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I. United States

1. Briefing on Four Party Talks

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The Associated Press (Annie Huang, "N. KOREA TO STORE NUKE WASTE," Taipei, 1/28/97) reported that Taiwan's vice economics minister, Chang Chang-pang, said Tuesday that Taiwan will start shipping low-level nuclear waste to the DPRK for storage in about a month. The ROK has strongly protested the plan, and has asked the US, the PRC, Japan, and the International Atomic Energy Agency to pressure Taiwan to cancel the deal, saying that the DPRK cannot be trusted to handle nuclear waste properly and that the plan would turn the Korean peninsula into a nuclear waste dump. However, the Taiwanese government is facing mounting domestic opposition to storing its nuclear waste at home. The deal permits an initial shipment of 60,000 barrels within two years, with an option to ship another 140,000. Taiwan has not disclosed the terms of the deal, but ROK environmental activists say it will pay the DPRK as much as US\$225 million to store the waste. [Ed. note: Please see the related items in the ROK section, below.]

3. US Official's View of DPRK-ROK Future

The AP-Dow Jones News Service (Michael Schuman, "S. KOREA: U.S. AMBASSADOR SEES TENSION WITH NORTH EASING," Seoul, 1/28/97) reported that James Laney, outgoing US Ambassador to the ROK, said in an interview that he is hopeful the US, the ROK, and the DPRK can make progress toward reducing tensions on the Korean peninsula this year, but also warned against being too optimistic. Laney called the DPRK's recent statement of regret over the submarine incident "a true first," but added that "it doesn't put us in a new era." According to Laney, the statement "says that North Korea really needs help," and "took a stumbling block out of the way." Laney lauded the statement as the outcome of positive engagement of the DPRK, and also said that it resulted from close policy coordination between the US and the ROK. "We were able to consult and coordinate, and bridge differences between South Korea and the US in a way that establishes a basis for trust between the two countries that is very important," he said. However, Laney cautioned that the DPRK is still very hesitant to deal with the ROK. "The reality is strong enough, but whether the North Koreans cope with it by dealing directly with the South is another matter."

4. ROK Financial Scandal

Reuters ("SOUTH KOREA SEIZES HANBO DOCUMENTS," Seoul, 1/28/97) and the Associated Press (Paul Shin, "S. KOREA PROBES GOV'T SCANDAL," Seoul, 1/28/97) reported that, following last week's debt payment default by the Hanbo Steel Company triggering perhaps the largest financial scandal in ROK history, ROK police on Tuesday raided the home and offices of Chung Tae-soo, the founder of the parent Hanbo Group, while the ROK Justice Ministry imposed a travel ban on top

bankers who extended huge loans to the failed steel unit. A total of twenty-nine people involved in the scandal, including Chung and other Hanbo executives, are now banned from leaving the country. ROK President Kim Young-sam on Monday ordered an investigation into US\$5.8 billion of loans to the steel-making company from government-controlled banks after the opposition leveled accusations that ruling party officials intervened to enable the company to obtain loans it could not have secured on its own. In a rare development in ROK politics, the ruling and opposition parties have agreed to a parliamentary probe; however, legal experts note that Parliament's investigative powers are limited. On Tuesday, Kim canceled a trip to Europe to focus on the scandal, emerging as a major political problem in an election year. "President Kim planned to visit Hungary, Poland, Turkey and Italy in early March but this plan has been indefinitely postponed," a presidential spokesman said. The Hanbo scandal has further embarrassed Kim's government, already on the defensive after its mishandled attempt to reform labor laws led to widespread strikes, demonstrations, and industrial losses totaling billions of dollars.

5. ROK Labor Law Resistance

United Press International ("S.KOREA UNIONISTS CALL OFF STRIKES," Seoul, 1/28/97) reported that the banned Korea Confederation of Trade Unions (KCTU) said it is calling off its campaign of weekly one-day strikes ahead of a February 18 deadline it has given the ROK government to repeal the labor and security laws passed in a secret session of parliament December 26 and set to go into effect March 1. KCTU leader Kwon Young-gil said Tuesday the confederation will call on several hundred thousand workers to strike full-time if the government does not make concessions, and warned that the deadline "can be advanced," repeating a threat he made before a rally Sunday by more than 50,000 unionists protesting the new laws.

II. Republic of Korea

1. DPRK-Taiwan Nuclear Waste Deal

Taiwanese television reported on Monday that a group of DPRK experts had arrived in Taiwan to prepare the shipment of nuclear waste from Taiwan to the DPRK. The television report said that the experts are checking the facilities at the Chilung harbor where the nuclear waste will be loaded and shipped to Nampo harbor in the DPRK. The report said that the first ship carrying nuclear waste is scheduled to leave for the DPRK next month. (Chosun Ilbo, "NORTH KOREAN EXPERTS ARRIVE IN TAIWAN FOR NUCLEAR WASTE," Taipei, 01/28/97)

Taiwan's Foreign Ministry Monday urged the ROK not to interfere with the island's nuclear waste disposal deal with the DPRK to avoid damaging bilateral relations. "(We) hope the South Korean authorities can take a rational attitude towards the commercial contract, and not intervene in bilateral dealings between Taiwan and North Korea," the ministry said in a statement. Seoul has warned it may raise the issue with the International Atomic Energy Agency (IAEA) and would take retaliatory measures against Taiwan. The ROK representative in Taiwan lodged a strong protest on Friday against the plan, but Taiwan responded Monday by saying "South Korea should not complicate the lawful and reasonable commercial deal," and added it would affect bilateral relations. "The deal between Taiwan Power Company and North Korea was a pure business operation and was confirmed to meet international practices, including safety requirements by the International Atomic Energy Agency (IAEA)," it said. It said Taiwanese officials had traveled to the DPRK to confirm its technical capacity to safely handle the waste. In a demonstration in front of the downtown ROK mission, some 20 Taiwanese rightists burned an effigy of ROK President Kim Young-sam Monday and set fire to the ROK flag to protest against Seoul's objections to the plan. (The Korea Times, "TAIPEI URGES SEOUL NOT TO INTERFERE WITH NUKE WASTE DEAL WITH P'YANG," Seoul, 01/28/97)

ROK Prime Minister Lee Soo-sung yesterday ordered the Cabinet to step up cooperation with Seoul's allies to thwart Taiwan's plan to export nuclear waste to the DPRK. Lee issued the instruction at a meeting of Cabinet members attended by ROK's National Unification Minister Kwon O-kie, Foreign Minister Yoo Chong-ha, Defense Minister Kim Dong-jin and other senior officials. In particular, the prime minister noted that the South Korean people cannot accept the deal between Taiwan and the DPRK, now that Seoul plans to play a major financial role in constructing two light-water reactors in DPRK. "Taiwan's export of nuclear waste to North Korea is a matter of serious concern which influences the entire environment on the Korean peninsula," Lee was quoted as saying. Meanwhile, Prime Minister Lee told the participants to step up the government's preparations for an increasing number of DPRK defectors. He instructed them to strengthen institutional preparations to build accommodation facilities and help them secure decent living in the new environment. "This year, we will hold a presidential election domestically while North Korea's economic situation is getting worse," he said. He added that, as the chances of armed aggression by the DPRK are real, the ROK military should step up preparedness to deter any forms of aggressive actions. (The Korea Times, "PM LEE ORDERS STEPS TO STOP TAIWAN'S EXPORT OF NUKE WASTE TO NK," Seoul, 01/28/97)

The DPRK's decision to store nuclear waste from Taiwan has caused a local uproar as most South Koreans question the DPRK's capacity to safely manage the material. Many fear the potential danger that will fall upon them when the two Koreas reunite. An option in the original US\$75 million contract reportedly will be exercised, allowing Taiwan to export a total of 200,000 barrels of nuclear waste for which the DPRK will receive US\$222 million. According to a report on the DPRK's environmental pollution issued by the ROK Ministry of National Unification, unless the DPRK invests in a preventive reprocessing plant system, the threat of radioactivity from the waste is larger than that presented by an actual nuclear power plant. On the whole, no definite figures concerning environmental pollution in the DPRK have been presented. But according to the report, while the ROK's energy consumption is more than fivefold that of the DPRK, the latter emits 2.4 times more air pollutants than the former. The report describes serious pollution in the DPRK's major rivers, including parts of the Tumen River included in the Tumen River Area Development Program. In the rivers surrounding big cities of Pyongyang, dead fish can be seen floating on the surface, the report said. Despite the worsening of its environment and the danger of nuclear waste, the cash-short DPRK is not expected to give up easily the lucrative deal with Taiwan, despite the ROK's demand and international pressure. It was recently reported that the DPRK since 1993 has been storing thousands to tens of thousands of pounds of industrial waste shipped from Germany, Austria, the PRC and France. (The Korea Herald, Kim Ji-soo, "DPRK'S DECISION TO IMPORT NUCLEAR WASTE WORRYING," Seoul, 01/28/97)

2. ROK to Dispatch General for PKO Mission

The ROK will dispatch an Army major general to Kashmir to head the UN peacekeeping operations in the disputed territory located between India and Pakistan, the ROK Defense Ministry said yesterday. The position will constitute the highest rank given to a ROK military officer serving under the UN flag abroad, a ministry spokesman said. The ROK major general will replace Major General Alfonso Pessolano of Italy, who has been serving there since December 1994, the spokesman said. Some 270 officers, soldiers and civilians, including nine ROK military officers, are serving in the territory under the UN Military Observer Group in India and Pakistan (UNMOGIP), which was established in January 1949. India and Pakistan have fought three wars involving the Kashmir territory since the two countries were separated in 1947. (The Korea Herald, "KOREA TO SEND ARMY MAJOR GENERAL TO HEAD U.N. PKO IN KASHMIR," Seoul, 01/28/97)

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

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<http://www.washingtonpost.com/wp-srv/inatl/asia.htm>

<http://www.nytimes.com/yr/mo/day/news/world/>

<http://interactive5.wsj.com/edition/current/summaries/asia.htm>

<http://www.latimes.com/HOME/NEWS/>

<http://cnn.com/WORLD/index.html>

<http://www.usia.gov/products/washfile.htm>

<http://www.un.org/News/>

Some of these sites require registration.

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