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I. United States

1. KEDO Developments

The AP-Dow Jones News Service ("NORTH KOREA, CONSORTIUM SIGN PROTOCOL ON NUCLEAR PLANTS," New York, 6/24/97) reported that officials from the DPRK and the Korean Peninsula Energy Development Organization (KEDO) on Tuesday signed an agreement spelling out the penalties in the event of late payments during KEDO's construction of two nuclear reactors in the DPRK. The two sides hope to begin work within the next several months on preparing the site for construction, which will include building roads and setting up offices. The US\$5 billion set of reactors will be built in exchange for the DPRK's freeze on its suspected nuclear weapons program, as stipulated in the US-DPRK Agreed Framework.

The AP-Dow Jones News Service ("KEDO BUYS JULY 2% SULFUR FUEL OIL FROM BP, PETRO-DIAMOND," Singapore, 6/24/97) reported that the US-based agency International Services Corp., on behalf of the Korean Peninsula Energy Development Organization (KEDO), has awarded a 60,000-

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The Washington Times (Bill Gertz, "NORTH KOREANS VISIT ARMS-CONTROL CENTER," 6/24/97) reported that DPRK Foreign Ministry officials made a highly unusual visit to an arms-control center sponsored by a US nuclear-weapons laboratory in New Mexico last week. Rod Geer, a spokesman for the S

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The Washington Times (Bill Gertz, "NORTH KOREANS VISIT ARMS-CONTROL CENTER," 6/24/97) reported that DPRK Foreign Ministry officials made a highly unusual visit to an arms-control center sponsored by a US nuclear-weapons laboratory in New Mexico last week. Rod Geer, a spokesman for the Sandia National Laboratory, confirmed that on June 16 DPRK officials took part in a workshop on arms-control monitoring at Sandia's Cooperative Monitoring Center. The group was led by Li Hyong-chol, director of American affairs in Pyongyang. Officials familiar with the program said it showcases hardware and computer software developed by Sandia for nuclear monitoring and other weapons-tracking programs. The center is near the laboratory, which is the premier designer of electronic components for US nuclear warheads. Geer said the center is in a building that was "sanitized" and security procedures were followed. The Times report quoted a State Department official as saying the six DPRK officials who visited the center were part of the official delegation to the US-DPRK missile talks held earlier this month in New York, and that the visit was approved by security officials from several agencies. The official, speaking on the condition of anonymity, commented, "We thought it was an OK thing to do -- basically, get them thinking about general principles of arms control." However, several US officials and private nuclear experts questioned the propriety of such a visit. Rep. Curt Weldon, chairman of the US House National Security subcommittee on research, said allowing such visits risks giving away important arms-control-monitoring techniques that could be misused for disrupting or deceiving international monitoring. Weldon also said he is upset because the visit came, according to Weldon, just weeks after the DPRK began deploying new Nodong missiles that are capable of attacking US and allied forces in Korea and Japan with impunity. "That's just outrageous," Mr. Weldon said. "This is the wrong signal to be sending. It's rewarding them for deploying a missile we can't defend against."

3. ROK Domestic Politics

Reuters ("S.KOREA'S EX-PREMIER WINS PRESIDENTIAL NOMINATION," Seoul, 6/24/97) reported that former ROK Prime Minister Kim Jong-pil, head of the conservative United Liberal Democrats, an opposition party, on Tuesday won the party's nomination to run for president in the upcoming election. Kim vowed to eliminate corruption by introducing parliamentary democracy. Kim, 71, joins Kim Dae-jung, leader of the main opposition National Congress for New Politics, in the presidential race. The ruling New Korea Party, led by current ROK President Kim Young-sam, has been battered by a recent corruption scandal, and has yet to select its nominee for the December 18 vote. Despite the ruling camp's woes, political analysts say the opposition has only a slim chance of taking office. "People see the two Kims as part of the corrupt establishment and they want something new," said Kim Byung-kook, a political science professor at Korea University.

4. UN Conference on Disarmament Developments

Reuters ("US SEEKS NEGOTIATIONS ON MINES, FISSILE MATERIAL," Geneva, 6/24/97) reported that on Tuesday the US lost its latest bid to get the UN-sponsored Conference on Disarmament (CD) to start work on a global ban on landmines, when the 61-member body made no decision on a stalled Western proposal to name a special coordinator. Katharine Crittenberger, acting head of the US delegation, expressed regret at the development, but said the US hoped the move could be taken

Thursday, the last day of the current session. Diplomats said Cuba and Syria, supported by Burma and Morocco, are holding up a consensus on landmines by linking the issue to their demands for an overall package including nuclear disarmament. The five declared nuclear weapon states -- the US, Russia, the PRC, Britain, and France -- categorically reject demands for negotiations in Geneva on total disarmament. Crittenberger, in her speech to the CD Tuesday, also repeated a US call for launching negotiations to halt production of bomb-making fissile material (plutonium and highly-enriched uranium) as the next step in the nuclear arena. "All those who consider nuclear disarmament a priority for the CD should look upon the negotiation of a Fissile Material Cut-off Treaty as an important and positive step," she said.

5. Analysis of US Nuclear Strategy

The Washington Post carried an opinion article by Sam Nunn and Bruce Blair ("FROM NUCLEAR DETERRENCE TO MUTUAL SAFETY," C01, 6/22/97) in which the authors argued that the time has come for the US and Russia to remove all nuclear warheads from their strategic missiles "on a reciprocal and verifiable basis," in order to reduce the danger of accidental or unauthorized nuclear missile launch. "It is time for the United States and Russia to cast off the mental shackles of deterrence, to "de-alert" our strategic forces and embrace a new formula that makes our nuclear relationship more compatible with our political relationship," the authors wrote. The authors argued that Cold War deterrence practices, by which "each country still maintains roughly 3,000 strategic nuclear warheads poised and ready to launch," now "constitute a dangerous anachronism." This is so chiefly because erosions in the Russian nuclear posture have left Russian generals with a sense of vulnerability to a US first strike, impelling Russia to adopt a strategy of "launch on warning" at a time when its capacity to exert rational control over its arsenal is diminishing. The authors recommended "de-alerting" of forces by both sides, meaning "adopting measures that increase the amount of time needed to prepare nuclear forces for launch," and listed a number of specific measures that could be taken to implement such a move. The authors concluded, "De-alerting would lead to much safer nuclear postures. It ... would greatly reduce the serious dangers associated with the deterioration of Russian nuclear control -- as well as relegate to history the already remote threat of a sudden deliberate nuclear first strike. We may now have a rare window of opportunity to move to a new joint doctrine. ... We should move beyond the hair trigger, launch on warning and assured destruction, to a world of mutual safety." Sam Nunn, a Georgia Democrat, was chairman of the Senate Armed Services Committee. Bruce Blair is the author of "Global Zero Alert for Nuclear Forces" (Brookings Institution).

II. Republic of Korea

1. DPRK Defection

A DPRK soldier swam from the DPRK across the Imjin River, which flows through the Demilitarized Zone, arriving safely in the ROK, where he sought defection yesterday morning, the ROK Defense Ministry said. Sergeant Chung Hak-soo, 22, was spotted by ROK soldiers whilst swimming south along the upper section of the Imjin River in Yonchon county, northwestern Kyonggi Province, at around 9:15 a.m. The soldier is under the custody of the ROK Army, and details of his defection will be announced later, said a Defense Ministry spokesman. (Korea Herald, "DPRKN SOLDIER DEFECTS ACROSS BORDER," 06/24/97)

2. ROK-PRC EEZ Negotiations

Officials from the ROK and the PRC will hold talks on the boundaries of the 200-nautical mile exclusive economic zones (EEZs) in Beijing Wednesday. During this second EEZ border talks this year, the two sides will seek to bridge differences between their positions, which stalled the meeting

in Seoul in February, said a Foreign Ministry official. The ROK has maintained that the "median line principle," accepted by a UN maritime treaty, should be applied in drawing the EEZ boundaries in the waters between the ROK and the PRC. The PRC, however, has insisted its larger territory and longer coastline should also be taken into account, a claim that ROK officials say is inconsistent with international customary practice. (Korea Herald, "EEZ DIFFERENCES TO BE TACKLED AT TALKS," 06/24/97)

3. ROK, Japan to Jointly Aid DPRK

ROK President Kim Young-sam and Japanese Prime Minister Ryutaro Hashimoto Monday agreed to take unified action on food assistance to the DPRK. The agreement was made in a summit at the Waldorf Astoria Hotel in New York, prior to the opening of the UN-sponsored second Earth Summit. ROK President Kim said that Seoul will supply food to the DPRK only through international bodies, including the World Food Program, and the other non-governmental organizations, from a humanitarian point of view. But he told Hashimoto that the DPRK food shortage cannot be solved just through humanitarian aid, as it evolves from structural deficiencies. The president added that additional help to Pyongyang to solve its food shortage problem will be available only when Pyongyang demonstrates a cooperative attitude in easing tensions on the Korean Peninsula, including its participation in the four-party peace talks. Japanese Prime Minister Hashimoto shared the view of President Kim that the ROK, the US and Japan would consult with each other to take a unified stance on food aid to the DPRK. (Korea Times, Foreign correspondent Lee Chang-sup, "ROK, JAPAN AGREE TO TAKE UNIFIED ACTION ON FOOD AID TO N. KOREA," New York, 06/24/97)

4. DPRK Seeks Reduced Commitment to UN

On Monday it was learned that the DPRK has requested the UN to reduce its membership fee, citing economic difficulties. The DPRK's membership fee to the UN is US\$650,000 a year, calculated according to the economic index provided by the DPRK in 1991. However, the DPRK failed to pay US\$470,000 in 1995 and has paid nothing since 1996, and now owes the UN US\$1.77 million. According to the economic report submitted to the UN by the DPRK, the DPRK's GNP was US\$16.7 billion in 1990 but dropped to US\$5.2 billion in 1995. Per capita GNP over the same period also dropped from US\$835 to US\$239. However, the ROK Ministry of National Unification estimates those figures to be US\$22.3 billion and US\$957, respectively. According to the DPRK, foreign debt increased to US\$7.653 billion in 1995 from US\$3.935 billion in 1988. The population increased from 18.58 million to 21.82 million in the same period. The ROK is paying about US\$100 million a year for its membership to the UN, an amount highly likely to be increased again this year. (Chosun Ilbo, "NORTH ASKS TO REDUCE UN MEMBERSHIP DUE," 06/24/97)

5. ROK Air Force Pushes High Profile Project

The ROK has decided to push ahead next year with a US\$1.5 billion project, code-named KTX-2, to manufacture training jets for the Air Force. A government official confirming the news yesterday also said that the decision will be officially announced early next month. The ROK Air Force said it plans to purchase 94 KTX-2 training jets in the early 2000's. The project had been deadlocked for two years due to projected high costs and opposition from several government agencies. A three-year KTX-2 exploratory development program was completed in 1995, in a joint effort among the Agency for Defense Development, eight ROK companies, including Samsung, and Lockheed Martin of the US. Under a draft government decision, the ROK Defense Ministry will bear half of the project cost, the Ministry of Finance and Economy (MOFE) twenty percent, and Samsung and Lockheed, 30 percent. Until recently, the MOFE did not welcome the project, citing budget limitations. However the ROK Air Force, Samsung, and Lockheed Martin pushed for the KTX-2 project in order to further develop the ROK's aerospace technology. The project would succeed the Korea Fighter Program

(KFP), which will supply 120 F-16 jets to the ROK Air Force by 1999. "We are in a hurry to push the KTX-2 project so that no experts, facilities and equipment (from the KFP) remain idle," an ROK Air Force official said. He said the KTX-2 jets could replace some of Korea's F-5 fighters, which are expected to be retired in the early 2000's. A KTX-2 training jet, with capabilities somewhere between the F-5 and more advanced F-16 fighters, could also be used in actual combat, said the official. (Korea Herald, "AIR FORCE TO PUSH AHEAD WITH \$1.5 BILLION KTX-2 JET PROJECT," 06/24/97)

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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](#).

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