

# NAPSNet Daily Report 24 August, 1998

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### **I. United States**

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#### **1. Light-Water Reactor Project**

The Associated Press ("N. KOREA NUCLEAR PLANT CONSTRUCTION PACT SIGNED SAT-OFFICIAL," Seoul, 08/24/98) reported that ROK Unification Ministry officials said Monday that the Korean Peninsula Energy Development Organization (KEDO) will sign a cost-sharing agreement for the light-water reactor project in Seoul on Saturday. The officials said that the agreement will set detailed guidelines for the share of cost to be borne by the US, the ROK, Japan, and the European Union.

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#### **2. Alleged DPRK Underground Construction**

Reuters ("COHEN: N.KOREA NOT YET VIOLATING NUCLEAR DEAL," Washington, 08/24/98) reported that US Defense Secretary William Cohen said Sunday that the DPRK was not in violation of the 1994 Geneva agreement. Cohen stated, "We believe that the agreed framework is still in place, and that was to freeze the North Koreans' production capability for producing nuclear

weapons in place. We have not received any information that would indicate that they have violated that agreement as of yet. It's something that we are now following with great interest."

NuclearFuel (Mark Hibbs, TUNNEL-BUILDING NEAR YONGBYON WAS 'CRYING OUT TO BE FOUND'," Bonn, 08/24/98) reported that unnamed US officials said that the DPRK's underground construction recently spotted by US spy satellites was so easily detected that the officials believe that the DPRK wanted US intelligence analysts to find it. The officials conjectured that the DPRK recently intensified the tunnel-building to make it known to the US in a bid to press the US to drop economic sanctions, and perhaps also to strengthen the hand of Kim Jong-il vis-a-vis the DPRK military. Moreover, they said that US executive agencies seeking clarification about the matter were told that there is no hard information identifying the purpose of the excavation as related to any specific nuclear facility. One source said that experts at the US Defense Intelligence Agency have reached the cautious preliminary conclusion that the tunnel-building at issue may serve an industrial or military purpose which has nothing to do with the DPRK's nuclear program. One US official stated, "We didn't get any positive identification" of the site. According to one unnamed "insider," the tunnel-building find "had been kicked around in the intelligence community for a couple of weeks" before it was leaked to the New York Times. Another US official said that he had been briefed later that the find had been relayed to ROK officials by US intelligence officers without first distributing it to all routine channels in the US executive branch. He said that, were it clearly established that the material showed that the DPRK was building a nuclear facility at the site, there would have been a wider distribution of the material. Meanwhile, officials at the International Atomic Energy Agency (IAEA) said last week that the DPRK had informed it in advance before it entered the Yongbyon reprocessing plant this past spring and performed some preventive maintenance on mixer-settlers in the facility. DPRK personnel carried out the maintenance under observation from IAEA safeguards inspectors. However, the IAEA cannot be sure that the DPRK is not operating the mixers when IAEA inspectors are not present, since the DPRK has thus far not allowed the IAEA to install sensors to continuously monitor the area.

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### **3. DPRK Famine**

The Associated Press ("BAD WEATHER DAMAGES N. KOREA CROPS," Seoul, 08/22/98) and Reuters (Brian Williams, "NORTH KOREA REPORTS EXTENSIVE NEW WEATHER DAMAGE," Tokyo, 08/23/98) reported that the DPRK's official Korean Central News Agency said Saturday that rain, hail, and tidal waves have damaged crops. The report said that downpours inundated more than 180,000 acres of arable land, destroyed or submerged 42,500 homes in July and August, and may decrease the rice harvest by 60 percent in a major farming area. It added that more than 30,000 tons of food donated by the UN World Food Program arrived this week. An official at Tokyo-based Radiopress said that reports of the latest floods were carried only on the DPRK's English service and not in Korean language broadcasts. He stated, "North Korea was very detailed in their English language media release. This probably indicates that they may be appealing for aid from the international community to help with the damage caused by the natural disasters."

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### **4. ROK Defector**

The Associated Press ("REPORT: SKOREAN DEFECTS TO NKOREA," Seoul, 08/22/98) reported that the DPRK's official Korea Central News Agency said Saturday that Pak Song-hun, an ROK citizen, defected to the DPRK by crossing the Demilitarized Zone near the east coast on Friday. The report said that Pak had recently lost his job as a construction worker in Seoul. There was no immediate

confirmation of the report by ROK authorities.

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## **5. ROK Labor Unrest**

The Associated Press (Y.j. Ahn, "HYUNDAI MOTORS END LABOR DISPUTE," Ulsan, 08/24/98) reported that management and union officials of Hyundai Motor Co. reached a compromise Monday to end a 36-day strike. The compromise allows Hyundai to lay off 277 workers, with 1,261 put on 1 1/2 years of unpaid leave. The 277 workers to be laid off will be given enhanced severance payments and chances to be rehired by Hyundai Motor or other Hyundai subsidiaries. The company also agreed to contribute US\$3.8 million to the workers' welfare fund. ROK Labor Minister Lee Ki-ho praised the compromise, calling it "a great victory achieved through dialogue and concessions." Hyundai said the strike cost it US\$690 million in lost production, and that its parts suppliers were believed to have suffered US\$566 million in lost production.

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## **6. Japan-Russian Relations**

Reuters (Elaine Lies, "JAPAN HOPEFUL BUT WARY AFTER RUSSIAN UPHEAVAL," Tokyo, 08/23/98) reported that Japanese Prime Minister Keizo Obuchi on Monday expressed hope that Russian-Japanese talks would continue as scheduled despite the firing of the Russian cabinet by President Boris Yeltsin. He added, "There is nothing we can do but wait and see." Yeltsin dismissed his entire government on Sunday and reinstated Viktor Chernomyrdin as Prime Minister. Obuchi is scheduled to visit Russia in November. A Japanese Foreign Ministry said, "Although we do have to closely watch the situation, discussions between Japan and Russia are important and we believe they will continue." However, a senior Foreign Ministry official was quoted by Kyodo news agency as saying, "The instability in Russia's domestic political situation is not favorable for negotiations for concluding a peace treaty between Japan and Russia."

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## **7. US-Russian Relations**

The New York Times (Steven Erlanger, "SHAKE-UP IN RUSSIA: THE U.S. REACTION," Washington, 08/24/98) reported that White House spokesman P.J. Crowley said Sunday that Russian President Boris Yeltsin's decision to fire would not affect US President Bill Clinton's planned trip to Moscow on September 1.

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## **8. PRC-South Asian Relations**

The Associated Press ("CHINESE GENERAL SAYS SUPPORTS PAKISTAN IN RIFT WITH INDIA," Beijing, 08/24/98) reported that the PRC's state-run Xinhua News Agency said that General Fu Quanyou, chief of the general staff of the PRC's People's Liberation Army, told his Pakistani counterpart, General Jehangir Karamat, on Monday that the PRC will continue to support Pakistan in its disputes with India. Fu added that the PRC was worried about the situation in South Asia, including the disputed territory of Kashmir.

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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