

NAPSNet Daily Report 12 February, 1998

Recommended Citation

"NAPSNet Daily Report 12 February, 1998", NAPSNet Daily Report, February 12, 1998,
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-12-february-1998/>

IN TODAY'S REPORT:

[I. United States](#)

- [1. Light-Water Reactor Project](#)
- [2. Food Aid for DPRK](#)
- [3. DPRK-Japan Relations](#)
- [4. ROK Layoff Bill](#)
- [5. ROK Financial Crisis](#)
- [6. Nuclear Disarmament](#)

[II. Republic of Korea](#)

- [1. Inter-Korean Relations](#)
- [2. ROK Defense Ministry](#)
- [3. ROK Defense Procurement](#)

[III. Announcements](#)

- [1. Green Korea Media Release on LWR Project](#)

I. United States

[[[

1. Light-Water Reactor Project

Nucleonics Week (Mark Hibbs and Margaret L. Ryan, "PWR EXPORT PERMIT FIASCO LEAVES FEASIBILITY OF KEDO DEAL IN DOUBT," 02/12/98) reported that the withdrawal of an application by ABB- Combustion Engineering to export two reactors to the DPRK has exposed possible legal problems in the US that may prevent the implementation of the Geneva Accord. [Ed. note: [See Light-Water Reactor Project](#) in the US Section of the February 5 report.] The withdrawal of the application came after Victor Gilinsky and Henry Sokolski of the Nonproliferation Policy Education Center called for a public hearing on the license request. They pointed out that, under US law, nuclear technology

can not be exported to a country with which the US does not have a nuclear cooperation agreement. An unnamed critic stated, "When the State Department cut this deal, it basically believed that the ROK would pay for it, and that Korean reunification would happen fast and with a soft landing, letting the ROK take over the project before the reactors would be turned over to the North." Another unnamed official said, "The hope was this project would drag on for years, and nothing would ever really happen." The article quoted an unnamed senior official as saying that the ROK's financial crisis would not have a serious impact on the project, as it will be "several years before serious money would be spent." However, the article pointed out that, according to the license request, the contracts for the reactor sale are to be signed this year and the first shipment of components to the DPRK is expected in late 1999. Officials in Washington said that the International Monetary Fund could not support the ROK spending US\$5 billion for nuclear power plants in the DPRK.

[[[[]]]

2. Food Aid for DPRK

The AP-Dow Jones News Service ("U.N. LAUNCHES NEW APPEAL FOR HUMANITARIAN AID TO N. KOREA," United Nations, 02/12/98) reported that the UN on Thursday released a statement appealing for US\$415.6 million for food and humanitarian supplies for the DPRK. The statement said, "While generous and timely contributions from the international community during 1997 averted famine, the humanitarian situation in still remains precarious." The US\$415.6 million figure includes US\$378.2 million requested last month by the World Food Program to pay for 657,972 metric tons of food. The additional funds would be for upgrading health care services, water, sanitation, and agriculture.

[[[[]]]

3. DPRK-Japan Relations

Reuters ("NORTH KOREA SLAMS JAPAN FOR RAISING ABDUCTION ISSUE," Tokyo, 02/11/98) reported that the DPRK's official Korean Central News Agency (KCNA), in a report late on Wednesday, criticized the Japanese government for raising the issue of the alleged abduction of Japanese nationals and consequently delaying the resumption of diplomatic normalization talks. The report stated, "Both sides agreed to restart the full-fledged talks without preconditions. However, the Japanese side overruled the agreement between the two sides and raised the groundless 'missing person' issue as a precondition for the resumption of the talks, intentionally creating difficulties in restarting the talks at an early date." It added, "If Japan has no intention to restart the talks ... we will stop seeking the resumption of the talks."

[[[[]]]

4. ROK Layoff Bill

The Wall Street Journal ("STRIKE TO PROTEST LAYOFF BILL IS CANCELED IN SOUTH KOREA," 02/12/98) reported that an anonymous spokesman at the Korean Confederation of Trade Unions said late Thursday that the labor group has called off its nationwide strike planned for Friday to protest a labor bill that would facilitate layoffs. He said the decision was based on the fear that poor domestic economic conditions would be further aggravated by such protest.

Reuters ("SOUTH KOREAN PROSECUTORS VOW TOUGH ACTION IF WORKERS STRIKE," Seoul, 02/11/98) reported that ROK Prosecutor-General's Office warned in a statement on Thursday that

they would take strong measures if unions went ahead with their threatened general strike on Friday. The statement said that the strike was illegal because it was related to legislation currently being considered by the National Assembly.

[[[[]]]]

5. ROK Financial Crisis

The New York Times (Stephanie Strom, "KOREAN BANKS TO EXTEND LOANS TO DOMESTIC BUSINESSES," Seoul, 02/12/98) reported that ROK lending institutions agreed on Wednesday to extend by two months nearly US\$9 billion of loans to domestic businesses due in March. Bankers said that the extension was made at the request of the Finance Ministry. However, Richard Samuelson, head of research at SBC Warburg Dillon Read, stated, "Unless the government gets a firm grip and decides once and for all to choose the banking system over the corporate sector by allowing corporations that don't deserve to survive to fail, it's heading for a meltdown in the financial system."

[[[[]]]]

6. Nuclear Disarmament

The Washington Post (Mary McGrory, "Outlook," 02/08/98) reported that at a National Press Club lunch last week, former US Senator Alan Cranston read off a list of 117 people from 46 countries who have signed a petition calling for the abolition of nuclear weapons. At the lunch, retired General George Lee Butler, former commander-in-chief of the US Strategic Command made a speech challenging the wisdom of nuclear deterrence. [Ed. note: See the [NAPSNet Special Report for February 10.](#)] During the question period which followed his speech, Butler was asked whether he felt guilty for not having spoken up earlier. He replied, "This is not about guilt. It's about the future."

II. Republic of Korea

[[[[]]]]

1. Inter-Korean Relations

Lim Dong-won, newly appointed senior presidential secretary for national security and foreign affairs in the Kim Dae-jung administration, on February 11 suggested that the two Koreas exchange special envoys to verify their mutual intention and will to improve relations. He said the new administration will expedite inter-Korean investment and exchanges under two principles: separation of politics from economic affairs and no state intervention in private-sector economic affairs between the two Koreas. (Korea Times, Oh Young-jin, "EXCHANGE OF S-N ENVOYS SUGGESTED," 02/11/98)

[[[[]]]]

2. ROK Defense Ministry

The ROK Ministry of National Defense (MOND) on February 11 expressed its confidence in winning a legal battle against United Technologies Corp. The MOND aims to retrieve a portion of what it claims the US-based defense contractor overcharged during the sale of three UH-60 Black Hawk helicopters in 1990. Commenting on a hearing held in Seoul on February 4-9 under the supervision of the International Chamber of Commerce (ICC), a MOND official said, "I think we have a strong

case. We presented it very effectively." (Korea Times, Oh Young-jin, "MINISTRY OF NATIONAL DEFENSE SHOWS CONFIDENCE FOR CASE AGAINST SIKORSKY," 02/11/98)

[[[[]]]

3. ROK Defense Procurement

The ROK Defense Procurement Agency (DPA) has filed a libel lawsuit against nine journalists for their reports of alleged irregularities in the way the agency spent money on foreign weapons components. The agency, a branch of the Ministry of National Defense, filed the complaint February 9 against the journalists at Munhwa Ilbo newspaper and Munhwa Broadcasting Co. (MBC) and a military analyst. (Korea Herald, "DEFENSE PROCUREMENT AGENCY FILES LAWSUIT AGAINST JOURNALISTS FOR LIBEL," 02/12/98)

III. Announcements

[[[[]]]

1. Green Korea Media Release on Light-Water Reactor Project

("GREEN KOREA UNITED SUGGESTS CHANGES TO DPRK NUCLEAR REACTOR PROJECT TO GOVERNMENT TRANSITION COMMITTEE," 02/12/98)

Green Korea United has submitted a proposal to the Transition Committee for incoming President Kim Dae Jung, suggesting far reaching changes to the project to supply North Korea with a nuclear power plant. To date the major parties - South Korea, Japan and the US have failed to agree on who will pay for the reactor, although the US continues to insist that South Korea can pay.

The plan is supported by the research and opinions of a number of prominent South Korean academics.

Dr Kim Sang Kyu of POSCO Research Institute maintains that "The North Korean electricity supply problems are mostly related to their serious grid loss. The rate of loss is between 30-50 percent, so we first need to minimize grid loss and improve the efficiency of end users." Dr Kim also comments "The North Korean housing pattern is decentralized and very different from that in South Korea. We need to introduce small capacity and decentralized energy supply systems"

Dr Kim Jong-Dal, Professor of Trade and Economics, Kyongbuk University says "In this economic situation we need more efficient and inexpensive power plants such as LNG cogeneration for Combined Heat and Power (CHP). There is not sufficient heating fuel in North Korea and CHP can help us overcome two problems at the same time. Furthermore North Korea has a lot of potential for the use of renewable energy, especially wind power, so we should to provide these technologies to them. If we assume that South Korea will adopt a binding commitment to reduce greenhouse gases under the UNFCCC, we can also help the development of renewable energy in the DPRK as a joint implementation project."

The proposal from Green Korea outlines five reasons for changing the project.

1. South Korea can not afford to pay for the reactor with the current financial crisis. There is now a need to investigate other, less expensive energy provision options for North Korea.
2. The argument that the reactor is being provided to curtail possible DPRK nuclear weapons

production is flawed. The PWR or light water reactor scheduled to be built is also capable of producing plutonium. Building a reactor of this type does not entirely prevent the manufacture of plutonium or nuclear weapons, we will still be unable to confirm that North Korea is unable to make nuclear weapons.

3. In the current KEDO agreement there is no plan developed for how waste will be processed and stored. Even more importantly there is no information on who must pay for disposal of the waste or how much safe disposal will cost.

4. KEPCO and the South Korean government like to promote the reactor as a Korean made reactor, but this is not entirely true. The main components (supplied by Combustion Engineering, the US branch of ABB) are still imported from the US.

5. The North Korean energy distribution infrastructure is badly in need of repair and improvement. Some experts estimate the cost of rebuilding the North Korea grid to cope with the power supplied from the nuclear reactor could add another US\$1 billion to the project cost. In addition, there are few large regional centers, so North Korean energy demand is not centralized to the same extent as South Korea and sending power from one location will not be efficient or effective.

Green Korea United believes to solve these problems we need non- nuclear power plants on a more localized scale and advances the following suggestions for Government action.

1. Conduct further research on the North Koreans electricity needs/demands and assist with repairs to the North Korean grid to alleviate the losses of energy. This would cost significantly less than constructing a new grid.

2. Provide several LNG cogeneration power plants as a more economical alternative to nuclear power.

3. Bring forward plans to connect North and South Korean power grids.

4. Cooperate and fund renewable energy development in North Korea.

5. Move to persuade North Korea to demonstrate they have completely renounced their nuclear weapon plans by accepting alternatives to nuclear power generation.

Green Korea will send a letter together with a detailed proposal to North Korean authorities next week.

For more information contact Mr SEOK Kwang Hoon, Energy Campaign, Green Korea United ph: + 82 2 325 5525, fax: + 82 2 325 5677 email: environ@chollian.net

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.

Produced by [the Nautilus Institute for Security and Sustainable Development](#).

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

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

Shin Dong-bom: dongbom_shin@wisenet.co.kr
Seoul, Republic of Korea

Choi Chung-moon: cily@star.elim.co.kr
Seoul, Republic of Korea

Hiroyasu Akutsu: akutsu@glocomnet.or.jp
Tokyo, Japan

Peter Razvin: icipu@glas.apc.org
Moscow, Russian Federation

Chunsi Wu: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

Dingli Shen: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

View this online at: <https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-12-february-1998/>

Nautilus Institute
608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email:
nautilus@nautilus.org