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From: SMART Archive
Sent: 4/3/2014 4:01:10 AM
To: SMART Core
Subject: Seoul - Press Bulletin ; April 3, 2014

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RELEASE IN FULL

MRN: 14 SEOUL 618
Date/DTG: Apr 03, 2014 / 030800Z APR 14
From: AMEMBASSY SEOUL
Action: WASHDC, SECSTATE *ROUTINE*
E.O.: 13526
TAGS: PREL, PGOV, MARR, ECON, KPAO, KS, US
Subject: Seoul - Press Bulletin ; April 3, 2014

April 3, 2014

Top Headlines

Chosun Ilbo

North Korean Drone Hovering Right above Blue House for Some 20 Seconds

JoongAng Ilbo

North Korean Drone was Equipped with Transmission Device

Dong-a Ilbo

ROK Feared to be Unable to Defend Blue House If North Korean Drones Attack It

Hankook Ilbo

ROK Developing ROK-style Predator Drone

Hankyoreh Shinmun

Senior Spy Agency Official Likely to Face Investigation in Evidence Fabrication Scandal

Kyunghyang Shinmun

In a Retrial against State, Sitting Senior Judge Criticizes Fellow Judges for Seeking to Curry Favor with Military Regime Led by Then-President Park Chung-hee and Abandoning Their Duties

Seoul Shinmun

North Korea's Rudimentary Drones Penetrate ROK Air Defense Network

REVIEW AUTHORITY: Clarke
Ellis, Senior Reviewer

Domestic Developments

1. On April 2, the ROK tentatively concluded that two crashed unmanned aerial vehicles recently discovered in its frontline regions came from North Korea. The ROK military suspected that the North has produced dozens of similar drones, and this development raises concerns about the ROK's air defense and the North's new type of provocation. (All)
2. In a related development, the ROK military and intelligence authorities observed that the North's unmanned aircraft appeared to be very rudimentary drones but that with more technological advancements, the North could develop them into more powerful military aircraft to be used for terror purposes. (All)
3. According to the Blue House and the ROK military, in order to counter threats from North Korean drones, Seoul has

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decided to seek to introduce anti-aircraft weapons and more advanced radar designed to detect aircraft flying at low altitudes. (Chosun, Seoul)

4. According to the Ministry of Trade, Industry and Energy, the USTR, in its 2014 National Trade Estimate Report on Foreign Trade Barriers, has taken issue with Seoul's designation of suitable industries for small and medium enterprises (SMEs), including the designation of the family restaurant sector as reserved for SMEs. The report called the move a trade barrier. (Hankook)

International News

1. During an April 1 (local time) conference call organized by the Asia Society in Washington, Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel said that China should make more effort to denuclearize North Korea if it wants to change Washington's defense strategy in the Asia and Pacific region. (Chosun, Seoul)
2. According to North Korea's *Rodong Sinmun*, the newspaper of the North's ruling Workers' Party, North Korean leader Kim Jong-un has vowed to triumph over the U.S.'s hostile policies, calling the current situation on the Korean Peninsula "grave." (All)

Media Analysis

Questions about U.S. Leadership

Moderate *Hankook Ilbo* carried an op-ed that said: "The Ukraine crisis has raised important questions about the U.S.'s leadership in the international community. ... The Heritage Foundation's analysis -- that Washington's passive attitude toward the Iranian and Syrian issues may have emboldened Russian President Putin to invade Ukraine -- may not be far-fetched. ... There is talk that isolationism is gaining influence in the U.S. There also is an atmosphere of accepting the U.S.'s passive attitude toward international disputes as realistic. If Washington's position on the North Korean nuclear issue is based on its firm determination not to repeat its previous mistakes it would be okay, but if its reluctance to make the first move is consistent with the atmosphere in the U.S., it would be a different story. The ROK should take this opportunity to reconsider its attitude of blindly following the U.S. on issues including the North Korean problem and enhance its ability to respond."

ROK-China Cooperation on Historical Issues

Conservative *Dong-a Ilbo* carried an op-ed that said: "China is signaling to the ROK to cooperate [with China] against Japan over historical issues. ... However, the reality is not simple enough for the ROK to accept China's extended hand readily. ... [Like other issues], in dealing with historical issues, only cold-hearted interests exist between countries. Seeking cooperation on historical issues is unrealistic and is like chasing a mirage. ... There may be an issue on which the ROK could cooperate with China, but the ROK should not come forward and seek to cooperate with China on historical issues, given its history of suffering due to China."

Opinions

Reason Why We Cannot Welcome ROK-China Historical Cooperation

(Dong-a Ilbo, April 3, 2014, Page 34; Excerpts)

By Senior Editorial Writer Hong Chan-sik

Chinese President Xi Jinping's strong criticism in Germany last week of Japan's past aggression, citing the 1937 Nanjing Massacre, can be seen as China's "historical rise" following its "economic and military rise."

During his first trip to Europe since his inauguration recently, President Xi made a point of bringing up the Nanjing Massacre. The reason why he chose Germany to do so must be to illustrate a stark contrast between Germany, which reflects on its past history, and Japan, which does not.

In the meantime, China is signaling to the ROK to cooperate [with China] against Japan over historical issues. However, the reality is not simple enough for the ROK to accept China's extended hand readily. [Like other issues], in dealing with historical issues, only cold-hearted interests exist between countries. Seeking cooperation on historical issues is unrealistic and is like chasing a mirage.

There may be an issue on which the ROK could cooperate with China, but the ROK should not come forward and seek to cooperate with China on historical issues, given its history of suffering due to China.

Changed U.S. Factor on Korean Peninsula

(Hankook Ilbo, April 3, 2014, Page 30)

By Editorial Writer Hwang Yoo-seok

The Ukraine crisis has raised important questions about the U.S.'s leadership in the international community.

The U.S. has been powerless over the Ukraine situation. Despite an outpouring of criticism, the U.S. has failed to come up with appropriate measures. Russia, which annexed the Crimean Peninsula from Ukraine, is escalating provocations further by demanding economic and military neutrality for Ukraine and its federalization. It seems that Russia also intends to put the east and southern part of Ukraine under its influence. Nevertheless, President Obama is saying simply that there is no way to put things back that already have happened. It is like Russia is flying high and the U.S. is crawling. In the future, the Ukraine situation could be cited as a symbol of the decline of U.S. leadership.

[Such inaction by] the U.S. is not new. In November of last year, President Obama signed a nuclear deal with Iran despite strong opposition from allies. The U.S. merely accepted Iran's nuclear rights, such as acknowledging the production of low enrichment uranium. The U.S. had voiced opposition to [Iran's] nuclear programs, threatening to wage a war. Now, Washington is suffering diplomatic fallout. Its 70-year old ally, Saudi Arabia, vowed to review a defense policy dependent on the U.S. A close ally, Israel, sharply urged the U.S. to come to its senses. President Obama and Secretary Kerry have been busy visiting and comforting these countries.

It was the same with the Syrian civil war. President Obama had warned Syria repeatedly that the use of chemical weapons would cross a red line. However, when the Assad regime pushed for the use of chemical weapons, the U.S. did not take any action. Only with the mediation of Russia, which supported the Assad regime, was the U.S. Administration able to reach a half-hearted deal on eliminating Syria's chemical weapons. Washington failed to hold the regime accountable for the slaughter of hundreds of thousands of civilians. The Heritage Foundation's analysis -- that Washington's passive attitude toward the Iranian and Syrian issues may have emboldened Russian President Putin to invade Ukraine -- may not be far-fetched.

How about the Korean Peninsula? There is a concern that when looking at the Ukraine situation, the North Korean regime will be more bent on its nuclear development. The Budapest agreement, which had guaranteed Ukraine territory and security in return for abandoning its nuclear weapons, became null and void. Since North Korea does not want to see its territory usurped powerlessly, it will be more difficult to resume the Six-Party Talks aimed at denuclearizing the North. Therefore, the ROK is in a more urgent situation due to the fact that it depends on the U.S. for security almost fully. This is because our key interests could be undermined by U.S. influence. The Korean Peninsula is extremely unstable geopolitically since the end of the Cold War. China is blatantly ambitious trying to gain supremacy and Japan, a defeated country, is seeking a path toward militarism. China is very similar to Russia in that it is expanding its influence through power and seeking exclusive nationalism. China even surpasses Russia in terms of economic power. There is no guarantee that in the case of an emergency, that China would not intervene in North Korea on the excuse of protecting its national interests, like Russia. It is questionable what choice the U.S. would make if China deploys its military power to the Senkaku Islands, a disputed territory with Japan. U.S. inaction in Ukraine could prompt China to take bold action in Asia.

The U.S. maintains a firm stance on the North Korean nuclear issue. Secretary Kerry described the North as an evil place. Congress is pursuing bills on harsh financial sanctions, saying that they will bankrupt North Korea. The U.S. also is falling in step with the U.N.'s moves to bring Kim Jong-un to the international court for committing crimes against humanity. We do not know when the Six-Party Talks, which have been stalled for nearly six years, will resume. The Obama Administration simply has repeated the same words for years by calling for the North to take initial steps and China to put pressure on Pyongyang. There is talk that isolationism is gaining influence in the U.S. There also is an atmosphere of accepting the U.S.'s passive attitude toward international disputes as realistic. If Washington's position on the North Korean nuclear issue is based on its firm determination not to repeat its previous mistakes it would be okay, but if its reluctance to make the first move is consistent with the atmosphere in the U.S., it would be a different story. The ROK should take this opportunity to reconsider its attitude of blindly following the U.S. on issues including the North Korean problem and enhance its ability to respond.

Feature**USTR: "ROK's Designation of Suitable Industries for SMEs Is Trade Barrier"**

(Hankook Ilbo, April 3, 2014, Page 8)

By Reporter Kim Jung-woo

The USG has officially taken issue with the ROK's designation of suitable industries for small- and medium-sized enterprises (SMEs) and subsidies for low-carbon vehicles. While the ROK is weighing whether to join the U.S.-led Trans-Pacific Partnership (TPP), the U.S. seems to be increasing its trade pressure on the ROK based on the opinions of U.S. industries.

According to the Ministry of Trade, Industry and Energy on April 2, the U.S. Trade Representative (USTR) said in the 15-page ROK-related part of the 2014 National Trade Estimate (NTE) Report on Foreign Trade Barriers, "[The ROK] needs to consider carefully the effect of the policy of designating suitable industries for SMEs."

The report cited the family restaurant sector as an example. In February last year, the ROK's National Commission on Corporate Partnership designated the family restaurant sector as reserved for SMEs and imposed some restrictions on the opening of new stores. The report said that this would cause difficulties for U.S. companies, such as Outback Steakhouse.

However, regarding the opening of a new store, Outback Steakhouse is subject to less stringent standards than ROK firms. While domestic brands are classified as large corporations that are banned from making mutual investments between subsidiaries, Outback Steakhouse is exempt from this under the Industry Promotion Act. Last year, therefore, Outback Steakhouse opened new stores at the same level as previous years.

The report also stressed that U.S. automakers raised concerns with the proposed Bonus-Malus system that will go into effect next year. Under this system, European vehicles emitting less greenhouse gases are expected to benefit while consumers who purchase U.S. vehicles – largely mid- and large-size cars – would likely have to pay additional charges, consequently lowering the demand for U.S. automobiles.

The report said that the ROK-U.S. FTA addressed some auto market barriers, saying, "The Agreement also levels the playing field and enhances market access for U.S. exporters, including those in the automotive sector which saw an 80 percent increase in exports in 2013 compared to 2011."

Pressure for the beef market opening is the same as last year. The USTR said in the NTE and SPS reports, "Restoring full access for U.S. beef and beef products based on science, the OIE guidelines, and the status of the United States as a controlled BSE risk country is a priority of the U.S. Government. The U.S. is continuing its efforts to negotiate bilateral protocols with trading partners to open their markets to U.S. beef."

Regarding the protection of intellectual property rights, the report raised concerns about the unauthorized use of software in the public sector, book piracy in universities, and the counterfeiting of consumer products. As for service barriers, the report cited quotas on foreign programs in terrestrial television or radio broadcast time and cable or satellite broadcast time.

The 2014 Technical Barriers to Trade said in reference to a product safety test of panoramic sunroofs, "The test methodology used [in the ROK] deviated significantly from the methodology prescribed in the relevant Global Technical Regulation developed by UNECE."

In this regard, an official with the Ministry of Land, Infrastructure and Transport said, "Since the UN suggested having an in-depth discussion about safety standards for sunroofs and test methodologies, we do not think that this issue will escalate into trade friction."

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Info: KOREA COLLECTIVE ROUTINE

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