearing on the center stage of diplomacy.

After the death of Kim Il Sung in July 1994, Kim Jong Il in effect ruled North Korea as "the great Ryongdoja (leader) of our party and our people" and in the capacity of chairman of the National Defense Commission (NDC) (since April 1993) and supreme commander of the Korean People's Army (KPA) (since December 1991). On October 8, 1997, Kim Jong Il was officially elected as general secretary of WPK, and this meant institutional recognition of Kim Jong Il as the supreme power of North Korea, because the party is suppose to control both the state and the military in North Korea.

Since he assumed the post of general secretary, the most important one Kim Jong Il had not succeeded from Kim Il Sung was the presidency of DPRK. On July 26, 1998, North Korea went through the ritual of electing members of SPA, which elects the president of the country, and the newly elected assembly was called into session on September 5 for the first time since April 1994. However, Kim Jong Il was not elected as president of the republic. This means that the presidential system was in effect abolished by the assembly. In its place, the assembly instituted the Presidium in SPA, and the president of the Presidium is supposed to perform the role of diplomatic etiquette normally reserved for the head of state in other countries. And to the post of the president of the Presidium, Vice Premier and Minister of Foreign Affairs Kim Yong Nam was elected. Since then, Kim Yong Nam meets foreign envoys and exchanges messages of congratulations with the heads of other states.

Meanwhile, Kim Jong Il was re-elected as chairman of NDC. It was explained that "the NDC chairman is the highest post of the state with which to organize and lead the work of defending the state system of the socialist country through command over all the political, military and economic forces of the country." In effect, this amounts to a declaration that Kim Jong Il is the supreme being of the state. It may be said, as will be discussed later, that this reflects the reality that the role of the military has extended beyond the realm of national defense. The refusal to assume the office of the presidency indicates the political style of Kim Jong Il. He had not delivered a speech at a public gathering. He had almost no experience of visiting foreign countries or very rarely converses with foreign leaders. He may have shied away from having to expose himself to the diplomatic stage by becoming president of his country. And one cannot rule out the possibility that he had created a system of government so structured as to enable him to shirk responsibility when things go wrong by putting, if formally, the president of the Presidium of SPA or the premier in charge of policies.

(2) The Advancement of the Status of the Military

After the death of Kim Il Sung, the positions assigned to military officers in the ranking of the party and the state have been elevated. This tendency was confirmed by the lineup of dignitaries shown at the time of a military parade staged to celebrate the 50th anniversary of DPRK. In parallel, key officials of the government have been reshuffled. However, no change in the composition of entourage of Kim Jong Il was observed, and this suggests that the leadership of the Kim Jong Il regime is secure.

One example suggesting the elevated status of the military was a scene that showed members of NDC standing shoulder to shoulder virtually next to Kim Jong Il and Kim Yong Nam during the military parade celebrating the 50th anniversary of the republic in September 1998. Four key figures, including Ri Jong Ok and Pak Song Chol, who had ranked immediately below the top leadership of Kim Jong Il and Kim Yong Nam, were shunted to honorary posts during the SPA session that preceded the anniversary celebration. Of National Defense Commission members, it is believed that three vice marshals — Jo Myong Rok (director of the General Political Department of KPA), Kim Yong Chun (chief of General Staff of KPA) and Kim Il Chol (who was appointed as minister of people's armed forces in September 1998) were put in charge of inspection, command and administration of the army, respectively.

A considerable number of party cadres, generals of the People's Army and government bureaucrats failed to get elected in the recent SPA election. Among them were Kang Song San (premier of the Administration Council), So Kwan Hi (a party secretary in charge of agriculture), Choe Ryong Hae (who was relieved of his office as first secretary of the Central Committee of the Youth League for reasons of "illness" in January 1998) and Gen. Ri Pong Won (a member of the WPK's Central Military Commission). And quite a few senior officials of the external economic departments dropped out. Some in Japan, South Korea and China take the view that except for Kang Song San who has reportedly fallen ill, these

people were blamed for the economic stagnation, corruption and attempted rebellion.

On the other hand, a number of members and alternate members of the Central Committee of WPK who had been virtually unknown were elected to cabinet posts by SPA. They are believed to have been bureaucrats who had performed administrative functions in the government.

Aside from official seniority and the composition of the party, the military and the government, there has emerged a tendency of certain selected people always accompanying Kim Jong Il wherever he went. In the military, for instance, the presence of Gens. Kim Ha Gyu, Hyon Chol Hae and Pak Jae Gyong, in addition to the three vice marshals (including Jo Myong Rok), has become conspicuous. On the party level, those who are frequently seen to accompany Kim Jong Il include Kye Ung Thae, Choe Thae Bok and Kim Kuk Thae (all secretaries of the Central Committee of WPK), Pak Song Bong, Ri Yong Chol (concurrently a member of the Central Military Commission of WPK) and Jang Song Thae (all first vice directors of departments of the Central Committee of WPK). Jang Song Thae, a brother-in-law of Kim Jong Il, whose activities had not been reported since August 1997, has been appearing in public again since January 1998 as part of the entourage of Kim Jong Il. These confidants who are close to Kim Jong Il are believed to be participating in the decision-making process, and no significant change in the composition of this group of people has been observed. If this is anything to go by, the Kim Jong Il regime seems to be secure at least in a narrow sense.

(3) Chronic Shortages of Food

Agricultural and food problems, which have been plaguing North Korea since the death of Kim Il Sung, show no signs of improvement, and the shortages of food are threatening to become chronic. Although Kim Jong Il has been actively conducting on-site guidance on economic matters since assuming office as general sec-

Chart 4. Ranking of North Korean Leadership

Ranking		Name	Title
1997	1998		
1	1	Kim Jong Il	General Secretary, WPK; Chairman, NDC; Supreme Commander, KPA; Marshal, DPRK
7	2	Kim Yong Nam	Member, PB; President, Presidium, SPA (Vice Premier, Minister of Foreign Affairs)
2	3	Ri Jong Ok	Member, PB; Honorary VP, Presidium, SPA (VP, DPRK)
3	4	Pak Song Chol	Member, PB; Honorary VP, Presidium, SPA (VP, DPRK)
4	5	Kim Yong Ju	Member, PB; Honorary VP, Presidium, SPA (VP, DPRK)
25	6	Jon Mun Sop	Honorary VP, Presidium, SPA (Chairman, State Inspection Commission, Central People's Committee) [diseased on Dec. 29, 1998]
11	7	Jo Myong Rok	First Vice Chairman, NDC; Director, General Political Department, KPA; Vice Marshal
12	8	Kim Yong Chun	Member, NDC; Chief of General Staff, KPA; Vice Marshal
32	9	Kim Il Chol	Vice Chairman, NDC; Minister of the People's Armed Forces (First Vice Minister of the People's Armed Forces); Vice Marshal
10	10	Ri Ui Sol	Member, NDC; Marshal, KPA
17	11	Hong Song Nam	Alternate Member, PB; Premier (Vice Premier)
9	12	Jon Pyong Ho	Member, PB; Member, NDC
—	13	Yon Hyong Muk	Alternate Member, PB; Chief Secretary, Jagang Provincial Committee, WPK; Member, NDC
—	14	Ri Yong Mu	Vice Chairman, NDC; Vice Marshal (Chairman, Transportation Commission)
8	15	Kye Ung Thae	Member, PB; Secretary, CC
13	16	Han Song Ryong	Member, PB; Secretary, CC; Chairman, Budget Committee, SPA
14	17	Yang Hyong Sop	Alternate Member, PB; VP, Presidium, SPA (Chairman, Standing Committee, SPA)
15	18	Choe Thae Bok	Alternate Member, PB; Secretary, CC
16	19	Kim Chol Man	Alternate Member, PB; Member, NDC
18	20	Choe Yong Rim	Alternate Member, PB (Vice Premier; Minister of Metal Industry)
20	21	Kim Kuk Thae	Secretary, CC
21	22	Kim Ki Nam	Secretary, CC
23	23	Kim Yong Sun	Secretary, CC

Ranking		Name	Title
1997	1998		
22	24	Kim Jung Rin	Secretary, CC
19	25	Hong Sok Hyong	Alternate Member, PB (Chairman, State Planning Commission)
24	26	Paek Hak Rim	Member, NDC; Minister of Public Security; Vice Marshal
33	27	Kim Ik Hyon	Vice Marshal
34	28	Jon Jae Son	Vice Marshal
35	29	Pak Ki So	Vice Marshal
36	30	Ri Jong San	Vice Marshal
—	31	Kim Ryong Yon	Vice Marshal (General)
31	32	Ri Ha Il	Vice Marshal
—	33	Jo Chang Dok	Vice Premier
—	34	Kwak Pom Gi	Vice Premier (Minister of Machine Industry)
27	35	Kim Yun Hyok	Secretary General, Presidium, SPA (Vice Premier)
5	—	Kim Pyong Sik	Advisor, Central Committee, Korea Social Democratic Party (VP, DPRK; Chairman, Central Committee, Korea Social Democratic Party)
6	—	Kang Song San	(Member, PB; Premier)

Abbreviations:

- WPK Workers' Party of Korea
- NDC National Defense Commission
- KPA Korean People's Army
- DPRK Democratic People's Republic of Korea
- PB Political Bureau (of the Central Committee of the Workers' Party of Korea)
- SPA Supreme People's Assembly
- VP Vice President
- CC Central Committee (of the Workers' Party of Korea)

Notes : The 1997 ranking reflects the order in which their names were listed in the roster of the National Meeting to Commemorate the Third Death Anniversary of Kim Il Sung on July 8, 1997. The 1998 ranking reflects the order in which their names were listed in the roster of the Military Parade to Celebrate the 50th Anniversary of DPRK, September 9, 1998. Titles are based on those that have become available during the period from September 5 (on which First Session of the 10th Supreme People's Assembly was held) to September 8, 1998. Titles given in parentheses are those held prior to the said period. However, certain titles such as "a member of the Political Bureau" and "Premier" are based on estimates. The date on which Kim Pyong Sik assumed the office of adviser to the Social Democratic Party was August 28, 1998.

Sources: *Rodong Sinmun*, September 6, September 10, 1998 and other relevant issues; Radiopress, *RP Kitachosen Fax Nyusu*, September 11, 1998 and other relevant issues.

retary, it is inconceivable that his personal involvement alone will lead to a fundamental improvement of the economy.

North Korea has acknowledged shortages of food and sought aid from the international community. According to an announcement made by the Flood Damage Measure Committee of North Korea in March 1998, the country could have a food shortage of more than 2 million tons in the year. International agencies such as the Food and Agriculture Organization estimated that North Korea would need approximately 1 million tons food aid. Partly due to such food shortages, a growing number of its citizens have fled to neighboring countries, mainly China and South Korea, in recent years.

To solve the problem of chronic food shortages, agriculture has to be overhauled drastically. Despite the gravity of its food situation, however, North Korea is giving priority once again to the development of heavy industry. Since beginning of 1998, Kim Jong Il has begun to visit local areas to provide on-the-spot guidance on the management of local economies. His priorities are divided into two areas: He stressed (1) that the livelihood of the people, including the securing of food, should be solved by local authorities and individual households by their own efforts, and (2) that national resources should be devoted to the centrally-planned reconstruction of heavy industry. Heavy Industry, which supports defense buildup of North Korea, is attached a particular importance.

(4) Diversifying Roles of the Military

In addition to its fundamental function of defending the country, the roles played by the military have become increasingly diversified. One of them is an economic role. At the beginning of 1998, the military was characterized as the main force of the economy. For instance, army units are dispatched to cooperative farms by order of the supreme commander to help in their production activities.

The second is the role played by the military as a role model

of ideological purity. During the period from 1997 to 1998, official news media of North Korea have mounted a publicity blitz singing the praises of the spirit of self-sacrifice of the military with a view to inculcating the virtue of self-sacrifice into the minds of the populace.

The third is the duty of the military to defend the country against enemies, within as well as without. For instance, in a speech delivered in April 1998, Vice Marshal Jo Myong Rok, director of the General Political Department of KPA vowed that the Army would “mercilessly punish betrayers of the revolution.” Obviously, betrayal means resistance and rebellion against the Kim Jong Il regime.

4. “Modern War” and “Revolutionary War”

(1) A 1-Million-Men Army and Unconventional Warfare Capability

While remaining squared off against South Korea, North Korea continues military buildup. North Korea has an army of approximately 1 million ground troops, armored units equipped with about 3,000 tanks and commando units that carry out unconventional warfare. It is believed that North Korea has deployed about two-thirds of its armed forces and a large number of long-range artillery pieces, including 240-mm multiple-launch rockets and 170-mm guns, in areas adjacent to the demilitarized zone. Its naval force comprises missile craft and submarines. And its Air Force has about 610 combat aircraft, even though most of them are outdated.

According to the explanations by North Korea, it “has both powerful attack and defense means capable of defeating any formidable enemy at a stroke,” “all of its people are armed and the whole country is fortified,” and “our country has thus turned into an impregnable fortress.” This suggests that North Korea is preparing against two kinds of war: A “modern war” in which North Korea suppresses the enemy troops by means such as long-range artillery;

and a “revolutionary war” in which the advancing enemy troops will be repulsed by its people and fortresses. Of these, North Korea has been referring to a revolutionary war on repeated occasions since the beginning of 1998. Needless to say, part of the campaign is intended for domestic consumption.

Although North Korea has not explicitly defined the relationship between a revolutionary war and commando units, it does maintain such units for the purpose of unconventional warfare. The means of transportation North Korea has for having them infiltrate adversaries include a considerable number of An-2 transport aircraft, about 130 air-cushioned landing craft and about 60 small submarines. In the September 1996 submarine incident, the North Korean soldiers disembarked from the submarine landed on South Korea and went into action, effectively showing the North’s unconventional warfare capability. On protest, North Korea pledged in December the same year not to repeat such operations. However, in June 1998, another North Korean submarine manned by fully-armed agents was caught in a fishing net within South Korea’s territorial waters. This incident suggests that North Korea has been — and has the capability of — conducting such operations.

(2) North Korea and Missile Launch

On August 31, 1998, North Korea launched a missile developed based on the Taepo Dong 1. The launching of the missile reflects North Korea’s efforts to strengthen its “modern war” capability, and is believed to be aimed at achieving domestic political, diplomatic and economic objectives, as well.

It had been estimated that North Korea had produced and deployed Scud B missiles with a firing range of 300 kilometers and Scud C missiles with a firing range of 500 kilometers to 600 kilometers and had been developing No Dong missiles with a longer range. However, a part of the missile North Korea launched in August 1998 flew through the airspace of Japan and fell into the

Pacific at a point about 1,600 kilometers from the site of its launching. North Korea claimed that it was a rocket to put a civilian satellite into orbit. At any rate, it did serve to prove the ability of North Korea to build a missile with a range of more than 1,500 kilometers.

It is thought that judging from its timing, the missile was launched to coincide with the 50th anniversary of the nation’s founding in September 1998 with the aim of showing off its military strength and technological prowess to its people. North Korea trumpeted that the success it had achieved in launching a satellite was evidence that it has become “a great, strong and prosperous country (or a powerful nation).” However, it may be gathered from the fact stated below that the primary aim of launching the missile was military: That the term “a great, strong and prosperous country” carries connotations of being great, strong and prosperous not just in terms of politics, economy and ideology but in military terms, that the function to celebrate the successful launch was organized under the leadership of the military and that North Korean authorities hinted at the possibility of using the missiles for military purposes. By launching a long-range missile, North Korea may have sought to increase military pressure on South Korea, the United States, and Japan, strengthen its bargaining position in diplomatic talks with these countries and earn foreign exchange by exporting the missiles to other countries.

In any event, the growing missile capability of North Korea is a source of deep concerns for Japan and other countries as it is a factor that will undermine the stability in not just Northeast Asia but also the international community as a whole by exporting the missiles to other countries.

5. The Korean Peninsula and International Relations

(1) The Continuation of the Four-Party Talks

Following preliminary talks held in August–September 1997, plenary sessions of the four-party talks of the North and the South, the United States, and China to discuss permanent peace in the Korean Peninsula were held in December the same year and in March 1998 in Geneva. North Korea demanded, all along at these talks and at working-level meetings with the United States and South Korea, large-scale food aid from the United States and South Korea, and the lifting of the economic sanctions imposed by the United States. In addition, North Korea strongly demanded the inclusion in the principal agenda of the four-party talks of the two items — the withdrawal of the U.S. armed forces from South Korea and the conclusion of a peace treaty between North Korea and the United States. On the other hand, the United States and South Korea asserted that the talks should take up two issues, namely, the relaxation of tension and the establishment of a peace regime on the Korean Peninsula. Because of the gap in the positions taken by the two sides, the four-party talks had been suspended since March 1998.

In October 1998, the third plenary session was held. Although North Korea stuck to its position, a compromise was worked out to establish two subcommittees on the reduction of tension and the establishment of a peace regime, and they decided to hold the fourth plenary session in January 1999. While the decision to continue talks is a welcome development as a step forward, North Korea is expected to repeat its demand and the path toward establishing a peace regime may not necessarily be smooth.

(2) The Resumption and Suspension of North-South Talks

Except for the working-level meetings held in conjunction with the four-party talks, contact between the North and the South in 1997 was made between the Red Crosses of the two countries —

to discuss food aid. The Red Crosses of the North and the South had met with each other four times in Beijing during the period from May to December 1997. However, the talks broke down over South Korea's demand to monitor the distribution of food in North Korea.

Coming as it did at such a critical juncture, the advent of the government of President Kim Dae Jung, which advocated the “sunshine policy,” raised expectations for breaking the stalemate. Under the policy, his administration sharply relaxed restrictions against investment of South Korean firms in the North.

In March 1998, discussions between the Red Crosses of the two countries were resumed, and the South Korean side delivered 100,000 tons of food aid to the North. Encouraged by the flexible attitude of the Kim Dae Jung administration, North Korean authorities asked the South to provide it with fertilizers in aid. In response, the South Korean government offered to discuss the matter on a government-to-government level. As the North accepted the offer, talks between government authorities of the two countries materialized for the first time since July 1995.

At talks started on April 11, 1998, the South Korean government laid down its policy that while private firms of both sides are free to do business with each other, government-level exchange should be conducted according to the principle of reciprocity. More specifically, South Korea demanded that the North show sincerity in dealing with the question of reuniting separated families in exchange for a shipment of fertilizers in aid. North Korea turned down the offer, and government-to-government talks were suspended on April 18. North Korea argued that the relationships between the North and the South should be dealt with on the basis of “love for the nation,” not on the principle of reciprocity. In response, South Korea took the attitude that there was no need to rush things in a zeal to get results.

As a result, talks for improvement in the relationship between the North and the South ended in a stalemate. However, the

Kim Dae Jung administration showed restraint in dealing with the submarine incident that occurred toward the end of June 1998 and upheld its sunshine policy, helping exchanges on a private level to continue.

(3) North Korea and Missile Diplomacy

The launching of a missile by North Korea posed another serious problem to the United States on top of the suspected development of nuclear weapons and the problem of food shortages. North Korea had signed the Agreed Framework with the United States in October 1994, pursuant to which it agreed to freeze its nuclear development program. On the other hand, discontented with the tardy progress being made in the construction of light-water nuclear reactors and in the delivery of fuel oil by the Korean Peninsula Energy Development Organization (KEDO), and the lack of speed in lifting the economic sanctions imposed by the United States, North Korea has repeatedly made a statement alluding to the possibility of unfreezing its indigenous nuclear development program. In addition, North Korea demanded that the United States provide it with food aid.

Meanwhile, the United States and North Korea have been held talks on the development and proliferation of missiles by North Korea. In the past, North Korea had denied that it had exported missiles to other countries. However, as suspicion deepened that North Korea was responsible for helping Pakistan to successfully test-launch a Ghauri missile in April 1998, North Korea admitted in June having developed and exported missiles abroad. Arguing that it had developed missiles to defend itself against the threat of the United States, North Korea urged Washington to conclude a peace treaty with it. It also said that it had exported missiles to earn foreign exchange and that given the continuing economic sanctions by the United States, it had no choice but to export the missiles to earn hard currency. And North Korea demanded that the United States lift the economic sanctions and compensate

for losses it stood to suffer by discontinuing exports of its missiles. The missile it launched in August lent credibility to its argument. North Korea, which held missile talks with the United States early in October, made the same demand repeatedly, but the United States refused to compensate North Korea for alleged losses.

A development that the United States took seriously, in addition to the missiles, was huge underground facilities that North Korea was constructing in different point from the now-frozen nuclear facilities. North Korea claimed that they are intended for civilian use, but it has surfaced as a new contentious issue between the two countries.

(4) Japan-North Korea Relations at a Stalemate

The launching of a missile by North Korea has thrown new impediments in the way of normalization talks between Japan and North Korea, which had run into a snag on account of North Korean intransigence about suspected abductions of Japanese nationals.

In the second half of 1997, North Korea took an accommodative attitude toward improving relations with Japan. It authorized Japanese spouses residing in North Korea to visit their homes in Japan. A group of Japanese wives arrived in Japan on November 8, and the second group visited Japan late in January 1998. And on November 11, 1997, a mission of the three ruling coalition partners of Japan visited North Korea. As to suspected cases that 10 Japanese nationals were abducted by North Korea, the North Korean side said that it was possible to investigate their whereabouts as “missing cases.” In general Japanese gained the impression that North Korea had started to solve the problems — allowing Japanese spouses to visit their homes in Japan and investigating the whereabouts of “the missing Japanese” — that Japan thought were standing in the way of talks for normalizing relations with North Korea. On October 9, 1997, Japan gave North Korea \$27 million worth of food aid through a U.N. organization.

In reply to a question put to him during a plenary session of the House of Representatives on April 30, 1998, then Prime Minister Ryutaro Hashimoto called on the “supreme leader” of North Korea to address earnestly the problem of suspected abductions. However, North Korea announced in June that “the results of the search finally proved that the persons wanted by Japan do not exist in the DPRK territory,” and that Japanese spouses canceled their application for home visit. North Korea has thus in effect suspended efforts to resume normalization talks with Japan.

The Japanese government took the launching of a missile by North Korea at the end of August as a serious problem to the security of Japan. It took particularly seriously the fact that North Korea launched its missile without prior notice to Japan toward its airspace and international waters close to it that are used by passenger aircraft and fishing boats. Responding to this, the Japanese government canceled its permission of chartered flights between Japan and North Korea, and put on hold the normalization negotiation for the time being. The Japanese government postponed the signing of the KEDO Executive Board resolution concerning the cost-sharing of the light-water reactor project. However, this does not signal a change in Japan’s position that KEDO is the most realistic and effective framework to cope with nuclear weapon development by North Korea. On October 21, Japan resumed its cooperation with KEDO.

(5) Toward Building a New Japan-South Korea Partnership

Aware of the awkward relations that had developed between South Korea and Japan during the Kim Young Sam administration, the Kim Dae Jung administration set out to mend and strengthen its relations with Japan. In October 1998, President Kim Dae Jung met with Prime Minister Keizo Obuchi in Tokyo and they announced their resolve to work toward building a new partnership in the years to the 21st century.

During the period of the Kim Young Sam administration, the

governments of Japan and South Korea maintained close economic relations and promoted defense exchanges. Particularly, when South Korea experienced a financial crisis, the Japanese government extended to that country the largest financial assistance of all countries. However, the new Kim Dae Jung administration had to contend with the following two serious problems in dealing with Japan.

One of them was the fishery problem. The Japan-ROK fishery agreement of 1965 was based on the flag-state doctrine under which the coastal country’s exclusive control of fishing rights extended up to 12 nautical miles from its shores and the control of fishing in areas outside the waters was exercised by the country to which the fishing boats belonged. With a view to protecting its own fishermen and marine resources, Japan wanted to conclude a new agreement based on the coastal-state doctrine under which Japan can ban illegal fishing by South Korean fishing boats within its economic waters. And Japan wanted to extend its economic waters to 200 nautical miles in accordance with the U.N. Convention on the Law of the Sea. Talks on a new agreement, which had started in May 1996, ran into difficulties on account of the economic implications it carried and its implications on Takeshima Island, over which the both claim their sovereignty.

In January 1998, the Japanese government notified South Korea of its intention to terminate the fishery agreement (the termination to take effect one year after the notification), and indicated that it will work toward concluding a new agreement. In response, South Korea vehemently opposed the termination of the fishery agreement as “an unfriendly gesture.” Subsequently, however, the two countries negotiated continuously, and late in September, shortly before the visit of President Kim Dae Jung to Japan, they reached a basic accord on a new agreement. It included an agreement to establish provisional zones in the Sea of Japan where fishing boats of both countries can operate under the flag ship principle.

The other problem was an interpretation of the history of the relationship between Japan and Korea, namely, the characterization of Japan's colonial rule of Korea. On this problem, the Japanese government expressed on several occasions its remorse and an apology. However, there are deep-rooted feelings among South Koreans that Japan had not done enough to atone for what it had done to the Korean people. Egged on by such popular feelings, successive governments of South Korea had at times taken a stern attitude toward Japan, which in turn roused the ire of certain groups of Japanese. And an emotional war of words continued for quite some time.

President Kim Dae Jung's visit to Japan in October 1998 was instrumental in putting an end to the dispute once and for all with the two governments vowing to work together toward building a future-oriented partnership in coming years. At a summit meeting held with President Kim Dae Jung, Prime Minister Obuchi expressed once again his deep remorse and heartfelt apology for its colonial rule of Korea. The joint declaration issued at the summit referred to the apology and said that Kim Dae Jung highly appreciated it.

At the summit meeting, the two countries reaffirmed their commitment to cooperate with each other and the United States in implementing their policies toward North Korea. More specifically, the two countries shared the concern about North Korea's missile development and confirmed the importance of maintaining the Agreed Framework between the United States and North Korea, and KEDO in order to block the nuclear development program of North Korea. In addition, Prime Minister Obuchi expressed his support of the sunshine policy of the Kim Dae Jung government, and they agreed to create a forum at which cabinet ministers of the two countries can freely exchange their views. Pursuant to this agreement, the first Gathering of Japan-ROK Cabinet Ministers was held late in November 1998, in Kagoshima Prefecture of Japan with the participation of Prime Minister Obuchi and Prime

Minister Kim Jong Pil. During their conversations at the gathering, they confirmed once again that the two countries would cooperate with each other in dealing with the North Korean problems and economic problems of South Korea.

Among defense exchanges between the two countries, the first security dialogue was held in June 1998 with the participation of foreign affairs and defense officials from both countries. In September, Chun Yong Taek, minister of national defense of South Korea, came to Japan for talks with then Defense Minister Fukushiro Nukaga. They concurred that the missile launch by North Korea was most regrettable for peace and stability of Northeast Asia, and the prevention of proliferation of weapons of mass destruction. They agreed to increase opportunities for various channels of dialogue between the Self-Defense Forces of Japan and the armed forces of South Korea.