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I. United States

1. Four Part Talks Briefing

US State Department Spokesman Nicholas Burns ("STATE DEPT. NOON BRIEFING, FEB. 26," USIA Transcript, 2/26/97) stated: "Next week, as you know, the Secretary announced in Seoul that we will be having the first briefing on the Four-Party Talks among the South Koreans and the North Koreans, including with the United States. That will be followed by a bilateral meeting with the South Koreans and the United States, and a bilateral meeting with the North Koreans. The briefing, among the three, will be on March 5. There is going to be photo opportunity for those of you who

would like to cover it. There won't be a speaking part to this. But for the first time, you'll be able to record a meeting on camera with the North Koreans and the South Koreans and the United States." Burns later added: "What the North Koreans should know is that the United States has a fundamental commitment to the security of South Korea; that our 37,000 troops in the Republic of Korea are dedicated to defending South Korea. That's why we want to go to the Four-Party Talks: to reduce this climate of suspicion and distrust, to reduce the level of military tension along the 151 miles of the Demilitarized Zone, and to try to point towards eventually a peace treaty that would end effectively, after 46 excuse me, 43 years, the Korean War." In response to a question noting that the DPRK agreed to attend the briefing after the US promised food aid, Burns said: "The

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2a. Hwang Defection: US Government Statements

US State Department Spokesman Nicholas Burns ("STATE DEPT. NOON BRIEFING, FEB. 26," USIA Transcript, 2/26/97) denied assertions that the PRC has approached the US about giving political asylum to DPRK defector Hwang Jang-yop if he is not granted asylum in the ROK or another country. Burns stated: "I just have no comment to make. I'm not aware of any such request. I was in all the meetings that Secretary Albright had with President Jiang Zemin, with Premier Li Peng and with Foreign Minister Qian Qichen. I'm just not aware of it. In fact, when we were in Seoul and Beijing, we were briefed by the South Korean Government and the Chinese Government on the state of play concerning the defector, and we received very good briefings on it. We are not a party to this. We've not been requested to be involved, as far as I know, and we haven't volunteered that."

US White House Press Secretary Mike McCurry ("WHITE HOUSE DAILY BRIEFING, FEBRUARY 25," USIA Transcript, 2/26/97) denied reports that the US has discussed making an arrangement with the PRC to bring Hwang Jang-yop to the US. "We are aware that there's a news account that suggests that. I've found no reliable information to indicate that that is, in fact, the case -- and we will check further with Secretary Albright with respect to that. But we're not aware, based on any reporting from [Secretary of State Albright's] trip so far that such arrangements occurred. I would not rule out the possibility she had discussions related to that matter, but I'm not aware of any arrangement of that nature."

2b. Hwang Defection: Current Events

Reuters ("CONTACTS RESUME OVER KOREA DEFECTOR IN CHINA," Beijing, 2/26/97) reported that ROK officials said contacts between the ROK and the PRC over the fate of apparent DPRK defector Hwang Jang-yop resumed Wednesday after being stalled by the death of PRC leader Deng Xiaoping. "Contacts between Seoul and Beijing have resumed, but so far no important developments have been reported," ROK Foreign Ministry spokesman Lee Kyu-hyung said in Seoul. Officials of Seoul's Beijing embassy were unable to comment on whether formal negotiations over Hwang's fate had restarted. PRC police backed by armored personnel carriers and a riot truck maintained their tight guard around the ROK mission where Hwang has been in refuge since February 12. Analysts say the PRC will in the end almost certainly allow Hwang to go to Seoul.

The AP-Dow Jones News Service ("N.KOREA DEFECTOR UNLIKELY TO FLY FROM BEIJING TO SEOUL SOON," Seoul, 2/26/97) reported that ROK officials said Wednesday that the PRC is unlikely to allow apparent DPRK defector Hwang Jang-yop to fly to Seoul in the near future. "We think that China is unlikely to send him back to North Korea and that it also has not decided on his flight to Seoul," Ryu Kwang-suk, head of the Asia-Pacific Bureau of the ROK Foreign Ministry, told reporters. Ryu said the PRC needs time to mollify the DPRK before allowing Hwang to leave. Meanwhile, in Beijing, Chang Moon-ik, a spokesman for the ROK Embassy, said that Japanese news reports that Hwang would go to the US were "groundless."

3. ROK Government in Turmoil

Reuters ("KIM SHAKES UP S.KOREA CABINET," Seoul, 2/26/97) and the Associated Press ("SEOUL: BRIBES MAY TAKE DOWN POLS," Seoul, 2/26/97) reported that ROK President Kim Young-sam initiated a major cabinet reshuffle Wednesday amid continued pressure from the Hanbo bribery scandal. All members of Kim's Cabinet offered their resignations Wednesday in anticipation of the government overhaul. Kim, whose approval ratings have plummeted, likely will accept the resignations soon and form a new Cabinet, his aides said. Kim, whose five-year term ends in February, is seeking to sustain his power in order to designate a supportive successor. Kim apologized in a televised address on Tuesday for the scandal over government-controlled loans to Hanbo Steel Industry Co., the nation's second-largest steel maker. Newspapers and political commentators welcomed news of the reshuffle, saying Kim had been misled by his personal aides, but added that this alone would do little to reverse his plunging popularity.

II. Republic of Korea

1. Hwang Defection: ROK-PRC Talks

The ROK and the PRC will today resume discussions on the date of departure and the destination of Hwang Jang-yop, the DPRK ideologue who is seeking asylum at the ROK Embassy in Beijing. A diplomatic source in Beijing said yesterday, "As the two countries have already agreed in principle to the defection of secretary Hwang, the only issues left to discuss are when he will be leaving and his destination." He added, "The two countries will concentrate especially on discussing his destination." (Joong Ang Ilbo, "SOUTH KOREA, CHINA TO DISCUSS DESTINATION OF SECRETARY HWANG," 02/26/97)

2. ROK View of DPRK Position on Four-Party Talks

ROK Foreign Minister Yoo Chong-ha said yesterday that he believes the DPRK will eventually see the proposed four-party talks on a permanent Korean peace as the best way out of its present position. He reiterated that Seoul is prepared to discuss helping the DPRK solve its food problems and

address measures to ease tensions and build confidence between the ROK and the DPRK once the four-party talks are held. Yoo, however, was cautious on the possibility of the four-party talks being held soon, despite Pyongyang's agreement to attend a preparatory briefing by US and ROK officials in New York on March 5. He said the ROK's recent decision to respond to international appeals for additional food aid to the North was aimed at creating a favorable mood for the convening of the expected talks involving the two Koreas, the US and the PRC. The minister stressed that the four-party talks constitute the most realistic way to rationally resolve the Korean peace issue. Yoo said the DPRK now stands at a critical crossroads and must choose between survival through reform or a collapse brought about through adherence to its current system. The defection of top northern ideologue Hwang Jang-yop is clear evidence that DPRK leaders themselves recognize that the contradictions inherent in the Pyongyang regime have taken it to a point of no return, he said. He urged the DPRK to seek internal reforms and open itself to the outside world, basing these moves on improved relations with the South, which would be able to offer the most substantial help. The minister also warned of the lingering possibility that the DPRK could commit provocative acts out of desperation, and emphasized the need for efforts to prevent this scenario from developing. (Korea Herald, "YOON SEES NORTH KOREA JOINING 4 WAY TALKS BUT NOT SOON," 02/26/97)

3. ROK Conglomerate Delegation Arrives in the DPRK

Four Daewoo officials, including managing director Park Choon, entered the DPRK yesterday morning to discuss the resumption of Daewoo's joint venture in Nampo. An official at Daewoo's Beijing office said, "They had originally planned to go to Nampo last January, but were delayed due to the political situation on the Korean peninsula." He added, "The North Korean Embassy in Beijing notified us Monday that they have issued entry visas for the four officials." Daewoo's technical team at Nampo Industrial Complex had pulled out when inter-Korean relations deteriorated over the submarine incident last October. The visit comes at a time when inter-Korean relations are still under stress over the defection of DPRK ideologue Hwang Jang-yop. (Joong Ang Ilbo, "FOUR DAEWOO OFFICIALS ARRIVE IN NORTH KOREA FOR JOINT VENTURE IN NAMPO," 02/26/97) [Ed. note: See also "ROK Lifts DPRK Travel Ban" in the US section of the February 25 Daily Report.]

4. Food Aid to the DPRK

Australia will donate US\$1.9 million in response to the UN World Food Program's appeal for emergency food aid for the DPRK, Foreign Minister Alexander Downer said Sunday. The contribution, more than doubling its contribution to a similar appeal last year, reflected Australia's concern at worsening food shortages, caused by two years of extensive flooding in the DPRK's major grain producing area. The World Food Program appeal aims to raise US\$41.6 million to purchase 100,000 ton of food to meet the immediate needs of 1.7 million people. The US has pledged US\$10 million and the ROK US\$6 million. (Korea Herald, "AUSTRALIA RAISES CONTRIBUTION TO N. KOREAN AID," 02/26/97)

5. ROK-PRC Talks on EEZ Boundary

The ROK and the PRC have agreed to make efforts to draw the boundaries between their 200-nautical-mile exclusive economic zones (EEZ) as soon as possible. "The two sides agreed to speed up negotiations, considering the urgent need for a new maritime regime in Northeast Asia," said a Foreign Ministry official after the first round of bilateral talks on the EEZ border in Seoul Monday. He said the two countries will hold a second meeting on the issue in Beijing within the first half of this year, with the timing and other details to be discussed through diplomatic channels. During the talks in Seoul, both sides focused their discussions on principles for drawing the EEZ border line in the West Sea between the two countries, the official said. Cho Sang-hoon, director general of the ministry's Treaties Bureau, headed the Korean delegation, and Chen Shiqiu, Cho's counterpart,

represented the PRC. The ROK, the PRC and Japan ratified last year the U.N. Convention on the Law of the Sea, allowing member states to establish an exclusive zone off their coast. The ROK and Japan also proclaimed laws on putting their EEZs into practice, while the PRC is in the legislative process. Seoul and Tokyo have been engaged in talks on the zoning of their exclusive economic zones since last August. (Korea Herald, "KOREA, CHINA TO HASTEN SEA BOUNDARY TALKS," Seoul, 02/26/97)

6. DPRK Promotes Head of Worker's Party

The DPRK's ruling Workers' Party has promoted Vice Director Kim Yang-gon of the international department to director, replacing Hyon Jun-guk, Naewoe Press said Tuesday, citing a Radio Russia report Monday quoting a white paper released by the party's international department Sunday. The white paper did not say anything about former Director Hyon's new job, the report said. Kim was appointed vice director in September 1986 and received the Kim Il-sung medal in October 1995. As the head of a Workers' Party mission, he visited Malaysia and Indonesia in January 1994, Thailand and Bangladesh in August 1995 and Malaysia again last May. (Korea Herald, "KIM YANG-GON PROMOTED TO HEAD OF NORTH KOREAN PARTY'S INTERNATIONAL JOB," 02/26/97)

7. Nuclear Site Survey Team Heads for DPRK

The seventh site survey team that will arrive Saturday in Sinpo, DPRK, will be comprised of 29 members, including 24 ROK engineers and five officials of the Seoul government and the Korean Peninsula Energy Development Organization (KEDO). The ROK Office of the Light Water Nuclear Reactor (LWR) Project, announcing the visit yesterday, said that the team will conduct an earthquake durability test on the sites of the two planned light-water nuclear power plants. During the planned five-month visit, the number of engineers will increase to 42. The engineers were sent by the Korea Electric Power Co., the prime contractor of the nuclear reactor project, and its subcontractors Korea Power Engineering, Korea Resources Research Institute and Jinsung Engineering Co. The team, which had originally planned to go to the DPRK February 19, delayed its visit for security reasons in the wake of the apparent defection of Hwang Jang-yop and the shooting of past defector Lee Han-young. The ROK government had requested an addition of security guarantees to the July, 1996, protocol of immunities between the DPRK and KEDO. Government officials said they received a letter via the DPRK mission at the UN pledging that the DPRK will strictly abide by the protocol. (Korea Herald, "29 MEMBER REACTOR SURVEY TEAM TO ARRIVE IN SHINPO SATURDAY," 02/26/97)

III. US Official Statements to US Congress on Korean Policy

1. Statement by Charles Kartman, US Department of State

Charles Kartman, Acting Assistant Secretary of State for East Asian and Pacific affairs, testified before the House International Relations Subcommittee on Asia and the Pacific on February 26, during its Hearing on US Policy Toward the Korean Peninsula. Following is the text of Kartman's remarks, as prepared for delivery ("ACTING A/S KARTMAN REMARKS TO HOUSE PANEL ON N. KOREA," USIA Transcript, 2/26/97):

Mr. Chairman. It is my pleasure to represent the Department of State before this Committee today.

I appreciate this opportunity to discuss our policy toward the Democratic People's Republic of Korea (DPRK). Our overall goals in this policy are to build a durable peace on the Korean Peninsula as a key contribution to regional stability, and to facilitate progress by the Korean people themselves toward national reunification.

Even in the past week, we have seen signs that our efforts are bearing fruit. As you may know, I returned Monday evening from Seoul and Tokyo, where I accompanied Secretary Albright in her meetings with Korean and Japanese leaders. Central to our strategy for managing North Korea is our commitment to consult regularly and closely with our South Korean allies, to ensure that our North Korea policy remains tightly coordinated. I am very pleased to note the success of the Secretary's visit to Seoul in promoting that objective.

At the top of the agenda in the Secretary's meetings with President Kim Young-Sam and Foreign Minister Yoo Jong-Ha was a discussion of a significant development in our policy toward North Korea -- Pyongyang's agreement to sit down with the U.S. and ROK on March 5 to hear our joint briefing on President Clinton and President Kim's proposal for Four Party peace talks. I will discuss this proposal at greater length in a moment, but I wanted to cite this tangible evidence of recent success of our policies in engaging the DPRK and encouraging inter-Korean dialogue.

This latest development builds on several years of US-ROK cooperative diplomatic efforts, beginning with negotiation of the October 1994 Agreed Framework, continuing with the Four Party peace proposal of last April and extending forward to the groundbreaking for the light-water reactor (LWR) project in North Korea scheduled for this spring. In a broader sense, of course, these initiatives are rooted in the U.S.-ROK alliance, which has ensured stability on the Korean Peninsula since the Korean War.

In this longer term perspective, our security alliance with South Korea remains at the heart of our policy on the Peninsula. Our joint ability to deter North Korean aggression is stronger than ever. As members of this Committee know well, the U.S.-ROK alliance has weathered nearly five decades of challenges and changes. The Republic of Korea, which emerged from the Korean War in ruins, has built itself into a vibrant democracy with a robust economy. The U.S. is rightly proud of the role we have played in this process by ensuring the security of our ally. We are also convinced that our efforts with South Korea to promote a lasting peace will contribute to the eventual reunification of the Peninsula.

From Deterrence to Engagement

For decades after the Korean War, our North Korea policy consisted of a critical but still one-dimensional task -- to deter renewed North Korean aggression. The end of the Cold War changed the situation on the Korean Peninsula, and we and our allies in South Korea have adapted to the new realities. Working together, we have supplemented our deterrent capability with diplomatic initiatives designed to draw the North out of its increasing isolation and encourage it to become a responsible member of the international community. It is useful to note that the process of moving from stark confrontation to dialogue with the DPRK has a bipartisan history of some nine years. In 1988, under the Reagan Administration, the U.S. undertook what was termed a "Modest Initiative" to open the window for greater contact with Pyongyang. The next phase came in January 1992, when, during a period of improved dialogue between South and North Korea, the Bush Administration hosted the first-ever meeting between senior U.S. and DPRK officials in an early effort to address our concerns with the North's nuclear program.

That phase of diplomacy, hit high gear when my good friend Ambassador Bob Gallucci reengaged the DPRK on the nuclear issue in 1993. Negotiated in close consultation with our South Korean and Japanese allies, the October 1994 Agreed Framework not only provided a means to address our concerns about the North Korean nuclear program, but also laid out a structure to pursue our other diplomatic objectives with the DPRK.

The next phase of our efforts to engage the North is centered on the proposal made jointly by

President Clinton and ROK President Kim in April 1996 for Four Party peace talks. In a major step forward in this process, next week, on March 5, I will sit down with a South Korean Deputy Foreign Minister to brief a delegation from the DPRK on this proposal. This joint briefing will, we hope, lead to discussions involving the North and South, as well as the United States and China, concerning a reduction of tensions on the Peninsula and the establishment of permanent peace to replace the 1953 Armistice.

The Agreed Framework: Nuclear Aspects

Allow me first to discuss the current status of the nuclear aspects of the Agreed Framework. Most significantly, this agreement, if fully implemented, will both bring the DPRK into full compliance with its nonproliferation obligations under the Non-Proliferation Treaty (NPT) and require the North to go beyond those obligations by dismantling its existing nuclear facilities. In return the North will be provided with interim energy, in the form of heavy fuel oil, as well as two proliferation-resistant, light-water nuclear reactors.

The first step in moving towards eventual dismantlement of the North's existing nuclear program is a freeze on its key existing facilities. That freeze has been in place since November 1994 and is being continuously monitored by the International Atomic Energy Agency (IAEA) as well as by our own national technical means. In addition, the IAEA is currently engaged in negotiations with the North to prepare the ground for eventually instituting safeguards on its nuclear program.

Under the Agreed Framework, the North will forego the right to reprocess spent fuel and will, instead, safely store and eventually transfer existing fuel to another country. I would note that existing fuel contains material which could be used to build nuclear weapons. Thanks to the hard work of a team of experts led by the Department of Energy, which is in North Korea working 12 hours a day, six days a week, the task of putting this material into storage under IAEA safeguards is more than half done. Actual canning of the spent fuel began on April 27, 1996, and is planned to be completed this year. Upon completion of canning activities, the spent fuel will remain at the spent fuel storage basin at Nyongbyon where it will continue to be subject to monitoring by the IAEA until it is shipped out of the DPRK.

The Agreed Framework also provides that in return for the freeze and dismantlement of the DPRK's present nuclear program, the U.S. will organize under its leadership, an international consortium to finance and supply two light-water reactors (LWR), as well as the heavy fuel oil shipments, to the DPRK. Under American, South Korean and Japanese leadership, the Korean Peninsula Energy Development Organization (KEDO) has grown into an important arm of our countries' coordinated diplomacy. KEDO currently has eleven members, spread over five continents and has received international contributions from over twenty-one countries.

I would like to highlight the European Union's (EU) recent decision to join KEDO as the fourth member of its Executive Board. This has increased KEDO's standing as a truly global organization. The EU's commitment to contribute \$20 million annually to KEDO over five years has also helped put KEDO finances on a more solid basis.

The combination of new EU funding, our regular contribution to KEDO and those of other countries, is critical, particularly in insuring KEDO's heavy fuel oil deliveries to the DPRK. KEDO has made steady progress in financing those deliveries and has met the obligations of the Agreed Framework. Nevertheless, KEDO is still running a deficit in its oil funding account, largely because of the initial shortage of funding in 1995 and 1996. We will continue our efforts, in close cooperation with other KEDO members, to effectively deal with this problem. I would note that these deliveries are essential to the integrity of the nuclear freeze since they help compensate the DPRK for the loss of energy

production from nuclear reactors which were under construction before the Agreed Framework. I would also note that KEDO is taking steps to ensure the proper use of this fuel by the North and that we are following this situation closely.

KEDO has accomplished much in preparing for actual construction of the LWR project. It has negotiated five protocols to the LWR Supply Agreement which define the terms and conditions for reactor construction. It has sent six teams of technical experts to the DPRK to gather necessary geological, environmental, and structural information about the proposed LWR site in the DPRK. These teams have consisted of U.S., Japanese, and South Korean experts. A seventh team will travel to North Korea on March 1. Final preparations for construction should be made in the next few months with groundbreaking on the project to begin this spring.

I would add that, as the LWR project progresses, North Korea's contact with the world and with the ROK will rapidly increase. Most specialists working on the project will be ROK citizens and South Korea's national power company -- KEPCO -- is the prime contractor. Already, it has facilitated North-South contact through almost constant KEDO-DPRK negotiations at KEDO headquarters in New York and through the regular visits of South Koreans, under KEDO sponsorship, to the North to prepare for the reactor project. Although the ROK and Japan will shoulder the bulk of the responsibility for the multi-billion dollar construction costs for the LWR project, continued U.S. funding for KEDO activities, primarily heavy fuel oil deliveries, remains an indispensable element in the viability of the project.

The Agreed Framework: Enhancing North-South Contact

In addition to providing a means of freezing, and eventually eliminating, North Korea's indigenous nuclear program, the Agreed Framework called on the U.S. and DPRK to improve bilateral relations in tandem with resolution of issues of importance to the U.S. The pace of change will depend, of course, on the degree to which the DPRK is prepared to move further along the positive path on which it embarked with the signing of the Agreed Framework.

A key element, which at our insistence was written into the Agreed Framework, is the expectation of progress in North-South relations. In our subsequent diplomatic contacts with the DPRK, we have stressed consistently and frequently the necessity of such contact.

This is both the most important and the most difficult goal in the entire enterprise, but even here some progress has been achieved. Here I would again call your attention to the sustained and business-like contact between North and South Koreans within the framework of KEDO. This contact will increase markedly as the LWR project begins on the ground later this year. As I mentioned earlier, the North's agreement to attend the joint briefing on the Four Party peace talks is another significant step in achieving this goal.

US-DPRK Bilateral Business

Two days after the joint briefing on the Four Party talks, accompanied by officials from the Defense Department and the National Security Council, I will meet with the same DPRK delegation to discuss the range of bilateral issues between our two countries. Among the issues I will raise in that meeting are our efforts to recover the remains of Korean War-era MIAs, our proposals to end North Korean development and export of missiles and missile technology, and implementation of our commitment to exchange liaison offices in Washington and Pyongyang.

I will leave to Dr. Campbell to describe our efforts to recover the remains of U.S. servicemen who died in North Korea during the Korean War, but I would emphasize that we consider this an

extremely high priority issue. I would only add that the expansion of contacts into the military area is a positive development that can only help the process of opening North Korea.

In April 1996, U.S. negotiators met with DPRK officials to discuss our concerns about North Korea's development, deployment, and proliferation of missiles and missile technology. As the Agreed Framework is allowing us to resolve our concerns about proliferation of nuclear materials, we hope that these talks will ultimately resolve our concerns about these dangerous and destabilizing weapons. Putting an end to these threats is a top U.S. priority. When I meet with North Korean officials in New York next week, I will propose dates for the next round of talks on this important issue.

When we signed the Agreed Framework, we agreed to exchange liaison offices -- the lowest level of diplomatic representation between countries -- as soon as technical issues could be resolved. Although some of these matters remain unresolved, including arrangements for supplying and supporting our office in Pyongyang and the North's ability to find suitable offices in Washington, conditions appear to be improving for the realization of this commitment. The establishment of these small-scale offices would be of practical benefit to both sides.

We are very grateful to Sweden for its willingness to act as our protecting power in the DPRK, but as American citizens increasingly visit the DPRK -- as journalists, academics, humanitarian relief workers or specialists in the canning, remains, or fuel monitoring projects -- we feel the need to be able to provide them directly with consular protection and support. A full-time diplomatic presence in Pyongyang will give us a first-hand perspective on the situation and provide us with improved access to North Korean officials. And it will facilitate the kind of diplomacy we have had to undertake through cumbersome methods until now, such as our efforts in December to resolve the submarine incident.

In recognition of the progress made on issues of concern to us, we have taken a number of modest steps to ease economic sanctions against the DPRK. In January 1995, as Pyongyang began to cooperate in implementing the Agreed Framework, we took steps to permit U.S. companies to provide direct telecommunications services between the U.S. and the DPRK, to allow the import of magnesite from the DPRK, to reduce the restrictions on financial transactions not involving the DPRK government or its entities, and to authorize the licensing of U.S. business transactions that further KEDO's construction of light-water reactors in the DPRK. On December 30, 1996, we approved the license of a U.S. firm to pursue a commercial deal to sell North Korea up to 500,000 tons of grain, consistent with our policy of sympathetic consideration of all applications for provision of foodstuffs on commercial terms. However, negotiations to conclude this deal on a commercial basis have not yet been successful. We will consider further sanctions-easing measures as North Korea makes progress on issues of concern to us.

Humanitarian Aid

On a strictly humanitarian level, the U.S. has participated in international efforts to alleviate the suffering of North Korean civilians affected by recent flooding and food shortages there. Including our most recent donation, over the past two years, we have provided \$18,425,000 in cash and in-kind support for emergency relief assistance -- basically, medical supplies and food -- for the North. These contributions have been made in the spirit of the American tradition of providing assistance to people in need, without regard to politics.

Our most recent donation was a \$10 million in-kind contribution to the UN World Food Program's February 13 emergency appeal. The delivery of our contribution -- a corn-soy blend used as a basic food for infants and nursing mothers, as well as rice and corn -- will be administered through U.N.

agencies with staff in North Korea. The WFP, which will monitor the distribution of our contribution, has demonstrated its ability to ensure that assistance reaches the intended civilian beneficiaries, many of whom are children.

The latest UN World Food Program appeal, even if fully subscribed, will only meet 5% of the North's estimated 2 million ton shortfall of grain this year. However, the appeal is designed to get food in the pipeline now for delivery to those most vulnerable to the threat of famine. The prospect of widespread hunger or even famine this spring creates the possibility of unrest, dislocation of North Korean civilians in search of food, and other difficulties.

The U.S. has not acted alone in providing humanitarian assistance to the DPRK. The Republic of Korea has announced that it will make a \$6 million dollar contribution. Japan has made major contributions in the past few years, and is considering doing so again. Australia announced on February 21 a donation of over \$2 million to the latest appeal. Many other countries have also contributed to this international relief effort.

Next Steps

Experience has taught us that it is difficult to predict the pace of progress in our dealings with North Korea, and events can move quickly on the Korean Peninsula. Steady progress on the implementation of the Agreed Framework and halting steps toward DPRK acceptance of the Four Party talks suffered a setback last autumn with the incursion into South Korean waters of a DPRK submarine and the infiltration into ROK territory of North Korean military personnel. A massive manhunt by ROK security forces eventually tracked down the infiltrators, but the "submarine incident" left many dead, threatened to derail the Agreed Framework, and dimmed prospects for the reduction of tensions on the Peninsula.

As I mentioned, persistent diplomacy by the U.S., in close coordination with the ROK, resulted in the unprecedented statement of regret made by the DPRK last December and laid the groundwork for a resumption of our efforts to improve the situation on the Peninsula. If North Korea clearly calculates its own interests and opts for greater cooperation, including with the ROK, we can make significant progress.

Inevitably, challenges will continue to crop up. Some of these obstacles are foreseeable -- others will arise without warning. North Korea's economic difficulties have created opportunities for diplomacy, but they also pose dangers. Although we do not believe that the collapse of the DPRK is imminent, its desperate economic situation cries out for immediate action by the North -- both for internal reform and greater positive contact with its neighbors.

There are indications that Kim Jong-il will assume his father's titles of President and Secretary General of the Korean Workers' Party sometime in the second half of this year. While this will formalize his assumption of power, we do not expect North Korean policy or decision making to change significantly.

At the same time, we believe that these dire prospects are pressing the North Korean leadership to review its traditional isolation, a development we, the ROK and others want to encourage. We do not seek to perpetuate the system there, as some suggest. But as the North chooses between the kinds of changes that serve our interests and a fate that awaits it if it refuses to change, we also are not anxious to face these costs and risks if we can avoid them.

We are assessing the impact and implications of the recent defection of Hwang Jang-yop, the senior North Korean ideologist, whose case, we trust will be resolved peacefully by China and South Korea

in accordance with international practice.

In summary, although there is clearly a long way to go, I am cautiously optimistic about our effort to promote lasting peace on the Korean Peninsula. This effort has been closely coordinated with the ROK, Japan, and our other friends and allies in the region and around the world. It has at its foundation the U.S.-ROK security alliance and our commitment to deter North Korean aggression. It seeks to reduce tensions, but insists on the principle of reciprocity enshrined in the Agreed Framework. It recognizes the long-standing American tradition of offering assistance to needy people regardless of the political views of their leaders. And, it offers the DPRK a way out of its current predicament -- through responsible engagement with the U.S., the ROK, and the international community. Our effort to promote peace is not an easy task, but I believe this objective, and the unattractiveness of all other approaches, make it the responsible and proper course.

2. Statement by Kurt Campbell, US Department of Defense

Kurt Campbell, Deputy Assistant Secretary of Defense for East Asian and Pacific affairs, testified before the House International Relations Subcommittee on Asia and the Pacific on February 26, during its Hearing on US Policy Toward the Korean Peninsula. Following is the official text of Campbell's testimony ("DOD DAS KURT CAMPBELL ON U.S. POLICY TOWARD N. KOREA," USIA Transcript, 2/26/97):

Mr. Chairman, Members of the Subcommittee, I welcome the opportunity to represent the Department of Defense in this hearing on U.S. policy toward the Korean Peninsula.

I would begin any statement with recognition of a fundamental point -- the forty-three-year-old U.S. alliance with the Republic of Korea has been a profound success and continues to serve as the foundation for a broad, solid bilateral relationship. The peace and stability fostered by our close security ties have greatly benefited both countries and contributed to the economic prosperity and democratic development of South Korea and the entire Asia-Pacific region.

South Korea has risen from the devastation of the Korean War to become a regional and global model. In economic terms, the ROK has built the eleventh largest economy in the world. Politically, the South has made impressive progress in instituting democratic practices across the spectrum of government, from the local to the national level. While the lion's share of credit rightfully goes to the ROK population in achieving these political and economic milestones, the U.S. security shield has no doubt been indispensable in providing South Korea the breathing space to pursue its impressive development course.

The security relationship has by no means been a one-way street. The U.S.-ROK alliance has significantly bolstered U.S. strategic aims in promoting regional stability and economic prosperity as well as reassuring all countries that the U.S. is committed to an active engagement policy toward Asia. In deterring aggression from an often unpredictable and highly-militarized North Korea, the U.S. has helped create an environment in which developing Asian states could pursue a political and economic course compatible with American values and beliefs.

This is particularly true in the case of South Korea. As a result, the security alliance between the U.S. and the Republic of Korea is more than a treaty commitment -- it is a close, mutually-beneficial partnership built on a shared stake in democracy and free markets. Our alliance is an essential element of the strategy for achieving our longstanding security goal -- a non-nuclear, peacefully reunified Korean Peninsula. Even after the North Korean threat passes, the U.S. intends to maintain a strong defense alliance with the ROK, in the interest of regional security.

The need for a combined U.S.-ROK military command and force structure to protect our common values is more compelling than ever. Today the United States and South Korea confront twin security challenges on the Korean Peninsula -- deterrence of armed conflict and preparation for crises short of war.

On the first challenge, North Korea's large conventional military forces continue to threaten the security of the Republic of Korea. Two-thirds of its 1.1 million military personnel are positioned within 100 kilometers of the Demilitarized Zone, with a substantial artillery force capable of striking Seoul with little advance notice. In addition, North Korea possesses missile and other weapons programs that heighten concern over its intentions. The U.S. and ROK continue to focus their security cooperation on deterring the use of this military capability, whether in an all-out attack on South Korea or in a more limited military provocation. Let there be no doubt that deterrence is our first priority. Should deterrence fail, we will prevail militarily on the Peninsula.

At the same time, deteriorating economic conditions within North Korea and the recent defection of a senior DPRK official raise questions about future developments in the North. Therefore, it is only prudent for the U.S. and ROK to consult closely and be prepared for a range of contingencies that may occur on the Korean Peninsula.

Without a close defense alliance between the U.S. and South Korea, we would not be able to respond effectively to these challenges to our security interests. It is also important in a time of transition and uncertainty that we give no signals to North Korea that the calculus of the U.S.-ROK security relationship, which has served us so well, is changing. We must strongly counter any perception in Pyongyang that it can drive a wedge between the U.S. and ROK on security issues.

U.S.-ROK combined forces are better-equipped and more ready now than at any time in the history of the alliance. But maintaining capable and ready forces is a constant process. The U.S. is engaged in ongoing efforts to modernize its Peninsular force of about 37,000 military personnel with the latest military equipment, including AH-64 helicopters, Bradley Fighting vehicles, Global Positioning System receivers, frequency hopping radios, and a pre-positioned heavy brigade set. These measures have been complemented by ROK efforts to outfit its military with the most modern tanks, armored personnel carriers, self-propelled howitzers, and fighter aircraft. The ROK commitment of resources to defense has been impressive, with over 21 percent of the most recent government budget devoted to the military. The ROK maintains 670,000 personnel in uniform and has pledged more than \$1 billion in cost-sharing support for U.S. military forces on the Peninsula from 1996-1998.

Our security objectives in Korea have been greatly aided by diplomatic breakthroughs during the past several years. In particular, the engagement process begun by the U.S.-DPRK Agreed Framework, which froze the North's nuclear program and its destabilizing potential, has defused the most immediate source of tension and deflected what could have been a military confrontation with North Korea. With the agreement and our underlying security commitment, we have preserved stability on the Peninsula and created an opening to pursue other issues of concern, the most important of which, North-South dialogue, is the foundation for a stable, long-term peace on the Peninsula. Other bilateral issues that we have pursued include missile proliferation and the recovery of Korean War remains. The Agreed Framework has also provided greater access to North Korea and some North-South contacts.

The Defense Department is making a three-pronged approach to North Korea to account for those missing from the Korean War. First, we have made progress in recovering remains from the Korean War, completing one joint operation in July 1996 that yielded the remains of a U.S. serviceman who was positively identified and buried by his family. Second, we hope to conduct archival research in

North Korean records before undertaking additional remains recovery operations later this year. Third, we continue to seek answers from North Korea and other sources on any reports of live Americans detained in North Korea. Please be assured that the Defense Department is committed to pursuing this issue vigorously with the North.

Permanent peace on the Peninsula will be accomplished only through diplomatic/political means, and the Agreed Framework begins that process by laying a groundwork for uncoerced reconciliation between South and North Korea. We must recognize, however, that this agreement is an initial step in a long and difficult course. Our desire for a long-term, stable peace on the Peninsula will not be realized overnight, but that reality does not diminish the value of current initiatives toward North Korea. The alternative could very well be direct conflict with the North, which would take a devastating toll in lives and resources. For this reason, it is important for the U.S. to back the Agreed Framework, and the international consortium that implements its provisions, with the resources that will permit it to succeed.

Until North and South Korea find a peaceful solution to their differences, we remain committed to the terms of the 44-year-old Armistice Agreement. The Armistice Agreement and its mechanisms must remain until an appropriate arrangement supersedes them. Only South and North Korea can resolve the division of Korea; therefore, replacement of the Armistice by an appropriate agreement can come about only through direct dialogue between South and North Korea. The U.S., while addressing near-term security concerns, has worked hard to promote such a dialogue.

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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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