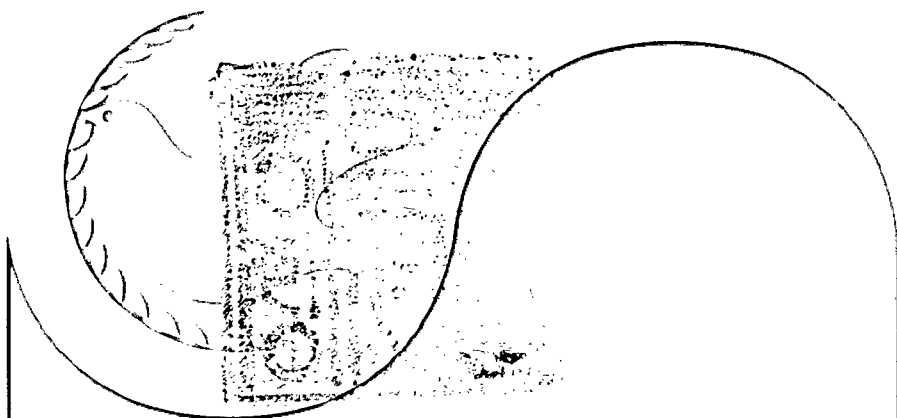


# SOUTH-NORTH DIALOGUE IN KOREA

No. **62** JULY 1995



OFFICE OF THE SOUTH-NORTH DIALOGUE  
NATIONAL UNIFICATION BOARD  
SEOUL, KOREA



**SOUTH-NORTH  
DIALOGUE  
IN KOREA**



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## Part I

# **Proposals by the South Korean Government**

- 1. Proposal for Vice-Minister-Level Meeting to  
Discuss Joint Commemoration of National  
Liberation Day and Other Pending Issues**
- 2. Proposal for South-North High-Level  
Officials' Talks**





## **1. Proposal for Vice-Minister-Level Meeting to Discuss Joint Commemoration of National Liberation Day and Other Pending Issues**

At a joint meeting of political parties and other organizations held on January 24, 1995, North Korea proposed that the 50th anniversary of national liberation be colorfully observed jointly among compatriots from South and North Korea and overseas Korean communities around August 15 and that with the occasion as a momentum, compatriots representing various segments of South and North Korean, and overseas Korean societies get together to hold a “grand national conference” to discuss and adopt a “joint nationwide way to achieve unification of the fatherland.”

The January 24 joint meeting also adopted a “Letter of Appeal” addressed to the political parties, organizations and compatriots in various segments of South Korea and the abroad.

In the appeal, North Korea proposed that a “great festival” and a “grand national conference” be held at Panmunjom on August 15 this year while agitating that “to this end, the National Security Law should be repealed and fascist, traitorous

and anti-unification acts of an extremely small number of splittism forces be resolutely crushed.”

The North Korean proposal for a “grand national conference” made at the joint meeting of political parties and organizations, was part of their standard united front strategy laden with hidden political intents.

First, the proposal for a “joint commemoration festival” and an “August 15 grand national conference” appears designed to dilute their system’s internal crisis with “passion for unification” by playing up the political symbolism of the 50th anniversary of national liberation and also national division.

Second, what North Korea proposed this time was in line with similar meetings the North had typically demanded in the past such as “political conference,” “joint meeting” and “national conference.” It is believed this was a move of North Korea to display to the North Korean people the fact that the unification task which Kim Il-sung called for, was being faithfully carried out by Kim Jong-il.

Third, the North Korean move begun at the turn of the year to denounce South Korean government authorities as an “anti-unification, anti-national and splittism force” and eliminate South Korean authorities from the “joint commemorative programs” and “grand national conference,” seems to have the ulterior motive of shunning dialogue with South Korean government authorities in the hardline policy which they have consistently maintained since the outbreak of a controversy over the

issue of condolences over Kim Il-sung's death.

In particular, a series of their acts well suggest that the proposal was for political propaganda rather than for the materialization of what they had proposed. They tried to eliminate the Seoul government authorities' participation from the beginning, actively agitated for the "downing of the incumbent Seoul government" and "repeal of the National Security Law", while calling for such gatherings without suggesting the creation of a preliminary contact or preparatory committee.

The following is the list of political offensives the North had waged against the South since the 1970s under the united front strategy, such as calls for "political negotiation conference," "joint conference" and "grand national conference."

*June 23, 1973-While announcing the "Five-Point Platform for Unification of the Fatherland," Kim Il-sung proposes the convocation of a "grand national conference."*

*— A "grand national conference" be held among people from various segments and representatives of all political parties and social organizations of the South and the North to broadly discuss the unification question.*

*January 25, 1977: A joint meeting of North Korean political parties and social organizations sends letters to the South, calling for a South-North political conference.*

*— A "par-national conference" be held among the representatives of various political parties, social organizations and other segments to discuss all issues to realize peaceful unification.*

*January 23, 1977: The Central Committee of the Democratic Front for the Reunification of Fatherland issues a statement calling for a "par-national confer-*

ence.”

— A “pan-national conference” be held among the representatives of all the political parties, social organizations and people from various segments of the South and the North, and the representatives or individual persons of Korean communities abroad.

— To broadly discuss various matters related to resolving the issues of realizing multi-faceted collaboration and exchanges in all the areas of politics, economy, culture and military including free activities by political parties across the South and the North, as well as various questions of resolving the unification issue.

August 6, 1981: A joint statement of North Korean political parties and social organizations proposes the convocation of a “meeting to expedite national unification.”

— A “meeting to expedite national unification” be held among the representatives of unification-oriented political parties and social organizations of the South and the North and the representatives of overseas Korean residents.

— To discuss methods of unification including the idea of a “Koryo confederation system”; and issues of realizing collaboration and exchanges in all areas between the South and the North, including the humanitarian question of easing pains of those blood relatives separated.

February 10, 1982: The Democratic Front for the Reunification of Fatherland issues a statement calling for a “joint meeting of 100 South and North Korean politicians.”

— A “joint meeting of politicians” of the South, the North and abroad be held as a negotiation body for the unification of the fatherland.

— The meeting be held among 100 people: 50 each from the South and the North including overseas personages.

— To discuss all the methods of unification that can be raised, including the idea of a “Koryo confederation system,” and issues of realizing collaboration and exchanges between the South and the North.

*January 18, 1983: North Korean political parties and social organizations issue a joint statement calling for a “joint conference of political parties and social organizations.”*

*— A “joint meeting of various political parties and social organizations” be held to stage a “pan-national patriotic campaign” designed to withdraw American troops from South Korea and to discuss the issue.*

*January 1, 1989: Kim Il-sung proposes the convocation of a “South-North political conference.”*

*— A “South-North political conference” be held among leading figures of various political parties, factions and segments of the South and the North in Pyongyang in the near future to discuss the method of unification under a confederation system.*

*September 28, 1989: A joint meeting of the government, political parties and organizations adopts letters to the South calling for a “national unification conference.”*

*— A “national unification conference” be held among those from the government authorities and various political parties, factions, segments to discuss the issue of establishing a single unification formula reflecting the nation’s need and opinions.*

*January 1, 1990: Kim Il-sung calls for a “meeting of the heads of government authorities and political parties of the South and the North.”*

*— A conference be held among the highest-level officials of government authorities and political parties to discuss the issue of realizing free travel back and forth and total opening between the South and the North.*

*January 1, 1991: Kim Il-sung calls for a “political conference for national unification.”*

*— A “political conference for national unification” be held among the representatives of government authorities, political parties and organizations in the immediate future to have pan-national discussions on the method of national unification.*

*May 29, 1991: A forum of North Korean politicians, scholars and journalists proposes a "grand forum of South and North Korean politicians, scholars and journalists."*

*— A grand forum be held in late July or early August for South and North Korean politicians, scholars and journalists to get together, explore the method of unification and pool opinions.*

*January 24, 1995: A joint conference of North Korean political parties and organizations proposes a "grand national conference."*

*— A grand national conference be held for brethren from various political parties, factions, segments of the South, the North and the abroad to get together, jointly celebrate the 50th anniversary of national liberation and confirm the method of unifying the fatherland.*

In a statement issued by Vice Unification Minister Song Young-dae on January 25, 1995, the South Korean government made it clear that the grand national conference proposed by North Korea won't be of any help to the substantial improvement of South-North relations while expressing welcome to the North Korean idea of joint South-North celebrations of the 50th anniversary of national liberation.

Vice Minister Song proposed in the statement that a dialogue between the responsible authorities be held under the spirit of the basic South-North agreement to discuss all issues pending between the South and the North including the joint sponsorship of the commemoration of national liberation.

Expressing the hope that three delegates from each side headed by a vice-minister-level government official will sit face to face at an early date, the vice minister said he was leaving to

the North the determination of the exact date and place of such a meeting.

The following is the full text of the statement addressed to the North:

*Yesterday (January 24) North Korea held a so-called joint meeting of political parties and organizations to propose a grand national conference and the joint celebration of the 50th anniversary of national liberation.*

*As the North Korean offer was the first proposal for dialogue and contact following the death of Kim Il-sung, the government carefully studied it and, based thereon, arrived at the following position.*

*First, we would like to make it clear that as we have pointed out time and again, the North Korean proposal for a grand national conference can hardly be of any help to the substantial improvement of South-North relation.*

*If North Korea is truly interested in improving South-North relations as well as in reconciliation and cooperation, the North should come forward to a dialogue between responsible government authorities instead of sticking to a rally-style event like a grand national conference.*

*Second, we welcome the North Korean proposal for the joint celebration of the 50th anniversary of national liberation.*

*With this year, which happens to be the 50th anniversary of national division, as a starting point, we should terminate the era of confrontation and enmity and unfold an age of peace and unification.*

*Joint celebration of the 50th anniversary of national liberation would become a significant occasion for all the brethren to make a determination in compliance with such a dictate of national history.*

*To this end, all the 70 million brethren, with due representation, should be enabled to participate in and celebrate the occasion.*

*Third, we propose a dialogue between responsible government authorities*

*under the spirit of the basic South-North agreement to discuss issues pending between the South and the North including the staging of joint commemorative programs for the National Liberation Day.*

*To this end, we expect that three each delegates with a vice-minister-level official as chief delegate would sit face-to-face at an early date.*

*The time will be the sooner the better. North Korea can determine the exact time and place and let us know.*

*We expect that North Korea will show a sincere response to our proposal.*

*The government will continue to do its best in substantially improving South-North relations based on national consensus.*

North Korea, in a commentary appearing in the Rodong Sinmun on January 27, 1995, rejected the South Korean proposal.

The North Korean rejection indicated that contrary to its outward purpose of the joint observation of the National Liberation Day and the adoption of a method of national unification, their proposal had the ulterior objective of driving a wedge between the people and government in the South and fanning a split in public opinions.

Meanwhile, a joint meeting of North Korean political parties and organizations on January 24, 1995 proposed a "joint observance of the 50th anniversary of national liberation" and a "grand national conference." North Korea sent letters to the four political parties, various organizations and 77 individuals in the South, calling on them to accept their overture and proposing contacts to "discuss a preparatory issue for grand unifi-



cation festivals.”

North Korea has thus striven to have private-level dialogue and contact with the South in a bid to abet frictions and cause a split in public opinions in the South.

Since the North's preparatory committee for “grand national festivals” was formed on March 7, 1995, North Korea has been mailing letters to the South under the name of the preparatory committee. Earlier letters to the South were signed by various political parties and organizations.

## **2. Proposal for South-North High-Level Officials' Talks**

The South Korean government on February 3, 1995 issued a statement addressed to North Korea. In the statement signed by Deputy Prime Minister Kim Deok, the government, while making it clear that a grand national conference North Korea proposed can be of no help at all to the substantial improvement of South-North relations, urged the North to agree without any conditions to a vice-minister-level meeting the South proposed on January 25.

The government also suggested that the following three projects be undertaken jointly, the projects which can be easily carried out by the South and the North and which can be helpful to both the South and the North.

*i) Observance of the April Pyongyang festival by dispersed families and permission for family reunions.*

*ii) Permission for press members of the South and the North to freely travel back and forth and engage in press coverage in non-political areas.*

*iii) Permission for southern businessmen to visit the North by way of Panmunjom.*

In the statement, the government proposed South-North high-level officials' talks to discuss the three projects above, saying that it was leaving to North Korea the issue of determining the level of participating high-level officials and the time and place of the talks.

The following is the full text of the statement to the North:

*This year is a significant year that happens to be the 50th anniversary of national liberation.*

*It is the urgent and invariable wish of the whole brethren to overcome the half-century history of national division and open a new age of peaceful unification.*

*It is highly regrettable that at this time when the whole world cast away the old-fashioned yoke of the Cold War and reconcile and cooperate with one another, the South and the North, the same nation, persist on enmity and confrontation for almost half a century.*

*Now in light of the wish of the whole people and of the flow of world history, the South and the North should make the important peak of national history, namely, the 50th anniversary of national liberation, a turning-point for their entry into a fresh stage for reconciliation and cooperation.*

*The basic South-North agreement already exists between the South and the North, and, as stated time and again, all the issues raised by either the South or*

*the North are supposed to be resolved by the government authorities of the two sides.*

*Accordingly, our government on last January 25 proposed a dialogue between government authorities to discuss pending issues including the question of jointly staging commemorative programs marking the 50th anniversary of national liberation.*

*Nonetheless, it is hardly understandable that your side, while turning a deaf ear to the South-North agreement, has recently launched an offensive of letters toward our political parties and politicians.*

*Our side has already made it clear that a grand national conference the North called for cannot be of any help to the substantial improvement of South-North relations.*

*Now the South and the North should display the will and exert efforts to make this year happening to be the 50th anniversary of national liberation a momentum to substantially improving South-North relations.*

*To this end, our government again urges the North to agree to our January 25th proposal. We propose to the North that the following projects which can be easily carried out by the South and the North and which can be beneficial to both the South and the North, be implemented jointly.*

*First, the task is to resolve the question of 10 million dispersed family members, which, a humanitarian issue, is the biggest pain stemming from national division.*

*It is utterly unfortunate that despite our consistent efforts to resolve the dispersed family issue, most of the dispersed families are unable even to determine the fate of their missing families.*

*In this connection, our government earnestly expects that the North Korean authorities will enable not only overseas compatriots but dispersed families in the South, too, to attend the international sports and culture festival set to open in Pyongyang in April so that opportunities could be given to them for family reunion.*

*At the same time, we urge that the authorities of the two sides urgently pre-*

*pare a way for those families dispersed in the South and the North to mutually give and receive necessary daily goods.*

*In this connection, I point it out once again that our government has taken the positive open-door policy allowing even the compatriots of the Chochongryon in Japan to freely visit their homelands and meet their families.*

*The second task is the question of allowing the journalists of the South and the North to make free mutual visits for press coverage.*

*Invigoration of personnel exchanges between the South and the North is a task highly essential for the two sides to enter the stage of reconciliation and cooperation.*

*If the journalists of the two sides were allowed to freely cover each other's areas, it would contribute much to removing misunderstanding and distrust about each other as well as to restoring the homogeneity of the nation.*

*As we note that the North has invited a number of foreign press members in connection with the Pyongyang festival in April, our government urges that South Korean Journalists be allowed to visit the North at an early date and cover non-political areas.*

*Third, there is an issue related to our businessmen's visits to North Korea.*

*Under the measures our government took on last November 8 to invigorate South-North economic cooperation, our businessmen are visiting the North to discuss the issue of promoting South-North economic cooperation and also the question of exchanging grains, raw materials and other necessary items. Such visits will continue to be made in the days ahead.*

*However, these businessmen suffer the inconvenience of making detours through a third country, unable to use the close route of Panmunjom within several hours' distance.*

*Accordingly, our government urges the North to ensure the convenience whereby our businessmen may be able to easily travel back and forth between the South and the North through Panmunjom.*

*At the same time, our government expects that there would be affirmative*

*steps to allow our businessmen to visit not only the Najin and Sonbong areas but any other areas, too, if necessary so that our industries' economic activities can be undertaken effectively.*

*To discuss and resolve these problems, our government hopes that responsible high-level government officials of the South and the North will sit face-to-face at any place like Seoul, Pyongyang or Panmunjom at an early date.*

*We would like to leave to the North the issue of determining the level of high-level government officials and the time and place of the meeting.*

*We expect that the North will show an affirmative response to our proposal so that the 50th anniversary of national liberation will become a significant year that charts a new chapter of genuine reconciliation and cooperation between the South and the North.*

With regard to the government's February 3rd proposal to the North, the domestic press media in general made a positive evaluation of it, saying that the proposal is laden with the will "to bring about a change in the North through the invigoration of exchanges" and that "government efforts to substantially improve South-North relations stand out."

The media observed that in offering the proposal, the government tried to show flexibility in terms of the nature, time and pattern of the talks, paying particular attention to the fact that the government offered to allow visits to North Korea by press members and dispersed families even without talks between government authorities.

They urged the North to review the South Korean proposal affirmatively, stressing that if the Pyongyang festival were designed to play up the Kim Jong-il system, the North should

review its policies, too.

The media also emphasized that it is rather natural for the North to invite not only tourists and overseas Koreans but also dispersed families to the Pyongyang festival. "If the Pyongyang festival is significant in that it is a national festival, then the brethren in the South, too, should be enabled to attend it if they wish," one of the media said.

In a commentary appearing in the Rodong Sinmun on February 6, 1995, however, North Korea only reiterated their demand for a grand national conference. It took a negative attitude toward the February 3rd South Korean proposal by raising the preconditions that the South apologize over the condolence issue and repeal the National Security Law.

In this connection, a spokesman for the National Unification Minister issued the following comment on the same date:

*A by-lined commentary appearing in the Rodong Sinmun today (February 6) denounced our proposal by asserting "it is a senseless and impertinent act for South Korea to attempt to partake in a peace-oriented international event over the issue of dispersed families' observation and press coverage of the Pyongyang international sports and culture festival," was a mere denouncement as yet, which cannot be taken as an official rejection of the proposal by the North Korean government authorities.*

*North Korea should accept at an early date the justifiable and reasonable proposal contained in the February 3rd statement of the Deputy Prime Minister and thereby respond affirmatively to our humanitarian move to have even a few more dispersed families be reunited.*

*We also expect that free press coverage be allowed between the South and the North so that it can become an impetus to softening the strained atmosphere and removing barriers between the South and the North.*

The South Korean government's February 3rd proposal was made based on the people's wish and the government will to develop inter-Korean relations into a phase of reconciliation and cooperation beginning this year which happens to be the 50th anniversary of national liberation and half a century of national division.

In particular, the February 3rd proposal in nature was beneficial to both sides, which, even if the North accepted it, would pose no burden at all to them. Therefore, if only the North is interested even a little bit in the improvement of South-North relations, there is no reason at all why they cannot show an affirmative response.

To the South's regret, however, the North showed a negative response to it. Although the North must have showed negativism due to their internal situation, the South Korean government intends to keep the door of dialogue open always and urge the North to show a sincere change in their attitude.





## Part II

# **Beijing Talks for the Supply of Grain to North Korea**

- 1. Background of the Talks**
- 2. Contents of Agreement**



## 1. Background of the Talks

President Kim Young-sam, in his Liberation Day address on August 15 last year, stressed that “the promotion of the nation’s well-being should be made the core of South-North relations,” stating that “in view of the North’s economic situation, we won’t spare any cooperation and support of a kind we, as the same brethren, can offer.”

Also during his European tour on last March 7, President Kim said in an address made in Berlin, “We shall not spare cooperation in any area North Korea is interested in,” declaring that the South was willing to provide grain and other raw materials to North Korea.

Again on May 15, President Kim, while addressing the opening session of the Seoul conference of the International Press Institute (IPI), said the South was willing to provide to the North grain and other materials and goods North Korea needs immediately.

In response to the repeated expression by the South of its willingness to provide materials to the North, North Korea indirectly let the South know they were prepared to receive South Korean rice. Li Song-rok, chairman of the Committee for Pro-

moting International Trade, said during his visit to Japan on May 26 that “we will accept South Korean rice, too, if no preconditions are attached.”

On the same day, May 26, Deputy Prime Minister and concurrent National Unification Minister Rha Woong-bae announced that the South would provide grain to North Korea without any preconditions or political strings attached. He proposed that representatives of the two governments meet to discuss the method and procedural matters related to the provision of rice.

The following is the full text of the statement issued by Deputy Prime Minister Rha:

*Our government has disclosed time and again that it would not spare cooperation in any area North Korea is interested in.*

*With respect to the recent remarks by a North Korean official that they would consider accepting South Korean rice, the government would like to disclose its position as follows:*

*Our government is willing to provide grain North Korea needs without any preconditions or political strings attached.*

*Therefore, our government hopes that the South and the North will discuss procedural matters such as the kind and amount of the grain to be supplied to the North, place and time of the delivery, method of transportation and shipping means.*

*Our government proposes that representatives of the two sides' government authorities meet at a time and place of North Korean choice to discuss these issues.*

*We look forward to affirmative response from the North.*

On May 27, a meeting of relevant ministers was held under the chair of Prime Minister Lee Hong-koo to confirm the government's principle that "it is desirable to promote the supply of rice to the North in a way that will be helpful to the improvement of South-North relations.

On May 29, moreover, a working-level officials' meeting was held under the chair of the Vice National Unification Minister on the provision of rice to the North, which decided to supply about 200 billion won worth of grain to the North by the end of the year by using the South-North Cooperation Fund.

On June 6, the South urged that as a minimum necessary step for the supply of grain to the North, North Korea agree to government officials' contacts as the South suggested.

Responding to the South's repeated manifestation of the willingness to provide grain to the North, North Korea proposed on June 9 that representatives of the Korea Trade Promotion Corp. (KOTRA) and the North's Samcholli General Co. meet in Beijing on June 13 to discuss the issue.

As a result, KOTRA and Samcholli had contacts in Beijing on June 13-16, during which the South notified the North of the South's consistent position that there should first be government officials' talks. North Korea accepted the idea and there ensued the Beijing talks attended by vice-minister-level officials as chief delegates.

## 2. Contents of Agreement

South and North Korean government officials' talks on the provision of grain to the North were held in Beijing beginning June 17, 1995. The South Korean government suggested that there should be government officials' talks first to discuss related procedural matters, which the North accepted.

The talks were attended by Vice Finance and Economy Minister Lee Suk-chaе and concurrently the South's chairman of the South-North Joint Economy Commission as the South's chief delegate. His North Korean counterpart was Chon Gum-chol, advisor to the Committee for Promoting External Economic Cooperation under the control of the Administration Council.

Under the mutual agreement that the talks would not be publicly discussed until an agreement is reached in view of the sensitivity involved in the issue, the talks were held behind the closed doors from June 17 to June 21 at varying places in Beijing.

Thanks to bilateral efforts to bring the talks to a success, an agreement was reached on June 21 on the issue of supplying grain to the North. The contents of the agreement were to be announced separately in Seoul and Pyongyang.

Under the agreement, Deputy Prime Minister and Unification Minister Rha Woong-bae announced the agreement on the supply on grain to the North in Seoul on June 21.

The text of the announcement made by Deputy Prime

Minister Rha was as follows:

*In his liberation Day address last year, Berlin declaration of last March 7 and address at the IPI meeting on May 15, President Kim Young-sam proposed the supply of grain to North Korea to help the North ease food difficulties from the approach of brotherly love.*

*On last May 26, the government, in a proposal made in the name of the Deputy Prime Minister and National Unification Minister, disclosed the willingness to provide grain North Korea needs, proposing that the two sides' government authorities have contacts to discuss procedural matters.*

*At North Korea's suggestion later, contacts were made in Beijing from June 13 through June 16 between the South's Korea Trade Promotion Corp. (KOTRA) and the Samchollı General Corp. under the control of North Korea's External Economy Commission.*

*At the contacts, our side notified the North that the issue of rice provision should be discussed through contacts between the government authorities of the South and the North. North Korea accepted it and there ensued contacts in Beijing between South and North Korean government authorities from June 17 to June 21.*

*The two sides' government authorities reached the following agreement at the contacts:*

*(1) Our side will supply 150,000 tons of rice in the initial stage. The first-stage supply will be made free of charge in its entirety.*

*(2) Our side shall have the first vessel leave within ten days from the date of the signing of this agreement.*

*Our side shall deliver the first-phase shipment by our vessels to the Chong-jin and Na-jin harbors.*

*(3) The rice to be delivered in the first-phase shipment shall be packed in PP sacks in the unit of 40kg, which shall have no markings at all.*

*(4) The two sides' firms that will translate the agreed items specified in this*

*agreement into action shall be the Korea Trade Promotion Corp. (KOTRA) of our side and North Korea's Samcholli General Corp.*

*(5) The South and the North shall ensure all available cooperation so that the delivery and receipt of rice will be implemented smoothly.*

*(6) The South and the North shall hold second-round talks in the middle of July 1995.*

*(7) Problems that may arise in the course of carrying out this agreement shall be discussed and resolved by the delegations.*

*\* This agreement was signed by the government officials of the Republic of Korea and the Democratic People's Republic of Korea.*

*The supply of rice to North Korea, that comes 11 years after rice and cement were provided by the North during a flood in the South in September 1984, has set a good precedent for giving and receiving help between the same people through talks between responsible government authorities based on the spirits of reconciliation and cooperation between the South and the North.*

*The agreement was a measure taken from the approach of pure brotherly love with a view to easing even a little bit the difficult food situation facing North Korea without any preconditions.*

*The government shall exert all efforts to implement the items agreed with North Korean government authorities without any delay.*

*The government will equally distribute the work of hulling, production of packing sacks and shipping to plants and harbors across the country in a sense that all the people would be enabled to take part in this national undertaking.*

*A total of 190 government-rice hulling plants will be put into operation at the same time, and 30 plants over the country will take part in the production of packing materials.*

*The major harbors where the aid rice will be loaded will be Tonghae, Pohang, Ulsan, Pusan, Chinhae, Masan, Kwangyang, Mokpo, Kunsan and Inchon. The first transport vessel carrying 2,000 tons of aid rice will leave the*



*Tonghae harbor, Kangwon Province within the week.*

*The selection of the Tonghae harbor as the place of the initial loading was to deliver rice at the soonest possible date as requested by North Korea as Tonghae is located closest to North Korea.*

*To carry out the provision of rice smoothly, the government will hold a unification-related ministers' meeting preceded by a working-level officials' meeting on grain for North Korea to be chaired by the Vice National Unification Minister so as to work out government-wide follow-up measures for implementation.*



## Part III

# **North Korea's Refusal to Participate in the "Asia Solidarity Conference on the Question of Comfort Women for the Japanese Army"**

- 1. The South Korean Government's Position toward  
the Question of North Korean Participation**
- 2. North Korea's Announcement of Refusal to Attend  
the Conference**
- 3. Contents of the North Korean Statement**
- 4. True Reason for North Korea's Refusal to Attend**



## 1. The South Korean Government's Position toward the Question of North Korean Participation

The consistent position of the South Korean government has been that brisk travel back and forth and other personnel exchanges between South and North Korea are conducive to building mutual trust and restoring national homogeneity between the two Koreas, and that purely private-level exchanges should be promoted in an orderly manner even when talks between government authorities remain suspended.

It was from this standpoint that the Deputy Prime Minister and concurrent National Unification Minister, in a statement on February 3, 1995, urged North Korea to allow South Korean businessmen to visit North Korea through Panmunjom, announcing it is desirable that travels between the two areas be made through Panmunjom.

The government, under such a basic policy, authorized a plan of the Korea Council on the Question of Women Forced to Offer Sex Service to Japanese Soldiers to invite a North Korean delegation to the Asia Solidarity Conference.

When the Korea Council on the Question of Women Forced to Offer Sex Service to Japanese Soldiers requested government approval of a set of measures it would take in connection with the projected invitation of a North Korean delegation

to the Asia Solidarity Conference slated for February 27-March 1, 1995 in Seoul, the government authorized them without any conditions. The items the Korea Council suggested were permission for the council to have contact with the North Koreans to discuss their participation in the Seoul meeting, procedural matters related to their entry into the country, their personal safety in the South and the possibility of their passage through Panmunjom.

The government approved the North Koreans' planned participation in the conference without any conditions inasmuch as it was an annual international private-level conference and there had been some precedents in which North Korean delegates attended some meetings held in the South such as United Nations Development Program (UNDP) meetings.

It was against this backdrop that North Korea's "Committee for Compensation for Comfort Women and Other Pacific War Victims" announced on February 8, 1995 its intention to attend the Seoul conference. The North had gone so far as to inform the Korea Council of the list of their delegates on February 20 and also of the theme paper the North would present at the Seoul conference as well as the name of the theme presenter on February 25.

In fact, all procedural and preparatory measures were going on smoothly for the North Korean delegation's participation in the Seoul conference.

## 2. North Korea's Announcement of Refusal to Attend the Conference

Public attention was drawn to the planned visit to Seoul by a North Korean delegation as North Korea's participation in the third "Asia Solidarity Conference on the Question of Comfort Women for the Japanese Army" was finalized and the time of the North Korean delegation's entry into the South was notified to the Korea Council.

Many observers tended to regard the planned North Korean participation in the Seoul conference as a sign of a change in the North's attitude toward the South inasmuch as it came at a time when inter-Korean relations were strained. South-North dialogue had been suspended since August 1994 and North Korea was stepping up slanders against the South.

On the very morning of February 26 when the North Korean delegation was scheduled to arrive in Seoul, however, North Korea, in a statement broadcast through their Central and Pyongyang radio-television stations, announced all of sudden their non-participation in the Seoul conference. It was a time when Korea Council officials and about 50 press members were about to leave Seoul for Panmunjom to meet the North Korean delegation.

The statement signed by the "Committee for Compensation for Comfort Women and Other Pacific War Victims" asserted that the North could not attend the Seoul conference because of "machinations by South Korean authorities." The gist of the statement was:

— Though we didn't ask for it, South Korean authorities tried to take charge of the matter by raising the issues of pas-

sage through Panmunjom and personal safety, complicating the question.

— According to practices, a memorandum on personal safety was supposed to be issued by the hosting organization. But, the southern authorities unreasonably issued a visit certificate for delivery to our delegation.

*— Officials of the South Korean Red Cross whose cooperation we had asked for, have not showed any response to our request for cooperation. Up until this moment when the time for our passage through Panmunjom is drawing near, no official answer has been forwarded.*

The North Korean statement tried to shift blame for their failure to attend the conference to the South Korean government by asserting, “While feigning on the surface to allow our delegation’s participation in the conference, the South Korean authorities prevented our delegation from taking part in it by pursuing an ulterior purpose over the issue of a memorandum on personal safety.”



### 3. Contents of the North Korean Statement

The statement issued by North Korea on their non-participation in the Seoul conference showed no validity at all and was composed of unreasonable logics.

First, their contention that “though we didn’t ask for it, South Korean authorities tried to take charge of the matter by raising the issues of passage through Panmunjom and personal safety, complicating the question”, was no more than the distortion of the truth.

On the issue of the North Korean delegation’s participation in the Seoul conference, the South on February 23 sent a telephone message signed by the head of the South’s Office of the South-North Liaison Office to the North’s Liaison Office, proposing that a liaison officials’ meeting be held at the conference room of the Neutral Nations Supervisory Commission (NNSC) at Panmunjom at 9 a.m. February 26 to discuss 1) the issue of passage through Panmunjom by a North Korean delegation set to attend the Seoul conference, 2) the issue of the provision of conveniences during the delegation’s stay in Seoul, and 3) the delivery of a memorandum on personal safety.

North Korea, which had refused to accept any telephone messages from the South since August last year, received the message without any objection. Going a step further, North Korea accepted the South’s proposal around noon February 25

informing the South, "We will send two liaison officials to the NNSC conference room at 9 a.m. February 26. We hope the South, too, would take a corresponding measure."

The acceptance by North Korea of the South's proposal on the issue of the North Korean delegation's passage through Panmunjom was because they themselves well knew the issue the South wanted to discuss was a customary procedural matter that had been in practice for more than 20 years with regard to the question of travel back and forth between the South and the North.

Therefore, North Korea's theory of "South Korean authorities causing complexity" lacks any justification.

Second, on the question of issuing a memorandum on the guarantee of personal safety, North Korea claimed, "Despite the fact that South Korean authorities were supposed to hand a memorandum guaranteeing personal safety to the hosting side, they tried to issue a visit certificate."

It has been a practice in use between South and North Korea since 1971 that when an issue of travel back and forth is decided, a memorandum guaranteeing personal safety is delivered to the visiting side. There can be no problem whatsoever here.

It was against this backdrop that the South suggested in a telephone message that it would deliver a memorandum guaranteeing personal safety on February 26. North Korea, too, agreed to it by saying they would send liaison officials to Panmunjom.

The issuance of a visit certificate by the South Korean government was in accordance with the Law on South-North Exchanges and Cooperation. A similar visit certificate was issued in the past to the North Korean delegation to a UNDP conference held in Seoul. The visit certificate was handed to the Korea Council for delivery to North Korean participants for use during their stay in Seoul.

Since the visit certificate, in fact, was a means of ensuring security and conveniences for the North Korean delegates visiting Seoul, it couldn't be an issue North Korea could use as an excuse to boycott the Seoul conference.

On the North Korean statement regarding their refusal to attend the Seoul conference, the South's press media displayed no dissatisfaction at the way the South Korean government handled things related to the issue of North Korean participation. "The measures taken by the government seem highly affirmative compared with its disapproval of the North's participation in the first meeting in August 1992," a media commentary noted.

#### **4. True Reason for North Korea's Refusal to Attend.**

There was no denying that despite the superficial attempt of the North to shift blame for their refusal to attend the Seoul conference to the South, the actual reason for their non-partici-

pation lay in themselves.

In the first place, it can be regarded that the North waged a united front strategy against the South by trying to foment frictions between the government and the Korea Council on the Question of Women Forced to Offer Sex Service to Japanese Soldiers and to set off a split in public opinions in the South.

Moreover, the fact that the North notified the Korea Council of the title of the theme to present at the Seoul conference and the name of theme presenter one day before the issuance of the non-participation statement, indicates the North planned to attend the Seoul conference until February 25, the day when they informed the South of their theme title and the name of their theme presenter.

It seems, however, that suddenly on the morning of February 26, there occurred something in the North which made it unavoidable for them to refuse to attend the Seoul conference. As they had to issue the non-participation statement dated February 25, one day earlier, the North must have invented absurd excuses for their non-participation.

Leading South Korean newspapers made the following analyses of the North Korean decision :

○ *It is hardly convincing that North Korea refused to attend the Seoul conference despite their acceptance of a South Korean government telephone message calling for a liaison officials' contact to discuss the issue of personal safety of North Korean delegates. The reason for their non-participation seems to lie in their*

*strategy not to deal with South Korean government authorities in any way.*

*Around 7 p.m. February 25, the North Korean delegation informed, via Japan, the South of the name of their theme presenter. Therefore, the decision not to attend the conference appears to have been made some time between 7 p.m. February 25 to 9 a.m. February 26. The decision is believed to have been made somewhere higher than the delegation.(Kyunghyang Daily News)*

○ *To the North Korean eye, a liaison officials' contact to discuss their delegation's visit to Seoul, too, must be authorities' dialogue. They must have believed that if the proposed liaison officials' contact took place, it could be a crack on their "rejection in principle of dialogue between government authorities." It seems the North thus opted to boycott the Seoul conference.(Dong-A Ilbo)*

○ *The reason for the North's non-participation seems to be their internal situation, that is, the "rejection in principle of dialogue between government authorities." There are some opinions that their boycott is related to O Jir-u's funeral service.(Chosun Ilbo)*

○ *There is no persuasiveness in the abrupt change in the North's attitude. It is assumed, therefore, that there was some internal situation or there occurred some disputes over the dispatch of a delegation.(Hankyore Shinmun)*



## Part IV

# **U.S.-North Korea Semi-High-Level Talks in Kuala Lumpur**

- 1. Basic Purpose of Geneva U.S.-North Korea Agreement**
- 2. Progress of the Talks**
- 3. Substance of the Talks**
- 4. Significance and Evaluation**





## 1. Basic Purpose of Geneva U.S.-North Korea Agreement

The United States and North Korea adopted the Agreed Framework on the Korean nuclear question in Geneva on October 21, 1994.

The overall framework for the resolution of the North Korean nuclear issue came at the second meeting of the thirdphase talks that wound-up negotiations that lasted one year and seven months after the U.S.-North Korea talks began following North Korea's announcement of its withdrawal from the Nuclear Nonproliferation Treaty(NPT) on October 21, 1994.

The U.S.-North Agreed Framework declares that the United States will provide light-water reactors and alternate energy sources to the North;and promised improved U.S.-North Korea relations in return for North Korea's freezing of its nuclear activities. North Korea agreed, ultimately, to abandon their nuclear program, which is laden with the danger of nuclear arms production.

The items the United States and North Korea would carry out under the agreed framework are:

### ***Items to Be Implemented by North Korea***

(1) *Removal of the past nuclear suspicion prior to the delivery to North Korea of key parts of light-water reactors by fully implementing obligatory safeguard measures prescribed by the International Atomic Energy Agency (IAEA), including all such steps as special inspections deemed necessary by the IAEA.*

(2) *Overall freezing of the activities of the existing nuclear facilities and dismantling of all nuclear-related facilities concurrent with the stages of the construction of light-water reactors.*

— *Termination of plans to refuel their 5MWe atomic reactor.*

— *Suspension of the construction of 50MWe and 200MWe reactors and their dismantling later.*

— *Immediate closure of a radio-chemical laboratory.*

(3) *Safe storage of spent fuel rods without reprocessing them during the period of the construction of light-water reactors, and transfer of them later to a third country.*

(4) *Complete return to the NPT and acceptance of special and general inspections by the IAEA.*

(5) *Show sincerity toward improving South-North relations through resumption of South-North dialogue and implementation of the Joint Declaration of the Denuclearization of the Korean Peninsula.*

### ***Items to Be Implemented by the United States***

(1) *Creation of an international consortium in charge of raising and supplying funds to finance 2,000MWe light-water reactors for North Korea; and conclusion of a contract for the supply of light-water reactors to North Korea.*

(2) *Provision of heavy oil as an alternate energy source in connection with the suspension of a 5MWe atomic reactor and of the construction of graphite-modulated atomic reactors(50MWe and 200MWe).*

— *Beginning with 50,000 tons in the initial phase, up to 500,000 tons of*

*heavy oil shall be provided per year until the light-water reactors are operational.*

*(3) Alleviation of trade and investment restrictions against North Korea and normalization of U.S.-North Korea diplomatic relations.*

*— Creation of liaison offices in each other's capital cities following the resolution of consular and other technical problems through experts' talks.*

*— Elevation of bilateral relations to ambassadorial relationship as progress is registered in the resolution of matters of mutual concern.*

These obligatory items on the part of the two sides are so linked to one another that there are phased guaranty devices that “we would do this only when you do that.”

The process of the implementation of the U.S.-North Korea agreement is divided into three stages.

The first stage is from the time of the signing of the agreement to the conclusion of an agreement on the supply of light-water reactors. The second stage covers the time between the conclusion of a reactors supply agreement to the time of the delivery of key parts. The third stage is the period from the time of the delivery of key parts to the time of the dedication of light-water reactors.

During the first stage, North Korea is supposed to totally suspend “current nuclear activities” while the United States is to supply the North with alternate energy supplies (50,000 tons of heavy oil within three months) and take steps to partially ease economic sanctions against North Korea.

The “suspension of current nuclear activities” by North

Korea specifically includes the suspension of the operation of a 5MWe experimental atomic reactor, suspension of the construction of 50MWe and 200MWe atomic reactors, closure of a radio-chemical laboratory, and the safe storage of spent fuel rods.

On November 1, 1994, North Korea, in a statement issued by a Foreign Ministry spokesman, said they had begun to suspend their nuclear activities by freezing their existing nuclear facilities and suspending the construction of new atomic reactors.

In response, the United States was taking steps to implement the agreement according to an agreed-on schedule by supplying the first 50,000-ton batch of heavy oil to North Korea as alternate energy on January 17, 1995 and announcing steps to ease economic sanctions against North Korea on January 21, 1995.

Moreover, an international consortium, namely, the Korean Peninsula Energy Development Organization(KEDO) was formally inaugurated on March 9, 1995 as scheduled, thus setting the stage for the full-fledged implementation of the reactor project.

The second stage is a period in which North Korea would freeze its "future nuclear activities" while light-water reactors would be constructed in earnest by an international consortium, namely, the KEDO.

If and when North Korea's graphite-modulated reactors and related nuclear facilities were frozen continuously while

special and general inspections are made by the IAEA, North Korea, in return, would receive alternate energy fuels (100,000 tons within the first year and 500,000 tons a year thereafter).

In the third stage, North Korea should transfer the spent nuclear fuel they are keeping to a third country and completely dismantle their existing nuclear facilities.

Of course, North Korea is supposed to undergo special IAEA inspections of their past nuclear activities in keeping pace with the delivery of key reactor parts.

### ***Basic Ideas of U.S.–North Korea Agreement***

#### ***First stage : Freezing of Nuclear Activities***

##### *Nuclear transparency*

- *Freezing of graphite-moderated reactors and related facilities*
  - *Suspension of the operation and refueling of a 5MWe reactor.*
  - *Suspension of the construction of 50 and 200MWe reactors.*
  - *Sealing of a radio-chemical laboratory.*
- *Maintenance of the continuity of IAEA safeguard measures.*
- *Safe storage of spent nuclear fuel.*
- \* *Experts meeting on the handling of spent fuel rods.*

##### *Support for switch to light-water reactors*

- *Guarantee of support by the United States.*
- *Start of negotiations for the supply of light-water reactors.*
  - *Formation of a consortium.*
- *Provision of alternate energy sources.*
  - *50,000 tons of heavy oil within three months.*

- \* *Experts meeting on the issues of light-water reactors and alternate energy sources.*

#### *U.S.-North Korea relations*

- *Normalization of political and economic relations.*
  - *Talks for the opening of liaison offices.*
  - *Easing of trade and investment barriers (within three months).*
- \* *Experts meeting on the issue of opening liaison offices.*

### ***Second stage : Implementation of Nuclear Inspections***

#### *Nuclear transparency*

- *Freezing of graphite-moderated and related facilities (continued).*
- *Interim and general inspections by the IAEA.*
- *Safe storage of spent nuclear fuel (continued).*

#### *Support for switch to light-water reactors*

- *Support for the construction of light-water reactors.*
  - *Completion of considerable parts of the construction process.*
- *Provision of alternate energy sources (continued).*
  - *100,000 tons of heavy oil within one year.*
  - *500,000 tons of heavy oil every year thereafter.*

#### *U.S.-North Korea relations*

- *Normalization of political and economic relations (continued).*
  - *Opening of liaison offices and elevation of relations to ambassadorial ones (in the event there exists progress in pending issues).*
  - *Guarantee of the non-first-use of nuclear arms against North Korea.*
  - *Conclusion of a U.S.-North Korea atomic energy cooperation agreement (if it is needed).*

### ***Third Stage : Dismantling of Nuclear Facilities***

#### *Nuclear transparency*

- *Dismantle nuclear facilities : Completion of Reactor No. 1.*
  - *Dismantle three graphite-moderated plants.*
  - *Dismantle a radio-chemical laboratory.*
  - *Implement special IAEA inspections.*
- *Transfer of spent nuclear fuel to a third country.*
  - *By the time of the completion of Reactor No. 1.*

*Support for switch to light-water reactors*

- *Completion of light-water reactors.*
  - *Delivery of key parts (NSG items).*
  - *Reactor No. 1 (2001-2), Reactor No. 2 (2003)*
- *Provision of alternate energy sources.*
  - *By the time of the completion of Reactor No. 1.*

## **2. Progress of the Talks**

With regard to the question of providing light-water reactors to North Korea, the South Korean government has maintained close cooperation with the United States and Japan in the firm policy that the South Korean standard model of light-water reactors should be adopted and that South Korea should play a central role in the project. In this connection, South Korea set the following principles :

- South Korea shall play a central role in the course of providing light-water reactors to North Korea.
- The provision of light-water reactors should be promoted in a way that will be helpful to promoting inter-Korean relations, with the project being led ultimately into the frame-

work of the implementation of the South-North agreement.

- The project should be implemented on the condition of faithful implementation of various items agreed on between the United States and North Korea.

- The project should be promoted based on national consensus and understanding.

Since North Korea first raised the issue of light-water reactors at the U.S.-North Korea talks in July 1993, the South Korean government disclosed its willingness to accept the idea from the angle of improving South-North relations and promoting the Korean people's coexistence and co-prosperity. In particular, in his National Liberation Day message on August 15, 1994, President Kim Young-sam said his government was willing to support the construction of light-water reactors for North Korea as the first project of a "joint national development plan."

The willingness expressed by South Korea to provide support for the construction of light-water reactors for North Korea was not in return for the resolution of the North Korean nuclear question but in consideration of the long-term development of the national community; including developing the energy supply on the Korean peninsula in the 21st century.

In other words, the government from the beginning had no intent of using the light-water reactor project as a means of "absorbing" North Korea or as a "Trojan horse" as North Korea feared. South Korea has been approaching the project based on



a U.S.-North Korea agreement and in a long-term plan for the promotion of national well-being.

Meanwhile, U.S.-North Korea expert-level talks to discuss the reactor issue under the U.S.-North Agreed Framework of October 21, 1994 were held in Beijing and Berlin. The times and places of the talks attended by Gary Samore, U.S. State Department deputy director for nonproliferation, and Kim Jong-u, vice chairman of the North's External Economy Commission, were:

*First meeting: November 30-December 2, 1994, Beijing*

*Second meeting: January 21-February 1, 1995, Berlin*

*First session of the third meeting: March 24-27, 1995, Berlin*

*Second session of the third meeting: April 12-14, 1995, Berlin*

*Third session of the third meeting: April 18-20, 1995, Berlin*

In the course of the U.S.-North Korea talks, North Korea, while rejecting South Korean-model reactors and South Korea's central role, demanded that light-water reactors designed by the United States be used and a joint-venture firm led by an American firm be the main contractor in the reactor project.

The North said, however, that South Korea, which is to shoulder most part of the reactor support for the North, could design part of the reactors, manufacture most of the reactors, and undertake the whole construction.

As North Korea steadfastly turned down South Korean-

model light-water reactors, the Berlin talks broke-up, imperiling the Geneva U.S.-North Korea agreement that called for the conclusion of a contract for the supply of light-water reactors within six months. North Korea threatened that it would resume nuclear activities including the refueling of nuclear reactors unless the supply contract is signed within the specified period.

The South Korean and U.S. governments made it clear that the date April 21 specified in the U.S.-North Korea agreement was not a deadline for the conclusion of a supply contract but a target date. They stressed that if North Korea resumed nuclear activities, it would be taken as a grave violation of the Geneva agreement and counter-actions would be taken against North Korea such as a sanction by the U.N. Security Council.

In this connection, a spokesman for the South Korean Foreign Ministry made the following comment on April 22, 1995 :

*We were disappointed at and concerned about the U.S.-North Korea light-water reactor negotiations having hit a serious deadlock as the Berlin experts talks on reactors ended without any achievements.*

*South Korea and the United States, in their part, tried with maximum magnanimity to accommodate North Korea's position to the extent of the basic principle that South Korean-model reactors would be used and South Korea would play a central role. But, North Korea ignored our sincerity to the end, repeating their unreasonable demand only.*

*Though they agreed in the U.S.-North Korea agreement to resume South-North dialogue and carry out the joint denuclearization declaration, North Korea refuses to have talks with us to date. To our deep regret, we believe their rejection*

*of South Korean-model reactors stems from the same motivation.*

*We believe the date April 21 is no more than a target date for the conclusion of a reactor supply contract. North Korea, therefore, is urged to continue to come to the negotiations table with sincerity, aware of a serious outcome that would result from the unilateral defreezing of their nuclear activities as they are bound by a time limit they set by themselves. We hereby declare that as long as North Korea keeps its nuclear program frozen, South Korea and the United States would always keep the door wide open for negotiations with North Korea.*

Following the breakup of the Berlin talks, the United States proposed a high-level meeting between Assistant Secretary of State Robert Gallucci and North Korean First Vice Minister Kang Sok-ju to find a way out of the stalemate.

While continuing to threaten to resume nuclear activities, North Korea, nevertheless, did not commit any breach of the Geneva U.S.-North Korea agreement such as the refueling of their nuclear reactors, thus leaving room for further negotiations with the United States.

After North Korea's rejection of a Gallucci-Kang Sok-ju meeting, the United States and North Korea somehow managed to agree to have a semi-high-level U.S.-North Korea meeting in Kuala Lumpur.

The Kuala Lumpur talks between U.S. Deputy Assistant Secretary of State Tom Hubbard and North Korea's Vice Foreign Minister Kim Gye-gwan lasted for almost one month from May 19 to June 12 in the form of chief delegates' meetings and plenary sessions.

In the initial stage of the talks, North Korea beclouded the future of the talks by tenaciously demanding that the light-water reactors to be provided should be described in a way that shows they are of an American model though they could recognize the substance of South Korea-model reactors and that the model be finally designed by an American firm.

On the other hand, the North Koreans showed a zeal toward resolving the light-water reactor issue by refraining from raising political issues like the conclusion of a peace agreement on the Korean peninsula.

Before entering the adjustment of wording based on an advance South Korea-U.S. agreement, the United States concentrated on finding out the true intent of the North Koreans.

In the later phase of the talks, North Korea withdrew their demand for an "American model" with regard to the title of light-water reactors. While showing signs of accepting the U. S. position toward the issues of having the Korean Peninsula Energy Development Organization (KEDO) select a main contractor and of signing a commercial contract between the KEDO and a main contractor, North Korea demanded that the United States, in return, make a concession over the question of broadening the scope of reactors supply.

While giving up their demand that a joint-venture firm led by an American company should be the main contractor, North Korea showed an unclear attitude with respect to an American firm's role in the design of reactors.

In the end, North Korea, aware of the reality in which there was no way but for South Korea to play a central role, withdrew a set of their demands that constituted obstacles to the negotiations such as a final design by an American firm and a U.S. concession toward the scope of the supply of reactors. They agreed that unsettled issues related to the reactor project would be discussed during future talks on the supply of reactors between the KEDO and North Korea.

But, apparently in consideration of their prestige, North Korea adamantly refused to describe the name of a reference reactor and the concrete role of a main contractor.

During Ambassador Gallucci's visit to Seoul, South Korea and the United States decided to have the Kuala Lumpur U.S.-North Korea agreement adopted after agreeing to fix its wording in a way that would make clear the use of the South Korean model and South Korea's central role and that would take the North's prestige into account.

### **3. Substance of the Talks**

The United States and North Korea agreed on a joint press statement on June 12, 1995, which was made public in Kuala Lumpur at 6 p.m. June 12 Korea time. Highlights of the statement were :

– *Reaffirmation of the intent of implementing the U.S.-North Korea Agreed Framework.*

– *The selection of the model of light-water reactors to be supplied to North Korea by the KEDO.*

– *Conclusion of a supply agreement between the KEDO and North Korea (External Economy Commission).*

– *Initiation of talks between the KEDO and North Korea at an early date to discuss unsettled issues regarding an agreement on the supply of light-water reactors.*

– *U.S.-North Korea experts meeting to discuss the issue of preventing the diversion of heavy oil during the month of June.*

– *Visit to North Korea by U.S. experts in June for the handling of spent fuel rods.*

*The full text of the Joint U.S.-North Korea Press Statement released in Kuala Lumpur was as follows :*

*The delegations of the United States of America (U.S.) and the Democratic People's Republic of Korea (DPRK) held talks in Kuala Lumpur from May 19 to June 12, 1995, with respect to implementation of the U.S.-DPRK Agreed Framework of October 21, 1994.*

*Both sides reaffirmed their political commitments to implement the U.S.-DPRK Agreed Framework, and with particular regard to facilitating the light water reactor (LWR) project as called for in the Agreed Framework, decided as follows :*

– I –

*The U.S. reaffirms that the letter of assurance from the U.S. President dated October 20, 1994 concerning the provision of the LWR project and interim energy alternatives continues in effect.*

*The Korean Peninsula Energy Development Organization (KEDO), under U.S. leadership, will finance and supply the LWR project in the DPRK as called for in the Agreed Framework. As specified in the Agreed Framework, the U.S. will*

*serve as the principal point of contact with the DPRK for the LWR project. In this regard, U.S. citizens will lead delegations and teams of KEDO as required to fulfill this role.*

— II —

*The LWR project will consist of two pressurized light water reactors with two coolant loops and a generating capacity of approximately 1,000MW(e) each. The reactor model, selected by KEDO, will be the advanced version of U.S.-origin design and technology currently under production.*

— III —

*The Commission for External Economic Relations, representing the DPRK Government, and KEDO will conclude a supply agreement at the earliest possible date for the provision of the LWR project on a turnkey basis. On the basis of this statement, the DPRK will meet with KEDO as soon as possible to negotiate the outstanding issues of the LWR supply agreement.*

*KEDO will conduct a site survey to identify the requirements for construction and operation of the LWR project. The costs of this site survey and site preparation will be included in the scope of supply for the project.*

*KEDO will select a prime contractor to carry out the project. A U.S. firm will serve as program coordinator to assist KEDO in supervising overall implementation of the LWR project; KEDO will select the program coordinator. A DPRK firm will enter into implementing arrangements as necessary to facilitate the LWR project.*

— IV —

*In addition to the LWR project, the two sides decided to take the following steps towards implementation of the Agreed Framework.*

*Experts from the two sides will meet in the DPRK as soon as possible in June to agree on a schedule and cooperative measures for phased delivery of heavy fuel oil in accordance with the Agreed Framework. KEDO will begin immediately to make arrangements for an initial delivery of heavy fuel oil, subject to the conclusion of the above agreement.*

*The U.S.-DPRK Record of Meeting of January 20, 1995, on safe storage of the spent fuel will be expeditiously implemented. In this regard, a U.S. team of experts will visit the DPRK as soon as possible in June to begin implementation.*

On the morning of June 13, 1995 prior to the release of the statement, U.S. President Bill Clinton sent a personal message to President Kim Young-sam regarding the U.S.-North Korea agreement.

The contents of an announcement made by Chong Wa Dae spokesman Yoon Yeo-joon with respect to President Clinton's message were as follows :

*Regarding the U.S.-North Korea light-water reactors talks being held in Kuala Lumpur, U.S. President Clinton sent a personal message to President Kim on June 13. The message follows the telephone consultation the two presidents had on June 8.*

*In the personal message, President Clinton affirmed that the light-water reactors to be provided to North Korea will be the model of South Korea's standard atomic power plant specified in the agreement on the establishment of the Korean Peninsula Energy Development Organization (KEDO), and that the reference power plant will be Uljin Plants Nos. 3 and 4.*

*In addition, President Clinton said the main contractor will be a South Korean company, which, he said, will carry out the light-water reactor project, taking overall charge in all the areas such as design, manufacture, construction and project management. He said an American firm will work as a subcontractor of the main contractor, a Korean company.*

*The American president also vowed to do his utmost to materialize South-North dialogue because the resumption of dialogue will be indispensable to the complete resolution of the nuclear question as well as to the faithful implementa-*



*tion of the Geneva agreement.*

Meanwhile, a KEDO Executive Board meeting was held among South Korean, U.S. and Japanese delegates in Seoul at 5 p.m. June 13, 1995. The meeting adopted a resolution which said, among other things, that the light-water reactors to be provided to North Korea will comprise two Korean-standard-model reactors and that Uljin Plants Nos. 3 and 4 will be the reference plant.

The resolution also made it clear that a South Korean Company would be selected as a main contractor in the implementation of all aspects of the light-water reactor project such as design, manufacture, construction and project management.

The full text of the Joint Press Statement issued by the KEDO Executive Board was as follows :

*The representatives from the Republic of Korea, the United States and Japan to the Executive Board of the Korean Peninsula Energy Development Organization(KEDO) held the third meeting of the Executive Board on June 13, 1995 in Seoul and discussed issues related to the LWR project.*

*Representatives to the Executive Board, Ambassador Choi Dong Jin from the R.O.K, Ambassador Robert L. Gallucci from the U.S, and ambassador Tetsuya Endo from Japan attended the meeting.*

*The Executive Board noted that the talks that took place in Kuala Lumpur between May 19 and June 13, 1995, involved close consultation among the ROK, the U.S. and Japan. These talks confirmed the basic principle for the implementation of the LWR project, i.e. the provision of Korean standard nuclear plant model and the ROK's central role in the project.*

*The Executive Board noted that smooth progress of the LWR project is im-*

*portant to the implementation of the Agreed Framework, and emphasized that direct contacts between KEDO and North Korea should take place as soon as possible to discuss the outstanding issues of the LWR supply agreement and other related steps.*

*In particular, with regard to the meeting between the U.S. and North Korea in Kuala Lumpur, the Executive Board reaffirmed that the reactors to be provided to North Korea will be Korean standard model reactor and that the reference plants will be Ulchin 3 and 4. The Executive Board directed KEDO to begin discussion with KEPCO in connection with prime contract.*

*The Executive Board directed KEDO to make necessary arrangements for site survey in North Korea and direct talks between KEDO and North Korea on the LWR supply agreement.*

*The Executive Board also determined that the composition of KEDO delegations and teams will include nationals of each member country of the Executive Board.*

*The Executive Board also decided to take necessary steps for the delivery of heavy fuel oil to North Korea. The delivery of heavy fuel oil will be subject to the conclusion of an agreement between the U.S. and North Korea on a schedule and cooperative measures and will be concurrent with the initiation of steps to ensure safe storage of the spent nuclear fuel in North Korea.*

*The Executive Board decided to convene the General Conference in New York at an early date.*

In a Foreign Ministry statement, the South Korean government supported the Kuala Lumpur agreement, saying it is a significant progress that the United States and North Korea agreed on an important principle for the implementation of the reactor project as it served to set the stage for future project implementation.

The statement expressed the expectation that with the Kuala Lumpur agreement as the impetus, the reactor project for North Korea would be successfully carried out to bring about the complete resolution of the North Korean nuclear question.

The following is the full text of the statement issued by the Foreign Ministry on June 13, 1995 :

*In the Kuala Lumpur Joint Press Statement, the United States and North Korea agreed on an important principle for the implementation of a project to provide light-water reactors to North Korea under the Geneva U.S.-North Korea Agreed Framework. As it provides for a basic groundwork for the future progress of the project, our government supports it as a significant progress.*

*Through the agreement, the two principles— the provision of the South Korean-model reactors and South Korea playing a central role— which our government pursued with respect to the reactor project for the North, have been materialized. In addition, the first step toward the concrete implementation of the project was taken when the KEDO Executive Board which met this afternoon and decided to select Uljin Plants Nos. 3 and 4 as the reference plant as specified in the agreement on the establishment of the KEDO and the Korea Electric Power Corp. as the main contractor in charge of design, manufacture, construction and project management of the light-water reactor project.*

*With the agreement, the U.S.-North Korea talks on the light-water reactor project was completed with future talks with North Korea set to be turned over to the KEDO. We, an original member of the KEDO, will directly take part in reactor negotiations with North Korea in the future, such as the survey of a site and conclusion of an agreement on the supply of reactors, and will thereby play a leading role in the project.*

*We expect that with the agreement as a catalyst, supply negotiations between the KEDO and North Korea will be held smoothly and thereby the reactor supply*

*project for North Korea will be carried out successfully, ultimately bringing about the complete resolution of the North Korean nuclear question.*

*Our government believes that for the successful implementation of the light-water reactor project for North Korea, the early resumption of South-North dialogue is indispensable as specified in the Geneva agreement. We call upon North Korea to respond affirmatively to the resumption of South-North dialogue.*

## **4. Significance and Evaluation**

The Kuala Lumpur U.S.-North Korea agreement is significant in that :

First, the United States and North Korea reaffirmed their intent of carrying on the Geneva Agreed Framework of October 21, 1994.

In other words, the two countries confirmed North Korea's obligations envisaged in the Geneva agreement, namely, continuous freezing of their nuclear activities and cooperation in handling spent fuel rods, as well as the United States' promise for the undertaking of the reactor project and the provision of heavy oil to North Korea.

Second, the two sides agreed on the basic structure of the project to provide light-water reactors to North Korea.

An agreement was obtained on the controversial issue, that was, the question of the use of South Korean-model light-water reactors and South Korea's central role in the project.

Third, the role of the KEDO was emphasized and a stage

set for South Korea's participation.

As the projected conclusion of a supply agreement between the KEDO and North Korea's External Economy Commission, direct negotiations between the KEDO and North Korea and a site survey by the KEDO were described expressly in the agreement. North Korea, which in the past refused to recognize even the existence of the KEDO, was made to accept the KEDO as its negotiation partner. As a result, South Korea could have a ground for its substantial participation through the KEDO.

### **Confirmation of the Supply of South Korean-Model Light-Water Reactors**

The principle of providing South Korean-model light-water reactors was pushed through as the KEDO was enabled to select the type of light-water reactors and as the Korean-style reactors were referred in the technical description of the model of the light-water reactors to be supplied.

First, the fact that the KEDO would select the model of light-water reactors expressly means that the light-water reactors to be provided to North Korea would be the standard South Korean atomic energy reactors and that the reference reactors would be Uljin Power Plants Nos. 3 and 4.

This can be known clearly also in the fact that the agree-

ment on the creation of the KEDO specifies that the KEDO's purpose lies in the provision of two South Korean standard atomic reactors with a capacity of 1,000MWe each to North Korea.

**\* Paragraph (a) (1), Article 2 "The Purpose of the Organization":**

*"Provide for the financing and supply of a light-water reactor project in North Korea, consisting of two reactors of the Korean standard nuclear plant model with a capacity of approximately 1,000MWe each, pursuant to a supply agreement to be concluded between the Organization and the DPRK."*

Second, the technical description of the type of light-water reactors clearly denotes the Korean-style light-water reactors. The descriptions "two pressurized light-water reactors with two coolant loops and a generating capacity of approximately 1,000MWe each" and "currently under production" refer to the specifications of the Korean standard nuclear reactor sans the words "Korean National Standard Plant(KNSP)."

**Confirmation of the Principle of South Korea Playing  
a Central Role**

North Korea agreed that the KEDO would select a main contractor and that the main contractor would carry out the light-water reactor project. This can be taken as their indirect

confirmation of the principle of South Korea playing a central role in the reactor project.

Among the three countries of South Korea, the United States and Japan, which are the signatory parties to the KEDO agreement, there is the firm common understanding that a South Korean company should be the main contractor in the project to provide Korean standard nuclear reactors. Also agreed was that the main contractor would carry out the overall aspects of the reactor project such as design, manufacture, construction and project management.

### **Agreement on the Principle of Direct Negotiations Between the KEDO and North Korea**

The United States and North Korea agreed on the principle of concluding a supply agreement between the KEDO and North Korea as well as of direct negotiations between the two sides, thus providing a framework of the project to be undertaken by the KEDO.

This means that even though American citizens would on the surface lead KEDO negotiation teams and a site inspection team, the three countries of South Korea, the United States and Japan would carry on negotiations with North Korea in the future with South Korea playing a leading role.

## **Securing of Cooperation in the Handling of North Korea's Spent Fuel Rods**

By agreeing on a visit to North Korea by a U.S. team in June on the handling of spent fuel rods, it has been made possible to store spent fuel rods safely and transfer them to a third country in the long run.

This is an effective way of forestalling the possible attempt of North Korea to threaten the defreezing of their nuclear activities with the excuse of the erosion of their spent fuel rods.

## **Securing of Method of Preventing North Korea's Possible Diversion of Heavy Oil**

By agreeing to hold a U. S.-North Korea experts-level meeting in June to discuss the issues of preventing the use of provided heavy oil for purposes other than power generation and the schedule of the delivery of heavy oil, a base has been laid for the prevention of possible diversion of heavy oil by North Korea for industrial and military use.

The United States and North Korea also affirmed that the additional supply of heavy oil to North Korea would be possible only after a device was prepared to prevent the diversion of heavy oil.



Meanwhile, the words “cooperative measures” on which North Korea agreed, denote in general the “monitoring arrangement” used during disarmament talks between the United States and the former Soviet Union. North Korea agreed on the use of the words with the express awareness of their implication.



## **Part V**

# **Establishment of the Korean Peninsula Energy Development Organization**

- 1. Conclusion of an Agreement on the Establishment of the Korean Peninsula Energy Development Organization**
- 2. Highlights of the Agreement**



## **1. Conclusion of an Agreement on the Establishment of the Korean Peninsula Energy Development Organization**

Following a series of high-and working-level talks to inaugurate an organization to carry out the Geneva U.S.-North Korea agreement, in particular the project to provide light-water reactors to North Korea, the three countries of South Korea, the United States and Japan signed the Agreement on the Establishment of the Korean Peninsula Energy Development Organization(KEDO) in New York on March 9, 1995.

The main purpose of the KEDO is to provide for the financing and supply of two Korean standard light-water reactors with a capacity of 1,000MWe each to North Korea, and take charge of the delivery of alternate energy sources to North Korea until the completion of Reactor No. 1.

However, key parts of the reactors are to be supplied only after North Korea fulfills the safeguards agreement it concluded with the International Atomic Energy Agency(IAEA) and pursuant to the London Guideline, namely, the international atomic energy exports control guideline, of the Nuclear Supply Group

(NSG).

In addition, the KEDO will carry-out other measures deemed necessary for the attainment of the purpose of the Agreed Framework signed by the United States and North Korea on October 21, 1994.

Once the Geneva agreement is put into complete translation, the graphite-modulated reactors North Korea presently maintains would be dismantled to resolve the North Korean nuclear question, which poses a threat to the Nuclear Nonproliferation Treaty as well as to peace and stability on the Korean peninsula.

In the implementation of the Geneva agreement, in particular, it is essential for North Korea to fulfill the Joint Declaration of the Denuclearization of Korean peninsula, return the table of South-North dialogue and abide by the treaty obligations of the Nuclear Nonproliferation Treaty as a NPT member country.

Prior to the signing of the KEDO agreement, South Korea, the United States and Japan jointly hosted an international meeting at the U.S. mission in New York on March 8 to prepare for the KEDO's establishment.

The meeting was attended by the representatives of 20 countries and the European Union, the 20 participating countries being Australia, Bahrain, Canada, Finland, France, Germany, Indonesia, Italy, Kuwait, Malaysia, the Netherlands, New Zealand, the Philippines, Qatar, Russia, Singapore, Thailand,

United Arab Emirates and the United Kingdom.

The following day, March 9, South Korea, the United States and Japan, as the original KEDO member countries, signed the agreement on the establishment of the organization to give birth to the KEDO as an international organization based on International Law.

The agreement was signed by Choi Dong-jin, chief of South Korea's Office of Planning of Light-Water Reactors, U.S. Nuclear Ambassador Robert L. Gallucci and Japanese Ambassador at large Tetsuya Endo.

To invigorate the activities of the KEDO, the South Korean government will try to have more countries join the KEDO, negotiate with the United States and Japan for the early inauguration of a KEDO secretariat, and prepare for the KEDO's negotiations with North Korea.

***\* Courses of negotiations among South Korea, the United States and Japan for the establishment of the KEDO :***

*— November 18-19, 1994 : Talks among South Korea, U.S. and Japan in Washington.*

*Agreement on the opening of the KEDO door and early formation of the KEDO and on South Korea's central role.*

*— December 15-16, 1994 : High-level talks among South Korea, U.S. and Japan in Washington.*

*Determining of the location of the KEDO office and agreement on the establishment of the KEDO in February.*

*— January 9-12, 1995 : Working-level talks among South Korea, U.S.*

*and Japan in Tokyo.*

– *January 19-20, 1995 : Working-level talks among South Korea, U.S. and Japan in Tokyo.*

– *February 27-28 1995 : Working-level talks among South Korea, U.S. and Japan in Washington.*

– *March 2-3, 1995 : High-level talks among South Korea, U.S. and Japan in Washington.*

– *March 7-9, 1995 : Preparatory talks for and signing of the Agreement on KEDO Establishment in New York.*

– *March 9, 1995 : First KEDO Executive Board meeting in Seoul.*

– *April 7, 1995 : Second KEDO Executive Board meeting in Seoul.*

– *June 13, 1995 : Third KEDO Executive Board meeting in Seoul*

## **2. Highlights of the Agreement**

The agreement on the Establishment of the Korean Peninsula Energy Development Organization(KEDO), consisting of a preamble and 15 articles, sets forth the KEDO's purpose, function and principles, composition and organization, and financial operation and legal status.

### **The Purpose, Function and Principles of the KEDO**

The KEDO is to conclude an agreement with North Korea on the supply of light-water reactors. Accordingly, the KEDO will select a main contractor and conclude with the main



contractor a commercial contract for the construction of light-water reactors.

The Agreement stipulates that the purposes of the KEDO are to provide for the financing and supply of a light-water reactor project in North Korea, consisting of two reactors of the Korean standard nuclear plant model with a capacity of approximately 1,000KWe each; provide for the supply of interim energy alternatives; and provide for the implementation of any other measures deemed necessary to accomplish these or to carry out the objectives of the U.S.-North Korea Agreed Framework.

Therefore, it is expressly described that the two light-water reactors to be provided to North Korea will be the Korean standard nuclear plant model.

It also describes that the KEDO would fulfill its purposes with a view toward ensuring the full implementation by North Korea of its undertakings as described in the Agreed Framework.

The Agreement then sets forth various functions the KEDO would fulfill with a view toward promoting these purposes. Among such KEDO functions are to evaluate and administer KEDO projects, receive funds from KEDO members, receive payment from North Korea, and conclude relevant agreements and contracts.

With regard to KEDO activities, the Agreement stipulates that KEDO activities will be subject to North Korea's compli-

ance with the terms of all agreements between the KEDO and North Korea and also to North Korea acting in a manner consistent with the U.S.-North Korea Agreed Framework.

It further provides that formal assurances are to be obtained from North Korea that nuclear materials, equipment and technology transferred to North Korea are to be used exclusively for such projects, only for peaceful purposes and in a safe manner.

### **Composition and Organization of the KEDO**

The KEDO is to consist of “original members” and “members”. The original members are South Korea, the United States and Japan while members are to be those countries offering assistance to the KEDO which are approved by the KEDO Executive Board.

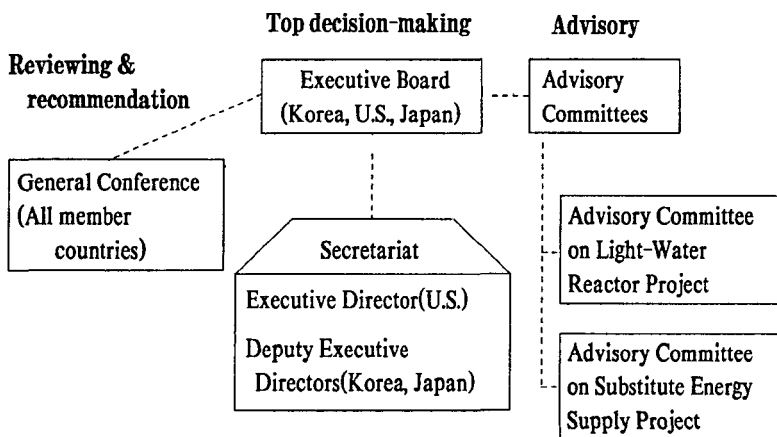
The KEDO organization comprises the Executive Board, General Conference, staff such as Executive Director and Deputy Executive Directors, and Advisory Committees. Of them, the most important office is the Executive Board with the highest decision-making authority.

The Executive Board consists of one representative of each of the original members, from among whom a chairman is selected for a term of two years.

Decisions of the Executive Board are supposed to be

made by a consensus of the representatives of all the original members. This method is based on the conception that the KEDO's normal operation can hardly be expected without full cooperation among all the three countries of South Korea, U.S. and Japan.

### *KEDO Organizational Chart*



The General Conference consists of representatives of all the members. The General Conference is to have annual and extraordinary meetings to review annual reports and matters submitted by the Executive Board, respectively.

The General Conference has no decision-making authority and performs such duties as review of annual reports and for-

warding recommendations to the Executive Board.

The Executive Director is the chief administrative officer of the KEDO who, subject to the control of the Executive Board, is to conduct such ordinary KEDO business as the organization and direction of a KEDO headquarters and a staff, the preparation of annual budgets, the procurement of financing, and the approval, execution and administration of contracts to achieve the purposes of the Organization.

The Executive Director and the two Deputy Executive Directors who assist the Executive Director are to be selected by the Executive Board among the nationals of South Korea, U.S. and Japan for two-year terms.

However, an understanding has been reached among the three original member countries that the first Executive Director would be an American citizen. All in all, the Executive Board and the senior staffs of the Secretariat are to be filled with the citizens of South Korea, U.S. and Japan, indicating that the KEDO would be operated under the initiatives of these three countries.

The Advisory Committees include the Advisory Committee on the light-water reactor project and the Advisory Committee on the substitute energy supply project. Each Advisory Committee includes representatives of the original and other members that support the project for which the Advisory Committee was established. The Advisory Committees are to provide advice to the Executive Board and the Executive Director.

## **Financial Operation and Legal Status, etc., of the KEDO**

On the financial operation of the KEDO, the Agreement provides for the matters of principle only. Detailed operational ways such as the method of raising funds are expected to be discussed by the KEDO in the future.

Meanwhile, the Agreement stipulates that the KEDO would possess the legal capacity needed to carry out its activities in member countries, especially the United States where its headquarters is located, the capacity to contract, lease or rent real property, acquire and dispose of personal property, and institute legal proceedings.

The Agreement makes it clear that the KEDO possesses authority, obligation and capacity independent of member countries by stipulating that no member is to be liable, by reason of its status as a member, for acts of the KEDO.

## **Effectuation and Joining of and Cession from the Agreement**

The Agreement goes into force upon signing by the original members. The states approved by the Executive Board for membership may become members by submitting an instrument of acceptance of the Agreement to the Executive Director.

The Agreement may be amended, terminated or suspended by written agreement of the original members.

A member may withdraw from the agreement at any time by giving written notice of withdrawal to the Executive Director.

# **Appendix**

**Text of the Agreement on the  
Establishment of Korean Peninsula  
Energy Development Organization**





The Government of the Republic of Korea, the Government of Japan, and the Government of the United States of America:

Affirming the objective of an overall resolution of the North Korean nuclear issue as referred to in the Agreed Framework Between the United States of America and the Democratic People's Republic of Korea, signed in Geneva on October 21, 1994 (hereinafter referred to as "the Agreed Framework");

Recognizing the critical importance of the nonproliferation and other steps that must be taken by North Korea, as described in the Agreed Framework, as a condition of implementation of the Agreed Framework;

Bearing in mind the paramount importance of maintaining peace and security on the Korean Peninsula;

Wishing to cooperate in taking the steps necessary to implement the Agreed Framework, consistent with the Charter of the United Nations, the Treaty on the Non-Proliferation of Nuclear Weapons, and the Statute of the International Atomic Energy Agency; and

Convinced of the need to establish an organization, as contemplated in the Agreed Framework, to coordinate coopera-

tion among interested parties and to facilitate the financing and execution of projects needed to implement the Agreed Framework;

Have agreed as follows:

## ARTICLE I

The Korean Peninsula Energy Development Organization (hereinafter referred to as “KEDO” or “the Organization”) is established upon the terms and conditions hereinafter set forth.

## ARTICLE II

(a) The purposes of the Organization shall be to:

(1) provide for the financing and supply of a light-water reactor (hereinafter referred to as “LWR”) project in North Korea (hereinafter referred to as “the DPRK”), consisting of two reactors of the Korean standard nuclear plant model with a capacity of approximately 1,000 MW<sup>(e)</sup> each, pursuant to a supply agreement to be concluded between the Organization and the DPRK;

(2) provide for the supply of interim energy alternatives in lieu of the energy from the DPRK's graphite-moderated reactors pending construction of the first light-water reactor unit; and

(3) provide for the implementation of any other measures deemed necessary to accomplish the foregoing or otherwise to carry out the objectives of the Agreed Framework.

(b) The Organization shall fulfill its purposes with a view toward ensuring the full implementation by the DPRK of its undertakings as described in the Agreed Framework.

### ARTICLE III

In carrying out these purposes, the Organization may do any of the following:

(a) Evaluate and administer projects designed to further the purposes of the Organization;

(b) Receive funds from members of the Organization or other states or entities for financing projects designed to further the purposes of the Organization, manage and disburse such funds, and retain for Organization purposes any interest that ac-

cumulates on such funds;

(c) Receive in-kind contributions from members of the Organization or other states or entities for projects designed to further the purposes of the Organization;

(d) Receive funds or other compensation from the DPRK in payment for the LWR project and other goods and services provided by the Organization;

(e) Cooperate and enter into agreements, contracts, or other arrangements with appropriate financial institutions, as may be agreed upon, for the handling of funds received by the Organization or designated for projects of the Organization;

(f) Acquire any property, facilities, equipment, or goods necessary for achieving the purposes of the Organization;

(g) Conclude or enter into agreements, contracts, or other arrangements, including loan agreements, with states, international organizations, or other appropriate entities, as may be necessary for achieving the purposes and exercising the functions of the Organization;

(h) Coordinate with and assist states, local authorities and other public entities, national and international institutions, and

private parties in carrying out activities that further the purposes of the Organization, including activities promoting nuclear safety;

(i) Dispose of any receipts, funds, accounts, or other assets of the Organization and distribute the proceeds in accordance with the financial obligations of the Organization, with any remaining assets or proceeds therefrom to be distributed in an equitable manner according to the contributions of each member of the Organization, as may be determined by the Organization; and

(j) Exercise such other powers as shall be necessary in furtherance of its purposes and functions, consistent with this Agreement.

#### ARTICLE IV

(a) Activities undertaken by the Organization shall be carried out consistent with the Charter of the United Nations, the Treaty on the Non-Proliferation of Nuclear Weapons, and the Statute of the International Atomic Energy Agency.

(b) Activities undertaken by the Organization shall be subject to the DPRK's compliance with the terms of all agreements

between the DPRK and KEDO and to the DPRK acting in a manner consistent with the Agreed Framework. In the event that these conditions are not satisfied, the Organization may take appropriate steps.

(c) The Organization shall obtain formal assurances from the DPRK that nuclear materials, equipment, or technology transferred to the DPRK in connection with projects undertaken by the Organization shall be used exclusively for such projects, only for peaceful purposes, and in a manner that ensures the safe use of nuclear energy.

## ARTICLE V

(a) The original members of the Organization shall be the Republic of Korea, Japan, and the United States of America (hereinafter referred to as the “original Members”).

(b) Additional states that support the purposes of the Organization and offer assistance, such as providing funds, goods, or services to the Organization, may, with the approval of the Executive Board, also become members of the Organization (hereinafter jointly with the original Members referred to as “Members”) in accordance with the procedures in Article XIV(b).

## ARTICLE VI

(a) The authority to carry out the functions of the Organization shall be vested in the Executive Board.

(b) The Executive Board shall consist of one representative of each of the original Members.

(c) The Executive Board shall select a Chair from among the representatives serving on the Executive Board for a term of two years.

(d) The Executive Board shall meet whenever necessary at the request of the Chair of the Executive Board, the Executive Director, or any representative serving on the Executive Board, in accordance with rules of procedure it shall adopt.

(e) Decisions of the Executive Board shall be made by a consensus of the representatives of all the original members.

(f) The Executive Board may approve such rules and regulations as may be necessary or appropriate to achieve the purposes of the Organization.

(g) The Executive Board may take any necessary action on any matter relating to the functions of the Organization.

## ARTICLE VII

(a) The General Conference shall consist of representatives of all the Members.

(b) The General conference shall be held annually to consider the annual report, as referred to in Article XII.

(c) Extraordinary meetings of the General Conference shall be held at the direction of the Executive Board to discuss matters submitted by the Executive Board.

(d) The General Conference may submit a report containing recommendations to the Executive Board for its consideration.

## ARTICLE VIII

(a) The staff of the Organization shall be headed by an Executive Director. The Executive Director shall be appointed by the Executive Board as soon as possible after this Agreement enters into force.

(b) The Executive Director shall be the chief administrative officer of the Organization and shall be under the authority



and subject to the control of the Executive Board. The Executive Director shall exercise all the powers delegated to him or her by the Executive Board and shall be responsible for conducting the ordinary business of the Organization, including the organization and direction of a headquarters and a staff, the preparation of annual budgets, the procurement of financing, and the approval, execution and administration of contracts to achieve the purposes of the Organization. The Executive Director may delegate such powers to other officers or staff members as he or she deems appropriate. The Executive Director shall perform his or her duties in accordance with all rules and regulations approved by the Executive Board.

(c) The Executive Director shall be assisted by two Deputy Executive Directors. The two Deputy Executive Directors shall be appointed by the Executive Board.

(d) The Executive Director and the Deputy Executive Directors shall be appointed for terms of two years and may be re-appointed. They shall be nationals of the original members. The terms of employment, including salaries, of these officers shall be determined by the Executive Board. The Executive Director and the Deputy Executive Directors may be removed prior to the expiration of their terms by a decision of the Executive Board.

(e) The Executive Director shall have the authority to approve projects, execute contracts, and enter into other financial obligations on behalf of the Organization within the guidelines adopted by the Executive Board and the limits of the approved budget, provided that the Executive Director shall obtain the prior approval of the Executive Board for projects, contracts, or financial obligations that exceed a specified value, which shall be determined by the Executive Board based on the need for effective and efficient operation of the Organization.

(f) The Executive Director shall establish staff positions and terms of employment, including salaries, subject to the approval of the Executive Board. The Executive Director shall appoint qualified personnel to such staff positions and dismiss personnel as necessary, in accordance with rules and regulations to be approved by the Executive Board. The Executive Director shall seek to appoint a staff in which the nationals of the original members are fairly represented, paying due regard to the importance of securing the highest standards of integrity, efficiency, and technical competence.

(g) The Executive Director shall report to the Executive Board and the General Conference on the activities and finances of the Organization. The Executive Director shall promptly bring to the notice of the Executive Board any matter that may require Executive Board action.

(h) The Executive Director, with the advice of the Deputy Executive Directors, shall prepare rules and regulations consistent with this Agreement and the purposes of the Organization. The rules and regulations shall be submitted to the Executive Board for its approval prior to implementation.

(i) In the performance of their duties, the Executive Director and the staff shall not seek or receive instructions from any government or from any other authority external to the Organization. They shall refrain from any action that might reflect on their position as international officials responsible only to the Organization. Each Member undertakes to respect the exclusively international character of the responsibilities of the Executive Director and the staff and not to seek to influence them in the discharge of their responsibilities.

## ARTICLE IX

(a) The Executive Board shall establish Advisory Committees to provide advice to the Executive Director and the Executive Board, as appropriate, on specific projects being carried out by the Organization or proposed to be carried out by the Organization. Advisory Committees shall be established for the light-water reactor project, the project for the provision of interim energy alternatives, and such other projects as the Executive

Board may determine.

(b) Each Advisory Committee shall include representatives of the original Members and other Members that support the project for which the Advisory Committee was established.

(c) The Advisory Committees shall meet at such times as they may determine.

(d) The Executive Director shall keep the Advisory Committees fully informed of matters pertinent to their respective projects, and the Executive Board and Executive Director shall give due consideration to the recommendations of the Advisory Committees.

## ARTICLE X

(a) The budget for each fiscal year shall be prepared by the Executive Director and shall be approved by the Executive Board. The Organization's fiscal year shall be from January 1 to December 31.

(b) Each Member may make voluntary contributions to the Organization by providing or making available such funds as it deems appropriate.

Such contributions may be made directly to the Organization or by paying the Organization's contractors. Contributions shall be made by cash deposit, escrow, letter of credit, promissory note, or by such other legal means and in such currency as may be agreed between the Organization and the contributor.

(c) The Organization may seek contributions from such other public or private sources as it deems appropriate.

(d) The Organization shall establish an account or accounts to receive funds from Members or other or other sources, including independent accounts for those funds to be reserved for specific projects and the administration of the Organization. Interest or dividends accruing on such accounts shall be reinvested for activities of the Organization. Excess funds shall be distributed as set forth in Article III(i).

## ARTICLE XI

(a) Members may make available to the Organization or its contractors goods, services, equipment, and facilities that may be of assistance in achieving the purposes of the Organization.

(b) The Organization may accept from such other public

or private sources as it deems appropriate any goods, services, equipment, and facilities that may be of assistance in achieving the purposes of the Organization.

(c) The Executive Director shall be responsible for valuing in-kind contributions to the Organization, whether direct or indirect. Members shall cooperate with the Executive Director in the valuation process, including by providing regular reports of in-kind contributions and access to records necessary to verify the value of such contributions.

(d) In the event of a dispute concerning the value of an in-kind contribution, the Executive Board shall review the matter and render a decision.

## ARTICLE XIII

The Executive Director shall submit to the Executive Board for its approval an annual report on the activities of the Organization, which shall include a description of the status of the LWR project and other projects, a comparison of planned activities to completed activities, and an audited statement of the Organization's accounts. Upon the approval of the Executive Board, the Executive Director shall distribute the annual report to the Members. The Executive Director shall submit to the Ex-

ecutive Board such other reports as may be required by the Executive Board.

### ARTICLE XIII

(a) To carry out its purposes and functions, the Organization shall possess legal capacity and, in particular, the capacity to: (1) contract; (2) lease or rent real property; (3) acquire and dispose of personal property; and (4) institute legal proceedings. Members may accord the Organization such legal capacity in accordance with their respective laws and regulations where necessary for the Organization to carry out its purposes and functions.

(b) No Member shall be liable, by reason of its status or participation as a Member, for acts, omissions, or obligations of the Organization.

(c) Information provided to the Organization by a Member shall be used exclusively for the purposes of the Organization and shall not be publicly disclosed without the express consent of that Member.

(d) Implementation of this Agreement in the Members' territories shall be in accordance with the laws and regulations, in-

cluding budgetary appropriations, of such Members.

#### ARTICLE XIV

(a) This Agreement shall enter into force upon signature by the original Members.

(b) States approved by the Executive Board for membership in accordance with Article V (b) may become Members by submitting an instrument of acceptance of this Agreement to the Executive Director, which shall become effective on the date of receipt by the Executive Director.

(c) This agreement may be amended by written agreement of the original Members.

(d) This Agreement may be terminated or suspended by written agreement of the original Members.

#### ARTICLE XV

A Member may withdraw from this Agreement at any time by giving written notice of withdrawal to the Executive Director. The withdrawal shall become effective ninety days after



receipt of the notice of withdrawal by the Executive Director.

Done at New York, this ninth day of March, 1995, in three copies in the English language.

FOR THE GOVERNMENT OF  
THE REPUBLIC OF KOREA \_\_\_\_\_

FOR THE GOVERNMENT OF  
JAPAN \_\_\_\_\_

FOR THE GOVERNMENT OF  
THE UNITED STATES OF AMERICA \_\_\_\_\_



No. 62

July

1995

**SOUTH-NORTH DIALOGUE IN KOREA**

Published by

***Office of the South-North Dialogue,***

***National Unification Board***

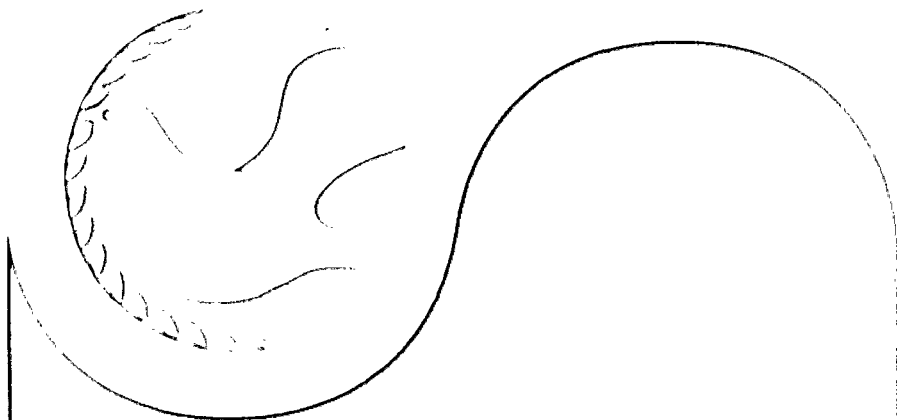
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Seoul, Korea



# SOUTH-NORTH DIALOGUE IN KOREA

No. **63** January 1996



OFFICE OF THE SOUTH-NORTH DIALOGUE  
MINISTRY OF NATIONAL UNIFICATION  
SEOUL, KOREA



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## Part I

# Beijing Talks and Provision of Rice to North Korea

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# I . Beijing Talks and Provision of Rice to North Korea

## 1. Background

The chronic food problem facing North Korea is attributable to a set of factors : including insufficient farming structure stemming from the demerits of the socialist economic system ; failure in the terraced farmland program, and short supply of fertilizers and farm chemicals poor harvests in successive years due to natural disasters such as floods and drought have exacerbated systemic failures.

Due to the worsening food situation, North Korea has been importing more than two million tons of grains from abroad a year since 1992 to offset food shortages. On the other hand, Pyongyang has been trying to resolve the food problem partly by forcing the people to live more austere lives.

Grain imports from foreign countries have diminished year after year due to the lack of foreign exchange currency. To make it worse, even China, which had traditionally been the largest food donor to the North, has lately been demanding that

North Korea pay for its grain imports from China with hard currencies.

In fact, China's grain shipments to North Korea have dwindled significantly since August 1994 after China, due to extensive floods in its southern area, banned the three northeastern provinces from exporting grain.

North Korea has been seeking to import grain from a number of countries in addition to China. They are Thailand, Malaysia, Australia, the United States and Canada. But, Pyongyang is not in a position to purchase grain from these countries in large amounts because the North is unable to pay for earlier grain shipments due to the lack of foreign exchange currency.

Expressing concern about the food problem of North Korea, President Kim Young-sam said on March 7, 1995 during his visit to Berlin that "we will spare no cooperation in any area North Korea needs." President Kim said in a speech at a meeting arranged by three German diplomatic organizations, "we are willing to furnish grains and other materials North Korea needs on soft credit."

Again in a speech at the International Press Institute Congress in Seoul on May 15, 1995, President Kim, while stressing that North Korea's stability, and orderly changes within its government are very important to the South, said, "The South is willing to provide grain and other items and raw materials North Korea needs at long-term and low-interest credits."

In response to the repeated disclosure by the South of the

willingness to furnish grain to the North, Ri Song-rok, chairman of the North Korean International Trade Promotion Committee, said on May 26 during his visit to Tokyo to negotiate a rice loan from Japan that the North would receive rice from South Korea if no strings were attached.

The North Korea official, who frankly admitted to the food problem besetting the North, made the remarks while talking with former Japanese Deputy Prime Minister Watanabe and other members of a coalition ruling parties' delegation that visited North Korea earlier. He thus conveyed indirectly to the South their willingness to accept South Korean rice.

On the same day, May 26, Deputy Prime Minister Rha Woong-bae, in a statement, said "The government would provide grain to North Korea without any preconditions or political strings so as to help our North Korean compatriots surmount the difficulty." He then proposed a contact between representatives of the authorities of the two sides to discuss the method and procedures for the proposed provision of grains.

The full text of Deputy Prime Minister's statement was as follows :

Prime Minister's statement about Provision of Rice to North Korea

*Our government time and again said it would not spare cooperation in any area North Korea needs and is interested in.*

*The government wishes to disclose its position as follows in connection with the North's recent statement that it would consider accepting South Korean rice.*

*Our government is willing to provide grain North Korea needs without any prerequisites or political strings attached.*

*Accordingly, our government hopes to discuss with the North such procedural matters as the kind and amount of the grain to be furnished, the place and time of delivery, and the means of shipping.*

*Our government proposes that to discuss these issues, the representatives of the authorities of the two sides will meet at a time and place North Korea chooses.*

*I look forward to an affirmative response from the North.*

On May 27, the government held a relevant ministers meeting under the chair of the Prime Minister to discuss the issue of providing rice to North Korea. It was agreed at the meeting that the issue of rice for North Korea is an international question, and ought to be taken care of within the nation.

Attendees also shared the view that it would be desirable for the international community to provide assistance to North Korea, prudently taking into account the peculiarity of inter-Korean relations.

Further on May 29, a working-level officials' meeting was held under the chair of the Vice Unification Minister to discuss working-level matters related to the proposed provision of rice to the North. The officials decided to finance the planned deliv-



ery of rice to North Korea costing about 200 billion won with the South-North Cooperation Fund.

The government on June 6 urged the North to agree to a government officials contact as proposed by the South as a minimum necessary step to facilitate the delivery of rice to the North.

North Korea has kept mum for about 10 days before they proposed on June 9 that representatives of Samcholli General Co., under the control of the North's External Economic Affairs Commission and the Korea Trade and Investment Promotion Corp. (KOTRA) meet in Beijing on June 13 to discuss the matter.

Accordingly, the South Korean government advised KOTRA to inform the North of its stand favoring "government officials' talks first, private firms' contacts later." As the North accepted the stand, the stage was set for the Beijing talks attended by vice minister-level officials of the South and North Korean government authorities as chief delegates.

## **2. First-Round Beijing Talks**

### **a. Progress of Talks**

The first-round talks to discuss the proposed provision of grain to the North were held in Beijing, China, from June 17 to

June 21, 1995.

Representing Seoul at the meeting was Vice Finance and Economy Minister Lee Suk-chaе as chief delegate. Other members of the southern delegation were Kim Yong-hwan, assistant to the Prime Minister; Chu Jun-sok, Chongwadae economic secretary; and Kim Hyong-ki, first policy officer of the Office of Unification Policy, National Unification Ministry.

The North Korean delegation, headed by Chon Gum-chol, advisor to the Committee for Promoting External Economic Cooperation, included Kim Bong-ik, general president of Samcholli General Co.; and Kim Yong-jin and Ri Song-dok, both counselor at the Committee for Promoting External Economic Cooperation.

At the outset of the talks, Lee Suk-chaе, the South's chief delegate, said, "We hope to make the rice issue a success on the basis of pure brotherly love and the spirit of mutual assistance in the sense of mutually cooperating in difficulties."

He then proposed that based on an agreement to be made at the talks, trading companies involved would settle technical and working-level matters while the government authorities of the two sides discuss the question of guaranteeing the delivery and receipt of the grain.

The North's chief delegate Chon Gum-chol suggested that the two sides discuss the matter in the direction of 1) ensuring, first of all, the nation's interests as well as grand national unity, transcending ideological and institutional differences, 2) carry-

ing out the talks in pure spirits without any prerequisites, 3) resolving the issue in the shortest possible period through intensive discussion, and 4) focusing only on the rice issue without debating other questions.

The North Korean delegation wanted to discuss the amount of rice to be provided to the North.

The South, while expressing the willingness to render maximum cooperation in helping resolve the food problem facing the North Korean compatriots, suggested that 50,000 tons of rice could be shipped as the initial shipment. The southern delegation said the issue of any addition provisions could be discussed in the course of broader-level discussion of mutual economic cooperation to be held in the future between the government authorities of the two sides.

But, the North's chief delegate Chon Gum-chol said the 50,000 tons were not enough, stating that he couldn't report such a small amount when he returned home. Chon appealed to southern delegates to increase the amount of the initial shipment even if the South were not in a position to set forth the whole amount to be provided to the North. The North then laid down concrete ideas on terms, contract firms, transportation issues, packing, and unloading harbors related to the delivery of rice.

As to the terms, the northern delegates, though they placed more emphasis on grant-type delivery, suggested that part of the rice be supplied on a credit repayable in five years

after a grace of 20 years.

In response, the South said it would study a method of giving benefits to the North while saving the external faces of both sides.

With regard to the issue of marking of nationality on the vessels carrying rice to the North, the southern delegation demanded the deletion of the clause of the North-prepared agreement that said, "Southern vessels entering the northern area to transport rice shall not show any nationality marking."

The two sides made a compromise on the issue and verbally agreed that the South's rice vessels would carry neither of the two sides' flags.

The most difficult item to settle at the first-round Beijing talks was the total amount of rice to be provided to the North. Against the North Korean demand that the total amount should be shipped at once, the southern delegation offered to provide 50,000 tons initially, with the suggestion that the amount could be increased later. But, the North tenaciously asked for the shipment of 200,000 tons of rice by the end of October in the initial stage.

Another difficult item was the authority under which the rice agreement was to be signed. The South stressed that the document should be signed by men with government titles, suggesting that the South would sign it under the name of the vice finance-economy minister and that the North's chief delegate Chon Gum-chol use his party title. But, the North refused to use

Chon's party and administration titles, causing the discussion of the issue to drag on.

A compromise agreement reached was that Chon Gum-chol would sign it under the title "advisor to the Committee for Promoting External Economic Cooperation" with authority delegated by the External Economic Commission of the Democratic People's Republic of Korea.

After going through such ups and downs, the two sides' chief delegates signed the agreement.

Throughout the Beijing talks, the South held fast to the policy of "accepting the North Korean demand to the most possible extent" without any conditions in line with President Kim's pronouncement that "the South Would provide grain to the North from the standpoint of brotherly love in view of the food difficulty of North Korea."

#### b. Announcement of Agreement

After five days of negotiations, the two sides signed the agreement on June 21. On the same date, the South made an announcement on the agreement on the provision of grain to the North. The announcement was made by Deputy Prime Minister and National Unification Minister Rha Woong-bae.

The text of the announcement was as follows :

*President Kim Young-sam proposed to offer grain assistance to North*

*Korea to help ease the food difficulty of north Korea from the approach of brotherly love. The proposals were made on several occasions : in his commemorative address on last year's national liberation day, in his declaration made in Berlin on last March 7, and in his speech at the IPI meeting of last May 15.*

*On last may 26, the government, in the name of the Deputy Prime Minister and National Unification Minister, expressed the willingness to provide grain North Korea needs to the North without any conditions, proposing that the two sides' government officials have a contact to discuss procedural matters.*

*Subsequently on June 13—16, our side's Korea Trade Promotion Corp. (KOTRA) and the Samcholl'i General Co. under the North's External Economic Commission has a contact in Beijing at the suggestion of the North.*

*At the contact, our side informed the North that the issue of the delivery of rice should be discussed through contacts between the government authorities of the two sides. North Korea accepted it and a contact ensued in Beijing from June 17 through 21 between the government authorities of the South and the North.*

*At the contact, the two sides' authorities made the following agreement :*

#### *Summary of Agreement*

- 1) Our side shall deliver 150,000 tons of rice to the North in the initial stage, and the initial-stage delivery will be furnished free of charge in its entirety.*
- 2) Our side shall have the first rice vessel set sail within ten days after the signing of the agreement. Our side shall deliver the initial-stage portion by sea with our side's vessels to the Chongjin and Najin harbors.*
- 3) The rice to be delivered to the North in the initial stage shall be packed in PP bags in the unit of 40kg in polished rice. There shall be no marking at all.*
- 4) The two sides' firms which shall translate the agreed matters envisaged in the agreement into action shall be our side's Korea Trade Promotion Corp. (KOTRA) and North Korea's Samcholl'i General Co..*
- 5) The South and North shall ensure all necessary cooperation so that the delivery*

*and receipt of rice can be made smoothly.*

6) *The South and the North shall have second-round talks in the middle of July 1995.*

7) *Problems that may arise in the course of implementing this agreement shall be resolved through discussion between the delegations.*

\* *This agreement was signed by the officials of the Republic of Korea and the Democratic People's Republic of Korea.*

The provision of rice to North Korea, which comes after we received rice, cement, etc. from the North when we suffered a flood in September 1984, has set a good precedent of mutual assistance between the same brethren made through consultations between responsible government authorities in the spirit of reconciliation and cooperation.

The agreement was a measure of brotherly love intended to ease even a little bit the difficult food situation of North Korea without any prerequisite.

The government will exert all available efforts to see to it that the items agreed to with North Korea this time will be implemented without any setback.

In a sense to ensure all the people's participation in the national project, the government will equally distribute the work of hulling and packing of rice and its lading harbors all across the country.

The 190 hulling plants across the country that have been hulling government-held rice will be operated simultaneously, and 30 rice bag plants will take part.

The major harbors where the rice to be delivered will be loaded will be Tonghae, Pohang, Ulsan, Pusan, Chinhae, Masan, Kwangyang, Mokpo, Kunsan and Inchon. The first transport vessel carrying 2,000 tons of rice will set sail from the Tonghae harbor, Kangwon Province within this week.

The Tonghae harbor was chosen for the initial shipment because the harbor is the nearest to North Korea.

To facilitate the process the government will shortly hold a grain delivery working-level meeting under the chair of the Vice National Unification Minister to work out and implement government-wide follow-up measures to back up the rice delivery.

### C. Conclusion of Rice Delivery Contract

As the contents of the South-North agreement on the provision of rice to the North Korea were made public and the South has begun to take steps to implement the agreement, KOTRA and the Samcholli General Co., designated by the two sides as rice supplier and recipient, respectively, has working-level talks in Beijing on June 22-25 to conclude a contract for the supply of rice as follows :

*The Korea Trade Promotion Corp. (hereinafter referred to as "the South") and the Choson Samcholli General Co. (hereinafter referred to as "the North") concluded the following contract in accordance with the agreement reached be-*



*tween the South and North Korean delegations in Beijing on June 21, 1995 concerning rice cooperation.*

*1. Terms*

*◦ The South shall provide 150,000 tons of rice to the North for free of charge in accordance with the agreement signed by the South and North Korean delegations on June 21. Within 10 days from the date of the signing, the first vessel shall set sail. The South shall deliver the whole remaining amount to the North by August 10, 1995.*

*◦ The South shall have the first vessel set sail on the date of signing of this contract.*

*2. Packing*

*◦ Packing shall be made with PP sacks of 40kg of polished rice. No markings whatsoever will be made on sacks.*

*◦ At the time of each shipment, the South shall provide empty sacks without any markings in an amount equivalent to two percent of the entire number of rice sacks in each shipment to replace those sacks damaged during loading or unloading.*

*3. Quality*

*◦ Humidity : Less than 15.0 percent*

*◦ Ratio of broken rice : Less than 5.0 percent*

*◦ Miscellaneousness : Less than 0 percent*

*4. Conditions of Shipping*

*◦ The South shall make the shipping with the South's vessels of more than 5,000 tons each, and shall deliver rice to the North at the harbors of Chongjin, Rajin, etc.*

*If necessary, the South may use the vessels of third countries.*

◦ *The South shall bear expenses related to transport vessels until their arrival at the ports of unloading, such as fares and insurance, while the North shall bear harbor and unloading expenses that arise at unloading harbors.*

*Detention/dispatch money at the ports of unloading shall be resolved through consultations between the South and the North.*

◦ *The South shall notify the North five days before the sailing of a vessel of information about a transport vessel, the amount of rice to be carried, the list of crewmen and the scheduled date of departure. The North shall notify the South of the port of unloading and the state of unloading preparation at least two days before departure.*

◦ *The North shall inform the South by June 28 of materials necessary for cargo-handling such as the depth and unloading capacity of a port of unloading and working hours which are needed in the conclusion of charter contracts.*

◦ *Communications between the South's vessels and the shipping firms they belong to in the North Korean waters shall be in accordance with the domestic law of the North.*

◦ *The North shall guarantee the personal safety of the crewmen of the South's vessels and the safe return of vessels during the period of stevedoring. If necessary, conveniences, too, can be assured.*

◦ *Other matters related to shipping shall be in accordance with international regulations on maritime cargo shipping.*

##### *5. Lading Documents*

◦ *At the time of every shipment, the South shall send the following documents to the North:*

- A set of Clean B/L's.*
- Three copies of quality and quantity certificates.*
- Three copies of sanitary inspection papers.*
- Three copies of the place of origin certificates.*

*6. Conditions of Inspections.*

◦ *The South shall have rice inspected at the harbor of loading while the North shall have rice inspected at the harbor of unloading. If some problem arises with respect to the quality or quantity of rice, the North shall send an inspection report issued by a relevant organization to the South and the South shall take necessary steps thereon.*

*7. Notification of the Receipt of Rice*

◦ *The North Shall send the certificate of the receipt of rice by vessel to the South by facsimile within seven days after the completion of unloading.*

*8. Communicaitons*

◦ *Communications between the two sides shall be made through a North Korean mission in a third country.*

*9. Arbitration*

◦ *Problems arising in the course of implementing this contract shall be resolved through consultations between the two sides' delegations which signed the Beijing Agreement of June 21, 1995.*

*Two copies of this contract were prepared in Beijing on June 25, 1995, and the two prepared copies shall have the same effect. This contract shall go into force from the date of signing.*

*June 25, 1995*

### **3. Course of Promoting the Provision of Rice to North Korea**

As the Beijing agreement was concluded between the government authorities of the two Koreas, the South Korean government has embarked on pan-governmental efforts to implement the rice delivery smoothly.

A set of government meetings were held to work out a rice delivery schedule and create a “comprehensive situation room on the provision of rice to the North” at the National Unification Ministry. The meetings held included unification-related ministers meetings, unification and security coordination meetings and working-level meetings.

Situation rooms were also established at the Agriculture, Forestry and Fisheries Ministry, Construction and Transportation Ministry, National Defense Ministry, Maritime and Port Administration, and the Maritime Police, so that the rice delivery programs can be operated systematically and effectively.

The government decided to polish the required amount of rice out of the rice stock held by the government. In the sense of sending the warm brotherly affection of the South Korean people to the North along with the rice delivery, rice polishing plants and ports of lading set to be used in the rice delivery were distributed to all regions of the country.

After going through the preparations, the first rice vessel,

“Sea Apex,” carrying 2,000 tons of rice set sail from Tonghae Harbor in a send-off ceremony on June 25, the first delivery date agreed on between the two sides. The ceremony was attended by Prime Minister Lee Hong-koo and a number of other officials.

As “Sea Apex” was sailing into the Chongjin Harbor, however, there flared up an unexpected incident. In violation of the verbal agreement reached at the Beijing talks to the effect that rice vessels won’t carry the flag of either side when they enter North Korean harbors, North Korea forced the South Korean rice vessel to hoist the North Korean flag.

Terming the incident as a grave violation of the Beijing agreement, the South Korean government on the late night of June 29 ordered the three rice vessels en route to North Korean harbors to turn around. On the morning of June 30, Deputy Prime Minister Rha said in a press conference that unless the North Korean authorities make an official apology and promise to take steps to prevent the recurrence of a similar incident, the South would wholly suspend the delivery of rice to the North.

In response, the North sent messages in the name of Chon Gum-chol, their chief delegate to the Beijing talks, to his southern counterpart, Vice Finance-Economy Minister Lee Suk-chaeh twice on June 30 and July 2 to offer an apology and promised the prevention of the recurrence of similar incidents.

Believing the apology and promise the North made met the South’s demand, the Seoul government decided to carry on

the shipment of rice.

Afterwards, there were many difficulties in the rice shipment due to the rainy season, typhoons and the hot and humid summer weather. Thanks, however, to strenuous efforts of all those who took part in the rice delivery program, about 70,000 tons of rice could be transported to the North by the end of July.

The seemingly smooth shipment of rice came to another deadlock on August 2 when North Korea held a rice vessel, "Samsun Venus", and its crew persons on the grounds that its first navigation officer took pictures of the Chongjin harbor.

After carrying away and questioning the officer of Samsun Venus, the North, in an August 8th message signed by Chon Gum-chol, asserted that "it was disclosed through the officer's confession that the incident was not an inadvertent happening based on a personal mistake but was a premeditated act of provocation stemming from the South's policy of confrontation against the North."

In the message, the North demanded an apology and a promise for prevention of the recurrence of similar incident. It also asked that the South would faithfully carry on the agreed shipment of rice.

In reaction, the South demanded on August 9 that the North promptly return all the crewmen held and their ship, proposing that South and North Korean officials discuss the incident. In the demand, the government reminded the North that

initially the North guaranteed the safety of rice vessels and their crewmen and also that the South and the North agreed in Article 4 of the rice delivery contract on the safety of crewmen and the safe return of vessels.

A South–North working-level contact took place on August 10. The contact in Beijing underwent many difficulties before a compromise was reached, in which the South offered a regret over the incident, promised to take steps to prevent the recurrence of a similar incident. The South also committed to shipping the remaining portion of the rice, while the North guaranteed the safe return of all the seamen and the vessel, Samsun Venus.

Samsun Venus could thus leave Chongjin harbor on August 13 and returned to Pohang harbor on August 14 safely.

Upon the resolution of the incident of Samsun Venus, the government resumed supplying rice to the North. The final rice vessel, Corex Pusan, returned to Pusan on October 10 after delivering the last rice shipment at Chongjin Harbor.

Thus, the project of providing 150,000 tons of rice to North Korea was completed 112 days after the rice agreement was concluded in Beijing.

#### a. Implementation of Rice Delivery

The delivery of rice to the North has been implemented under government responsibility, but took the form of the Korea

Trade Promotion Corp. (KOTRA) carrying it out under a South–North agreement. Accordingly, KOTRA, through consultations with the government, concluded a rice delivery contract with the North’s Samcholli General Co. and also took charge of other key working–level matters related to the provision of rice to the North.

The rice delivery process included polishing and packing rice released by warehouses holding government–owned rice, transporting the rice by land to the harbors of lading and then shipping it to the North by sea. A large amount of manpower and equipment were used since a huge amount of rice had to be transported over a short period of time.

The 150,000 tons provided to the North were relatively good quality rice including 78,000 tons of 1993 harvest, 28,800 tons of 1992 harvest and 43,200 tons of 1989 harvest. The expenses needed totaled about 184.5 billion won—175.5 billion won in the price of rice and 9 billion won in auxiliary expenses.

After KOTRA asked for payment of its expenses, the government, in a meeting of the South–North Exchanges and Cooperation Promotion Committee held on June 29, decided to disburse all the necessary funds from the South–North Cooperation Fund.

In the unprecedented rice delivery, there popped up some working–level problems.

One problem was the discrepancy between the amount delivered and the amount received, which was due to the decaying



or loss of rice in the course of shipping. Through subsequent working-level consultations, it was agreed that the North would accept rice in amounts specified in the bill of lading (B/L) issued by an internationally accredited inspector at the harbor of lading.

And, as shipping by sea only to the two North Korean harbors designated was ineffective in terms of both cost and time, the government asked the North to designate more harbors of unloading and as a result the North named four more harbors — Hungnam, Wonsan, Nampo and Haeju.

#### b. Polishing, Packing, Transporting by Land and Lading

The 150,000 tons of rice delivered to the North were obtained by polishing 208,000 tons of unhulled rice released from a total of 1,416 warehouses holding government-owned grain in Pusan, Kwangju and eight provinces. The polishing was done by 209 polishing plants across the country. The rice was packed in 40kg unmarked PP sacks under a mutual agreement. The sacks were produced by 19 firms.

A cumulative total of 18,900 10-ton trucks were used in hauling unhulled rice from grain warehouses to polishing plants and 13,600 trucks in transporting the 150,000-tons of polished rice from polishing plants to 10 harbors of lading.

Lading was made in ten harbors in consideration of the distance from polishing plants to harbors. They were the ports

of Tonghae, Pohang, Ulsan, Pusan, Masan, Kwangyang, Mokpo, Kunsan and Inchon. A cumulative total of 13,500 people were employed in handling the rice.

*State of the Release of Unhulled Rice and the  
Storage of Polished Rice*

<i>Area</i>	<i>Unhulled Rice</i>		<i>Polished Rice</i>	
	<i>No. of storages</i>	<i>Amount</i>	<i>No. of storages</i>	<i>Amount</i>
<i>Pusan</i>	2	1,389tons	2	1,000tons
<i>Kwangju</i>	13	2,778	2	2,000
<i>Kyonggi</i>	54	10,139	10	7,300
<i>Kangwon</i>	13	3,194	7	2,300
<i>North Chungchong</i>	88	13,195	17	9,500
<i>South Chungchong</i>	159	19,444	14	14,000
<i>North Cholla</i>	231	29,167	23	21,000
<i>South Cholla</i>	434	58,750	55	42,300
<i>North Kyongsang</i>	234	34,584	47	24,900
<i>South Kyongsang</i>	178	35,694	32	25,700
<i>Total</i>	1,408	208,334	209	150,000

### C. Shipping by Sea and Crewmen

The rice loaded at South Korean harbors was transported by ship to the North Korean harbors of Chongjin, Rajin, Hungnam, Wonsan, Nampo and Haeju. The 150,000 tons were hauled by 18 vessels on 28 runs by Taebo Shipping Co. and eight other shipping firms participated in the project.

Of the 18 vessels used, 16 ships which made 26 runs were South Korean-registry freighters. Two foreign vessels, the Jay Ruby and Sky Moon, made one trip each. The foreign vessels were used because additional Korean-flagged ships were unavailable.

The size of the vessels used varied ranging from 3,000 tons to 25,000 tons, but most were 6,000 to 7000 tons displacement. One vessel transported 2,000 tons to 10,008,000 0 tons in one run. The average shipment 5,357 tons. Sixteen vessels hauled 5,000 tons in their single trips.

Communications contacts between rice vessels and their shipping companies in the South were made through direct radio service before vessels entered North Korean harbors. Once they reached North Korean harbors, however, indirect radio contacts alone were allowed via the North's Foreign Vessels Service Co. and a Singaporean shipping agent, Dayi Shipping, designated by North Korea.

During the shipping of rice, a cumulative total of 399 South Korean seamen visited North Korea aboard their ships.

The vessels employed in the shipping of rice to the North, the period of shipping, the amounts of rice they carried, the routes they covered, and the number of persons abroad were as follows in that order :

*Sea Apex ; June 25-26 ; 2,000 tons ; Tonghae-Chongjŏn-Pusan ; 14persons*

*Doljin* ; July 4-8 ; 2,000 tons ; Masan-Tonghae-Chongjin-Pohang ; 12 persons

*Eastern Venture* ; July 4-10 ; 3,500 tons ; Mokpo-Pusan-Chongjin-Ulsan ; 13 persons

*Haengjin* ; July 4-10 ; 2,500 tons ; Kusan-Mokpo-Chongjin-Pohang ; 12 persons

*Kwangyang 33* ; July 12-18 ; 5,000 tons ; Chinhae-Wonsan-Mokpo ;  
*Samsun Banner*-July 12-19 ; 8,000 tons ; Kusan-Nampo-Masan ;  
*Sungueballa* ; July 13-30 ; 6,900 tons ; Mokpo-Chongjin-Russia-Inchon ; 17 persons

*Samsun Baru* ; July 13-21 ; 8,100 tons ; Kwangyang-Chongjin-Tonghae ; 20 persons

*Jay Ruby* (Panamanian registry) ; July 13-20 ; 7,000 tons ; Pohang-Rajin-Tonghae ; 1 Korean and 25 foreigners

*Samsun Challenger* ; July 13-17 ; 5,000 tons ; Incheon-Haeju-Kusan ; 19 persons

*Eastern Venture* ; July 16-25 ; 5,000 tons ; Ulsan-Chongjin-Pusan ; 11 persons

*Tuyang Emerald* ; July 17-22 ; 5,000 tons ; Masan-Wonsan-Pusan ; 20 persons

*Sky Moon* (Panamanian registry) ; July 19-23 ; 5,000 tons ; Pusan-Hungnam-Pusan ; 4 Koreans and 16 foreigners

*New Concord* ; July 24-28 ; 5,000 tons ; Kusan-Haeju-Mokpo ; 19 persons

*Samsun Venus* ; July 31-August 14 ; 5,000 tons ; Pohang-Chongjin-Pohang ; 21 persons

*Tuyang Brave* ; August 13-19 ; 10,000 tons ; Kwangyang-Nampo-Pusan ; 22 persons

*Kwangyang 33* ; August 27-31 ; 5,000 tons ; Kwangyang-Wonsan-Tonghae ; 11 persons

*Eastern Venture*; August 30-September 4; 5,000 tons; Mokpo-Haeju-Inchon; 11 persons

*Tuyang Emerald*; September 1-6; 5,000 tons; Kunsan-Nampo-Pusan-Okkye; 19 persons

*Sunguebala*; September 2-29; 7,500 tons; Masan-Nampo-China-Pusan; 17 persons

*Tuyang Brave*; September 12-18; 10,000 tons; Kwangyang-Nampo-Pusan; 21 persons

*Kwangyang 33*; September 16-21; 5,000 tons; Kwangyang-Nampo-Kwangyang; 11 persons

*Eastern Venture*; September 19-24; 5,000 tons; Masan-Nampo-Kunsan; 10 persons

*Wuyang Honey*; September 22-27; 5,000 tons; Kunsan-Nampo-Kwangyang; 15 persons

*Tuyang Opal*; September 25-28; 5,000 tons; Mokpo-Nampo-Japan; 18 persons

*Kwangyang 33*; September 25-October 4; 5,000 tons; Kwangyang-Nampo-Mukho; 10 persons

*Eastern Venture*; October 1-November 2; 5,000 tons; Kunsan-Nampo-China-Inchon; 10 persons

*Corex Pusan*; October 7-11; 2,500 tons; Tonghae-Chongjin-Pusan; 11 persons

In the shipping of rice to the North, a total of 70,500 tons were transported to Nampo, 37,500 tons to Chongjin, 15,000 tons to Wonsan, 15,000 tons to Haeju, 7,000 tons to Rajin and 5,000 tons to Hungnam.

#### 4. Second-Round Beijing Talks

The second-round South-North talks in Beijing were held behind the closed doors on July 15-19 amid acute attention at home and abroad as the meeting came on heels of the forced use of the North Korean flag by a South Korean rice vessel, protracted holding of a South Korean fishing boat, and provocative remarks made by a senior North Korean official.

Some members of the two sides' delegations were changed. Yoo Kwang-sok, a Foreign Ministry deputy director-general, joined the South's delegation. A new member of the North Korean delegation was Rim Tae-dok, vice chairman of the Committee for Promoting External Economic Cooperation.

Seoul's chief delegate Lee Suk-chaе, said in his initial remarks that the June 21 rice delivery agreement was facilitated by a decision of President Kim Young-sam to promote co-prosperity and confidence-building between the South and the North.

Lee said that whereas the South took various necessary measures to carry on the shipment of rice despite a considerable political burden caused by deteriorating public opinion over the provision of rice to the North, North Korea had failed to show any sincerity toward resolving issues pending between the two Koreas. He then expressed the fear that in view of strained public sentiments, there may come a situation in which it could be-

come difficult to ship the remaining portion of the 150,000 tons of rice promised, much less provide any additional rice.

The southern delegation proposed that to surmount the situation, the North would take "sincere measures" at an early date and that the two sides discuss during the talks mutual cooperation in the areas of agriculture, light industry and energy.

The North's Chon Gum-chol said the rice cooperation between the South and the North has set a good precedent of mutual assistance between the same people. Chon also said that he was favorably evaluating the efforts of the South to carry on agreed matters, but no other questions could be allowed into the "rice talks." Under the spirit showed at the first-round talks, he asked the South to see to it that the amount of rice furnished by the South would not be smaller in amount than rice aid provided by other countries.

Chon insisted that only when the South gives the amount and time of an additional rice to the North can they discuss other question pending between the two sides.

In reaction, the South suggested that there should be appropriate steps against those officials involved in the forced raising of the North Korean flag by a South Korean rice vessel in the Chongjin harbor in violation of an agreed matter. The South asked the North to take corresponding measures as soon as possible on repatriating the Woosung-ho and its crewmen from the approach of humanitarianism and brotherly love.

He said that the public sentiments in the South have

deteriorated against the North's impertinent and provocative acts. Lee further said that the issue of South-North cooperation would be of help to resolving the North's food situation instead of being an item that meddles in and confuses the rice question.

The North, while claiming that the flag incident was accidental and that they were consulting with relevant offices for the early repatriation of Woosung-ho, repeatedly said that their basic posture is to discuss the rice issue only at the talks. The North Koreans maintained that they could discuss the issue of economic cooperation while discussing the amount of additional rice supply.

The North Korean delegation asserted that the South was raising the issues of Woosung-ho and slanderous propaganda in a bid to delay the resolution of the rice issue, contending that the so-called public sentiments the southern delegation cited did not represent the whole public opinion of the South but merely that of some hardliners. The North maintained that if South Korean authorities intended to provide rice to the North, they should push ahead with rice delivery by persuading the people just like they did in executing the Uruguay Round agreement, despite objection by a majority of people.

Retorting the North Korean contention, the South said it was a grave misjudgment for the North to believe that the aggravated public sentiments were merely the opinion of some hardliners. The South Korean delegates stressed that the South Korean people were angered at the difficulties one of the rice



vessels went through and believed that it was right for the North to promptly repatriate Woosung-ho crewmen from a humanitarian approach.

No agreement could be hammered-out at the second-round talks with the North. The poles became the North asking the South to disclose the amount of additional delivery of rice and the South challenging the North to return Woosung-ho and to stop leveling slanderous propaganda tirads at the South.

The two sides ended the four-day talks after announcing that 1) No agreement was reached on any additional rice assistance and opinions were exchanged on the issue of economic cooperation, 2) a promise was made to try to return the Woosung-ho crewmen at an early date, 3) supplementary steps were agreed on with regard to the shipping of rice, and 4) third-round talks were set to be held in Beijing on August 10 to discuss both rice and economic cooperation issues.

## **5. Working-Level Contact on the Case of Samsun Venus**

As the shipping of the 150,000 tons of rice to the North was going in full swing, there occurred an incident in which North Korea held the crewmen of a rice vessel, along with the ship, on the ground that one of the crewmen, Navigation Officer Lee Yang-chon, took pictures at the Chongjin harbor, charging

the picture-taking as a spying act.

Samsun Venus left the Pohang harbor on July 31 and reached Chongjin on August 2. With the incident as an excuse, the North sent a message to the South on August 8 informing that they were unilaterally postponing the third-round Beijing talks slated for August 10 indefinitely.

Reacting to the unreasonable attitude of the North, the South Korean government sent Kim Hyong-ki, one of the South's delegates to the Beijing talks, to Beijing to find out the truth of the incident in line with the bilateral agreement that a problem arising in the course of rice shipment would be discussed and resolved through discussions between the two delegations. At the same time, the South proposed a South-North delegates contact to resolve the incident at an early date and discuss the issue of holding third-round Beijing talks.

North Korea rejected a direct contact between government officials. South Korean working-level delegates made indirect contacts with North Korea through the channel of the KOTRA-Samcholli General Co., the field implementation organization in the rice delivery, to exchange opinions of the two sides' government authorities.

In the indirect contacts, the North insisted that the picture taking in the Chongjin harbor by one of the crewmen of Samsun Venus was a "premeditated spying act" perpetrated at the urging of a South Korean organization. The North then demanded that the South admit to the "spying act" and after a for-

mal apology, promise to prevent the recurrence of a similar incident, and faithfully carry on the delivery of rice.

The South, however, strongly protested the North, saying that it was unreasonable for the North to describe the taking pictures of the outer look of a harbor as a “spying act” and the holding of the crewmen was in breach of the memorandum signed by the North to ensure the personal safety of the crewmen of rice vessels. The South made it clear that it couldn’t accept their demand that the South admit to the “spying act.”

However, as it was important most of all to ensure the safety of the detained crewmen and gain their early release, the government on August 12 sent to the North a message containing the phrases that “we regret it that a controversy developed over an incident in which a crewmen violated the North Korean law… We will take measures to prevent the recurrence of similar incident.”

With the message, it was agreed to return all 21 crewmen and the vessel, Samsun Venus, to the South at an early date, and also to hold the third-round Beijing talks in late September.

## **6. Third-Round Beijing Talks**

The third-round talks were held from September 26 through October 1 in Beijing.

There was a reshuffle of the South Korean delegations.

New members were Chong Se-hyon, a Presidential secretary for unification affairs ; Koo Bon-tae, director of the Office of Unification Policy, National Unification Board ; and Shin On-sang, director of Operations Department 2, Office of South-North Dialogue. The North Korean delegation remained unchanged.

In his initial remarks at the talks, the South's chief delegate Lee Suk-chaе deplored that though the South expected that confidence-building and reconciliatory atmosphere would be promoted with the delivery of rice, South-North relations have rather worsened than pre-rice delivery relations due to the North's insincerity.

While emphasizing the importance of public support for inter-Korean cooperative projects, Lee stressed the need of normalizing stalled South-North dialogue and preparing steps to supplement South-North cooperative projects, and strongly demanded that :

First, the North should make an appropriate clarification of their failure to keep the promise to resolve pending issues such as the return of Woosung-ho and the suspension of slanders against the South, and also of the abduction of Rev. Ahn Seung-woon and the remarks made by Party Secretary Kim Yong-sun who spoke ill of the delivery of rice by the South.

Second, since it is not proper for the representatives of the two sides' government authorities to meet and discuss cooperative issues in a third country, future talks should be held in Seoul, Pyongyang or Panmunjom on the Korean peninsula. Fu-

ture talks should take the firmer form of governmental dialogue through, for instance, the exchange of credentials between dialogue delegates.

Third, the North should take steps to guarantee, as they already promised, communications between rice vessels and the shipping firms they belong to so that there won't be the recurrence of unexpected incidents similar to those that popped up in the course of rice delivery.

In addition, by using the incident of Samsun Venus as a reference, the North should beef up measures to ensure the personal safety of persons traveling back and forth between the two sides.

The South stressed that unless the North takes "corresponding measures," the South Korean people's aggravated sentiments can hardly be normalized, a situation in which the South cannot move an inch even if it wants to promote South-North cooperative projects.

Emphasizing in particular that it is an obligation of the North to return the crewmen of Woosung-ho, the southern delegation urged the North to either return them or disclose the definite time of their return during the talks.

The North Korean delegation argued that it is true that Woosung-ho committed a breach of the North Korean law and, therefore, it was natural that the ship was dealt with according to the law of the North. Asserting that their repatriation was being delayed because the medical treatment of wounded crew-

men had become prolonged, the North asserted that since the Beijing talks were intended to discuss the rice issue, other problems pending between the two sides ought to be discussed at different meetings.

Regarding the question of moving the venue of the talks to somewhere on the Korean peninsula, the North, while asserting that the Beijing talks were a special contact that came at a special time over the special issue of "rice assistance," the northern delegation said they were carrying the proposal back to their home as a home task, saying that they have no authority to decide on the matter on their own.

No substantial agreement was reached at the third-round talks, either, as the North insisted on the prior discussion of the issue of additional rice assistance while the South wanted there should be change in the North Korean attitude toward the questions of Woosung-ho and change of the venue of the talks.

But, the talks gave rise to the possibility that as soon as the North decides their position over the issue of conference site, talks may in the future take place on the Korean peninsula at a time and a place (Seoul, Pyongyang or Panmunjom) of the North's choice.

## 7. Settlement of the Delivery of Rice to North Korea

When the government on June 21 announced its decision to provide 150,000 tons of rice to the North, most media in the South reacted positively to the decision, saying that it is heart-warming and emotional to be able to help the North Korean brethren suffering from serious food shortages from the angle of brotherly love for the first time in 50 years of national division.

On the other hand, there was offered by South, by agreeing not to describe the country of origin on rice sacks and to ship the rice only by sea without transporting some of it by land, yielded too much to the North's demand.

The provision of rice was materialized in a firm bid of the South Korean government to ease strained inter-Korean relations that have persisted since a controversy over the issue of condolence over Kim Il-sung's death. The rice delivery was significant in particular in that :

First, it has set a good precedent that if inter-Korean questions are tackled by responsible authorities, no matter how difficult the problem may be, can be settled successfully.

Second, the provision of rice, that come 11 years after the South received rice and cement from North during a flood September 1984, served as a major stepping stone in promoting reconciliation and confidence-building between the South and

the North.

Third, the rice project is a case in which humanitarian South-North cooperation was made possible as the North, regardless of their prestige, accepted the South Korean government's offer based on pure brotherly love to help the South Korean brethren without any prerequisite or political strings attached.

Fourth, the provision of rice has served to fuel the expectation that it would provide a breakthrough in the strained situation and would expedite South-North exchanges and cooperation and to paving the way to improved inter-Korean relations.

In a speech at a ceremony marking the departure of the first rice vessel on the harbor of Tonghae on June 25, 1995, Prime Minister Lee Hong-koo stressed that "the South and the North should together unfold a new chapter in which they should promote co-prosperity and national well-being based on reconciliation and cooperation."

Under this policy, the government did all it could to expedite delivery of rice to the North. By setting the goal that "taking into account the difficult food situation of the North, we shall complete the delivery of rice in the shortest possible period," the government mobilized large numbers of manpower and equipment in polishing, transporting and shipping the rice, which were overseen by a special rice project situation room. The rice furnished to the North was chosen from the government stock of quality rice.



The rice project was undertaken based on brotherly love and the people's sincere efforts. The aid was regarded in the South as an epochal event in the history of national division, but the South Korean media have kept mum about the South's furnishing of rice.

The series of provocative acts North Korea perpetrated in the course of rice shipment, were truly irrational and anti-national, and are recorded as a big blur in the history of South-North relations.

In the first of the incidents, North Korea, in breach of an agreement reached in Beijing, forced, with all sorts of threats, *Sea Apex*, the first South Korean vessel to enter North Korean waters to raise the North Korean flag. The skipper and other crewmen of the vessel said after their return to the South that their safety was threatened.

The second incident came on July 9 during the height of the rice transportation when a South Korean priest, Rev. Ahn Seung-woon, was forcibly abducted to the North from Yanji, China where he had been engaged in missionary activities.

In the third of the incidents, North Korea held a rice vessel, *Samsun Venus*, and its crewmen on the ground that one of its officers took pictures of the Chongjin harbor. The incomprehensible thing in the fuss was that the seamen of the first rice vessel, *Sea Apex*, already took pictures of the same area at issue.

The fourth incident was that a high North Korean official,

party secretary Kim Yong-sun, one of the officers in charge of the rice issue, made disparaging remarks to the effect that the provision of rice by Japan was a tribute to North Korea by Japan and that South Korea was giving rice to the North influenced by Japan's rice provision.

The fifth incident was that at a time when the South was busy shipping rice to the North as quickly as possible, North Korea infiltrated armed agents to the South. This was made known expressly by the capture of one of the armed agents, Kim Dong-sik (real name : Ri Sung-chol), age 33, on October 24 near Puyo, South Chungchong Province.

In addition, the North was yet to repatriate the crewmen of Woosung-ho No. 86 despite the fact that they promised to return them shortly during the Beijing talks. Moreover, they promised to stop making slanderous propaganda broadcasts against the South during the first-round Beijing talks. To date, however, the North levels all sorts of slanders at the South with accelerated zeal.

At such an intransigent attitude of the North, the South Korean people's sentiments have deteriorated. The irate public sentiments were well reflected during National Assembly sessions.

At a session of the Assembly Unification and Foreign Affairs Committee on August 16, for instance, legislators urged the government to suspend the rice delivery and review the government's policy toward North Korea from the root.

“Why is it that the government keeps shipping rice to the North while suffering such humiliation?” one of the solons asked.

The press, too, denounced the North’s acts of betrayal while criticizing the government. A majority of press commentaries said that if the North does not show corresponding sincerity, the government should not pursue conciliatory measures or try to improve relations with North Korea in haste.

After completing the shipment of rice to the North, many Southern media commented that “no expected effect could be reaped from the provision of rice to the North,” adding that inter-Korean relations have been aggravated.

Notwithstanding the tribulations and humiliation it had gone through, the South Korean government had gone ahead faithfully with the pledge to provide 150,000 tons to the North without any conditions.

This indicates that the government respected the principle that once an agreement is made, it must be fulfilled under all circumstances, and also represents its determination to resolve problems pending between the two sides and improve South-North relations.

The furnishing of rice to the North was motivated purely by brotherly love without any prerequisites or conditions attached as Deputy Prime Minister Rha Woong-bae said in his May 26 statement.

To develop South-North relations in the future, the North

should have dialogue with the South sincerely under the principle of reciprocity, and faithfully implement all the agreements reached between the two sides. In particular, as agreed in the Beijing talks, North Korea should promptly return Woosung-ho and its crewmen to the South and stop making slanderous broadcasts against the South.

At the same time, the North should clarify on their abduction of Rev. Ahn Seung-woon and cooperate in restoring his original state, and should also clarify about the disparaging remarks made by Party Secretary Kim Yong-sun.

North Korea should realize that this is the only way to make the rare momentum provided by the South lead to inter-Korean cooperation based on the spirit of coexistence and coprosperity and further to peaceful unification.

**Part II**

**Seizure of Woosung-ho Boat and  
Efforts to Obtain Repatriation  
of Its Crews**

- 1. Seizure**
- 2. Efforts to Get Release**
- 3. Attitude of North Korea**
- 4. Domestic Press Reactions**



## II. Seizure of Woosung-ho Boat and Efforts to Obtain Repatriation of Its Crews

### 1. Seizure

The Defense Ministry, in a press release by its spokesman, reported on May 30, 1995 that a 103-ton South Korean trawler, Woosung-ho No. 86, was fired on by a North Korean patrol boat in area 28.8km north of the seaward extension of the truce line in the West Sea and forcibly taken to the North.

Woosung Fisheries co., to which the seized boat belonged, said Woosung-ho No. 86 with eight crew persons aboard, flashed an emergency message some 20 miles northwest of Changsan-got around 12 : 40 p.m. on May 30, saying, "A North Korean patrol boat is firing on us. One of our crew was hit and the North Korean boat is approaching us as it keeps firing on us." The skipper, Kim Pu-gon, age 35, of the fishing boat then cut off all radio contacts, the fisheries firm said.

An official of Woosung Fisheries said that the seized vessel, along with its mother ship, Woosung-ho No. 85, was catching fish 13 miles southeast of the Shandong Peninsula of China on May 27 when the mother ship was captured by a Chinese fisheries control boat on charges of illegal fisheries. Woosung-ho No. 86 alone was on its way to its home port, Inchon, with a radio guide provided by the Inchon Fisheries Radio Bureau and the

Korean Maritime Police.

The official said Woosung-ho No. 86 seemed to have entered the North Korean area due to a navigational error. He said that unlike the mother ship, No. 85, equipped with modern navigational gear, Woosung-ho No. 86 had primitive navigational gear like a compass. He noted that weather and visibility conditions were extremely bad at the time of the incident.

The official then expressed anger at North Korea's indiscriminate firing at an unarmed civilian boat. Relevant South Korean authorities affirmed that the ship made a navigational mistake.

Meanwhile, North Korea, in a Central Radio broadcast at 5 p.m. the same date, conceded that they had seized Woosung-ho No. 86. In the broadcast, the North said a naval patrol ship of the People's Army captured an unidentified vessel that had infiltrated deep into their western territorial waters. "Our naval ship opened fire at in a strong self-defense action and seized in a decisive action an unidentified vessel which did not comply with our control" it said.

The point where Woosung-ho No. 86 was attacked and seized by the North Koreans, the point which the North described as "deep into our western territorial waters," was 15 miles north of the seaward extension of the truce line or 25 miles northwest of Paengryong-do Island. The area is regarded by the South as high seas whereas the North unilaterally claims it to be a "military vigilance area."



## 2. Efforts to Get Release

The South Korean government promptly began taking multipronged efforts to obtain the repatriation of Woosung-ho No. 86 and its crew members.

On May 31, one day after the seizure, the Republic of Korea National Red Cross (ROKNRC) flashed a radio message to the North Korean Red Cross asking for its cooperation in the prompt repatriation of the seized vessel and its crew members. The Foreign Ministry, too, advised ambassadors in China, Russia and other countries to request those governments cooperate in obtaining the early release of the crew persons and their ship.

The ROKNRC president visited the East Asia Office of the International Committee of the Red Cross in Hongkong on June 5, 1995 to seek its assistance in obtaining the release of the seized fishermen and boat. The government and Red Cross thus strove to use all available channels that could exercise influence over North Korea.

The text of the ROKNRC radio message of May 31, which was signed by ROKNRC President Kang Young-hoon and addressed to Ri Song-ho, acting chairman of the North Korean Red Cross, is as follows :

*According to our side's relevant authorities, our side's civilian fishing boat, Woosung-ho No. 86, was seized by your patrol boat 25 miles northwest of Paengryong-do around 12:50 p.m. May 30, 1995.*

*It is presumed that the incident occurred due to a navigational error during the vessel's return from the Yongsong harbor, Shandong province, China, to Incheon. The fishing boat was manned by Skipper Kim Pu-gon and seven other fishermen.*

*I hereby request that your Red Cross render positive cooperation based on humanitarianism and brotherly love so that Woosung-ho No. 86 and its crew members could be repatriated to the South promptly.*

*I look forward to your positive response.*

Notwithstanding the government efforts and appeals by the families of the captured fishermen, North Korea showed no response at all for nearly two weeks. They refused to let the fate of the fishermen known much less giving any word on their repatriation.

On June 13, 1995, the ROKNRC sent another radio message to the North Korean Red Cross, in which ROKNRC President Kang Young-hoon proposed that a contact be held between Red Cross liaison officials at the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 10 a.m. June 13, 1995.

Kang said that at the contact, his Red Cross would produce materials substantiating that the fishermen caught are civilian fishermen and also convey to the North a letter of appeal from the families of the fishermen to the North Korean Red Cross chairman.

Following is the text of the radio message the ROKNRC president sent to acting North Korean Red Cross chairman Ri

Song-ho on June 13 :

*In my May 31st radio message to you, I asked for cooperation in obtaining the prompt repatriation of Woosung-ho No. 86 and its crew persons.*

*In this connection, I will send two Red Cross liaison officials to the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 10 a.m. June 15, 1995 to deliver materials showing that the crewmen of Woosung-ho No. 86 are purely civilian fishermen and also to convey a letter of appeal from the families of the fishermen to you.*

*I look forward to corresponding steps from you.*

As the proposal, too, had gone unheeded to by the North, ROKNRC President Kang made a statement directed to the North on June 15.

In the statement, Kang said Woosung-ho No. 86 captured by the North on May 30 is a civilian fishing boat, which, along with its crew persons, should be repatriated promptly based on the Red Cross humanitarian spirit and brotherly love. He emphasized that the North should at least inform the South of the identities of those killed and wounded in the course of the capture and should deliver the remains of those killed to their families without delay.

Saying that North Korea even refused to accept materials on the identity of the fishermen and their families' letter of appeal, the ROKNRC president made public the materials and appeal, urging the North Korean Red Cross to take affirmative measures.

The following are the texts of the statement issued by ROKNRC President Kang, his letter to the North Korean Red Cross made public in the statement, personal information of the fishermen held in the north, and the letter of appeal from their families:

*Statement by the ROKNRC President dated June 15, 1995*

*As is well known North Korea captured our fishing boat, Woosung-ho No. 86, which, with eight fishermen aboard, was returning to the Inchon Harbor from the Yongsong harbor of China on last May 30.*

*Immediately after the incident, on May 31, I, in a radio message to the North Korean Red Cross, asked the North Korean Red Cross to cooperate, based on the Red Cross humanitarian spirit and brotherly love, in the effort to obtain the early repatriation of Woosung-ho No. 86 and its crewmen.*

*As Woosung-ho No. 86 proceeded toward a wrong direction in a navigational error, North Korea ought to repatriate the crewmen and their ship without delay from a humanitarian standpoint.*

*Moreover, if casualties occurred in shooting made in the course of the capture, it is incumbent upon your side to at least expeditiously inform the identities of the casualties and turn the remains of those killed over to their families.*

*In this context, I would like to once again urge the North Korean Red Cross to cooperate in the repatriation of Woosung-ho No. 86 and its crewmen.*

*North Korea has not returned the vessel and its crew members to date, two weeks after their capture. Besides, the North has not made a reply to my radio message of May 31.*

*North Korea even refused to accept personal information on the fishermen and a letter of appeal from the families of the fishermen which I planned to deliver to the North at Panmunjom today.*

*As I, therefore, disclose hereby personal information showing that the crewmen are civilian fishermen and the letter of appeal, I expect that the North Korean Red Cross will take affirmative steps at an early date.*

*Letter from ROKNRC President Kang to  
Acting North Korean Red Cross chairman Ri*

*Enclosed herewith are personal information on the crewmen of Woosung-ho No. 86 and its crewmen captured by your side on May 30, 1995, and a letter of appeal from the families of the fishermen to you.*

*Personal Information on the Captured Crewmen of Woosung-ho No. 86*

*Skipper*

*Kim Pu-gon, born on April 27, 1961, of 1046 Mansu-dong, Namdong-ku, Incheon ; families—parents, a younger brother and a younger sister*

*Engine officer*

*Lee pyong-so, born on January 11, 1957, of 1279-18 Kuwol-dong, Namdong-ku, Incheon ; families—mother an elder brother, an elder sister, four younger brothers*

*Seamen*

*Park Chae-yol, born on September 17, 1951, of 17 Chungang 2-ka, Chung-ku, Incheon ; families—an elder brother, a younger brother, two younger sisters.*

*Shim Chae-kyong, born on June 15, 1960, of 250 Namsan-dong, Yosu, South Cholla Province ; families—two elder brothers, two elder sisters, a younger sister*

*Yoon Kyong-sun, born on January 5, 1964, of 91-1 Hakik 1-dong, Nam-ku, In-*

*chon ; family—wife*

*Shin Hung-kwang, born on January 20, 1958, of 17 Chungan 2-dong, Chungku, Inchon ; families—parents, an elder brother, three elder sisters, a younger brother*

*Lee Il-yong, born on March 20, 1936, of 334 Sanho 2-dong, Hampo-ku, Masan, South Kyongsang Province ; families—a daughter, an elder sister, a younger brother, two younger sisters*

*Kim Wu-sok, born on October 1, 1959, of 611 Pipa-ri, Hadong-up, Hadong-kun, South Kyongsang Province ; families—mother, two elder brothers, three elder sisters, a younger sister*

Letter of Appeal to the North Korean  
Red Cross Chairman

*We are the families of the crewmen of Woosung-ho No. 86 seized by a North Korean patrol boat in an area northwest of Paengryong-do Island on last May 30.*

*We believe that Woosung-ho No. 86 proceeded toward a wrong direction due to a navigational error during its way home to Inchon from the Yongsong harbor, Shandong Peninsula, China.*

*Seizure of Woosung-ho No. 86 itself was the source of a great shock to us. But, we the families of the crewmen could not but be stunned at the report that of the eight crewmen, two were killed and another wounded. We are having sleepless nights in grieving. We are very much concerned about who were those killed and who were wounded and if the health of the remainder is alright.*

*The crewmen of Woosung-ho No. 86 are the pure and humble people who make their living by fishing. Our families can hardly understand and are enraged at opening fire on and seizure such purely civilian fishermen.*

*We are earnestly appealing to you chairman.*

*Please first let us know who are those killed or wounded and if the remaining crewmen are alright. And, we hope that mindful of our pathetic sentiments, you will assist in their early return home. If there were some killed, please return the remains to us so that their families can observe their funeral.*

*We again ask you chairman to help this our earnest wish come true.*

*Lee Pyong-chil, brother of crewman Lee Pyong-so*

*Kim Kong-su, father of crewman Kim Pu-gon*

*Park Chong-hi, sister of crewman Park Chae-yol*

*Shim Il-sim, sister of crewman Shim Chae-kyong*

*Park Kum-sok, wife of crewman Yoon Kyong-sun*

*Lee Chong-chong, brother of crewman Lee Il-yong*

*Kim Min-ja, sister of crewman Kim Wu-sok*

Meanwhile, efforts to obtain the repatriation of the seized boat and crewmen were made at the Beijing talks, too.

At the first and second-round South-North talks held for three to four days beginning June 17 and July 15, 1995, in Beijing, China to discuss the provision of grain to North Korea, the South's delegation urged the North to repatriate Woosung-ho No. 86 and its crewmen as soon as possible, stressing that their repatriation is a humanitarian matter.

The North Korean delegation showed an affirmative response, saying that since they fully realized the South's posture toward the issue, they, on return home, would cooperate with relevant authorities to see to it that they could be repatriated at the soonest possible date.

But, North Korea did not repatriate them as of the time of the third-round Beijing talks. Here, the south strongly called for

their prompt repatriation again. In a press conference, the North's chief delegate Chon Gum-chol said the repatriation of the ship and crewmen was being delayed because the skipper and engine officer were hospitalized for serious gunshot wounds.

Despite these efforts of the South Korean government, North Korea has refused to take any humanitarian steps toward the issue of Woosung-ho No. 86. But, the South cannot halt its efforts to obtain their return. Through the Republic of Korea National Red Cross, the government explained international Red Cross organizations about the incident, asking for their co-operation.

The following is the text of a message of May 31, 1995 from ROKNRC President Kang Young-hoon to President Cornelio Sommaruga of the International Committee of the Red Cross :

*I am writing to request your urgent assistance for the repatriation of a South Korean fishing vessel captured yesterday by a North Korean patrol boat.*

*According to sources within our government, a South Korean fishing vessel, the 103-ton Woosung-ho, was fired upon and then apprehended by a north Korean patrol boat in the Western Sea about 25 miles northwest of Paengryong Island.*

*It is believed that the vessel with its fishermen crew of eight headed by its captain, Pu-gon Kim, inadvertently strayed into North Korean waters while on route to the South Korean port of Incheon from Yongsong port in Sandong Province, china.*

*This morning at 10:00 a.m. I sent a radio message to the North Korean Red Cross asking for their humanitarian help for the immediate repatriation of*



*the vessel and the eight fishermen.*

*I would therefore like to ask for your compassionate intervention with a view to securing the release of the vessel and its fishermen as soon as possible, so they may be returned to their family members without delay.*

*I would be truly grateful for your most kind concern and cooperation in this matter.*

### **3. Attitude of North Korea**

After announcing in a radio broadcast their seizure of Woosund-ho No. 86 on May 30, North Korea had for several months showed no response whatsoever toward the appeal by the families of the crewmen and the direct and indirect efforts of the South Korean government to obtain their repatriation. Only almost four months later, the North's Central News Agency made the first official report on the incident.

Saying that the vessel was damaged and there were several casualties, the news agency report asserted that blame for the incident goes to Woosung-ho No. 86 that had violated the North Korean territorial waters and also to the South Korean authorities that engineered the illegal act. It maintained that the issue of Woosung-ho No. 86 would be dealt with according to the law of the People's Republic.

In reaction, a spokesman for the National Unification Ministry said in a comment it was utterly regrettable that the

North seized a purely civilian boat and killed and wounded some of its crew members in the course of the seizure. He urged the North to take prompt steps to return the crewmen and their ship to the South.

North Korea, however, turned a deaf ear to the South's call. According to a scenario they meticulously wove in three months and 20 days from the time of the seizure to the time the Central News Agency reported on the incident, the North distorted the truth of incident and began to use the crewmen in their propaganda against the South.

At 10 p.m. September 25, 1995, the North aired the voice of the crewmen through the Central Radio, saying that the Woosung-ho crewmen held an unsolicited press conference.

In the alleged press meeting, Park Chae-yol claimed to be the skipper of the vessel despite the fact that the skipper was Kim Pu-gon. Park, contending he was the skipper, virtually monopolized the interview hours. The assertion Park made in the interview was as follows in substance :

*"We committed a sin by illegally infiltrating deep into the territorial waters of the Republic. The illegal intrusion was at the instructions of the South Korean authorities.*

*The People's Army patrol boat did all it could to control our vessel without any trouble. The Republic showed magnanimity to us who committed a great crime and treated us broadmindedly based on brotherly love, and helped us atone for the sin we committed. Those who suffered gunshot wounds were treated sincerely at a modern hospital without receiving any penny of fees. The wounds were*

*completely healed. We feel all these are thanks to the virtues showed by Kim Jong-il. The navigation and deck officers were killed in the course of the seizure. The blame for the death of them lies in South Korean authorities themselves. One of our crewmen died of a chronic illness. We will endeavor to contribute to realizing unification of the fatherland in the future."*

Woosung Fisheries co., to which the seized vessel belonged, and the government authorities were puzzled to learn that the skipper was changed from Kim Pu-gon to Park Chae-yol following the seizure.

The remarks made by Park Chae-yol who claimed to be the captain, couldn't be trusted, and are the latest addition to the long list of fabrications made by North Korea in their continuing seizures of South Korean fishermen since national division.

One thing that testifies to the invention of the whole thing was part of the remarks made by Park Char-yol, the self-styled skipper of the vessel, in a press conference on September 25. He said in a healthy tone that "the Republic cured a wounded man completely."

At the third-round Beijing talks on July 27 on the delivery of grain to the North, however, the North's chief delegate Chon Gum-chol told a press conference that "the repatriation of Woosung-ho is being delayed because the skipper and engine officer have been hospitalized due to serious gunshot wounds."

Nonetheless, the North carried on propaganda tirades

against the South. Radio Pyongyang said in a midnight program on October 7 that since Woosung-ho crewmen's crime was perpetrated by the South's meticulous plan as disclosed by the crewmen themselves in a press conference, the case of Woosung-ho No. 86 would be dealt with according to the law of North Korea. They then complained that the South was making unreasonable demand for the release of the crewmen.

In another statement issued on November 3, Park Chae-yol said, "We the crewmen, a direct party to a crime, ought to be dealt with under the law of the North." He added that he well knows that it is owing to the lofty idea of General Kim Jong-il who is unfolding a true world through virtuous politicking. He said the North Korean authorities had provided all conveniences to him and other crewmen from the approach of brotherly love and humanitarian spirit. He also urged the South Korean compatriots and people to condemn the improper attitude of their authorities toward the Woosung-ho issue.

On November 6, Central Radio of North Korea, while reporting a panel discussion among Woosung-ho crewmen, said the South was trying to use the Woosung-ho issue for its political gains. It said that Woosung-ho itself is of course responsible for the violation of the North Korean waters, but the blame goes to the South Korean authorities as well, adding that the southern authorities should naturally apologize to the North.

The North also unfoundedly slandered the South by arguing that small boats like Woosung-ho (103 tons) ought to have

engaged in deep-sea fisheries due to the provisions of Presidential Decree No. 13333 on "Areas Where Use of Fishery Items Is Prohibited."

In addition, on the morning of November 7, they sent a letter to the National Federation of Seamen's Unions, urging the federation to raise their voice so that the South Korean authorities would give up their attempt to build up South-North confrontation taking advantage of the Woosung-ho incident. Later in the same day, Central Radio aired commentaries arguing such a demand should be duly accepted by the South.

#### **4. Domestic Press Reactions**

Since national division, a total of 3,662 South Korean fishermen not counting the crewmen of Woosung-ho No. 86 have been unlawfully abducted by the North. Of the total, 415 are still held in captivity in the North with their families looking forward to their return.

In many cases of these seizures, North Korea fabricated things to make it appear that the fishermen involved committed espionage acts for use in their political propaganda. The same was true of Woosung-ho No. 86.

Upon the seizure of Woosung-ho, most South Korean newspapers and broadcasting stations denounced the firing on and seizure of the fishing boat by the North, saying, "We note

that the incident occurred at a time when North Korea is denying the Military Armistice Commission system.”

One of the newspaper commentaries said, “The firing on and seizure of the civilian fishing boat might have been a deliberate act intended to provide an added ground for their demand for exclusive military contacts with the United States, namely, contacts between U.S. and North Korean generals.”

The South Korean people denounced the seizure of the boat and its crewmen by the North while agreeing in general to the press analyses and observation of the incident.

But, it is hoped that the North Koreans did not capture Woosung-ho for such a shallow political purpose as speculated by the press. For, if they did, it could be an obvious criminal act that can hardly be forgivable under any circumstances.

One thing the South would like to ask the North Korean authorities is that they must stop using innocent fishermen in intensifying their hostile policy against the South.

North Korea should realize that the act of forcing the fishermen, whose whole life had been dedicated to boosting their fish catch, to read a slanderous propaganda piece against the South like “we had to do deep-sea fishing with such a small boat because of the regulation of Presidential Decree No. 13333,” may deceive the North Korean people but never the people of the South.

In our society, no fishermen are going fishing with the number of Presidential Decrees in their memory. One thing can

tell the whole. North Korean should stop using the crewmen of Woosung-ho No. 86 for their ulterior purposes and return them to the bosom of their families at an early date.





**Part III**

## **Flood Assistance for North Korea**



### III. Flood Assistance for North Korea

In a Central Radio broadcast on August 18, 1995, North Korea said there were heavy rains in Pyongyang and all other areas of the North, causing overflowing of many rivers. This was their first acknowledgment of extensive floods in North Korea.

On August 23, North Korea, through its permanent mission to the United Nations, asked the New York office of the United Nations Department of Humanitarian Affairs (DHA) for emergency relief assistance.

Two days later on August 25, Hyon Hak-bong, first secretary of the North Korean mission to the United Nations, sent a letter of request for relief assistance to the representative of the International Industrial Management Consultants Co. of the United States.

Acting on the request, the DHA sent some of its officials to Pyongyang to assess the extent of the floods. On August 29, the DHA informed South Korea and other U.N. member countries of the contents of a report from North Korea on its floods, which included :

- *Heavy rains pounded the areas of South and North Pyongan and Kangwon provinces in a period from July 26 and August 18.*
- *Some 5.2 million people in 145 counties in 12 provinces were affected by the heavy rains.*
- *The preliminary damage estimated by the North Korean authorities a-*

tional organization or North Korea officially asks the South for assistance, the government could review the issue at that time.

Meanwhile, a comprehensive report on flood damage in North Korea was made public in Geneva on September 12, highlights of which included :

- *The total amount of money needed : 15,712,250 dollars*
- *The extent of damages : 1,391 villages in 120 counties, people suffering from floods 5,206,000, of whom 481, 740 were left homeless.*
- *A total of 7,250,000 dollars will be needed to finance the purchase of 20,250 tons of rice and 675 tons of edible oil to be distributed to 500, 000 victims for three months.*
- \* *The report was prepared after visits to North Korea on August 29-September 9, 1995 by the representatives of the U.N. DHA, UNDP, WHO, UNICEF, World Food Program and FAO.*

Around the time the U.N. report was released, North Korean Ambassador to Geneva Ri Chol asked foreign missions for flood assistance. Kim Bong-ik, president of North's Samcholli General Co., sent a letter to the World Vision Korea, saying that what they need urgently is food rather than medicine or clothes.

On September 12, Olga Rangren, chief of the North Korean Flood Evaluation Team of the U.N. DHA called on the world community to contribute 15 million dollars in cash and goods for North Korean flood victims.

The International Committee of the Red Cross, meanwhile, asked all national Red Cross societies on September 14 to

furnish 4 million dollars in flood assistance for the North. The amount broke down to 1.5 million dollars in cash and 2.5 million dollars in kind such as blankets, padded bedding, rice and transport vehicles.

In response, Deputy Prime Minister Rha Woong-bae said on September 14 that the Korean National Red Cross would initially send to the North through a proper channel 50,000 dollars worth of daily necessities like medicine, clothes and blankets ; the private-level assistance would be forwarded through the Korean National Red Cross. He noted that if there is an official request from the North, the government would provide assistance by carefully studying the time and amount of assistance and going through consultations with the ruling party.

Under the government policy, Korean National Red Cross President Kang Young-hoon tried to flash a telephone message to acting North Korean Red Cross chairman Ri Song-ho at 9:30 a.m. September 15, proposing to furnish flood assistance to the North. The North, however, refused to receive the message. The Red Cross message was sent through KBS Radio One at 10 a.m. the same day.

The text of the message from the ROKNRC president to the acting North Korean Red Cross chairman was as follows :

*The International Federation of Red Cross and Red Crescent on September 13 notified all national Red Cross societies of the serious condition of your side's floods, asking our Red Cross too for assistance for your side's flood victims.*

*Here, our Red Cross, although our own people are suffering much from floods, has decided to provide medicine and blankets to your side in the belief that we should help our northern compatriots under a greater difficulty.*

*Moreover, if our people asks for the delivery of relief goods for your side's flood victims, our Red Cross will assemble and send them to your Red Cross.*

*I hope that your Red Cross will let us know your side's opinion on the method of sending our side's goods to your side.*

Also at 10 a.m. September 15, ROKNRC President Kang issued a statement to the people in connection with flood assistance for North Korea. In the statement, Kang expressed thanks to the people for partaking in the relief of the South's own flood victims and called on the people to broadly understand the Red Cross's efforts to send relief goods to North Korea.

The following is the full text of ROKNRC President Kang's statement to the people :

*In the heavy rains that swept all parts of the country for several days in last August, we suffered the loss of some valuable lives and much property damage like the inundation of crops in large areas.*

*The Republic of Korea National Red Cross, with the duty of providing emergency relief in the event of a disaster, expeditiously launched relief activities by releasing relief goods for flood victims. To date, our government and people work in concert to repair flood damage.*

*In the North Korean area also, there were heavy rains which caused many flood victims. Press reports indicated that recently the North Korean authorities appealed to the United Nations, International Federation of Red Cross and Red Crescent (IFCR) and world countries for assistance.*

*Our Korean National Red Cross, while awaiting notification from the IFCR*

*on the outcome of its inspection, has carefully been studying the issue of providing humanitarian relief goods like medicine and blankets to flood-stricken North Korean people.*

*The U.N. DHA, meanwhile, on September 12 confirmed the North Korean announcement that the floods affected about 5 million people and caused property damage totaling 15 billion dollars. The IFCR, too, on September 13 informed national Red Cross societies of the seriousness of flood damages in North Korea, calling for assistance for flood victims.*

*Under the circumstances, we have decided to provide medicine and blankets to North Korea in the belief that though our people, too, are suffering much from floods, we should extend a helping hand to the North Korean people under a difficulty. Today we proposed in a radio message the provision of flood relief goods to the North Korean Red Cross.*

*I would like to take this occasion to express my deep appreciation to you the people who took part in relieving our flood victims. I hope you will broadly understand our Red Cross policy to provide flood relief goods to North Korea.*

*If you people entrust our Red Cross with goods or cash to help the North Korean flood victims, we will assemble and deliver them to the North Korean Red Cross.*

As the North Korean Red Cross showed no response to the offer, the ROKNRC on September 23 decided to provide 5,000 blankets worth 120,000 dollars to the North through the IFCR. Under the government policy to have private-level relief goods handled exclusively by the Red Cross, the ROKNRC accepted cash contributions from individual people, social and religious organizations.

Such donations totaled 116 million won as of November 20, of which 62 million won plus 59 million won in ROKNRC

fund were used in purchasing the 5,000 blankets. The ROKNRC said it had confirmed that the blankets shipped from Inchon to the Nampo harbor were turned over to International Red Cross officials there on November 23.



**Part IV**

**Basic Principles for Rooting  
Peace on Korean Peninsula**



## **IV. Basic Principles for Rooting Peace on Korean Peninsula**

In his commemorative address made on the 50th anniversary of national liberation on August 15, 1995, President Kim Young-sam set forth three basic principles for the nation's security and the rooting of durable peace on the Korean peninsula. The three principles were :

First, the question of creating a peace system on the Korean peninsula should always be discussed and resolved between the direct parties involved, the South and the North.

Second, cooperation and backing from relevant countries are necessary for the creation of a peace system on the Korean peninsula.

Third, all inter-Korean agreements including the Basic South-North Agreement and Denuclearization Declaration should be respected.

The substances of three principles were basically those which the South Korean government had already declared at home and abroad which were re-compiled based on the clauses envisaged in the Basic South-North Agreement.

The first of the three principles calls for the discussion and resolution of the issue of creating a peace mechanism on the Korean peninsula only between the direct parties—South and North Korea. This is because the responsibility for safe-

guarding peace on the Korean peninsula lies ultimately in the South and the North of Korea.

Since 1953 peace on the Korean peninsula has been maintained by an armistice system. The 155-mile frontline is manned exclusively by South and North Korean troops. Though the commander of the United Nations forces is one party to the Armistice Agreement, the actual party to the truce pact is no doubt South Korea. In fact, the forces that have maintained the state of armistice have been no other than the South and North Korean troops, numbering more than one million.

Therefore the question of terminating the armistice system on the Korean peninsula and transforming it into a peace mechanism should naturally be discussed and resolved through discussions primarily between the South and the North.

The Basic South-North Agreement that took effect in February 1992 says in its preamble, "... to remove the state of political and military confrontation and achieve national reconciliation ; and also to avoid armed aggression and hostilities, reduce tension and ensure peace..." This very phrase derives from the spirit that the masters of peace on the Korean peninsula are none others but South and North Korea.

The principle of resolving problems between the direct parties, South and North Korea, is also buttressed by the provisions of Article 5 of the Basic Agreement, which says, "The two sides shall endeavor together to transform the present state of armistice into a solid state of peace between the South and the

North and shall abide by the present Military Armistice Agreement until such a state of peace has been realized.”

In the provisions, the two Koreas make it express to strive, as the direct parties involved, to transform the existing truce system into a state of peace. A state of peace here means to creation of a peace mechanism in place of the armistice regime. Moreover, the two sides make it a rule to respect the existing Armistice Agreement until the time of the creation of a peace system.

Nevertheless, North Korea attempts to create a peace system on the Korean peninsula by concluding a peace agreement with the United States, omitting South Korea. Their attempt is a stark violation of the Basic South-North Agreement and also testifies to the North's objection to the principle of resolving problems by the direct parties involved, namely, the South and the North of Korea.

In addition, the clauses of “prohibition of the use of arms and of armed aggression,” “peaceful resolution of disputes” and “confirmation of the scope of non-aggression” in Articles 9 through 14 of the Basic Agreement, point to the fact that the two sides shared the view that the South and the North are the very direct parties involved in the question of a peace mechanism.

The United States, too, has made it clear that it is opposed to the conclusion of a peace agreement with North Korea as the two Koreas are the parties to the question of instituting a peace regime on the Korean peninsula.

Second, creating a peace mechanism on the Korean peninsula, requires cooperation and backing from relevant countries. Peace on the Korean peninsula contributes to peace in Northeast Asia and to world peace. Such a mechanism is key to coexistence and co-prosperity of the Korean nation.

Geopolitically, the Korean peninsula sits in a central zone of Northeast Asia, also a sensitive area where there is always the danger of armed clashes and which is linked directly to world peace. Both South and North Korea remain prepared against war that may break out at any time.

Such a danger can be felt even from a North Korean delegate's threat to turn "Seoul into the sea of fire" during a South-North meeting.

We can also realize that international interests are delicately intertwined on the Korean peninsula from the fact that though North Korea unleashed the Korean War as a "national liberation war," it was made an international war participated by China, USSR and 16 United Nations member countries.

Given the geopolitical sensitivity of the Korean peninsula the issue of creating a peace mechanism on the Korean peninsula should be dealt with by South and North Korean themselves.

Kim Il-sung, too, said in his New Year's message of January 1993, "The unification question is a national issue which our people should resolve and also an international question in the resolution of which relevant countries should positively cooperate with the sense of responsibility."

The issue of peace or unification on the Korean peninsula is in every respect the Korean people's question which South and North Korea should resolve independently as the direct parties involved. The relevant countries around the Korean peninsula should be no more than cooperate and supports.

Third, all agreements made between the South and the North, including the Basic South-North Agreement and the Joint Declaration of the Denuclearization of the Korean Peninsula should be respected.

This is especially so in view of the fact that the base of peace is confidence-building between the two sides, and confidence can be promoted only through the practice of bilateral agreements.

In the Basic Agreement, the South and the North concretely agreed on "reconciliation and cooperation," "South-North non-aggression" and "South-North exchanges and cooperation." To facilitate their implementation, the two sides put into force supplementary agreements in the three areas. To work out and implement items necessary for translating the agreed matters into action, the two sides agreed to operate four separate South-North joint commissions. But, they are yet to be put into operation due to reluctance on the part of North Korea.

In their denuclearization declaration, South and North Korea declared that they would desist from developing nuclear arms.

However, suspicion about the North's nuclear develop-

ment is yet to be cleared away expressly. This is because North Korea is delaying the clear-cut implementation of the denuclearization declaration.

All the inter-Korean agreements including the Basic South-North Agreement and denuclearization declaration which the South and North Korean government authorities agreed and put into effect, should always be respected and translated into action at an early date.

Only when inter-Korean relations genuinely enter the track of the Basic South-North Agreement, will South-North reconciliation, non-aggression, and exchanges and cooperation be ensured and will the way be paved to peaceful unification.



## **Part V**

# **KEDO Activities for the Provision of Light-Water Reactors to North Korea**

- 1. Kuala Lumpur Agreement (June 13, 1995)**
- 2. Full-Fledged Operations of KEDO**
- 3. Site Survey**
- 4. Conclusion of Reactor Supply Agreement**
- 5. Future Prospects and Task**



## V. KEDO Activities for the Provision of Light-Water Reactors to North Korea

### 1. Kuala Lumpur Agreement (June 13, 1995)

As the United States and North Korea agreed at the time of the conclusion of the framework agreement in Geneva on October 21, 1994, to endeavor to conclude a light-water reactors supply contract within six months, three rounds of U.S.-North Korea experts meetings were held.

*First meeting in Beijing, November 30-December 2, 1994*

*Second meeting in Berlin, January 28-February 1, 1995*

*Third meeting in Berlin, March 25-April 20, 1995*

The major topics in these talks were the issue of the model of reactors to be employed and the question of which country would play the central main contractor role in the supply of light-water reactors. The United States maintained that given political, financial and technical factors, only South Korea qualifies as the central supplier.

North Korea, strongly rejecting the idea, refused to accept the South Korean model, complaining that a South Korean model is a "Trojan Horse" designed to dismantle the North Korean society.

The negotiations were on rough seas as of April 21, 1995,

six months after the conclusion of the Geneva Framework Agreement. North Korea, in its typical brinkmanship strategy, one-sidedly declared the breakup of the talks threatening to lift its nuclear freeze. But, a U.S.-North Korea semi-high-level meeting was held, in which North Korea accepted in reality the fact that there is no choice but to accept a South Korean model.

At the talks held in Kuala Lumpur, Malaysia May 19-June 12, 1995, the two sides reaffirmed the political pledge envisaged in the Geneva Framework Agreement and resolved major disputes.

*Gist of Kuala Lumpur Agreement (Joint Press*

*Release, June 13, 1995)*

- 1. The KEDO shall take charge of the light-water reactor project and the United States shall play the role of a main contractor with North Korea.*
- 2. The reactors to be furnished shall comprise two pressurized light reactors with two coolant loops and a generating capacity of about 1,000 MWe each and the model of the light-water reactors shall be chosen by the KEDO.*
- 3. The KEDO and North Korea shall begin negotiations for the conclusion of a supply contract.*

The Kuala Lumpur agreement has put an end to the controversy over the issues of the model of reactors and a main contractor, and has set the stage for South Korea to take part in direct negotiations with the North as a member of a KEDO (Korean Peninsula Energy Development Organization) delegation.

As it was agreed that KEDO would select the model of reactors and a main contractor, it amounted to North Korea's de facto acceptance of South Korean standard-model light-water reactors built by a South Korean industry (main contractor).

Prior to the joint announcement in Kuala Lumpur, U.S. President Bill Clinton, in a personal message addressed to President Kim Young-sam on June 13, made it clear that the light-water reactors to be provided to North Korea would be the South Korean standard model, and that Uljin 3 and 4 would become reference plants. He also wrote that South Korean industry, as a main contractor, would take charge of the whole of the light-water reactor project such as design, production, construction and project management.

On the same date of the announcement of the Kuala Lumpur agreement, KEDO held an emergency Executive Board meeting in Seoul and concluded that the Kuala Lumpur agreement represented the confirmation of the use of the South Korean standard model and South Korea's central role, both the basic principles in the implementation of the light-water reactor project.

KEDO Executive Board decided in particular that as envisioned in the agreement on the creation of KEDO, the light-water reactors to be provided shall be the South Korean standard model and its reference plants shall be Uljin 3 and 4. It then decided to embark on negotiations with the Korea Electric Power Corp. (KEPCO) for its selection as the main contractor.

*\* The agreement on the establishment of KEDO expressly provides in its Article 2 that the model of the light-water reactors to be furnished to North Korea shall be the South Korean standard model.*

## **2. Full-Fledged Operations of KEDO**

For a considerable length of time after the creation of KEDO on March 9, 1995, KEDO had existed in paper only in reality because its secretariat lacked any working-level organization excepting the executive director and deputy executive directors. The Kuala Lumpur agreement provided the momentum for the KEDO secretariat to move fast to prepare for full-fledged activities.

On July 5-11, 1995, KEDO Executive Director Stephen Bosworth visited South Korea to discuss the inauguration of KEDO secretariat and upcoming negotiations with North Korea. He also inspected the Uljin Atomic Plant estate, the site of the Korean model reactors under construction.

Soon thereafter on July 20, 1995, KEDO opened a head office in New York where the deputy executive directors from South Korea and Japan joined Executive Director Bosworth to enable KEDO to enter full-fledged operations.

The KEDO organization includes the Executive Board, Secretariat, general meeting and advisory committees. The Executive Board, the highest decision maker, consists of one each representative of South Korea, the United States and Japan. A

decision is supposed to be made on a unanimous basis.

The executive director and deputy executive directors, who are the highest officials of the Secretariat, are chosen by the Executive Board for two-year terms. The two deputy executive directors are Choi Young-jin from South Korea and Itaru Umez from Japan. The executive director and deputy executive directors, under the supervision and control of the Executive Board, take charge of the organization, personnel and budget of the Secretariat and execute negotiations with North Korea and contract programs.

As substructures of the Secretariat there are four departments—policy planning, contracts and project management, budget and finance, and administration. Deputy Executive Director Choi is in charge of policy planning and contract—project management and Umez the rest.

The operational funds of KEDO are to be equally provided by the three Executive Board member countries. Under the system, South Korea paid 1.8 million dollars out of the 5,420,000 dollars in the '95 KEDO operational fund, which is to cover mainly employees' salaries office maintenance and expenses for negotiations with North Korea.

The KEDO Secretariat, with cooperation from the Executive Board member countries of South Korea, the United States and Japan, held the first KEDO general meeting in New York on July 31–August 1, 1995 and the meetings of three advisory committees on the light-water reactor project, substitution ener-

gy and spent fuel bars. KEDO had thus formed all its major organizations.

The KEDO general meeting, attended by the three Executive Board countries of South Korea, U.S. and Japan and the representative of the European Union (EU), served as an occasion to emphasize international cooperation in the resolution of the North Korean nuclear question, in particular the light-water reactor project.

KEDO, which began to function in earnest in the wake of the Kuala Lumpur agreement, has emerged as an international organization in charge of finance and the supply of reactors in the light-water reactor project as envisioned in the Geneva framework agreement; carrying out reactor negotiations with North Korea, conducting site inspections, and negotiations with Korea Electric Power Corp. (KEPCO) for the conclusion of a commercial reactor contract.

### **3. Site Survey**

Under the Kuala Lumpur agreement, the first KEDO site survey team visited the Sinpo area, the candidate site of the light-water reactors, on August 15-22, 1995 by way of Beijing.

The survey team, headed by Sol Rosen and consisting of 15 persons including 10 experts, observed the Sinpo area to determine if the area were suitable to the construction of reactors.



They also reviewed a material already prepared by Russia, and also conducted a sample survey of soil and water conditions of the area. In addition, working-level talks were held with North Korean experts in Sinpo and Pyongyang.

Upon completion of the survey, the team analyzed the outcome of the survey and prepared a draft report in Seoul on August 23-25, 1995.

The initial site inspection revealed that the Sinpo area in general met general conditions as a light-water reactor site. A second site inspection team visited the North on October 24-November 4, 1995 for a supplementary survey.

The second team, comprised 19 persons including Team Head Rosen and 14 experts, inspected the zone for three factors: geological features and seismic conditions, environment, and permits and work conditions.

During the second survey, seismic gauges were set up at several candidate points as part of its intensive review of safety conditions and studied work feasibility. It also examined basic materials which were not available during the first survey.

KEDO sent a third inspection team to Sinpo for a full-fledged and detailed survey, including the prospecting of a candidate point based on the outcome of the first and second surveys during Desember 14, 1995 to January 16, 1996.

## **4. Conclusion of Reactor Supply Agreement**

### **a. KEDO-North Korea Reactor Talks (First Round)**

First-round talks between KEDO and North Korea to discuss the conclusion of an agreement on the supply of light-water reactors were held in Kuala Lumpur on September 11-15 as envisaged in the Kuala Lumpur agreement.

The meeting was attended by 14 officials from KEDO including KEDO Executive Director Bosworth, who was chief delegate, and 11 from the North headed by Foreign Ministry Roving Ambassador Ho Jong.

As the KEDO delegates included South Korean public officials of the Office of Planning for the Light-Water Reactor Project in addition to South Korean KEDO officials like Deputy Executive Director Choi Young-jin, it was a rare occasion for South and North Korean officials to sit together.

This was remarkable progress compared with the past practice in which South Korea had to express its position indirectly through the United States because negotiations on the North Korean nuclear question or the light-water reactor project took the form of bilateral U.S.-North Korea talks.

Preceded by a general session, a high-level meeting was held on September 11-12, 1995 and expert-level working-level talks on September 13-15, 1995.

At the small-scale high-level meeting attended mainly by the KEDO executive director and deputy executive directors, the North's Ho Jong tried to set forth an artificial deadline for the talks, arguing that a supply contract should be concluded by October 21, 1995, the first anniversary of the Geneva Framework Agreement, while repeating their ideas on the scope of reactors supply and the terms of repayment in their attempt to strike a political resolution.

In reaction, KEDO rejected the North's attempt to set a negotiation deadline as well as their unreasonable demand for an expanded scope of the supply and eased repayment terms. The KEDO delegation urged the North to accept the principle of burden sharing and to make clear the principle of their repayment.

At the experts' working-level talks held on September 13-15, 1995 on the heels of the high-level meeting, the two sides compared their respective versions of a draft agreement and confirmed their position item by item.

The two sides decided to further review the controversial issues of expanding the scope of reactors supply and repayment terms at a later high-level talks in New York on September 30 and October 16, 1995, respectively.

#### b. KEDO-North Korea Reactors Talks (Second Round)

Prior to the second-round talks, KEDO checked overall

and item-by-item contents of a draft supply agreement in a working-level meeting held in New York on September 27-28, 1995 with experts from South Korea, U.S. and Japan attending. Officials attending the meeting from South Korea were, in addition to officials of the Office of Light-Water Reactor Project Planning, experts from the KEPCO, Atomic Energy Institute and the Atomic Energy Safety Institute.

In the second-round KEDO-North Korea negotiations on the light-water reactor project, an experts' meeting began on September 30 and both experts and high-level talks on October 16. The experts' meeting narrowed mutual differences through debate on technical and legal aspects of a draft agreement while the high-level talks concentrated on the scope of supply and repayment terms.

In the talks that lasted for more than two months, KEDO dealt firmly with the North's brinkmanship strategy and consistently maintained the principle of package resolution while allowing no room for North Korea to break up the talks with KEDO in favor of bilateral negotiations with the United States.

*\* The principle of package resolution, designed to thwart the North's so-called "Salami Tactics" under which the North repeatedly demands additional concessions through an incomplete agreement, refers to the principle that nothing can be agreed on until the North's negotiations goal is completely unearthed and all disputes are agreed on.*

In the high-level and experts negotiations begun on October 16, the two sides showed no signs of agreement on a number of items such as the issues of technical standards, delivery schedules and a passage route ; in addition to the controversial scope of delivery and repayment terms. Finally on December 16, 1995, the two sides agreed on a supply agreement which reflected the position of South Korea, the central role player in the reactor project.

In the talks with KEDO, North Korea showed an economic and pragmatic posture without disputing the use of the South Korean standard model or South Korea's central role. Until the last moment, the North tenaciously demanded the additional supply of transfer and distribution facilities, a nuclear fuel fabrication plant, improvement of harbor facilities, etc. as well as compensation for their investment of graphite moderated plants. But, faced with KEDO's firm stand that the supply of light-water reactors will be based on the routine practice of building nuclear energy plants like Uljin 3 and 4, North Korea in the end retracted their demand.

As the supply agreement is based on international law, the political promise contained in the Geneva Framework Agreement such as the freeze of nuclear activities and dismantling of nuclear facilities was meant to be changed into legal obligations.

The supply agreement was also significant in that the project could serve as a basis for expanding exchanges and improving relations between South and North Korea as construc-

tion workers and equipment are bound to flow between the two Koreas over the longer period of reactor construction.

c. Major Achievements and Contents of Supply Agreement

In the KEDO-North Korea negotiations for the conclusion of a reactor supply agreement, the key principles South Korea had consistently pursued were the use of the South Korean standard model of light-water reactors and the central role of South Korea.

In particular, while rejecting North Korea's unnecessary and unrealistic demand, KEDO secured items directly linked to smooth implementation of the project such as the guarantee of contacts, communications, transits and personal safety, and burden for nuclear accidents as suggested by South Korea. If the reactor project goes smoothly as scheduled the improvement of inter-Korea relations may well be expected.

The light-water reactors supply agreement concluded between KEDO and North Korea is based on international law, the highlights of which are as follows :

*(1) Scope of supply*

- *KEDO would finance the construction of light-water reactors and the following essential facilities :*

- *Items necessary for the start of the construction such as ground leveling, roads for use in construction in the site area, industrial water, lodges related to construction.*
- *Items essential to the operation of nuclear energy plants, such as cooling water intake and displacement facilities, barge yards, water pumping facilities including submerged dikes.*
- *Items necessary for ensuring the safety of nuclear energy plants such as simulated training yards.*

*(2) Repayment terms*

- *Repayable in 17 years on an installment payment basis after a grace of three years after construction of each plant (free of interest).*

*(3) Matters directly related to the South Korean standard model*

- *Technology standard*
  - *Recognition of the technology standard applied to the model (South Korean standard model) chosen by KEDO.*
- *Permit and authorization procedures*
  - *North Korea shall expeditiously handle all requests for permits necessary for the completion of the light-water reactor project free of charge.*
  - *North Korea shall exempt KEDO, contractors and their officials and employees from taxes and tariffs.*

*(4) Matters essential to project progress*

- *The issue of establishing communications and transit offices*
  - *Transit routes shall be designated by North Korea “subject to an agreement with KEDO”*

- *Guarantee of transit routes without impediment to the site.*
- *Designation of “proper and effective” transit routes (sea, air, etc.).*
- *Guarantee of the use of communications facilities without impediment to the existing communications facilities, and issuance of a permit for the creation by KEDO and the KEDO-side’s project undertaker of their own means of safe communications.*
- *Allowing of the creation of offices at airports and other directly-related areas in addition to on-the-scene offices.*
- *Contacts between project undertakers*
- *Promotion of effective contacts and cooperation among all project partakers with a view to ensuring the expeditious and smooth progress of the project.*
- *Issuance of all permits and tax exemption*
- *North Korea shall expeditiously handle all requests for permits necessary for the completion of the light-water reactor project free of charge.*
- *North Korea shall exempt KEDO, contractors and their officials and employees from taxes and tariffs.*
- *Principle of the “peaceful use of atomic energy”*
- *If and when an agreement is reached with the United States, North Korea shall guarantee the fulfillment of its obligations and respect for NSG Guideline for the use of atomic energy.*
- \* *Peaceful use of nuclear materials and facilities, prohibition of reprocessing an enrichment, prohibition of unauthorized shipment to third countries, application of IAEA safeguard measures, etc.*
- *Bilateral guarantee, if necessary, toward KEDO member countries in addition to KEDO.*
- *Guarantee of personal safety and consular protection.*
- *Personal safety and consular protection of all persons related to the project regardless of one’s nationality.*
- *Principle of compensation in nuclear accident*



- *The principle of non-blame of the nuclear plant operator, agreement on compensation, holding of insurance against nuclear accident, etc.*

*(5) Obligations related to nuclear activities*

- *Inclusive of the implementation of all obligations under the U.S.–North Korea framework agreement.*
- *Remaining under the NPT, freezing or dismantling of nuclear facilities, shipment of spent fuel bars abroad, resumption of general and special IAEA inspections, implementation of safeguard measures, etc.*
- *Effect of reaffirming the North's obligations under a political agreement into those under international law.*
- *Special and general IAEA inspections shall resume after the signing of a supply contract subject to consultations with IAEA.*

The following is the text of the contract concluded between KEDO and North Korea for the supply of light-water reactors:

*AGREEMENT  
ON SUPPLY OF A LIGHT-WATER REACTOR PROJECT  
TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA  
BETWEEN THE KOREAN PENINSULA ENERGY  
DEVELOPMENT ORGANIZATION AND THE GOVERNMENT  
OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA*

*The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK").*

*Recognizing that KEDO is an international organization to finance and supply a light-water reactor project (hereinafter referred to as the "LWR project") to the DPRK as specified in the Agreed Framework between the United States of America and the Democratic People's Republic of Korea of October 21, 1994 (hereinafter referred to as the "U.S.-DPRK Agreed Framework").*

*Recognizing that the U.S.-DPRK Agreed Framework and the June 13, 1995, U.S.-DPRK Joint Press Statement specify that the U.S. will serve as the principal point of contact with the DPRK for the LWR project, and*

*Reaffirming that the DPRK shall perform its obligations under the relevant provisions of the U.S.-DPRK Agreed Framework and shall accept the LWR project as specified in the June 13, 1995, U.S.-DPRK Joint Press Statement,*

*Have agreed as follows:*

*ARTICLE I  
SCOPE OF SUPPLY*

- 1. KEDO shall provide the LWR project, consisting of two pressurized light water reactor(LWR) units with two coolant loops and a generating capacity of approximately 1,000MW(e) each, to the DPRK on a turnkey basis. The reactor model, selected by KEDO, will be the advanced version of U.S.-origin design and technology currently under production.*
- 2. KEDO shall be responsible for the scope of supply for the LWR project, specified in Annex 1 to the Agreement. The DPRK shall be responsible for other tasks and items necessary for the LWR project, specified in Annex 2 to the Agreement.*
- 3. The LWR project shall conform to a set of codes and standards equivalent to those of the IAEA and the U.S. and applied to the reactor model referred to in paragraph 1 of this Article. The set of codes and standards shall apply to the design, manufacture, construction, testing, commissioning, and operation and maintenance of the LWR plants, including safety, physical protection, environmental protection, and storage and disposal of radioactive waste.*

*ARTICLE II  
TERMS OF REPAYMENT*

- 1. KEDO shall finance the cost of the tasks and items specified in Annex 1 to the Agreement to be repaid by the DPRK on a long-term, interest-free basis.*
- 2. The amount to be repaid by the DPRK will be jointly determined by KEDO and*

*the DPRK based on examination by each side of the technical description of the LWR project specified in the commercial supply contract for the LWR project, the fair and reasonable market value of the LWR project, and the contract price payable by KEDO to its contractors and subcontractors under the commercial supply contracts for the tasks and items specified in Annex 1 to the Agreement. With respect to the tasks and items specified in Annex 1 to the Agreement, the DPRK shall not be responsible for any additional costs, other than those that result from actions by the DPRK or from its failure to take actions for which it is responsible, in which case the repayment amount shall be increased by an amount jointly determined by KEDO and the DPRK, based on actual added cost to the LWR project payable by KEDO.*

- 3. The DPRK shall repay KEDO for each LWR plant in equal, semiannual installments, free of interest, over a 20-year term after completion of each LWR plant, including a three-year grace period beginning upon completion of that LWR plant. The DPRK may pay KEDO in cash, cash equivalents, or through the transfer of goods. In the event that the DPRK pays in cash equivalents or goods (such payment is hereinafter referred to as "in-kind payment"), the value of such in-kind payment shall be determined jointly by KEDO and the DPRK, based on an agreed formula for determining fair and reasonable market price.*
- 4. Details concerning the amount and terms of repayment shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*

### ARTICLE III

#### DELIVERY SCHEDULE

- 1. KEDO shall develop a delivery schedule for the LWR project aimed at achieving a completion date of 2003. The schedule of relevant steps to be performed by the DPRK under the U.S.-DPRK Agreed Framework, as specified in Annex*

*3 to the Agreement, shall be integrated with the delivery schedule for the LWR project with the aim of achieving the performance of such steps by 2003 and the smooth implementation of the LWR project. As specified in the U.S.-DPRK Agreed Framework, the provision of the LWR project and the performance of the steps specified in Annex 3 to the Agreement are mutually conditional.*

- 2. For purposes of the Agreement, "completion" of an LWR plant means completion of performance tests that is satisfactory in accordance with the set of codes and standards specified in Article I (3). Upon completion of each plant, the DPRK shall issue to KEDO a take-over certificate for each respective plant.*
- 3. Details concerning the delivery schedule for the delivery of the LWR project and the performance of the steps specified in Annex 3 to the Agreement, including mutually agreed procedures for any necessary changes and completion of a significant portion of the LWR project as specified in Annex 4 to the Agreement, shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*

#### *ARTICLE IV IMPLEMENTING ARRANGEMENTS*

- 1. The DPRK may designate a DPRK firm as its agent and authorize the firm to enter into implementing arrangements as necessary to facilitate the LWR project.*
- 2. KEDO shall select a prime contractor to carry out the LWR project and shall conclude a commercial supply contract with this prime contractor. A U.S. firm will serve as program coordinator to assist KEDO in supervising overall implementation of the LWR project, and KEDO will select the program coordinator.*

3. *KEDO and the DPRK shall facilitate practical arrangements that both sides deem necessary, including efficient contacts and cooperation among the participants in the LWR project, to ensure the expeditious and smooth implementation of the LWR project.*
4. *Written communications required for the implementation of the Agreement may be executed in the English or Korean languages. Existing documents and data may be used or transmitted in their original languages.*
5. *KEDO, its contractors and subcontractors shall be permitted to operate offices at the project site and other directly related locations such as the nearby port or airport as shall be agreed KEDO and the DPRK, as the progress of the LWR project may require.*
6. *The DPRK shall recognize KEDO's independent juridical status and shall accord KEDO and its staff such privileges and immunities in the territory of the DPRK as necessary to carry out the functions entrusted to KEDO. KEDO's juridical status and privileges and immunities shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*
7. *The DPRK shall take steps to protect the safety of all personnel sent to the DPRK by KEDO, its contractors and subcontractors and their respective property. Appropriate consular protection in conformity with established international practice shall be allowed for all such personnel. Necessary consular arrangements shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*
8. *KEDO shall take steps to ensure that all personnel sent to the DPRK by KEDO, its contractors and subcontractors shall undertake to respect the relevant laws of the DPRK, as shall be agreed between KEDO and the DPRK, and to con-*

*duct themselves at all times in a decent and professional manner.*

- 9. The DPRK shall not interfere with the repatriation, in accordance with customs clearance procedures, by KEDO, its contractors and subcontractors of construction equipment and remaining materials from the LWR project.*
- 10. The DPRK shall seek recovery solely from the property and assets of KEDO for the satisfaction of any claims arising under the Agreement or from any of the acts and omissions, liabilities, or obligations of KEDO, its contractors and subcontractors in direct connection with the Agreement, protocols and contracts pursuant to the Agreement.*

*ARTICLE V  
SITE SELECTION AND STUDY*

- 1. KEDO shall conduct a study of the preferred Kumho area near Sinpo City, South Hamhyong Province to ensure that the site satisfies appropriate site selection criteria as shall be agreed between KEDO and the DPRK and to identify the requirements for construction and operation of the LWR plants, including infrastructure improvements.*
- 2. To facilitate this study, the DPRK shall cooperate and provide KEDO with access to the relevant available information, including the results of the studies that were performed previously at this site. In the event that such data is not sufficient, KEDO shall make arrangements to obtain additional information or to conduct the necessary site studies.*
- 3. Details concerning site access and the use of the site shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*

ARTICLE VI  
QUALITY ASSURANCE AND WARRANTIES

1. *KEDO shall be responsible for design and implementation of a quality assurance program in accordance with the set of codes and standards specified in Article I (3). The quality assurance program shall include appropriate procedures for design, materials, manufacture and assembly of equipment and components, and quality of construction.*
  
2. *KEDO shall provide the DPRK with appropriate documentation on the quality assurance program, and the DPRK shall have the right to participate in the implementation of the quality assurance program, which will include appropriate inspections, tests, commissioning, and review by the DPRK of the results thereof.*
  
3. *KEDO shall guarantee that the generating capacity of each LWR plant at the time of completion, as defined in Article III (2), will be approximately 1,000MW (e). KEDO shall guarantee that the major components provided by relevant contractors and subcontractors will be new and free from defects in design, workmanship, and material for a period of two years after completion, but in no event longer than five years after the date of shipment of such major components. The LWR fuel for the initial loading for each LWR plant shall be guaranteed in accordance with standard nuclear industry practice. KEDO shall guarantee that the civil construction work for the LWR project will be free of defects in design, workmanship, and material for a period of two years after completion.*
  
4. *Details concerning the provisions of this Article and the content and procedures for issuance and receipt of warranties shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*



ARTICLE VII  
TRAINING

1. *KEDO shall design and implement a comprehensive training program in accordance with standard nuclear industry practice for the DPRK's operation and maintenance of the LWR plants. Such training shall be held at mutually agreeable locations as soon as practicable. The DPRK shall be responsible for providing a sufficient number of qualified candidates for this program.*
  
2. *Details concerning the training program shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*

ARTICLE VIII  
OPERATION AND MAINTENANCE

1. *KEDO shall assist the DPRK to obtain LWR fuel, other than that provided pursuant to Annex 1 to the Agreement, through commercial contracts with a DPRK preferred supplier for the useful life of the LWR plants.*
  
2. *KEDO shall assist the DPRK to obtain spare and wear parts, consumables, special tools and technical services for the operation and maintenance of the LWR plants, other than those provided pursuant to Annex 1 to the Agreement, through commercial contracts with a DPRK preferred supplier for the useful life of the LWR plants.*
  
3. *KEDO and the DPRK shall cooperate to ensure the safe storage and disposition of the spent fuel from the LWR plants. If requested by KEDO, the DPRK shall relinquish any ownership rights over the LWR spent fuel and agree to the transfer of the spent fuel out of its territory as soon as technically possible after the fuel is discharged, through appropriate commercial contracts.*

4. *Necessary arrangements for the transfer of LWR spent fuel out of the DPRK shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*

*ARTICLE X  
SERVICES*

1. *The DPRK shall process for approval all applications necessary for completion of the LWR project expeditiously and free of charge. These approvals shall include all permits issued by the DPRK nuclear regulatory authority, customs clearance, entry and other permits, licenses, site access rights, and site take-over agreements. In the event that any such approval is delayed beyond the normally required time or denied, the DPRK shall notify KEDO promptly of the reasons therefor, and the schedule and cost for the LWR project may be adjusted as appropriate.*
2. *KEDO its contractors and subcontractors, and their respective personnel shall be exempt from DPRK taxes, duties, charges and fees as shall be agreed between KEDO and the DPRK, and expropriation in connection with the LWR project.*
3. *All personnel sent to the DPRK by KEDO its contractors and subcontractors shall be allowed unimpeded access to the project site and to appropriate and efficient transportation routes, including air and sea links, to and from the project site as designated by the DPRK and agreed between KEDO and the DPRK. Additional routes will be considered as the progress of the LWR project may require.*
4. *The DPRK shall, to the extent possible, make available at a fair price port services, transportation, labor, potable water, food, off-site lodging and offices,*

*communications, fuel, electrical power, materials, medical services, currency exchanges and other financial services, and other amenities necessary for living and working by personnel sent to the DPRK by KEDO, its contractors and subcontractors.*

5. *KEDO, its contractors and subcontractors, and their respective personnel shall be allowed unimpeded use of available means of communications in the DPRK. In addition, KEDO, its contractors and subcontractors shall be permitted by the DPRK to establish secure and independent means of communications for their offices, based on a timely telecommunications regulations of the DPRK.*
6. *Details concerning the above-referenced services shall be specified, as appropriate, in one or more separate protocols between KEDO and the DPRK pursuant to the Agreement.*

#### *ARTICLE X*

#### *NUCLEAR SAFETY AND REGULATION*

1. *KEDO shall be responsible for assuring that design, manufacture construction, testing, and commissioning of the LWR plants are in compliance with nuclear safety and regulatory codes and standards specified in Article I (3).*
2. *The DPRK shall issue a site take-over certificate to KEDO upon completion of the site survey. A construction permit shall be issued by the DPRK nuclear regulatory authority to KEDO, prior to the power block excavation, based on its review of the preliminary safety analysis report and the site studies and on its determination of whether the LWR project complies with the nuclear safety and regulatory codes and standards specified in Article I (3). A commissioning permit shall be issued by the DPRK nuclear regulatory authority to KEDO prior to initial fuel loading, based on its review of the final safety analysis report, which*

*includes the as-built design of the LWR plant, and results of non-nuclear commissioning tests. KEDO shall provide the results of nuclear commissioning tests and operator training records to the DPRK in support of its issuance of an operating permit to the operator. KEDO shall provide the DPRK, in a timely manner, with the safety analysis reports, necessary information including that on the codes and standards, and such other documents as KEDO deems necessary in order to make the required determination. The DPRK shall ensure that these permits will be issued in a timely manner not to impede the project schedule.*

- 3. The DPRK shall be responsible for the safe operation and maintenance of the LWR plants, appropriate physical protection, environmental protection, and consistent with Article VIII(3), the safe storage and disposal of radioactive waste, including spent fuel, in conformity with the set of codes and standards specified in Article I (3). In this regard, the DPRK shall assure that appropriate nuclear regulatory standards and procedures are in place to ensure the safe operation and maintenance of the LWR plants.*
- 4. Prior to the shipment of any fuel assemblies to the DPRK, the DPRK shall observe the provisions set forth in the Convention on Nuclear Safety (done at Vienna, September 20, 1994), the Convention on Early Notification of a Nuclear Accident (adopted at Vienna, September 26, 1986), the Convention on Assistance in the Case of a nuclear Accident or Radiological Emergency (adopted at Vienna, September 26, 1986), and the Convention on the Physical Protection of Nuclear Material (opened for signature at Vienna and New York, March 3, 1980).*
- 5. After the completion of the LWR plants, KEDO and the DPRK shall conduct safety reviews to ensure the safe operation and maintenance of the LWR plants. In this regard, the DPRK shall provide necessary assistance to enable*

*such reviews to be conducted as expeditiously as possible and shall give due consideration to the results of such reviews. Details concerning the schedule and procedures for conducting the safety reviews shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*

- 6. In the event of a nuclear emergency or accident, the DPRK shall permit immediate access to the site and information by personnel sent by KEDO, its contractors and subcontractors to determine the extent of safety concerns and to provide safety assistance.*

## *ARTICLE XI NUCLEAR LIABILITY*

- 1. The DPRK shall ensure that a legal and financial mechanism is available for meeting claims brought within the DPRK for damages in the event of a nuclear incident (as defined in the Vienna Convention on Civil Liability for Nuclear Damage, done at Vienna, May 21, 1963) in connection with the LWR plants. The legal mechanism shall include the channeling of liability in the event of a nuclear incident to the operator on the basis of absolute liability. The DPRK shall ensure that the operator is able to satisfy such liabilities.*
- 2. Prior to the shipment of any fuel assemblies to the DPRK, the DPRK shall enter into an indemnity agreement with KEDO, and shall secure nuclear liability insurance or other financial security to protect KEDO, its contractors and subcontractors, and their respective personnel in connection with any third party claims in any court or forum arising from activities undertaken pursuant to the Agreement in the event of nuclear damage or loss occurring inside or outside the territory of the DPRK as a result of a nuclear incident in connection with the LWR plants. Details concerning the indemnity agreement and insurance or other financial security shall be specified in a separate protocol between KEDO*

*and the DPRK pursuant to the Agreement.*

- 3. The DPRK shall bring no claims against KEDO, its contractors and subcontractors, and their respective personnel arising out of any nuclear damage or loss.*
- 4. This Article shall not be construed as acknowledging the jurisdiction of any court or forum or as waiving any immunity of either side.*
- 5. The domestic legal system of the DPRK may provide that, if the operator proves that the nuclear damage resulted wholly or partly either from the gross negligence of the person suffering the damage or from an act or omission of such person done with intent to cause damage, the operator may be relieved wholly or partly from his obligation to pay compensation in respect of the damage suffered by such person. The operator shall have a right of recourse only if the damage caused by a nuclear incident results from an act or omission done with intent to cause damage, against the individual acting or omitting to act with such intent. For purposes of this paragraph, the terms "person" and "individual" shall have the same meaning as in the Vienna Convention on Civil Liability for Nuclear Damage (done at Vienna, May 21, 1963).*

#### *ARTICLE VIII*

#### *INTELLECTUAL PROPERTY*

- 1. In the course of performing its obligations under the Agreement, each side may receive, directly or indirectly, information relating to the intellectual property of the other side. All such information and any materials or documents containing such information (collectively, the "Intellectual Property") are proprietary and confidential to such other side, whether or not protected by patent or copyright law. Each side agrees to protect the confidentiality of the other side's Intellectual*

*Property and to use it only for the purposes of the LWR project as provided for in the Agreement and in accordance with international norms, including practices established by the Paris Convention on the Protection of Industrial Property Rights.*

- 2. Except as otherwise agreed between the two sides, neither side shall replicate, copy, or otherwise reproduce any of the equipment or technology of the other side provided in connection with the LWR project.*

### *ARTICLE XIII ASSURANCES*

- 1. The DPRK shall use the reactors, technology, and nuclear material (as defined in accordance with international practice) transferred pursuant to the Agreement, as well as any nuclear material used therein or produced through the use of such items, exclusively for peaceful, non-explosive purposes.*
- 2. The DPRK shall ensure that the reactors, technology, and nuclear material transferred pursuant to the Agreement, as well as any nuclear material used therein or produced through the use of such items, are used properly and exclusively for purposes of the LWR project.*
- 3. The DPRK shall provide effective physical protection in accordance with international standards with respect to the reactors and nuclear material transferred pursuant to the Agreement, as well as any nuclear material used therein or produced through the use of such items for the useful life of such reactors and nuclear material.*
- 4. The DPRK shall apply IAEA safeguards to the reactors and nuclear material transferred pursuant to the Agreement, as well as any nuclear material used*

*therein or produced through the use of such items, for the useful life of such reactors and nuclear material.*

- 5. The DPRK shall at no time reprocess or increase the enrichment level of any nuclear material transferred pursuant to the Agreement, or any nuclear material used in or produced through the use of any reactor or nuclear material transferred in the LWR project.*
- 6. The DPRK shall not transfer any nuclear equipment or technology or nuclear material transferred pursuant to the Agreement, or any nuclear material used therein or produced through the use of such items, outside the territory of the DPRK unless otherwise agreed between KEDO and the DPRK, except as provided for in Article VIII(3).*
- 7. The above-referenced assurances may be supplemented by DPRK assurances, through appropriate arrangements, to KEDO members that provide to the DPRK any components controlled under the Export Trigger List of the Nuclear Suppliers Group for the LWR project, if and when such KEDO member or members and the DPRI deem it necessary.*

ARTICLE XIV  
FORCE MAJEURE

*Either side's performance shall be considered excusably delayed if such delay is due to one or more events that are internationally accepted to constitute force majeure. Each such event is herein referred to as an event of "Force Majeure". The side whose performance is delayed by an even of Force Majeure shall provide notice of such delay to the other side promptly after such event has occurred and shall use such efforts as are reasonable in the circumstances to mitigate such delay and the effect thereof on such side's performance. The two sides*



*shall then consult with each other promptly and in good faith to determine whether alternative performance and the adjustment of the schedule and cost of the LWR project are necessary.*

ARTICLE XV  
DISPUTE RESOLUTION

- 1. Any disputes arising out of the interpretation or implementation of the Agreement shall be settled through consultations between KEDO and the DPRK, in conformity with the principles of international law. KEDO and the DPRK shall organize a coordinating committee composed of three people from each side to help settle disputes that may arise in the process of implementing the Agreement.*
  
- 2. Any dispute that cannot be resolved in this manner shall, at the request of either side and with the consent of the other side, be submitted to an arbitral tribunal composed as follows : KEDO and the DPRK shall each designate one arbitrator, and the two of the mutual agreement for arbitration, either KEDO or the DPRK has not designated an arbitrator, either KEDO or the DPRK may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected. A majority of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall require the concurrence of two arbitrators. The arbitral procedure shall be fixed by the tribunal. The decisions of the tribunal shall be binding on KEDO and the DPRK. Each side shall bear the cost of its own arbitrator and its representation in the arbitral proceedings. The cost of the Charirman in discharging his duties and the remaining costs of the arbitral tribunal shall be borne equally by both sides.*

ARTICLE XVI  
ACTIONS IN THE EVENT OF NONCOMPLIANCE

1. *KEDO and the DPRK shall perform their respective obligations in good faith to achieve the basic objectives of the Agreement.*
2. *In the event that either side fails to take its respective steps specified in the Agreement, the other side shall have the right to require the immediate payment of any amounts due and financial losses in connection with the LWR project.*
3. *In the event of late payment or nonpayment by either side with respect to financial obligations to the other side incurred in implementing the Agreement, the other side shall have the right to assess and apply penalties against that side. Details concerning the assessment and application of such penalties shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.*

ARTICLE XVII  
AMENDMENTS

1. *The Agreement may be amended by written agreement between the two sides.*
2. *Any amendment shall enter into force on the date of its signature.*

ARTICLE XVIII  
ENTRY INTO FORCE

1. *The Agreement shall constitute an international agreement between KEDO and the DPRK, and shall be binding on both sides under international law.*

2. *The Agreement shall enter into force on the date of its signature.*
3. *The Annexes to the Agreement shall be an integral part of the Agreement.*
4. *The Protocols pursuant to the Agreement shall enter into force on the date of their respective signature.*

*IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed the Agreement.*

*DONE at New York City on this 15th day of December, 1995, in duplicate in the English language.*

*For the Korean Peninsula Energy  
Development Organization*

*For the Government of the Democratic  
People's Republic of Korea*

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## ANNEX 1

*The scope of supply of the LWR plants referenced in Article 1 of the Agreement for which KEDO shall be responsible shall consist of the following tasks and items.*

- 1. Site survey*
- 2. Site preparation, which shall consist of the clearing and leveling of the site and provision of electricity necessary for construction at the site and water services at the site necessary for completion of the LWR plants.*
- 3. Preconstruction infrastructure that KEDO deems is integral to and exclusively for use in the construction of the LWR plants, which shall consist of roads within the site boundary, access roads from the site to off-site roads, barge docking facilities and a road from there to the site, a waterway and water catchment facilities including weir, and housing and related facilities for KEDO, its contractors, and subcontractors.*
- 4. Technical documents necessary for the operation and maintenance of the LWR plants, including the construction schedule.*
- 5. Power plant systems, facilities, buildings, structures, equipment, and auxiliary facilities, including laboratory and measurement equipment and cold machine shop, that KEDO deems necessary for the two LWR plants.*
- 6. A low and medium radioactive waste storage building with a ten-year storage capacity for the two LWR plants.*
- 7. All tests required up to take-over.*

8. *The inventory of spare parts, wear parts, consumables, and special tools as KEDO deems necessary for a two-year period of plant operation, in accordance with standard nuclear industry practice.*
9. *Nuclear fuel for the initial loading of each LWR, including such fuel rods as may be necessary to preserve safety for initial operation.*
10. *A comprehensive training program for the operation and maintenance of the LWR plants implemented by KEDO and its contractors in accordance with standard nuclear industry practice, including provision of a full-scope simulator.*
11. *Technical support services as KEDO deems necessary for operation and maintenance of the first LWR plant for one year after completion of that LWR plant, in accordance with standard nuclear industry practice.*
12. *Overall project management.*

## ANNEX 2

*The tasks and items referenced in Article I(2) of the Agreement for which the DPRK shall be responsible shall consist of the following:*

- 1. Securing the site (land and marine) for the LWR project, including relocation of population, existing structures and facilities.*
- 2. Provision of/access to information and documents necessary for implementation of the LWR project available in the DPRK.*
- 3. Stable supply of electricity for commissioning of the two LWR plants as available in the DPRK.*
- 4. Access to existing harbor, rail, and airport facilities designated by the DPRK and agreed between KEDO and the DPRK in the vicinity of the site for the transportation of materials and equipment necessary for the LWR project.*
- 5. Securing aggregate and quarry site.*
- 6. Communication lines to the LWR project site, to the extent possible, pursuant to Article IX of the Agreement.*
- 7. Qualified operators trained by KEDO to participate in the commissioning.*

## ANNEX 3

*The relevant steps to be performed by the DPRK in connection with the supply of the LWR project under the U.S.-DPRK Agreed Framework, as referenced in Article III (1) of the Agreement, consist of the following:*

- 1. The DPRK will remain a party to the Treaty on the Non-Proliferation of Nuclear Weapons and will allow implementation of its safeguards agreement under the Treaty, as specified in the U.S.-DPRK Agreed Framework.*
- 2. The DPRK will continue the freeze on its graphite-moderated reactors and related facilities and provide full cooperation to the IAEA in its monitoring of the freeze.*
- 3. The DPRK will refrain from the construction of new graphite-moderated reactors and related facilities.*
- 4. In the event that U.S. firms will be providing any key nuclear components, the DPRK and the U.S. will conclude a bilateral agreement for peaceful nuclear cooperation prior to the delivery of such components. Such agreement will not be implemented until a significant portion of the LWR project is completed, as specified in Annex 4 to the Agreement. For purposes of the Agreement, "key nuclear components" are the components controlled under the Export Trigger List of the Nuclear Suppliers Group.*
- 5. The DPRK will continue cooperation on safe storage and ultimate disposition of spent fuel from the 5MW(e) experimental reactor.*

6. *Upon the signing of the Agreement, the DPRK will permit resumption of ad hoc and routine inspections under the DPRK's safeguards agreement with the IAEA with respect to facilities not subject to the freeze.*
7. *When a significant portion of the LWR project is completed but before delivery of key nuclear components, the DPRK will come into full compliance with its IAEA safeguards agreement, including taking all steps that may be deemed necessary by the IAEA.*
8. *When the first LWR plant is completed, the DPRK will begin dismantlement of its frozen graphite-moderated reactors and related facilities, and will complete such dismantlement when the second LWR plant is completed.*
9. *When delivery of the key nuclear components for the first LWR plant begins, the transfer from the DPRK of spent fuel from the SMW(e) experimental reactor for ultimate disposition will begin and will be completed when the first LWR plant is completed.*



## ANNEX 4

*A significant portion of the LWR project, referenced in Article III (3) of the Agreement, means the following. A further elaboration of the definition will be specified in the separate protocol referenced in Article III (3).*

- 1. Conclusion of the contract for the LWR project.*
- 2. Completion of site preparation, excavation, and completion of facilities necessary to support construction of the LWR project.*
- 3. Completion of initial plant design for the selected site.*
- 4. Specification and fabrication of major reactor components for the first LWR unit as provided for in project plans and schedules.*
- 5. Delivery of essential non-nuclear components for the first LWR unit, including turbines and generators, according to project plans and schedules.*
- 6. Construction of the turbine buildings and other auxiliary buildings for the first LWR unit, to the stage provided for in project plans and schedules.*
- 7. Construction of the reactor building and containment structure for the first LWR unit to the point suitable for the introduction of components of the Nuclear Steam Supply System.*
- 8. Civil construction and fabrication and delivery of components for second LWR unit according to project plans and schedules.*

## 5. Future Prospects and Task

As the supply agreement, a backbone element in the reactor project, was concluded between KEDO and North Korea, a difficult and important barrier appears to have been surmounted, setting the stage for the full-fledged implementation of the light-water reactor project which would be undertaken mainly by South Korean industry.

There are many more complex obstacles to overcome in include more than 10 separate implementing the project, Korea for implementation details including administrative and cooperative measures, legal status, consular protection, repayment procedures, concrete supply schedule, etc.. In addition there should be full-fledged site surveys and negotiations the concluding a commercial (main) contract between KEDO and Korea Electric Power Corp..

An other problem to resolve after the conclusion of a supply contract is developing procedures for resuming general and special IAEA inspections of unfrozen nuclear facilities and the implementation of items envisaged in the Geneva framework agreement.

Yet, since the light-water reactor project is a scheme that can unfold a new chapter in South-North relations in the future and also since the project would provide an opportunity for South Korea's atomic energy industry to further develop its ability and build up its international image, a national consensus on the project should be maintained steadily.



**Chronology of South-North  
Relations (July 1-December 15, 1995)**



## APPENDIX

### ○ Chronology of South-North Relations(July 1– December 15, 1995)

July 1995

- Jul. 3—The government announces the resumption of rice shipment to North Korea.
- The government reviews a North Korean reply and regards it as an official apology and promise to prevent the recurrence of an incident similar to forcing a South Korean rice vessel to raise the DPRK flag.*
- Jul. 5—Deputy Prime Minister Rha Woong-bae holds a press conference to announce that beginning the second-round rice talks in Beijing, the government will make simultaneous efforts to improve inter-Korean relations.
- Jul. 7—Three rice vessels enter the Chongjin harbor without hoisting the flags of either Korea. The three ships were Doljin-ho which sailed into Chongjin on July 5, Eastern Venture (July 6) and Haengjin-ho (July 7).
- Jul. 9—North Korea makes public the remains of Kim Il-sung.
- Jul. 13—A working-level contact takes place between the United States and North Korea in New York on the issue of opening liaison offices. The contact was attended by

Turk, North Korea desk of the U.S. State Department, and Han Song-ryol, a minister at the North Korean permanent mission to the United Nations.

Jul. 15~19—The second-round rice talks held in Beijing.

—*No agreement was made on any additional rice delivery to North Korea.*

—*The third-round South-North authorities meeting was set to be held on August 10 in Beijing to discuss the issues of rice delivery and economic cooperation.*

Jul. 19—A vessel carrying 8,000 tons of rice from Japan sets sail for North Korea.

Jul. 21—A spokesman for the National Unification Ministry announces the government decision not to permit any joint South-North commemorative programs at Panmunjom to celebrate the 50th anniversary of national liberation on August 15.

—*The spokesman says no contacts with North Korea will be allowed to prepare for the joint commemorative programs since such contacts do not conform with a guideline adopted by a unification-related ministers meeting on May 16.*

Jul. 22—Daewoo Group technicians visit the North. They include seven in charge of production and six in charge of facilities.

Jul. 27—A Korea-U.S. summit meeting agrees to establish a joint strategic consultative meeting against North Korea.

- A joint strategic consultative meeting is to be set up between officials with the rank of vice minister or higher separate from the existing Korea-U.S. Security Consultative Meeting.
- The summit meeting reaffirms that the question of establishing a permanent peace system is an issue that ought to be discussed between South and North Korea under the principle of resolution of issues between the parties involved.

Jul. 28—A spokesman for the North's Committee for Peaceful Unification of the Fatherland claims that Rev. Ahn Seung-woon defected to North Korea.

Jul. 29—The 4th U.S.-North Korea experts meeting on the safe storage and handling of spent fuel bars ends its five-day meeting in Pyongyang.

Jul. 31—Mrs. Park Yong-kil, who illegally visited North Korea on June 28, returns to the South by way of Panmunjom.

Jul. 31—A KEDO conference and Executive Board meeting held in New York.

#### August 1995

Aug. 2—A crewman of a rice ship is held by North Korea for taking pictures of the Chongjin harbor of North Korea. He was First Navigation Officer Lee Yang-chon of Samsun Venus.

Aug. 4—Yukong Corp. selected by the KEDO as the supplier of

40,000 tons of heavy oil (Bunker-C) to North Korea.

Aug. 7~8—A high-level Korea-U.S. policy consultative meeting held in Honolulu. It was attended by First Deputy Foreign Minister Lee Chae-choon from Korea and Assistant Secretary of State Lord from the United States.

Aug. 9—The Vice National Unification Minister issues a statement on the government stand over the holding of Samsun Venus by North Korea.

—*Emphasizes that the North Korean authorities should return the vessel and crewmen at an early date under their pledge to ensure the personal safety and safe return of crewmen.*

—*Proposes a South-North delegates contact to resolve the issue of Mr. Lee Yang-chon.*

—*Says that if necessary the government would exert multi-pronged efforts including a diplomatic step.*

Aug. 9—Vice Finance and Economy Minister Lee Suk-chae proposes a South-North delegates contact in connection with the holding of a rice vessel.

—*Expresses regret over a setback in the implementation of the agreement and also the failure to hold the third-round Beijing talks as scheduled due to the incident.*

Aug. 10~14—A working-level contact takes place in Beijing on the issue of rice delivery.



*—Discusses the issue of returning Samsun Venus and holding the third-round Beijing talks.*

Aug. 12—Republic of Korea National Cross President Kang Young-hoon issues a statement directed to the North, calling for the early resumption of the South-North Red Cross talks.

*—Stresses that South and North Korean Red Cross workers should pave the way to exchanging information and reuniting dispersed family members.*

Aug. 12—Vice Finance and Economy Minister Lee Suk-chaе sends a telephone message to the North in connection with the holding of a rice vessel.

*—Expresses regret for causing a controversy and says steps would be taken to prevent the recurrence of a similar incident.*

*—The rice cooperation promised at the first-round talks shall be carried on.*

Aug. 13—North Korea's Advisor Chon Gum-chol sends a telephone message to the South, saying the North would release Samsun Venus.

Aug. 13—Vice National Unification Minister Song Young-dae announces an agreement on the return of Samsun Venus and its crew persons.

*—The South expresses a regret in the name of Vice Finance and Economy Minister Lee Suk-chaе while the North assures the safe return of the detained crewmen and vessel.*

Aug. 14—Chong Min-ju and Lee Hye-jong illegally visit North Korea as representatives of the Southern Headquarters of the Pan-National Federation of Youths and Students (August 14—October 3).

Aug. 15—President Kim Young-sam, in a National Liberation Day message, sets forth “basic principles for rooting peace on the Korean peninsula.”

*—The issue of creation a peace mechanism on the Korean peninsula should always be discussed and resolved through discussions between the direct parties—South and North Korea.*

*—For the establishment of a peace mechanism, there need to be cooperation and backing of relevant countries.*

*—All inter-Korean agreements including the Basic South-North Agreement and denuclearization agreement should be respected.*

Aug. 15—A KEDO site survey team visits North Korea (August 15~19). The team, headed by Sol Rosen, an official of the Office of U.S. Nuclear Ambassador, comprises 15 South Korean, U.S. and Japanese experts.

Aug. 15—Technology Cooperation Bureau Director Sokaiye of the U.N. Food and Agriculture Organization (FAO) visits North Korea (August 15~19).

Aug. 17—A Chinese-registry tanker carrying 20,000 tons of heavy oil, the first shipment of the heavy oil promised

by KEDO, leaves Ulsan harbor for North Korea.

Aug. 19—A joint government fact-finding team announces the outcome of its probe into the holding of Samsun Venus.

—*The incident was caused by the North's political use of the incidental photo taking by Navigation Officer Lee Yang-chon, age 33, of Samsun Venus.*

Aug. 22~28—Rev. Kwak Sun-hui of the Somang Church visits the North to meet his relatives and discuss with North Korean religious leaders the issue of religious cooperation.

Aug. 22—China's public security authorities tentatively conclude that Rev. Ahn Seung-woon was kidnapped into the North.

—*It was confirmed that he has been abducted in a premeditated plan woven and perpetrated by three special North Korean agents and three ethnic Koreans in the Yanbian area.*

Aug. 23—A KEDO site inspection team makes public the outcome of its visit to the North.

—*The candidate site is hilly land 5 to 6km north of Sinpo and 3km from the coast.*

—*One problem is to draw industrial cooling water from the Namdaechon River of Pukchong which is 7km away from the site.*

Aug. 23—North Korea asks the United Nations for emergency flood relief assistance, a request which was confirmed by Foreign Ministry spokesman Suh Dae-won on August 29.

*—North Korea appeals to the New York Office of the U.N. Department of Humanitarian Affairs (DHA) for emergency assistance. DHA sends officials to Pyongyang to verify the extent of the floods.*

Aug. 29—North Korea announces the arrival of a DHA delegation in Pyongyang.

Aug. 30—The fourth World Women's Conference opens in Beijing with attendance of about 40,000 delegates from some 180 world countries including South and North Korea.

Aug. 31—Of the 13 Daewoo Group technicians sent to the North, six return home. They entered the North on July 22.

### September 1995

Sep. 1—The Korea-U.S. defense ministers agree in Hawaii on the creation of a long- and mid-term security dialogue.

Sep. 2—Three U.N. flood survey teams arrive in Pyongyang. The three teams were from the World Food Program, U.N. Food and Agriculture Organization and UNICEF.

- Sep. 2—The U.S. delegation to the fifth experts meeting on the safe storage of nuclear waste arrives in Pyongyang.
- Sep. 4—The U.N. DHA announces there were 500,000 flood victims in North Korea.
- Sep. 4—A U.N. flood survey team visits North Korea (September 4~9).
- Sep. 4—The North Korean Red Cross submits a report to the International Federation of Red Cross and Red Crescent (IFRC) on grain damage estimated at 1.9 million tons.
- Sep. 5—Deputy Prime Minister Rha Woong-bae announces the third-round Beijing talks were set to be held.
- The theme would be the issue of South-North economic cooperation. But, the questions of repatriation of Woosung-ho, Rev. Ahn Seung-woon, slanderous propaganda against the South, and Kim Yong-sun's remarks, would be addressed at the talks.*
- It would be proper to discuss the issue of flood assistance only after a survey was made of the extent of the floods by an international organization and after North Korea expressed the wish to have flood assistance from the South.*
- Sep. 6—Rev. Ahn Seung-woon claims in a press conference held at the People's Cultural Palace that he had defected to the North,
- Sep. 7—The Russian Foreign Ministry formally announces the repeal of the Russia-North Korea Treaty.
- Russia proposes to North Korea a new friendship agreement*

*in place of the Russia-North Korea Treaty signed in 1961.*

Sep. 7—A Foreign Ministry spokesman welcomes the repeal of the Russia-North Korea Treaty, saying that the repeal indicates that the Russian government reaffirmed the friendly cooperative relations existing between South Korea and Russia and that the military alliance relationship between the former Soviet Union and North Korea, a Cold War legacy, was completely liquidated legally.

Sep. 7—The U.S. State Department announces that the United States will give 25,000 dollars in flood assistance to North Korea.

Sep. 11—A high-level meeting on the conclusion of a light-water reactor supply contract between KEDO and North Korea opens in Kuala Lumpur.

*\* The meeting was attended by KEDO Executive Director Bosworth and Deputy Executive Directors Choi Young-jin and Umez, and North Korean Ambassador at large Ho Jong.*

Sep. 12~19—An IAEA negotiation team visits North Korea to discuss the surveillance of North Korea's frozen nuclear program.

*\* Team head : Operations Director Demetrius Pericos.*

Sep. 12—A U.N. survey team announces the outcome of its survey of the extent of North Korean floods in Geneva.

*—The North Korean report that 75 percent of the country was affected by the floods was true.*

—*There is the acute need to provide 15 million dollars worth of goods to 500,000 victims.*

Sep. 13—Korean National Red Cross President Kang Young-hoon discusses the planned provision of 50,000 dollars in flood relief assistance to North Korea.

—*Discloses a plan to dispatch, along with the delivery of relief goods, a medical team to the North for a joint South–North quarantine program if a request for assistance were made by the International Federation of Red Cross and Red Crescent.*

Sep. 13—An experts meeting on the conclusion of a light-water reactor supply contract between KEDO and North Korea opens in Kuala Lumpur.

—*The meeting was attended by U.S. Nuclear Ambassador Gary Samore and Deputy Director Ri Yong-ho of American Bureau of the North’s Foreign Ministry.*

Sep. 13—A spokesman for the National Unification Ministry says there is no change in the government’s policy over the issue of providing relief goods to North Korea.

—*The consistent policy is to consider providing relief goods to the North only when there is such a request from an international organization.*

—*South Korea will watch the attitude of North Korea during the third-round South–North talks in Beijing.*

Sep. 13—North Korea announces a joint press release on the issue of concluding a light-water reactors supply con-

tract at an early date.

*—Agrees to make concerted efforts to facilitate the early conclusion of a light-water reactors contract.*

Sep. 14—Deputy Prime Minister Rha Woong-bae announces the decision to provide 50,000 dollars in flood relief assistance to North Korea.

*—Says it is desirable to make the Korean National Red Cross the exclusive conduit for the provision of relief assistance furnished by the private sector.*

*—If the North makes an official request, the government would carefully study the amount and time of assistance subject to discussion with the ruling party.*

Sep. 14—A KEDO Executive Board meeting opens in Tokyo.

Sep. 14—North Korea asks World Vision Korea for emergency food assistance.

Sep. 15—Korean National Red Cross President Kang Young-hoon makes a radio message to the North and issues statement on the provision of flood relief goods.

*—The Red Cross says that if individual people provides the Red Cross with relief goods for North Korea, it would send the items to the North Korean Red Cross.*

Sep. 18—Deputy Prime Minister Rha Woong-bae says at a press conference that if the government and the ruling party agree, the South would be able to furnish 2 million dollars in flood relief assistance to North Korea.

Sep. 18—The U.S. House of Representatives adopts a resolution



on North Korea.

Sep. 18—The IAEA secretary general urges North Korea to allow nuclear inspection.

Sep. 19—An IAEA negotiation team leaves Pyongyang after discussing problems related to the freezing of nuclear activities.

—*Says freezing of the North's nuclear facilities remains in force.*

Sep. 20—The North Korean Central News Agency reports that Woosung-ho would be dealt with in accordance with the North Korean law.

Sep. 21—A Foreign Ministry spokesman, in a comment, urges North Korea to return Woosung-ho promptly.

—*Says it is utterly regrettable that the North seized a purely private vessel and killed and wounded innocent fishermen.*

Sep. 21—North Korea joins the U.N. Disarmament Forum. The plenary meeting of the forum approves the North's entry.

Sep. 22—The IAEA adopts a resolution urging North Korea to fulfill nuclear safeguards obligations at its 39th regular session.

Sep. 22—The Japanese Foreign Ministry announces the provision of 500,000 dollars in flood relief assistance to North Korea.

Sep. 25—A U.S.-North Korea expert's meeting opens in Pyongyang on the issue of opening liaison offices.

*\* American delegate : North Korea desk chief Jess Goldstein of the U.S. State Department.*

Sep. 25—The U.S. and North Korea agree on temporary consular protection rights.

*—Until the creation of liaison offices, the U.S. would exercise its consular protection right through Sweden and North Korea through its permanent mission to the United Nations.*

Sep. 26—All 13 Daewoo technicians sent to the North return to the South.

*—Of the 13 Daewoo Corp. technicians who entered North Korea on last July 22 to prepare for the operation of the Nampo Industrial Estate, six returned home on August 31 and the remaining seven on this day.*

Sep. 27~30—The third-round Beijing talks held. The South's chief delegate, Vice Finance and Economy Minister Lee Suk-chaе holds a press conference upon the adjournment of the talks.

*—The South cannot discuss or promote the holding of any further talks in a third country.*

*—Stresses that the place and nature of the talks should be changed.*

*\* No agreement was reached on the place and date of the next meeting.*

Sep. 28—Foreign Minister Gong Ro-myung, in a keynote speech at the United Nations, urges North Korea to better protect human rights.

—Asks North Korea to affirmatively respond to the world community's appeal for the protection of human rights through reforms and social opening.

Sep. 30—The 2nd expert's meeting opens in New York on the issue of concluding a light-water reactors agreement between KEDO and North Korea.

\* *The meeting was attended by U.S. Nuclear Nonproliferation Official Samore and Ri Yong-ho, deputy director of the North's Foreign Ministry American Bureau.*

Sep. 30—A second Japan-North Korea meeting on the issue of additional rice delivery held in Beijing on September 30~October 3.

\* *The meeting was attended by Tamesue, business director of Japan's Food Agency, and Kim Jong-gi, chief secretary of the North's Committee for Expediting External Trade.*

#### October 1995

Oct. 1—President Kim Young-sam says in an Armed Forces Day message that the next few years would be a crucial period for national security.

—*The future is highly unpredictable as North Korea keeps turning a deaf ear to the South Korean government's efforts to improve South-North relations while refusing to accept the "worldwide historical change," and as it would be difficult to resolve the serious North Korean economic crisis character-*

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*ized by the shortage of food and energy.*

Oct. 1—Lee Suk-chaе, the South's chief delegate to the Beijing talks, says in a press conference on return home that the fourth-round talks will be held at a time to be decided by the two sides after the North determines the venue upon its delegates return to Pyongyang and notifies the South thereof.

Oct. 2—Kim Jong-wu, chairman of the North's Committee for Promoting External Economic Cooperation, says in an interview with the Kyodo News Service in Bangkok a stock exchange would be created in the Rajin and Sonbong area.

Oct. 2—The second KEDO-North Korea experts meeting opens in New York on the issue of concluding a light-water reactor agreement.

*\* The meeting was attended by U.S. State Department Nuclear Ambassador Samore from KEDO and Ri Yong-ho, deputy director of the North's Foreign Ministry American Affairs Bureau.*

Oct. 3—Foreign Minister Gong Ro-myung says in New York he would try to resolve the incidents of Woosung-ho and Rev. Ahn Seung-woon through the United Nations.

*—Says to expand international concern about the two incidents through international human rights organizations. The use of the Office of U.N. Human Rights High Commissioner would be considered.*

- Oct. 3—Chong Min-ju and Lee Hye-jong who illegally visited North Korea return to the South via Panmunjom.
- Oct. 3—Japan and North Korea agree in Beijing on the additional provision of 200,000 tons of rice to the North.
- \* The agreement was signed by Kim Jong-gi, chief secretary of the Committee for Expediting International Trade, and Tamesue, business director of Japan's Office of Food.*
- 200,000 tons of rice will be supplied on a credit basis, repayable in 20 years after a grace of 10 years. The interest will be 2 percent in the first ten years and 3 percent thereafter.*
- Oct. 3—"Physicians without National Boundaries," an international relief organization, sends 61 tons of relief goods to North Korea.
- Oct. 4—The Chinese Foreign Ministry announces a plan to provide emergency relief goods worth 30 million yuan (about 3 billion won) to flood victims of North Korea.
- Oct. 4—U.S. Senator Frank Murkowski proposes a hardline bill toward North Korea.
- Demands progress in the South-North dialogue, implementation of nuclear safeguard obligations and joint investigation of missing American servicemen as prerequisites to the normalization of political and economic relations with North Korea.*
- Oct. 7—The final rice vessel, Corex, sets sail for North Korea from the Tonghae harbor.

- Oct. 8—North Korea's Kim Jong-il, in his capacity as Defense Commission chairman, names Choi Gwang as minister of the People's Armed Forces Ministry.
- Oct. 9—President Kim Young-sam, in an interview with the Nihon Keizai Shimbun, says it is premature to promote a summit meeting with North Korea since there is no state president in the North.
- Oct. 9—Prime Minister Lee Hong-koo, in a Hangul Day speech, calls for the need to overcome the increasing changes in meaning of words of the Korean language between South and North Korea.
- Stresses the fact that the Korean language and words serve as a base in the restoration of national homogeneity and the sense of community.*
- Oct. 10—A military parade and march by one million people mark the 50th anniversary of the North Korean Worker's Party foundation in the presence of Kim Jong-il.
- Oct. 11—Deputy Prime Minister Rha Woong-bae says it would be difficult to expand economic cooperation beyond a specific limit with North Korea unless there is a regular conduit between the two Koreas.
- Oct. 11—The Agency for National Security Planning announces North Korean colonel Choi Ju-hwal, joint venture department chief of the Yongsong Trading Co. under the control of Rear Area General Bureau of the People's Armed Forces Ministry defected to the South by way

of a third country in Southeast Asia.

Oct. 11—The World Vision International provides 1,000 tons of flour to North Korea.

*—50,000 sacks of flour totaling 1,000 tons were shipped from China to Sinuiju on October 9~11.*

Oct. 11—The North's Vice Foreign Minister Choi Su-hon demands in a speech at the 50th U.N. General Assembly for the conclusion of a peace agreement between the United States and North Korea.

*—Says that the issue of a peace system between South and North Korea was in effect resolved through the adoption of the agreement of December 1991, and that the remaining question is to set up a new peace mechanism with the United States.*

Oct. 11—U.S. State Department spokesman Burns says in a press briefing that a U.S. liaison office in Pyongyang will be opened shortly.

Oct. 12—Deputy Prime Minister Rha Woong-bae says during a parliamentary inspection of his ministry that the South would link the provision of flood relief goods to the North with the repatriation of Woosung-ho.

*—Says that even if the North asks for relief goods, the South won't accept it if the North does not repatriate Woosung-ho and fails to return to the table of dialogue.*

Oct. 12—Environmental Minister Kim Zoong-wie says during a parliamentary inspection of his ministry he is studying



a plan to propose a South-North environmental ministers meeting.

Oct. 12—The Defense Ministry announces a plan to stage “95 Eagle Exercise” in a period from October 13 through November 17.

Oct. 13—Deputy Prime Minister Rha Woong-bae says it would be difficult to materialize South-North dialogue for the time being.

*—Says that since the North regards the South as a threat to itself and uses it in the ideological and internal control of their people, prospects are grim for the resumption of dialogue in the immediate future.*

Oct. 13—IAEA Secretary General Hans Blix says in a report submitted to the U.N. Security Council that North Korea refused to allow IAEA inspectors to inspect spent fuel bars to determine plutonium content at an atomic reactor in Yongbyon.

Oct. 14—President Kim Young-sam says in an interview with the New York Times that Japan-North Korea rice negotiations serve to obstruct unification.

*—Says that Japan has been negotiating with Pyongyang on providing rice to North Korea over the heads of South Korea and repeatedly makes distorted remarks on history.*

Oct. 14—Construction and Transportation Minister Oh Myong says during a parliamentary inspection of his ministry that his ministry would try to connect expressways and

railroads between South and North Korea.

—*To facilitate long-distance and mass transportation between the South and the North when inter-Korean exchanges turn brisk the South would consider linking four expressways and two railroads with those of North Korea.*

Oct. 16—President Kim Young-sam says chances are slim to reconcile with the incumbent North Korean leadership.

—*Says in an interview with the daily Globe and Mail of Canada that he has come to believe that chances are slim for the South to reconcile with North Korea so long as the existing leadership of the North exists.*

Oct. 16—The second high-level meeting opens in New York on the issue of concluding a contract for the supply of light-water reactors to the North.

\**The meeting was attended by Executive Director Stephen Bosworth from the KEDO and Roving Foreign Ministry Ambassador Ho Jong.*

Oct. 16—President Kim Young-sam says in a policy address at the National Assembly that the government would expand economic cooperation with the North depending on the attitude of the North step by step.

Oct. 16—Vice Japanese Foreign Minister Hayashi says Japan has been delivering rice to North Korea in close consultation with South Korea.

Oct. 17—The Combined Defense Headquarters announces the

infiltration of armed North Korean agents in the western frontline area.

—*One armed North Korean soldier tryig to infiltrate into a southern area 1.5km south of the Freedom Bridge in the downstream area of the Imjin River was shot dead around 2: 20 a.m. October 17.*

Oct. 17—A Defense Ministry spokesman issues a statement on the infiltration of armed North Korean agents.

—*Says the infiltration was an act of splashing cold water upon a reconciliatory atmosphere, warning that the military would forcefully cope with it if the North perpetrates a similar incident ever again.*

Oct. 17—Ambassador to Japan Kim Tae-jeong urges Policy Coordination Committee Chairman Yamazaki of the Liberal Democratic Party to be more prudent toward resuming normalization talks with North Korea, taking into account the failure to resume South-North dialogue.

Oct. 18—North Korea refuses to accept a message of protest from the United Nations Command over the infiltration of armed North Korean agents.

Oct. 18—A South Korea-Russia forum issues a joint agreement in support of South-North dialogue and the truce system.

—*The agreement says that resolution of the Korean question should be based on contacts and consultations between the direct parties, South and North Korea, and the existing*

*armistice system should be retained until a new peace system is prepared between South and North Korea.*

Oct. 19—A North Korean worker defects to the South. RiWon-do, a caster at hydropower machinery plant, arrives in the South after escaping to the CIS area.

Oct. 20—A South Korea-Canada summit meeting in Ottawa, Canada agrees on the need to expedite the opening of North Korea.

*—The two leaders decide to cooperate closely with each other in a way that will contribute to North Korea's opening as well as to the improvement of inter-Korean relations.*

Oct. 20—Prime Minister Lee Hong-koo says the South won't propose further dialogue until North Korea shows a positive posture.

Oct. 20—Deputy Prime Minister Rha Woong-bae says the South would decide whether to provide flood relief assistance to the North prudently depending on the attitude on North Korea.

Oct. 20—A second planned visit to the North by a KEDO site inspection team on October 24 is announced.

Oct. 20—U.S. Nuclear Ambassador Robert Gallucci says Japan and South Korean won't be asked to bear expenses for the supply of heavy oil to North Korea.

*—Says in a press conference marking the 1st anniversary of the nuclear framework agreement signed between the U.S. and North Korea that since South Korea and Japan are*

*already heavily burdened in the light-water reactor project, the fund to finance the heavy oil is to be raised among the United States and other countries.*

- Oct. 21—The North's Rodong Sinmun, in a commentary, rejects any repatriation of Woosung-ho, arguing that Woosung-ho's criminal act of infiltrating deep into the waters of the Republic cannot be tolerated and will be dealt with according to the law of the Republic.
- Oct. 21—Progress in the KEDO-North Korea high-level meeting in New York on the conclusion of a light-water reactors supply contract announced. The high-level meeting was set to resume the following week.
- Oct. 21—Five Daewoo Corp. technicians re-enter North Korea. They were among the seven who returned to the South on September 26 after staying in the North for some period for technical guidance.
- Oct. 22—President Kim Young-sam says in an interview with CBC-TV of Canada that North Korea remains highly unstable.
- Oct. 24—Deputy Prime Minister Rha Woong-bae says in a press conference that it is difficult to expand private exchanges and economic cooperation with the North Korean authorities' intransigence.
- Oct. 24—The U.S. State Department denounces the infiltration of armed agents to the South, saying that the intrusion is an act of provocation that does not go along with the

North's contention that they are interested in the alleviation of tension.

Oct. 24—Two armed North Korean agents appear in Puyo, South Chungchong Province. One of the two, Kim Do-sik, age 33, was captured alive while the other, Park Gwang-nam, fled.

Oct. 24—A KEDO site inspection team arrives in Pyongyang.

Oct. 24—In a speech upon receipt of the World Leader's Award presented by the U.S. United Nations Association, President Kim Young-sam sets forth a basic position with regard to rooting peace on the Korean peninsula.

—*The position features 1) maintaining the existing armistice system until it is replaced with a durable peace mechanism 2) a peace regime should be discussed and agreed on between the direct parties—South and North Korea, and 3) military confrontation between the two Koreas should be avoided by normalizing their relations through dialogue.*

Oct. 25—President Kim Young-sam says in an interview with the New York Times that the North should fulfill its pledge to release Woosung-ho and its crewmen.

Oct. 25—President Kim Young-sam says he is looking forward to progress in South-North relations, in a speech at a reception he hosted for Korean residents in Hawaii.

Oct. 25—The U.S. Congress approves the appropriation of 22.2 million dollars in assistance to KEDO.

Oct. 26—The Agency for National Security Planning announces

that O Yong-nam, age 32, a relative of Oh Jin-wu, former People's Armed Forces Minister of the North, defected to the South while working in China.

Oct. 26—A spokesman for the North Korean Committee for the Rescue of Long-Term Prisoners demands the repatriation of Kim In-so, Kim Young-tae and Ham Se-hwan.

Oct. 27—Information Minister Oh In-hwan issues a state ment denouncing the infiltration of North Korean armed agents.

Oct. 27—Armed agent Pak Gwang-nam who had fled was shot dead.

Oct. 30—Deputy Prime Minister Rha Woong-bae says the North's nuclear development would be thwarted by all means, in a speech at the Seoul Shinmun International Forum.

Oct. 30—Former American Ambassador to Korea Lilly says in a speech at the Seoul Shinmun International Forum that North Korea maintains several nuclear bombs and seems to possess a device to launch missiles able to strike most of the American forces stationed in South Korea and Japan.

Oct. 30—Vice Japanese Foreign Minister Hayashi says in a press conference Japan would promote relations normalization talks with North Korea without conditions.

*—Makes it clear that Japan would promote normalization talks under the existing Japanese policy toward the whole of*

*the Korean peninsula, and would seek South Korea's understanding in this regard more than ever.*

Oct. 30—A spokesman for the North Korean Foreign Ministry says in a press conference that the North is willing to resume contacts with Japan for diplomatic normalization.

*—Says that the Republic's position to liquidate the unfortunate past and establish good neighborly relations between North Korea and Japan consistently remains unchanged.*

Oct. 31—In an interview with the Korea Times, President Kim Young-sam emphasizes the need to be flexible in policies toward North Korea.

*—The South's policies toward the North should be made more flexible because the North is a highly delicate state and because the North's situation is utterly unpredictable.*

*—A new peace mechanism should be agreed first between the direct parties, South and North Korea, and then countries surrounding the Korean peninsula should support in it.*

Oct. 31—The U.N. General Assembly adopts a resolution calling on North Korea to fulfill nuclear safeguards obligations.

*—Expresses concern over the continuing non-fulfillment of nuclear safeguard obligations by North Korea, urging the North to cooperate with the IAEA in the fulfillment of safeguard obligations and to take various steps related to verifying the North's initial report.*



## November 1995

- Nov. 2—Foreign Minister Gong Ro-myung and U.S. Defense Secretary Perry say in a joint press conference that they agreed to revise the Korea-U.S. Status of Forces Agreement by January 1996.
- Nov. 2~3—The 27th Korea-U.S. Annual Security Consultative Meeting is held and issues a joint statement.
- Urges North Korea to fulfill its NPT and safeguards obligations strictly so as to ensure the transparency of the North's nuclear past, present and future.*
  - Agrees that the existing Armistice Agreement will remain effective until a durable peace mechanism is created based on direct negotiations between South and North Korea.*
- Nov. 3—Park Chae-yol, skipper of Woosung-ho No. 86 seized by the North urges the South Korean authorities to make an apology over his ship's incident.
- Appearing in a Radio Pyongyang program, Park maintains the South should beg pardon for causing the incident to intensify South-North confrontation and build up tension.*
- Nov. 4—A KEDO site inspection team returns home from a visit to North Korea on October 24~November 4.
- Nov. 5—Central Radio and Pyongyang Radio of the North announce the demise of Composer Yoon I-sang, in Germany.
- Nov. 6—The Korean National Red Cross announces a plan to

provide 120,000 dollars worth of relief goods to North Korea.

—*At the request of the International Federation of Red Cross and Red Crescent, whose representatives are working in North Korea, the Korean National Red Cross purchases 5,000 blankets with 120,000 dollars it had secured. They are set to be transported from Inchon to the Nampo harbor of the North.*

Nov. 6—The crewmen of Woosung-ho No. 86 issue a statement via Central Radio urging the South Korean government to apologize.

*\* Those who appeared in the Central Radio program were Engine Officer Kim Pu-gon and crewmen Lee Pyong-so, Kim Yong-ha and Yoon Kyong-chun.*

Nov. 7—Woosung-ho No. 86 crewmen send a radio message via Radio Pyongyang to the National Federation of Seamen's Unions, urging it to launch a struggle to obtain their early release.

Nov. 7—Central Radio reports the departure of a second KEDO site inspection team from Pyongyang.

Nov. 8—South Korea is selected as a non-permanent member country of the U.N. Security Council with a vote of 156 out of the total 177 votes valid. South Korea will thus be at the Security Council for two years, 1996~97.

Nov. 8—Vice National Unification Minister Song Young-dae, in a speech at a ceremony marking the first anniversary of

- the invigoration of South–North economic cooperation.
- Stresses that North Korea should stop perpetrating provocative acts against the South, such as the infiltration of armed agents, and improve conditions for South–North economic cooperation.*
- Nov. 8—Ambassador Park Gil-yon of the permanent North Korean mission to the United Nations voices opposition to South Korea being a non-permanent member of the U. N. Security Council.
- Nov. 9—President Kim Young-sam emphasizes the need for Korea to exert more efforts to resolve the Korean question peacefully with its selection as a Security Council member.
- Nov. 9—The World Food Program (WFP) signs an agreement with North Korea on the provision of 8.8 million dollars in flood relief assistance.
- Nov. 9—The U.S. Senate adopts a resolution calling for the resumption of South–North dialogue.
- Asks the Clinton Administration to pressure North Korea into respecting its promises to have talks with South Korea.*
- Tells the Clinton Administration to report South–North situation to the Congress 90 days after implementing of the resolution and every six months thereafter.*
- Nov. 10—Regular freighter service between Rajin of North Korea and Pusan opens in a ceremony at Rajin.
- Nov. 11—U.S. President Bill Clinton says the U.S. military pres

ence in Korea is a must for the containment of North Korea's nuclear development, in a speech at the Arlington National Cemetery on the Veterans Day.

Nov. 14—A Korea-China summit meeting held, agrees on the need to resolve the Korean question between the direct parties involved, South and North Korea.

*—The two presidents share the view that the Korean question should be resolved through dialogue between South and North Korea with understanding and cooperation from countries surrounding the Korean peninsula.*

*\* Chinese President Jiang Zemin visits South Korea November 13~17.*

Nov. 14—Chinese President Jiang Zemin expresses hope for independent peaceful unification between South and North Korea in a speech at the National Assembly.

Nov. 15—A North Korean Foreign Ministry spokesman issues a statement denouncing the adoption by the U.S. Senate of a resolution calling for the resumption of South-North dialogue.

Nov. 16—The U.S. Time magazine reports in its November 20 issue there is the danger of North Korea perpetrating a military provocation this winter.

Nov. 16—North Korea joins the World Boxing Council.

Nov. 17—President Kim Young-sam confers with Australian Prime Minister Keatings in Osaka, Japan. Keatings says his country would promote improved relations

with North Korea in keeping with progress in inter-Korean relations.

Nov. 17—South Korea, U.S. and Japan agree to form a high-level policy consultative meeting in Osaka, Japan. The countries will be represented at the meeting by deputy-minister-level officials.

*\* The agreement was made at a meeting among Foreign Minister Gong Ro-myung, U.S. Secretary of State Warren Christopher and Japanese Foreign Minister Yohei Kono.*

Nov. 17—U.S. President Bill Clinton implies that the U.S. would maintain the present strength of the U.S. forces in Korea, saying that if American troops were reduced in Korea or Japan at the present stage, it may send a mistaken signal.

Nov. 18—President Kim Young-sam confers with Japanese Prime Minister Tomiichi Murayama in Osaka, Japan.

*—President Kim says that the provision of rice by Japan to North Korea, has given the impression that Japan has been taken in by North Korea's policy to drive a wedge between South Korea and Japan, thus obstructing Korean unification in consequence.*

*—Prime Minister Murayama says Japan would keep the three principles : Japan would promote normalization talks with North Korea, in a way that won't harm South Korea-Japan relations and that would contribute to progress in South-North relations ; and Japan would not provide eco-*

*conomic assistance to North Korea before diplomatic normalization.*

- Nov. 19—The Foreign Minister announces the defection of a North Korean logger. Sin Myong-chol arrives in Seoul after escaping from Siberia to elsewhere in the CIS area.
- Nov. 20—A three-man North Korean mission is to tour three American cities next week to explain about their foreign investment inducement policy, a KOTRA report says.
- Nov. 20—A Thailand firm concludes a contract with North Korea for a communications project in the Rajin-Sonbong area.
- Nov. 20—An EU foreign minister's meeting agrees to provide support for the construction of light-water reactors project.
- Nov. 22—North Korea reportedly began on November 21 to use new currencies for exclusive use in foreign dealings with a view to invigorating the flow of currencies.
- Nov. 22—Hong Kong is reported to have allowed three North Korean persons under detention to seek political asylum in a third country.
- Nov. 23—North Korea is said to have rejected the visit to the North by Chinese President Jiang Zemin.
- Nov. 23—North Korea sounds-out the possibility of purchasing 500,000 additional tons of rice from Thailand, Radio

Press of Japan reports.

- Nov. 23—The World Food Program (WFP) announces that 5,140 tons of rice, first shipment of a U.N. emergency relief program worth 8.8 million dollars will be delivered to North Korea on November 24.
- Nov. 24—The Korean National Red Cross announces that relief items provided by the Red Cross reached Nampo harbor. A total of 5,000 blankets were turned over to international Red Cross officials in North Korea.
- Nov. 27—A survey team from the International Committee of the Red Cross says the North's food situation is serious, expressing the fear that many people may die of starvation.
- Nov. 28—The 20th unification-related minister's meeting held on the intensifying slander campaign by the North as well as on ensuring South Korea's central role in the provision of light-water reactors to the North.
- Nov. 29—Japan decides there would be no further rice provision to North Korea, a senior Japanese Foreign Ministry official confirms.
- Nov. 29—North Korea became linked to Internet last month through the Pyongyang office of the UNDP, a U.S. government source says.
- Nov. 30—Foreign Minister Gong Ro-myung asks visiting Ukrainian Foreign Minister Utobenko to refrain from exporting high-tech arms to North Korea.

Nov. 30~Dec. 1—The first meeting on the revision of the Korea-U.S. Status of Forces Agreement held. The second meeting is slated for December 14~15 in Washington.

#### December 1995

Dec. 1—President Kim Young-sam emphasizes the need to strongly cope with possible provocation by North Korea, during the 29th meeting of the Combined Central Defense Committee.

Dec. 1—The National Defense Ministry reports that more North Korean forces have been deployed in forward areas, during the 29th meeting of the Combined Central Defense Committee.

Dec. 1—The Seoul District Court sentences Ms. Park Yong-gil charged with making an illegal visit to North Korea to three years in prison with a stay of execution.

Dec. 1—North Korea's Vice President Ri Jong-ok hints that Kim Jong-il would assume the duty of state presidency after July 1996, in an interview with Tokai TV of Japan.

—*Asserts that the North Korean custom is to mourn the passing of one's parent for three years.*

Dec. 1—The newspaper Sankei of Japan reports that a 3rd KEDO site inspection team would visit the North in



December.

Dec. 1—A press report indicates that North Korea has been delaying the transportation of the 300,000 tons of rice Japan has furnished (Mainichi Shinbun).

Dec. 4—The Tuman River Basin Development Management Committee meets in New York.

*\* Attending countries : South and North Korea, China, Mongolia and Russia.*

Dec. 5—IOC Director General Francois Carrard says North Korea is not taking part in the '96 Atlanta Olympics.

Dec. 6—South and North Korea and three other countries sign a Tuman River Development Agreement in New York.

*\* Agreement on the Development of the Tuman River Basin Area and Northeast Asia Development Committee, and a memorandum of understanding on environment.*

Dec. 6—Japanese Foreign Minister Yohei Kono speaks of the serious food situation of North Korea.

Dec. 8—Deputy Prime Minister for Unification Rha Woong-bae says the prospects of South-North dialogue are pessimistic.

*—Since North Korea strictly adheres to a policy not to deal with South Korea, dialogue between government authorities would be impossible for the time being, and unless there is a change in the North Korean attitude, a progress can hardly be expected in inter-Korean relations.*

Dec. 8—The Seoul Appellate Court recognizes the South Korean na

tionality of a Korean-Chinese carrying a North Korean citizenship card.

—*Since the North Korean area, too, is the territory of the Republic of Korea under the Constitution, a person carrying a citizenship card issued by North Korea cannot be discriminated against in acquiring and maintaining South Korean nationality.*

Dec. 8—Former U.S. President Jimmy Carter sends a message to Kim Jong-il, asking him to see to it that his country take part in the '96 Atlanta Olympics.

Dec. 10—A press report indicates that North Korea uses the rice provided by foreign countries in stockpiling military provisions (Mainichi Shinbun of Japan).

—*The report says that the rice provided by South Korea and Japan was not distributed to ordinary people but stockpiled as military provisions.*

Dec. 11—President Kim Young-sam says during a meeting of the Advisory Council on Democratic and Peaceful Unification that the North Korean military seems to have taken control of the North.

—*The fact that no person has succeeded Kim Il-sung as state president of the North to date, one and half a years after Kim Il-sung's death, means that the military has taken control of the North.*

Dec. 11—Deputy Prime Minister for Unification Rha Woong-bae says in a report to the Advisory Council on Demo-

cratic and Peaceful Unification that there is a limit to the efforts to promote South-North dialogue because the North abuses such efforts.

*—To facilitate the improvement of South-North relations and ultimate unification, there should be not only one-sided endeavors of the South but also corresponding efforts on the part of North Korea, and North Korea should be made to realize that they won't gain any without first improving South-North relations.*

Dec. 11—Treber Page, head of a World Food Program (WFP) team visiting the North, says North Korea is on the brink of famine because the international community does not respond well to the WFP call for food assistance to North Korea.

Dec. 11—NHK of Japan reports that the North Korean military shows unusual activity.

*—NHK says that the North Korean military has recently displayed unusual activity of a kind that has never been seen since the end of the Korean War, such as a change in its organization that appeared to have been designed to put the military into a war-time system and redeployment of military outfits.*

Dec. 11—A spokesman for the National Unification Ministry denies the report that the rice provided to North Korea has been used in stockpiling military provisions.

—*The mainich Shinbun story is not factual. Experts' views are that since the rice the South provided to the north was polished in steamy summer days, it cannot be kept for a protracted period as food stockpile.*

Dec. 12—The Republic of Korea National Red Cross provides 3,000 additional blankets to North Korea as flood relief goods.

—*3,000 blankets were turned over to the representatives of the International Federation of Red Cross and Red Crescent at the nampo harbor.*

\* *5,000 blankets were furnished to the North on november 23.*

Dec. 12—The Agency for National Security Planning announces the defection of a North Korean family, Mr. Choi Se-woong, age 34, and his three family members.

Dec. 12—U.S. State Department spokesman Burns says during a news briefing that the United States has been closely watching North Korea's military movement.

Dec. 12—IAEA Governor-General Hans Blix says in a report at an IAEA Board of Governors that North Korea refuses to allow the IAEA to gauge their nuclear fuel.

—*North Korea rejects any gauging of their spent nuclear fuel rods, and does not heed to the IAEA call for the safeguarding of nuclear-related information.*

Dec. 12—Vice Foreign Minister Lee See-young and Deputy U.S. Secretary of State Strobe Talbott hold a Korea-U.S. high-level strategy meeting in Washington.

*—Agree that food assistance could be provided to North Korea only when North Korea withdraws its hostile policy toward South Korea.*

Dec. 13—The 21st unification-related ministers meeting discusses a draft agreement on the supply of light-water reactors to North Korea.

Dec. 13—WFP Secretary-General Bertiny says there is the danger of food assistance to North Korea being suspended.  
*—Stresses that unless world countries furnish food to North Korea, his organization would have to close down all of its field offices in North Korea effective January 15, 1996.*

Dec. 14—A Korea-Hungary summit meeting takes place at Chongwadae.

Dec. 14—Kisan Co. announces the shipment of South Korean-made vehicles to North Korea.

*—Eighteen vehicles produced in the South are set to be loaded into a freighter in the Pusan harbor on December 19 for shipment to North Korea.*

Dec. 14—The newspaper Asahi Shinbun of Japan reports that the voice of the military has grown in North Korea in the maintenance of a war-time system.

*—As Kim Jong-il's rise to the posts of state presidency and party general secretary has been delayed, North Korea maintains a war-time system to bring about a strengthened voice of the armed forces.*

Dec. 15—KEDO and North Korea adopt an agreement on the

supply of light-water reactors to the North in New York.

*\* The agreement consists of a preamble, 18 articles and four auxiliary documents.*

Dec. 15—North Korea's Central News Agency reports the signing of an agreement on Tuman River area development.

*—Three agreements on the development of the Tuman River basin area were signed on December 6 at the U.N. Headquarters.*

Dec. 15—A third KEDO site inspection team is set to visit North Korea on December 16.

*\* The team comprises 14 experts including 11 from South Korea, one from the United States and two from Japan.*

**No. 63**

**January**

**1996**

**SOUTH-NORTH DIALOGUE IN KOREA**

Published by

*Office of the South-North Dialogue  
Ministry of National Unification  
Seoul, Korea*

C. P. O. Box 4161

Seoul, Korea



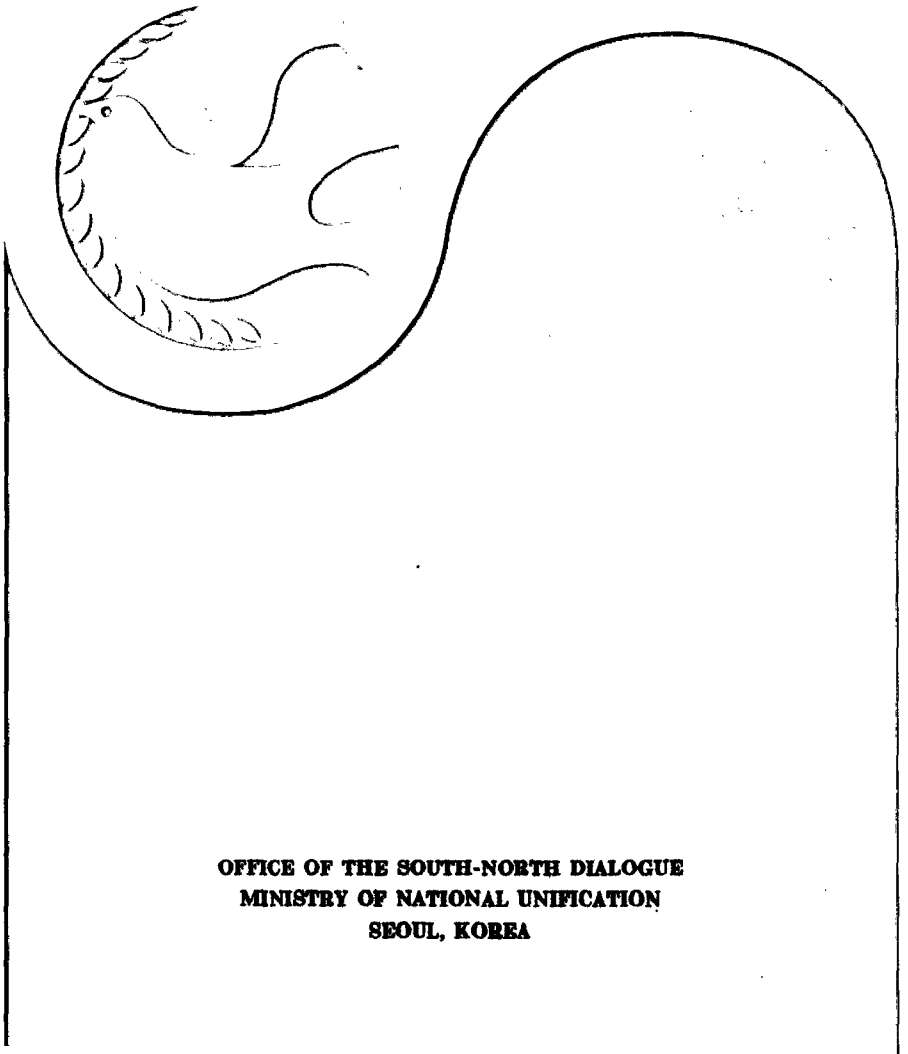






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No. **64** December 1996



**OFFICE OF THE SOUTH-NORTH DIALOGUE  
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## Part I

# **Proposal for Four-Way Meeting to discuss the Promotion of Peace on the Korean Peninsula**

1. Proposal for a Four-Way Meeting
2. Background Leading to the  
Four-Way Meeting Proposal
3. Significance of Joint  
South Korea-U. S. Statement
4. Efforts to Realize Four-Way  
Meeting and Reactions  
at Home and Abroad



# 1. Proposal for a Four-Way Meeting

President Kim Young-sam and U. S. President Bill Clinton held a summit meeting at the Shilla Hotel on Chejudo on April 16, 1996 and issued a joint Korea-U. S. statement, proposing the unconditional and early holding of a four-way meeting of representatives of South and North Korea, the United States and China to discuss the permanent rooting of durable peace on the Korean peninsula.

The idea of the four-way meeting proposed was that the meeting would take place among all the four countries in its early stage.

When the meeting enters a substantial stage, however, it would be held in principle between South and North Korea with the United States and China extending support to it. The four countries are thus to initiate a process for the conclusion of an agreement on permanent peace on the Korean peninsula as well as to discuss broad-ranging issues to ease tension.

The proposal stipulates that the meeting should take place as soon as possible without any conditions. The level of delegates to the meeting and the site of the talks were to be discussed after North Korea and China made affirmative response.

The full text of the joint Korea-U. S. statement issued at the end of the Korea-U. S. summit was as follows:

*ROK-U. S. Joint Announcement Proposal to  
Hold a Four Party Meeting to Promote  
Peace on the Korean Peninsula*

*April 16, 1996*

*1. The President of the Republic of Korea, Kim Young Sam, and the President of the United States of America, William J. Clinton, had a summit meeting at Cheju Island, Korea on April 16, 1996.*

*They had an in-depth exchange of views regarding the situation on the Korean Peninsula and on ways to promote dialogue and peace on the Korean Peninsula.*

*2. President Clinton pledged the steadfast U. S. commitment to the security of the Republic of Korea and reaffirmed the strength of the U. S. -Korea security alliance. Both Presidents agreed that the present Armistice arrangement should be maintained until it is succeeded by a permanent peace agreement.*

*3. The two Presidents expressed their shared desire to foster a stable and permanent peace on the Korean Peninsula, where tensions remain high.*

*They agreed to work positively and with an open mind to encourage a process for reconciliation and peace on the Korean Peninsula.*

*4. The two Presidents confirmed the fundamental principle that establishment of a stable and permanent peace on the Korean Peninsula is the task of the Korean people.*

*Both Presidents agreed that South and North Korea should take the*

*lead in a renewed search for a permanent peace arrangement, and that separate negotiations between the United States and North Korea on peace-related issues can not be considered.*

*5. President Kim affirmed the Republic of Korea is willing to meet without preconditions at the governmental level with representatives of the DPRK. President Clinton affirmed that the U. S. is prepared to play an active and China's cooperation would be extremely helpful.*

*6. Accordingly, the two Presidents proposed to convene a Four Party Meeting of representatives of the Republic of Korea, the Democratic People's Republic of Korea, the People's Republic of China and the United States as soon as possible and without preconditions. The purpose would be to initiate a process aimed at achieving a permanent peace agreement.*

*7. The two Presidents agreed that this peace process also should address a wide range of tension reduction measures.*

*8. President Clinton praised the Republic of Korea initiative as a positive and important step in easing tensions on the Korean Peninsula. President Kim acknowledged the importance of continued American support.*

In a joint press conference held following the issuance of the joint statement, President Kim said he expects North Korea and China would show a positive response to the proposal. He said that through the four-way meeting proposed, measures could

be discussed to expedite dialogue and exchanges, ease tension and institute a permanent peace mechanism on the Korean peninsula.

Asked what he would do if North Korea insists on its policy of signing a peace agreement between the United States and itself, President Kim said he had sent a personal message to Chinese President Jiang Zemin to explain fully about the proposal. Also disclosing that North Korea was informed of the proposal two days before, President Kim said North Korea won't accept the overture outright. "But, there will be no further option. This is the final option," the President stressed.

President Clinton, too, said in the joint press conference, "We will welcome it if North Korea accepts the proposal. But, we don't expect there will be a ready affirmative response from North Korea." The two Presidents thus suggested that North Korea would ultimately accept the offer after reviewing it carefully.

## **2. Background Leading to the Four-Way Meeting Proposal**

The proposal for four-way talks made at the Cheju summit meeting between the South Korean and U. S. Presidents on April 16, 1996 was intended in effect to thwart the attempt of North Korea to subvert the existing truce system as well as

their demand for the conclusion of a peace agreement with the United States only. The overture was also to make clear the joint move of South Korea and the United States to cope with the replacement of the existing truce agreement with a peace agreement to bring about a durable peace mechanism on the Korean peninsula.

Even before the Korea-U. S. summit, North Korea perpetrated acts of military provocation by announcing that they were giving up their obligations to maintain and manage the Demilitarized Zone and by sending armed troops into the Joint Security Area of Panmunjom in breach of the Military Armistice Agreement.

Denouncing the North Korean acts of provocation against the South such as the forage of armed North Korean troops into Panmunjom, the two Presidents of South Korea and the United States emphasized that the dangerous acts committed by North Korea constitute a serious factor of crisis against peace and stability on the Korean peninsula.

In his remarks before answering press queries during the joint press conference, President Kim said he and President Clinton had indepth discussion of the Panmunjom incident and other developments on the Korean peninsula.

He said that the two Presidents expressed grave concern about North Korea's breach of the Military Armistice Agreement made through military activities in the Joint Security Area of Panmunjom in their bid to neutralize the Armistice

Agreement; agreed that it is important for the two countries to maintain a firm vigilance to cope firmly and promptly with any acts of provocation on the Korean peninsula; and shared the view that the existing Armistice Agreement should be retained prior to the institution of a new peace system on the Korean peninsula and that the question of instituting a permanent peace system should be resolved between South and North Korea, the direct parties to the Korean question.

Also at the joint press conference, President Clinton said he was reiterating the U. S. 's firm security commitment to South Korea. "We are determined to provide all available assistance for stable and permanent peace on the Korean peninsula," he said. Clinton emphasized that since violations of the Armistice Agreement leads to the danger of incidents, mistakes or miscalculation, which in turn may result in a grave situation, the United States maintains a high degree of battle readiness on the Korean Peninsula. "In this sense, our troops stand ready shoulder to shoulder with the armed forces of South Korea, one of our allies," President Clinton said.

As is well known, the Armistice Agreement, signed on July 27, 1953, brought about the ceasefire of the three-year Korean War and has since been instrumental to maintaining peace and stability on the Korean peninsula for more than 40 years.

Article 4 of the Armistice Agreement stipulates that parties of both sides shall peacefully resolve the issue of changing the truce system into a peace mechanism through political talks.



However, a Geneva political conference held for the purpose among South and North Korea and other relevant countries in 1954 ended in vain due to North Korea's one-sided demands and political propaganda.

Meanwhile, South and North Korea discussed the matter at the high-level talks begun in September 1990, agreeing to make joint efforts to resolve the issue through concurrence between the direct parties, South and North Korea. Article 5 of the Basic South-North Agreement signed on December 13, 1991 and put into force on February 19, 1992, provides, "The two sides shall endeavor together to transform the present state of armistice into a solid state of peace between the two South and the North and shall abide by the present Military Armistice Agreement (of July 27, 1953) until such a state of peace has been realized."

Despite this agreement duly reached between the South and the North, North Korea, while demanding in February 1996 the establishment of a peace mechanism through direct negotiations with the United States, took a series of steps to dismantle the existing truce system.

North Korea forcibly deported the Czech delegation from the Neutral Nations Supervisory Commission in April 1993; arbitrarily renamed its component of the Military Armistice Commission as Panmunjom Delegation in May 1994; and deported the Polish delegation of the Neutral Nations Supervisory Commission in January 1995.

North Korea's call for negotiations for and conclusion of a peace agreement with the United States is intended for them to resolve political and military issues on the Korean peninsula only with the United States over the heads of South Korea. This indicates that there is no change in the North Korean conspiracy to communize the whole Korean peninsula.

In this regard, the United States maintains the firm stand that "since the direct parties to the Korean question are South and North Korea, a peace agreement aimed at rooting peace on the Korean peninsula should be discussed and concluded between the two Koreas, and that the existing truce system should be respected until that time."

U. S. President Clinton said in a press conference at the end of the Cheju Korea-U. S. summit meeting, "We must maintain the existing Armistice Agreement until a new peace agreement is concluded. We are willing to play any role in facilitating such an agreement.

Instituting peace on the Korean peninsula is the duty of the Korean people, namely, South and North Korea. We shall not negotiate a separate peace agreement with North Korea."

The South Korean government's consistent policy is that the existing truce system should be respected as provided for by the Basic South-North Agreement and that when conditions become ripe between the two sides of Korea, such as the promotion of confidence building, a peace agreement could be concluded between South and North Korea in consultation with the

United States and China involved in the existing Military Armistice Agreement for the ultimate transform of the truce system into a peace mechanism.

Afterwards, South Korea and the United States studied a realistic and concrete means to which North Korea may respond affirmatively, and agreed that the idea of a four-way meeting among the two Koreas and the U. S. and China, both signatory countries of the Armistice Agreement, would be the most ideal method in view of various conditions.

### **3. Significance of Joint South Korea-U. S. Statement**

By making the proposal for a four-way meeting to promote permanent peace on the Korean peninsula in their Cheju summitry, the two Presidents manifested before the world their sincere efforts and firm determination to pursue peace and prosperity on the Korean peninsula.

The two Presidents emphasized that the establishment of a new permanent peace system should be realized by the Koreans themselves, and that South and North Korea should lead such a process.

At the same time, the two countries displayed a close cooperative system toward North Korea, making it clear that no direct negotiations between the United States and North Korea can ever be considered in connection with peace on the Korean

peninsula.

By reaffirming their solid alliance relationship and coping actively and positively with the North Korean attempt to one-sidedly repeal the Military Armistice Agreement and to promote direct negotiations with the United States, the two allies of South Korea and the United States, in their joint statement, provided a momentum to subjectively leading the process of bringing about a permanent peace mechanism on the Korean peninsula.

Since the four-way meeting, if held, is supposed to work out not only an agreement between South and North Korea but also ensure cooperation and guarantee from the U. S. and China, both signatory countries of the Armistice Agreement, the talks are expected to lay a basic framework for an effective and permanent peace system on the Korean peninsula.

The core of a new peace system will be to institute genuine peace on the Korean peninsula, for which there should first be the alleviation of military confrontation. Therefore, the aim of the four-way meeting will be to initiate a process of materializing a peace agreement in a phased approach.

## **4. Efforts to Realize Four-Way Meeting and Reactions at Home and Abroad**

### **a. Reactions at Home and Abroad**

The four-way meeting jointly proposed by the South

Korean and American Presidents at their Cheju summit meeting drew keen attention not only from the medias of South Korea and the United States but also from those of other countries around the world. For, the proposal itself was epochal and, besides, it came at a time when tension built up on the Korean peninsula.

North Korea in April 1994 proposed to the U. S. the creation of a new peace system and again in February 1996 offered to conclude a "provisional agreement" with the United States. And, apparently as a means of pushing through their demand, North Korea had perpetrated acts of military provocation in succession in breach of the Military Armistice Agreement.

Meanwhile, all press medias and walks of life in the South welcomed the four-way talks proposal. The political circles, in particular, said the overture may well be an epochal offer to root peace on the Korean peninsula. All the major political parties expressed the hope that China and North Korea would accept the proposed meeting at an early date.

South Korean press medias in unison said the proposed four-way meeting is a positive means of ending a Cold War and bringing about permanent peace on the Korean peninsula, adding that the overture could also be a device to test North Korea's peace determination.

Observing that the proposal could be a reasonable idea that could provide a breakthrough in deadlocked inter-Korean relations, the medias stressed that North Korea should come to

the talks without any conditions and set forth their demand, if any, at the meeting.

On the other hand, some papers aired a concern over the internationalization of the Korean question as the proposal was to bring the U. S. and China into discussing and resolving the Korean question along with South and North Korea without resolving the issue of the Korean peninsula independently by the two Koreas.

The government of China, one of the four parties supposed to meet as proposed, took due note of the four-way meeting proposal. In a press briefing, Shen Guofang, Foreign Ministry spokesman, said his government was taking note of the proposal for a four-way meeting, adding that "China hopes that an agreement will be reached through negotiations and is willing to continue playing an affirmative role in ensuring peace and stability on the Korean peninsula." He also said China's view is that if the Armistice Agreement were replaced with a peace mechanism in pace with new situations, it would contribute to peace and stability on the Korean peninsula. The Chinese spokesman thus in fact welcomed the proposal but refrained from airing it outwardly apparently in consideration of North Korea's position.

However, it was confirmed afterwards through multiple channels that China is basically affirmative toward the four-way meeting proposed. At several diplomatic meetings, China expressed the hope that South-North dialogue would resume at an early

date in the interests of peace and stability on the Korean peninsula, displaying the willingness to assume a constructive role in materializing the proposed four-way meeting. The occasions included the 3rd South Korea-China high-level policy consultative meeting of April 24, 1996; and the Asian Regional Forum and expanded foreign ministers meeting held in Jakarta, Indonesia on July 25.

Japan, too, welcomed the four-way meeting proposal. Promptly upon the end of the Cheju Korea-U. S. summit meeting on April 16, Prime Minister Ryutaro Hashimoto said in a statement that he supports the proposal since the four-way meeting, if held, would contribute to peace and stability on the Korean peninsula. "We expect that the alleviation of tension and confidence building will be expedited on the Korean peninsula so that the existing Armistice Agreement will be replaced with a permanent peace agreement," the Japanese leader said.

Also at his Cheju summit meeting with President Kim Young-sam on June 23, 1996, Prime Minister Hashimoto said that close cooperation among South Korea, the U. S. and Japan would be important for peace and stability in Northeast Asia and that his country is prepared to exert efforts jointly with South Korea to realize the four-way meeting proposed. In this connection, the Japanese government implied that they could resume normalization talks with North Korea only after the proposed four-way meeting was materialized.

Russia, meanwhile, aired dissatisfaction at the exclusion

of itself from the four-way meeting on the Korean question. A Russian Foreign Ministry spokesman told a regular press briefing on April 16, 1996 that his government was carefully studying the four-way meeting proposal, adding, however, that his government's position had consistently been that an international meeting attended by all interested parties alone can work out a satisfactory resolution to the Korean question. When Foreign Minister Gong Ro-myung in May 1996 explained Moscow about the four-way meeting, asking for its cooperation, Russia said it understood South Korea's position but expressed the hope for its direct participation.

There were other international support for the four-way talks.

One of them came from the G-7 summit meeting held in Lyons, France on June 29, 1996. The meeting unanimously adopted a chairman's statement that "the G-7 supports all proposals to replace the Korean Armistice Agreement with a peace agreement, including the four-way meeting jointly proposed by South Korea and the United States."

#### b. Reactions from North Korea

The first reaction from North Korea came on April 16, two days after the proposal was made. In the form of answering a question posed by the North Korean Central News Agency, a spokesman for the North Korean Foreign Ministry said, "The question of guaranteeing peace on the Korean peninsula is an is-



sue that has to be resolved between us and the United States. It is not clear why the United States has suddenly proposed the four-way meeting. We have no way to know if the four-way meeting were to conclude a genuine peace agreement among the parties invited or has any ulterior purpose. We are studying if there is any ulterior motive in the U. S. proposal and if the proposal is practicable.”

Similar reactions were made later by North Korean Ambassador to Russia Son Song-pil, Vice Chairman Ri Jong-hyok of the North's Asia-Pacific Committee and Foreign Minister Kim Yong-nam. In an interview with the Itar-Tass News Agency on April 25, Ambassador Son said participation in the resolution of the Korean question by Russia and China requires a careful review, adding that North Korea has to settle the issue of guaranteeing peace with the United States. “In principle, we are opposed to the resolution of the Korean question through international discussion,” Son said.

Press comments at home and abroad said that such North Korean reactions suggested that North Korea did not reject the talks outright but was studying the proposal carefully, which, they said, could be taken as an affirmative sign.

A second official North Korean comment came on May 7, 1996 again in the form of a Foreign Ministry spokesman's discussion of the matter in response to a question by the North Korean Central News Agency.

“We have asked for a concrete explanation so that we could

know the purport, purpose and practicability of the proposal set forth by the United States. Regrettably, however, we have yet to receive any official explanation," the spokesman said, adding that his country would have to wait a little more for an explanation from the United States. This stand of North Korea was confirmed in talks between the North's Vice Foreign Minister Kang Sok-ju and a group of visiting Japanese journalists.

However, North Korea began to show sensitive reactions in the wake of a South Korea-U. S. high-level policy consultative meeting held in Cheju on May 13-14, 1996. The policy meeting said in a statement it had decided to ensure a close cooperative system among South Korea, the United States and Japan over the Korean question; to continue to persuade North Korea to accept the four-way meeting proposal, agreeing that the overture is the most realistic means available; and not to consider taking any appeasement steps toward North Korea in favor of the materialization of the four-way talks.

Reacting on this joint stand of South Korea and the United States, North Korea, in a Rodong Sinmun comment on May 24, 1996, showed a negative response to a joint explanation session to be given jointly by South Korea and the United States. "We have asked the United States to make an explanation so that we could correctly grasp the purport and purpose of the four-way talks proposed by the U. S. President," it said. North Korea then made it clear they won't talk with the South, asserting, "It is a nonsensical conduct for South Korea's ruling clique

to step forward selling joint explanation, etc.”

As of the end of October 1996, North Korea was withholding its clearcut response to the four-way meeting proposal, simply saying they were still studying the offer and needing an explanation from the United States.

In this midst, North Korea took every opportunity to urge the United States to accept its proposal for the conclusion of a provisional agreement between the U. S. and itself, while denouncing President Kim Young-sam's call upon North Korea to accept the four-way talks, which was made in his 51st National Liberation Day message.

The North contended that “the four-way talks were nothing more than a showpiece intended to cover up anti-peace war schemes and nation-splitting nature.” North Korea thus asserted they can discuss only with the United States all issues related to peace and stability on the Korean peninsula.

Going a step farther, North Korea in the middle of September 1996 arbitrarily chose those acceptable from among the South Korean industries which had applied for participation in the Rajin-Sonbong briefing session, and on September 17 perpetrated military provocation by infiltrating 26 armed troops into the Kangnung coast by submarine.

In the intrusion, the submarine cruized the same route in which South Korea shipped 150,000 tons of rice to the North in 1995 to help ease its food shortage.

### c. Efforts to Realize Four-Way Meeting

A look at the four-way meeting proposal shows that it was prepared carefully taking North Korea's position into account in a move to facilitate the offer. In a news conference at the end of the Cheju summit meeting with U. S. President Bill Clinton, President Kim Young-sam disclosed that China and North Korea had already been informed of the contents of the proposal. The remarks, needless to say, indicate that due steps were taken to add credibility to the proposal.

After the April 16 Cheju statement, in particular, President Kim said in an address at the Asia Society meeting of May 9, 1996 that "the four-way meeting is the most reasonable idea in view of North Korea's position. If and when the meeting materializes, the biggest beneficiary will be North Korea." The President then urged participating member countries to cooperate in the realization of the proposed meeting.

The South Korean government suggested repeatedly that if North Korea accepts the offer, the South would cooperate in easing the difficulties currently facing North Korea in addition to settling the question of concluding an agreement on permanent peace and easing tension on the Korean peninsula.

At the high-level policy consultative meeting held in Cheju on May 13-14, 1996 among South Korea, the U. S. and Japan, delegates shared the view that in the event North Korea agrees to the four-way meeting, they could discuss the issue of providing foods to North Korea.

Moreover, in his keynote speech at an international symposium sponsored by the Research Institute for National Unification on May 17, 1996, Deputy Prime Minister and concurrent National Unification Minister Kwon O-kie said "the four-way meeting proposed is a realistic overture based on the importance of participation by South and North Korea which are direct parties to the Korean question and also by the United States and China which are parties to the Armistice Agreement."

Saying that North Korea's position was taken into account to the maximum extent in the preparation of the proposal as can be seen in the absence of any pre-set agenda topics of the four-way talks, Deputy Prime Minister Kwon said the proposal is linked to the question of providing economic support to North Korea experiencing much difficulties. Again on June 11, 1996, the Deputy Prime Minister said that if the need arises of the provision of full-fledged government-level assistance to the North, it could be promoted as part of broad-ranging tension easing and confidence-building projects following the materialization of the proposed four-way meeting.

The South continued to air its intention of making a special consideration in extending assistance to North Korea once the North accepts the four-way talks. The suggestion was reiterated in the President's address at the opening session of the 15th National Assembly, the Prime Minister's answers to legislators' questions on the Assembly floor and the Foreign Minister's speech at the Korea-U. S. Forum.

In particular, President Kim made clear in his Liberation Day message a government plan to extend assistance to North Korea. Allotting most part of the address to issues related to inter-Korean relations and the unification question, President Kim concretely discussed the issues of bringing about durable peace on the Korean peninsula, inter-Korean cooperation, preparation for unification, and the proposed four-way talks.

With regard to the four-way meeting, President Kim said he and U. S. President Bill Clinton proposed the four-way talks with a view to translating the spirit of "peace and cooperation" into action, observing that wide-ranging questions related to easing tension and rooting peace could be discussed at the four-way talks. Besides, he said, the meeting could take up the issues of instituting a peace mechanism, promoting confidence building and implementing inter-Korean economic cooperation.

Going a step farther, President Kim laid down a concrete idea about the issue of economic cooperation with North Korea that could be discussed at a four-way meeting if held. He said that the South is willing firstly to contribute to basically easing the North's chronic food problem, secondly to make investment in the Rajin-Sonbong special economic district and supply materials the North needs by expanding South-North commodity exchanges, and thirdly, to allow South Korean tourists to visit North Korea.

It can be known that these plans were in President Kim's mind when he repeatedly said following the four-way talks

proposal that “North Korea would be the biggest beneficiary if and when the proposed four-way meeting is held.”





Part II

## **The Activities of KEDO for Supply of Light-Water Reactor Project**

1. Negotiations for Follow-up Protocols
2. Major Achievements in the Promotion  
of Light-Water Reactor Project
3. KEDO Activities
4. Future Prospects and Tasks



# 1. Negotiations for Follow-Up Protocols

The conclusion of the Agreement on Supply of Light-Water Reactor Project, an international treaty nature, between the Korean Peninsula Energy Development Organization (KEDO) and North Korea on December 15, 1995, served to reaffirm the South Korean government's consistent stand that the light-water reactors to be provided to the North should be a Korean standard model and that South Korea should play a central role in the project.

In the agreement, the KEDO and North Korea decided to conclude about 10 follow-up area-by-area protocols step by step with a view to translating detailed working-level matters into action.

Under the decision, talks began in New York on April 8, 1996 to discuss a Protocol on the Juridical Status, Privileges and Immunities and Consular Protection, and negotiations started on April 16 for the conclusion of a Protocol on Transportation and a Protocol on Communications.

The talks on the privileges and immunities protocol were attended by KEDO officials and the representatives of South Korea, the U. S. and Japan, who were headed by Lucy Reed, a KEDO legal advisor. From North Korea, five officials led by Choe Byong-gwan, deputy director general of the Foreign Ministry, participated.

The negotiations for transportation and communications

protocols were participated by KEDO officials and the government representatives of South Korea, the U. S. and Japan, who were led by Mitchell Reiss, an assistant to the KEDO Secretary General. North Korean attendees numbered seven headed by Ri Myong-sik, a councilor at the General Department of Atomic Energy.

The KEDO's negotiations team included officials from relevant offices and the Korean Electric Power Corp. The official South Korean representative was from the Office of Light-Water Reactor Project Planning.

The Privileges and Immunities Protocol was initialed on May 22, 1996 and the Transportation and Communications protocols on June 14, 1996, which were all formally signed in New York on July 11, 1996 by KEDO Secretary General Stephen W. Bosworth and North Korean Ambassador Ho Jong.

a. Protocol on Privileges, Immunities and Consular Protection

In the negotiations for the privileges and immunities protocol, the KEDO placed an emphasis on and pushed through matters necessary for the actual implementation of the light-water reactor project and the securing of the personal safety of those to be dispatched to project sites.

The highlights of the Protocol on Privileges and Immunities were as follows:

(1) Juridical Status, Privileges and Immunities (Part I)

(a) Juridical Status

◦ KEDO shall possess juridical personality in North Korea and shall have the capacity to engage in the following activities:

– Conclusion of contracts.

– Acquisition and disposal of movable and immovable property.

– Institution of legal proceedings.

– Negotiations with the relevant authorities of North Korea.

– Exercise of other powers pursuant to the U. S. – North Korea Framework Agreement and Supply Agreement (including protocols).

\* Miscellaneous powers were additionally included in view of the specialty of the light-water reactor project in addition to the legal powers (ranging from contract conclusion to the institution of legal proceedings) provided for by the privileges and immunities agreements signed by the United Nations and its specialized agencies.

(b) Activities Areas

The activities related to the light-water reactor project shall take place in the following areas:

– Project sites: Including the construction zone, housing and recreation areas, and other sites specified under the site protocol.

– Related areas: Including locations related to the delivery of manpower and materials including the seaports, airpor-

ts and transportation routes.

— Associated areas: Including locations selected on a temporary basis for meetings or other events associated with the light-water reactor project.

\*Though the activities areas were categorized into three, the possibility was secured that all the area of North Korea could be activities area as the “locations reached in emergency or other reasons” are included.

(c) KEDO's Privileges and Immunities

〈Property and Assets〉

○ KEDO, its property and assets shall enjoy immunity from every form of legal and administrative process.

— Immunity from search, requisition, confiscation, expropriation and any other interference.

— Obligation of North Korea to take steps to protect KEDO and its property and assets.

○ Inviolability of KEDO offices, their archives and documents.

○ Immunities from financial controls, regulations or moratoria.

— Freedom to hold, use, remit or convert currency.

○ Exemption from taxes and duties on KEDO property, assets, profits and activities, and from charges and fees as agreed between KEDO and North Korea.

— Exemption from prohibitions and restrictions on imports and exports in respect of articles related to the light-water

reactor project.

〈Communications Facilities〉

◦ Communications treatment not less favorable than that available to diplomatic missions in the matter of priorities, rates and taxes.

◦ Right to use codes, secure telephones and facsimile facilities and sealed bags.

◦ No censorship to the official correspondence and communications.

\* Strengthening of some contents of privileges and immunities based on the privileges and immunities prescribed in the privileges and immunities agreements of the United Nations and its specialized agencies.

– The obligation of the North Korean government to protect KEDO property, offices and assets.

– Comprehensive exemption of taxes and duties.

(d) Privileges and Immunities of KEDO's Contractors and Sub-Contractors

◦ KEDO's contractors and sub-contractors, and their property, assets, incomes and activities shall share in the treatment provided to KEDO in North Korea.

(e) KEDO staff and members of KEDO delegations shall enjoy the following privileges and immunities:

– Immunity from personal arrest or detention and from seizure of their personal baggage.

– Immunity from criminal, civil and administrative

jurisdiction, and testimonial immunity.

– Inviolability of their private residence and assets, including papers and documents.

– Exemption from all taxes and duties, and charges and fees as agreed between KEDO and North Korea.

– Right to use codes and sealed bags.

– Family members shall enjoy the same privileges and immunities. KEDO non-professional staff shall enjoy almost the same privileges and immunities.

## (2) Consular Protection (Part II)

### (a) Subjects of Consular Protection

◦ The office of KEDO shall exercise all consular protection toward KEDO contractors and sub-contractors, KEDO personnel and the crews of vessels and aircraft.

– There shall be restriction to the nationality of KEDO consular staff.

\*This will be the first case in which an international organization exercises consular protection.

### (b) Areas of Consular Activities

Same as KEDO activities areas.

### (c) Contents of Consular Protection

Include all the relevant items among the contents of the consular protection provided by the Vienna Convention on Consular Relations and the Memorandum of Understanding on the Establishment of the U. S. and North Korean Liaison Offices.

\*Provision of consular protection as a double protection



mechanism against possible arbitrary measures by North Korea.

(3) Protection of the Safety of KEDO Contractor Persons and Their Property (Part III)

◦ Obligation of North Korea to take the following steps to protect the safety of all personnel sent by KEDO's contractors and subcontractors and of those under the control of KEDO and their property.

– No arrest or detention of the personnel of KEDO's contractors.

– Non-subjection to North Korea's jurisdiction or to measures of execution in North Korea.

– KEDO shall be responsible for the maintenance of order within the project site and North Korea shall not interfere with KEDO's maintenance of order.

– North Korea shall not require any KEDO contractor persons to follow North Korean customs, and shall not impose any political or social obligations on KEDO contractor persons.

– North Korea shall not seize, search or violate the personal property of KEDO contractor persons.

– Exemption from all taxes and duties and from charges and fees agreed between KEDO and North Korea.

– If North Korea considers there is an abuse of a protection right, KEDO and North Korea shall negotiate for proper steps.

\*KEDO secures the right to maintain order in the project sites.

– This means that KEDO itself shall be responsible for the maintenance of order and safety at project sites.

(4) Cooperative Measures (Part IV)

◦ KEDO shall issue identification certificates to KEDO staff, members of KEDO delegations and KEDO contract persons.

◦ North Korea shall allow non-visa entry of KEDO contract persons at the entry and exit points specified in the Protocol of Transportation.

◦ KEDO and North Korea shall further discuss and agree on details on practical and legal matters for the implementation of this Protocol.

The following is the full text of the Protocol on Privileges, Immunities and Consular Protection concluded between KEDO and North Korea:

*PROTOCOL BETWEEN  
THE KOREAN PENINSULA ENERGY DEVELOPMENT  
ORGANIZATION AND THE GOVERNMENT  
OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA  
ON THE JURIDICAL STATUS, PRIVILEGES AND  
IMMUNITIES, AND CONSULAR PROTECTION OF THE  
KOREAN PENINSULA ENERGY DEVELOPMENT  
ORGANIZATION IN THE DEMOCRATIC  
PEOPLE'S REPUBLIC OF KOREA*

*The Korean Peninsula Energy Development Organization(hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea(the Democratic People's Republic of Korea*

is hereinafter referred to as the “DPRK”),

*Reaffirming that KEDO and the DPRK shall perform their respective obligations faithfully under the Agreement on Supply of a Light Water Reactor Project to the DPRK between KEDO and the Government of the DPRK, signed on December 15, 1995(hereinafter referred to as the “Agreement”)*

*Desiring to conclude a protocol in accordance with Article 4, paragraphs 6 and 7, of the Agreement in order to specify KEDO’s juridical status, privileges and immunities, and consular protection in the DPRK, Have agreed as follows:*

**PART I**  
**JURIDICAL STATUS, PRIVILEGES AND IMMUNITIES**

**ARTICLE I**  
**JURIDICAL STATUS**

*KEDO shall possess juridical personality in the DPRK.*

*It shall have the capacity to:*

- a. contract;*
- b. acquire and dispose of immovable and movable property;*
- c. institute legal proceedings;*
- d. negotiate with the relevant authorities of the DPRK; and*
- e. exercise such other powers as shall be necessary, and agreed between KEDO and the DPRK in furtherance of its purposes and functions, consistent with the provisions of the Agreement, including all Protocols entered into pursuant to the Agreement, and the*

*Agreed Framework Between the United States of America and the Democratic People's Republic of Korea of October 21, 1994.*

*ARTICLE 2  
ACTIVITIES AREAS*

*For the purposes of this Protocol, the activities related to the light-water reactor project (hereinafter referred to as the "LWR Project") shall take place in the following areas of the DPRK:*

- a. LWR Project Sites: including the construction zone, housing and recreation areas, and other sites specified under the Protocol on Site Take-over, Site Access and Use of the Site*
- b. Related Areas: including locations related to the delivery to the project sites of manpower and materials, including the seaports and airports selected for this purpose and the transportation routes to and from these locations to the LWR Project Sites.*
- c. Associated Areas: including locations or districts selected on a temporary or ad hoc basis, for meetings or other events associated with the LWR Project as well as other locations reached for emergency or other reasons.*

*ARTICLE 3  
PROPERTY AND ASSETS*

*1. KEDO, its property and assets, wherever located and by whomsoever held in the DPRK shall enjoy immunity from every form of legal, administrative and other similar process except insofar as in any particular case it has expressly waived its immunity in writing. It is, however, understood that no waiver of immunity shall extend to any measure of execution.*

2. *The offices of KEDO shall be inviolable, and there shall be no entry without express consent of the head of the office. The property and assets of KEDO, wherever located and by whomsoever held in the DPRK shall be immune from search, requisition, confiscation, expropriation and any other interference. The DPRK shall take all appropriate steps to protect KEDO's property, offices and any assets against any intrusion or damage, and to prevent any disturbance of the peace of KEDO's offices.*

3. *The archives of KEDO, and all its documents shall be inviolable wherever located in the DPRK.*

4. *Without being restricted by financial controls, regulations or moratoria of any kind.*

a. *KEDO may hold and use funds or currency of any kind for its own purpose.*

b. *KEDO shall be free to transfer currency from one country to the DPRK, from the DPRK to another country, or within the DPRK and to convert any convertible currency held by KEDO into any other convertible currency accepted by the DPRK.*

5. *KEDO, its property, assets, income and the operations it carries out shall be:*

a. *exempt from all taxes and duties, and charges and fees as agreed between KEDO and the DPRK;*

b. *exempt from customs duties and prohibitions and restrictions on imports and exports in respect of articles directly or indirectly related to the LWR Project imported or exported by KEDO.*

*It is understood, however, that articles imported by KEDO under such exemption will not be sold in the DPRK except under conditions agreed with the DPRK; and*

- c. exempt from customs duties and prohibitions and restrictions on imports and exports in respect of publications, including newspapers, books, periodicals, brochures, diagrams, spreadsheets, etc, audio and video tapes; software; CD-ROMS, etc. The above-mentioned articles will be for the use of KEDO and all personnel sent by KEDO, its contractor and subcontractors, and members of KEDO delegations, as well as other persons under the auspices of KEDO and their accompanying family members(hereinafter such personnel shall be referred to as a "KEDO person" or "KEDO persons") within the LWR Project Sites and Related Areas.*

*6. For the purposes of this Article, KEDO's contractors and subcontractors and their property, assets, income and operations, insofar as they are in the DPRK under the auspices of KEDO, shall share in the treatment provided to KEDO and its property, assets, income and operations under this Article. However, property and assets of KEDO's contractors and subcontractors will be supplied and used in implementing the LWR Project.*

#### **ARTICLE 4**

#### **COMMUNICATIONS FACILITIES**

*1. KEDO shall enjoy communications treatment not less favorable than that available to any other Government including its diplomatic*

*mission in the matter of priorities, rates and taxes on mails, cables, telegrams, radiograms, telephotos, telephone, facsimile and other communications.*

*2. KEDO shall have the right to use codes, secure telephones and facsimile facilities, and to dispatch and receive its correspondence by courier or in sealed bags, which shall have the same immunities and privileges as diplomatic couriers and bags.*

*3. KEDO shall be permitted by the DPRK to establish means of communications for KEDO offices, in accordance with the terms of the Protocol on Communications.*

*4. No censorship shall be applied to the official correspondence and communications of KEDO.*

*5. For the purposes of this Article, KEDO's contractors and subcontractors, insofar as they are in the DPRK under the auspices of KEDO, shall share in the treatment provided to KEDO under this Article, except in the case of the right to use codes and sealed bags. However, communication facilities of KEDO's contractors and subcontractors will not be used in any manner inconsistent with the implementation of the LWR Project.*

## **ARTICLE 5**

### **KEDO STAFF AND MEMBERS OF KEDO DELEGATIONS**

*1. All KEDO professional staff and members of KEDO delegations shall enjoy the following privileges and immunities:*

- a. *immunity from personal arrest or detention and from seizure of their personal baggage;*
- b. *immunity from criminal, civil and administrative jurisdiction, and testimonial immunity. However, there shall be no immunity from civil and administrative jurisdiction in the case of actions relating to commercial activity outside official functions;*
- c. *inviolability of their private residence and assets, including papers and documents;*
- d. *exemption from all taxes and duties, and charges and fees as agreed between KEDO and the DPRK;*
- e. *the right to use codes, and to send or receive papers, documents and correspondence by courier or in sealed bags;*
- f. *exemption from national service obligations of the DPRK, including administrative mobilization and military obligations;*
- g. *exemption from immigration restrictions and alien registration;*
- h. *the same privileges in respect of currency or exchange restrictions as are accorded to comparable rank of diplomatic agents under international law and practice;*
- i. *the same immunities and facilities in respect of their personal baggage as are accorded to comparable rank of diplomatic agents under international law and practice, unless there are serious grounds for presuming that it contains articles the import or export of which is prohibited by DPRK customs law or controlled by the quarantine regulations of the DPRK. Such inspection shall be conducted only in the presence of a KEDO staff or his or her authorized representative;*



*j. the same repatriation facilities in time of international crisis as diplomatic agents.*

*2. KEDO non-professional staff (i. e, clerical and other support staff) shall enjoy the privileges and immunities specified in paragraph 1, except that immunity from civil and administrative jurisdiction shall not extend to acts performed outside the course of their duties.*

*3. The members of a family forming part of the household of a person covered under this Article shall enjoy all the privileges and immunities accorded to that person.*

*4. Recognizing that privileges and immunities are granted to KEDO staff members and members of KEDO delegations pursuant to this Article in the interests of KEDO and not for the personal benefit of the individuals themselves, the Executive Director of KEDO may waive the immunity of a KEDO staff or members of KEDO delegations in writing in any case where the immunity would impede the course of justice and can be waived without prejudice to the interests of KEDO. In the case of the Executive Director, the Executive Board of KEDO may waive immunity.*

## **PART II** **CONSULAR PROTECTION**

### **ARTICLE 6** **KEDO'S CONSULAR PROTECTION FUNCTION** **AND CONSULAR DISTRICT**

*1. KEDO shall exercise consular protection functions in the DPRK*

*and the DPRK shall allow it.*

*2. The District of KEDO's Consular Protection shall be the LWR Project Sites, Related Areas and Associated Areas.*

*ARTICLE 7  
EXERCISE OF CONSULAR PROTECTION FUNCTIONS*

*The office of KEDO shall exercise all consular protection functions through member of its staff on behalf of KEDO, its contractors and subcontractors, and KEDO persons and the crews of the vessels and aircraft staying in the DPRK related to the implementation of the LWR Project. Members of KEDO staff who perform such consular functions shall be known as "KEDO officers in charge of consular affairs" (hereinafter referred to as "KEDO consular officers")*

*ARTICLE 8  
NOTIFICATION OF KEDO CONSULAR OFFICERS*

*The Executive Director of KEDO shall inform the competent authorities of the DPRK of the names of KEDO consular officers, and any replacements thereof.*

*ARTICLE 9  
CONSULAR PROTECTION FUNCTIONS*

*Consular protection functions include:*

- a. Protecting in the DPRK the interests of KEDO, its contractors and subcontractors, and KEDO persons within the limits permitted by international law;*

- b. *Helping and assisting KEDO persons;*
- c. *Visiting any KEDO person who is in prison, custody or detention, to converse and correspond with that person and to arrange for that person's legal representation;*
- d. *Issuing KEDO certificates(in accordance with Article 18) and travel documents to KEDO person;*
- e. *Transmitting judicial and extra judicial documents;*
- f. *Subject to the practices and procedures obtaining in the DPRK, representing or arranging appropriate representation for a KEDO person before the tribunals and other authorities of the DPRK, for the purpose of obtaining provisional measures for the preservation of the rights and interests of such a KEDO person, where, because of absence or any other reason, such a person is unable at the proper time to assume the defense of his or her rights and interests;*
- g. *Safeguarding the interests of KEDO persons in case of succession mortis causa in the DPRK*
- h. *Exercising rights of supervision and inspection in respect of vessels and aircraft staying in the DPRK related to the implementation of the LWR Project;*
- i. *Extending assistance to vessels and aircraft staying in the DPRK related to the implementation of the LWR Project and to their crews, including, without limitation, taking statements regarding the voyage of a vessel, examining and stamping the ship's papers, and, without prejudice to the powers of the authorities of the DPRK, conducting investigations into any incidents which occurred during the voyage, and settling disputes of any kind between the master, the officers*

*and seamen.*

## *ARTICLE 10 CONSULAR COMMUNICATIONS*

*The DPRK shall not restrict access and communication between a KEDO consular officer and KEDO persons. This communication shall include the use of the postal system, telegrams, facsimile and other internal and international telephone communications. KEDO consular officers will be accorded access to the domestic telephone network of the DPRK to assure that KEDO persons anywhere in the DPRK who are in need of KEDO consular services can reach the KEDO office by telephone and vice versa.*

## *ARTICLE 11 KEDO CERTIFICATES AND CONSULAR ACCESS*

*1. Persons holding KEDO certificates(issued under Article 18) shall be considered KEDO persons by the competent authorities of the DPRK, and the DPRK shall allow KEDO consular access to such persons to accord protection and services.*

*2. In order to guarantee consular access to KEDO persons, the DPRK shall ensure freedom of movement and travel to KEDO consular officers for the purpose of exercising their functions within the LWR Project Sites, Related Areas and Associated Areas. KEDO consular officers will provide notification to the DPRK authorities when they travel to Related Areas. In non-emergency cases, KEDO consular officers may travel to Associated Areas following the notification to*

*and concurrence of DPRK authorities. In emergency cases, KEDO consular officers may travel to Associated Areas following notification to DPRK authorities.*

*ARTICLE 12  
RIGHT TO CONTACT AND VISIT  
PERSONS ARRESTED OR DETAINED*

*Regardless of the location or other circumstance:*

*1. The competent authorities of the DPRK shall promptly, but not later than two days, inform the KEDO office if a KEDO person is arrested or committed to prison or to custody pending trial or is detained in any other manner. Any communication addressed to KEDO office by the KEDO person arrested, in prison, custody or detention shall be forwarded without delay. The DPRK authorities shall inform the KEDO person concerned without delay of his or her rights under this paragraph.*

*2. A KEDO consular officer shall have the right to visit and converse with a KEDO person arrested or detained or in custody and to assist the person in obtaining legal representation and an interpreter. The competent authorities of the DPRK shall grant a KEDO consular officer access to such a KEDO person as soon as possible but not later than two days of such request having been made to the authorities of the DPRK, and make arrangements for such access to be permitted on a regular basis. A KEDO consular officer shall also have the right to visit any KEDO person who is in prison, custody or detention in pursuance of a judgement.*

ARTICLE 13  
PROVISION OF NECESSITIES

*The competent authorities of the DPRK shall permit a KEDO consular officer to provide parcels containing food, clothing, medicine and other necessities to a KEDO person who may be under arrest or detention.*

ARTICLE 14  
COOPERATION OF DPRK AUTHORITIES

*The competent authorities of the DPRK shall, upon the request from a KEDO consular officer, provide full cooperation in ascertaining the whereabouts of a KEDO person. The competent authorities of the DPRK shall do everything possible to provide all relevant and available information thereof.*

ARTICLE 15  
NOTIFICATION OF DEATH OR ACCIDENTS

*In case the competent authorities of the DPRK learn that a KEDO person has died, or is missing, injured or hospitalized in the DPRK, the DPRK shall notify a KEDO consular officer without delay. The competent authorities of the DPRK shall, upon the request of a KEDO consular officer, provide all relevant and available information pertaining to the death of a KEDO person or other accidents involving him or her in the DPRK. A KEDO consular officer shall have the right to make arrangements necessary for medical evacuation or disposition of the corpse of such a KEDO person.*

*ARTICLE 16*  
*CONCURRENCE OF CONSULAR FUNCTIONS*

*Nothing in this Protocol limits or shall be interpreted in any way as limiting the right of any government to exercise consular functions on behalf of its own nationals who are KEDO persons entitled to consular protection from KEDO.*

*PART III*  
*SAFETY PROTECTION*

*ARTICLE 17*  
*PROTECTION OF THE SAFETY OF KEDO CONTRACTOR PERSONS AND THEIR PROPERTY*

*In conformity with the purposes of implementing the LWR Project, the DPRK shall protect the safety of all personnel sent by KEDO's contractors and subcontractors, as well as her persons staying in the DPRK under the auspices of KEDO and their family members (hereinafter referred to as "KEDO contractor persons") and the property of those KEDO contractor persons. Steps toward this end shall include the following:*

- 1. The DPRK shall not arrest or detain any KEDO contractor persons.*
- 2. KEDO contractor persons shall not be subject to the jurisdiction in any form of the DPRK, or to measures of execution in the DPRK.*
- 3. The DPRK shall not interfere with the performance or personal*

*life of KEDO contractor persons within the LWR Project Sites, Related Areas and Associated Areas. KEDO shall be responsible for the maintenance of order within the LWR Project Sites and the DPRK shall not interfere with KEDO's maintenance of order.*

*4. The DPRK shall not require any KEDO contractor persons to follow DPRK customs, and shall not impose any political or social obligations on KEDO contractor persons.*

*5. KEDO contractor persons shall not be subject to national service obligations of the DPRK including administration mobilization and military obligations.*

*6. The DPRK shall provide KEDO contractor persons with all repatriation facilities in case of emergencies.*

*7. KEDO contractor persons, at all times and under all circumstances, are entitled to enjoy the consular protections under Part II of this protocol.*

*8. The DPRK shall not seize, search, or violate the personal property, including personal baggage, papers and documents or residences of KEDO contractor persons. Customs clearance shall be done in accordance with the terms of the Protocol on Transportation.*

*9. KEDO contractor persons shall be exempt from all taxes and duties, and from charges and fees agreed between KEDO and the DPRK.*



10. If the DPRK considers that there has been an abuse of a protection under this Part of the Protocol for an act neither directly nor indirectly related to implementing the purposes and functions of KEDO, consultations between KEDO and the DPRK shall be held to decide on the appropriate course of action. Holding such consultations shall not limit or affect the protection offered under this Part in any way, unless otherwise decided as a result of the consultations.

*PART IV*  
*COOPERATIVE MEASURES*

*ARTICLE 18*  
*NOTIFICATION AND VISA PROCEDRES*

1. The Executive Director of KEDO shall inform the appropriate authorities of the DPRK of the names and the titles of the personnel entitled to enjoy the privileges and immunities under Part I, Article 5.

2. The DPRK shall speedily issue identification cards to all personnel entitled to enjoy privileges and immunities under Part I, Article 5 who are assigned to the KEDO office.

3. KEDO shall issue identification certificates(referred to as "KEDO certificates") to KEDO staff, members of KEDO delegations and KEDO contractor persons. KEDO certificates shall be recognized as equivalent to passports and accepted as valid travel documents by the DPRK.

4. Upon the request of KEDO, the DPRK shall issue visas valid for

*one year and multiple entries to personnel entitled to enjoy privileges and immunities under Part I, Article 5 who are assigned to the KEDO office. The DPRK shall process such visas expeditiously and free of charge. In addition, facilities for speedy travel shall be granted.*

*5. KEDO contractor persons shall enter and exit under entry and exit regulations of the DPRK for the LWR Project, which include visa-free entry and exit procedures at the entry and exit points specified in the Protocol on Transportation. In cases where visas are required, the competent authorities of the DPRK shall issue them expeditiously and free of charge.*

*6. KEDO contractor persons shall not be subject to alien registration or undue immigration restrictions of the DPRK.*

#### *ARTICLE 19 RESIDUAL IMMUNITIES AND PROTECTIONS*

*The immunities under Part I, Article 5 and the safety protections under Part III of this Protocol shall continue to be accorded to personnel with respect to activities undertaken in the course of implementing the LWR Project notwithstanding that the personnel concerned are no longer acting on behalf of KEDO.*

#### *ARTICLE 20 OTHER PRIVILEGES AND IMMUNITIES*

*This Protocol does not affect and shall not be interpreted in any way to affect the privileges and immunities specified in the Agreement and other Protocols entered into pursuant to the Agreement. Both*

*sides recognize that the privileges and immunities and other protections reflect the unique circumstances of the LWR Project.*

*ARTICLE 21  
RESPECT FOR RELEVANT DPRK LAW  
AND MUTUAL ASSISTANCE*

*1. Both sides shall further discuss and agree upon details on practical, legal matters for the implementation of this Protocol. KEDO shall cooperate with the appropriate authorities of the DPRK to facilitate the proper administration of justice, in all instances where such cooperation will not interfere with KEDO's work under the Agreement.*

*2. All personnel sent to the DPRK by KEDO, its contractors and subcontractors undertake to respect the relevant laws of the DPRK, as shall be agreed between KEDO and the DPRK, and to conduct themselves at all times in a decent and professional manner.*

*3. KEDO may request the assistance of the appropriate authorities of the DPRK in cases where KEDO deems it necessary, such as investigations involving a DPRK citizen or authorities, and at the request of KEDO, the DPRK shall render such assistance to KEDO.*

*PART V  
GENERAL PROVISIONS*

*ARTICLE 22  
DISPUTE RESOLUTION*

*Article XV of the Agreement shall apply to any disputes arising out of interpretation or implementation of this Protocol.*

*ARTICLE 23*  
*ENTRY INTO FORCE AND AMENDMENTS*

*1. This Protocol shall enter into force on the date of its signature.*

*2. This Protocol may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.*

*In witness whereof, the undersigned, being duly authorized, have signed this Protocol.*

*Done at New York on the 11th of July, 1996, in duplicate in the English language*

*For the Korean Peninsula Energy  
Development Organization*

*For the Government of  
the Democratic People's  
Republic of Korea*

b. Protocol on Transportation

In the Protocol on Transportation, various appropriate and efficient rules on all KEDO personnel and materials as well as on additional transportation routes after a specific period of time were agreed on.

Highlights of the Protocol on Transportation were as follows:

(1) General Principles

◦ Mutual cooperation between the two sides to ensure appropriate and efficient transportation of all KEDO persons and materials.

◦ KEDO, its contractors, subcontractors and KEDO persons shall have unimpeded access to appropriate and efficient

transportation routes.

- Designation of additional routes and additional entry and exit points for the transportation of KEDO persons and materials prior to the start of the power block excavation.

## (2) Air Routes

- Use of Sondok Airport for the air transportation of KEDO persons and materials.

- Designation of additional air routes including efficient and economic air routes prior to the start of power block excavation.

- Early technical consultations on the opening of the above-mentioned air routes.

- Use of the Sondok-Beijing air route via Air Koryo pending the availability of the air route mentioned above.

- North Korea shall make such route available for any number of KEDO persons at a fair price agreed between the two sides.

## (3) Sea Routes

- Use of a barge-docking facility at the project site and Yanghwa Port for the sea transportation of KEDO persons and materials.

- Sea transportation shall occur via the following sea routes:

- The route for transporting materials 15 to 20 miles from the coast by barges and small ships.

KEDO persons may serve as escorts in transporting

materials by barges. When the barges or small ships return, KEDO persons may travel on such vessels.

– Open sea route for the transportation of KEDO persons and materials.

Replacement with a more economic and efficient route prior to the issuance of a certificate of the acceptance of the project site.

◦ Later designation of coast-ward routes for the transportation of major equipment and materials by barges.

(4) Choice of Transportation Routes and Means of Transportation

◦ KEDO, its contractors and subcontractors may at their discretion select transportation routes and the points of entry and exit from among those specified in the protocol.

◦ KEDO, its contractors and subcontractors shall select any means of transportation and crew without discrimination.

(5) Visa-Free Entry and Exit Procedures

◦ KEDO persons shall enter and exit through the entry and exit points specified in the protocol.

◦ Crew transporting KEDO persons and materials shall not require visas provided they remain in designated areas.

(6) Customs Clearance

◦ North Korea shall designate bonded areas at entry and exit points and in the project site through agreement between KEDO and North Korea.

◦ Exemption from all taxes and duties, and charges and

fees as agreed between the two sides.

(7) Mutual Cooperation

◦ In emergency such as distress, harbors and airports not designated may be used.

◦ In emergency, North Korea shall render immediate assistance in accordance with international agreements and internationally accepted practices.

◦ In the event of and urgent need to evacuate KEDO persons including medical emergencies, North Korea shall cooperate in evacuating them via the most efficient routes.

◦ In the event that KEDO is unable to evacuate KEDO persons from the site of emergency, North Korea shall evacuate such persons to a location from which KEDO can assume the evacuation.

(8) Consultations

◦ The two sides shall have consultations for the expeditious and smooth implementation of the protocol (under the same procedures as for the Protocol of Communications)

The following is the full text of the Protocol on Transportation concluded between KEDO and North Korea:

*PROTOCOL BETWEEN  
THE KOREAN PENINSULA ENERGY  
DEVELOPMENT ORGANIZATION AND THE GOVERNMENT  
OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON  
TRANSPORTATION FOR THE IMPLEMENTATION OF  
A LIGHT-WATER REACTOR PROJECT*

*The Korean Peninsula Energy Development Organization(hereinafter referred to as “KEDO”) and the Government of the Democratic People’s Republic of Korea(the Democratic People’s Republic of Korea is hereinafter referred to as the “DPRK”),*

*Reaffirming that KEDO and the DPRK shall faithfully perform their respective obligations under the Agreement on Supply of a Light-Water Reactor Project to the DPRK between KEDO and the Government of the DPRK , signed on December 15, 1995(hereinafter referred to as the “Agreement”),*

*Desiring to conclude a protocol in accordance with Article IX, paragraphs 1, 2, 3, 4, and 6 of the Agreement concerning appropriate and efficient transportation routes to and from the project site, and related issues(hereinafter referred to as the “Protocol”),*

*Have agreed as follows:*

## *ARTICLE I DEFINITIONS*

*For the purposes of the Protocol:*

*1. “KEDO Persons” means all personnel sent to the DPRK by KEDO, its contractors and subcontractors; as well as other persons in the DPRK under the auspices of KEDO; and family members of the above persons, in connection with the LWR project.*

*2. “Materials” means all equipment, raw materials, goods, amenities and other items necessary for working and living by KEDO Persons,*



*directly or indirectly related to the LWR project.*

3. *“Project Site” means the location of the LWR plants and related areas as shall be defined in a separate protocol between KEDO and the DPRK.*

## *ARTICLE 2 GENERAL PRINCIPLES*

1. *KEDO and the DPRK shall closely cooperate with each other to ensure appropriate and efficient transportation to and from the Project Site of all KEDO Persons and Materials for the expeditious and smooth implementation of the LWR project.*

2. *KEDO, its contractors, subcontractors and KEDO Persons shall be allowed unimpeded access to appropriate and efficient transportation routes to and from the entry and exit points in the DPRK and to and from the Project Site specified in the Protocol.*

3. *Additional routes and additional entry and exit points for the transportation of KEDO Persons and Materials necessary for the expeditious and smooth implementation of the LWR project shall be designated by the DPRK and agreed between KEDO and the DPRK prior to the start of the power block excavation specified in Article X, paragraph 2 of the Agreement.*

4. *KEDO, its contractors, subcontractors and KEDO Persons shall respect the relevant laws and regulations of the DPRK on transportation as shall be agreed between KEDO and the DPRK and shall con-*

*duct themselves at all times in a decent and professional manner.*

**ARTICLE 3**  
**AIR TRANSPORTATION ROUTES**

*1. Air transportation for KEDO Persons and Materials shall occur through Sondok Airport.*

*2. Pending the availability of the air routes specified in paragraph 3 of this Article, air transportation specified in paragraph 1 of this Article shall occur via the following air route : Sondok-Beijing via Air Koryo. The DPRK shall use its best efforts to establish the Sondok-Beijing air route within one month after the entry into force of the Protocol and shall make such route available in a timely manner and for any number of KEDO Persons at a fair price agreed between KEDO and the DPRK.*

*3. Additional air transportation routes, including efficient and economic air transportation routes, shall be designated by the DPRK and agreed between KEDO and the DPRK prior to the start of the power block excavation specified in Article X, paragraph 2 of the Agreement.*

*KEDO and the DPRK shall consult on the opening of the abovementioned routes and other related matters as soon as practicable.*

**ARTICLE 4**  
**SEA TRANSPORTATION ROUTES**

*1. Sea transportation for KEDO Persons and Materials shall occur through a barge-docking facility at the Project Site and through Yanghwa Port. In the event sea transportation cannot occur through Yang-*

*hwa Port, the DPRK shall designate additional ports for such transportation. KEDO shall be responsible for securing, delivering and stevedoring Materials at Yanghwa Port.*

*2. Sea transportation specified in paragraph 1 of this Article shall occur via the following sea routes :*

*a. the route specified in Annex 1 of the Protocol for transporting Materials by barges and small ships.*

*b. The route from the points specified in Annex 2 of the Protocol directly to and from the pilot station specified in Annex 4 of the Protocol for transporting KEDO Persons and Materials. The DPRK shall replace the aforementioned route with a more economic and efficient route, which shall reflect the coordinates to be provided by KEDO, prior to the issuance of the site take-over certificate specified in Article X, paragraph 2 of the Agreement.*

*3. A reasonable number of KEDO Persons may serve as escorts for the purpose of transporting Materials via the sea transportation route specified in paragraph 2 (a) of this Article. When the barges or small ships return via such transportation route, a reasonable number of KEDO Persons may travel on such vessels if air transportation is not available on the day such barges and small ships depart from the DPRK.*

*4. An additional route for barges closer to the DPRK low-water line than the route specified in Annex 1 of the Protocol which may be used for transporting the items specified in Annex 3 of the Protocol shall be*

agreed between KEDO and the DPRK as the progress of the LWR project may require and for the safety of those items and the smooth implementation of the LWR project.

5. KEDO shall ensure that the barges and vessels specified in this Article shall operate under the pilotage of the DPRK between the pilot station specified in Annex 4 of the Protocol and berths and anchorage in the ports specified in paragraph 1 of this Article.

6. The DPRK shall make available port services for vessels used by KEDO, its contractors and subcontractors and for KEDO Persons and Materials transported by them, without discrimination, and at a fair price in accordance with Article IX, paragraph 4 of the Agreement.

7. Any commercial sea vessel that is registered in a state that does not have diplomatic or consular relations with the DPRK and is used to transport KEDO Persons or Materials to and from the DPRK shall hoist the KEDO flag and the flag of the state of registry if traveling via the route specified in paragraph 2. a of this Article and only the flag of the state of registry if traveling via the route specified in paragraph 2. b of this Article. Between the pilot station and the port, the vessels specified in this paragraph shall hoist either the flags of the state of registry and the DPRK, or no flags, as mutually agreed between KEDO and the DPRK.

## ARTICLE 5

### LAND TRANSPORTATION ROUTS WITHIN THE DPRK

1. Land transportation of KEDO Persons and Materials shall occur

*between the entry and exit points of the DPRK and the Project Site as specified in Annex 5 of the Protocol.*

*2. KEDO, its contractors and subcontractors shall be allowed to select and use their own means of transportation between Yanghwa Port, the barge-docking facility and the Project Site.*

*The means of transportation between Sondok Airport and the Project Site shall be provided by the DPRK and shall include car, bus, truck or train. KEDO Persons stationed at the Project Site may escort KEDO Persons and materials between Sondok Airport and the Project Site.*

*ARTICLE 6  
CHOICE OF TRANSPORTATION ROUTES  
AND MEANS OF TRANSPORTATION*

*1. Among the transportation routes and entry and exit points specified in the Protocol, KEDO, its contractors or subcontractors shall select which ones they shall use.*

*2. KEDO, its contractors and subcontractors shall be allowed to select any means of transportation and crew, including those of the DPRK, without discrimination, as they deem necessary for transporting KEDO Persons and Materials to and from the entry and exit points of the DPRK.*

*ARTICLE 7  
NOTIFICATION OF INFORMATION*

*1. KEDO and the DPRK shall in a timely manner provide each*

*other with the information required to transport KEDO Persons and Materials via hetransportation routes and through the entry and exit points of the DPRK.*

*2. For sea transportation, an advance notice of arrival shall be submitted by KEDO or the operator of the vessel to the relevant authority of the DPRK 72 hours prior to the scheduled arrival at the pilot station specified in Annex 4 of the Protocol. Such notice shall include the name of the vessel, major technical data of the vessel, including tonnage, crew list and cargo manifest. The operator of the vessel shall notify the relevant authority of the DPRK of the vessel's location 24, 12 and 4 hours prior to the estimated time of arrival at the pilot station.*

*When vessels enter the route specified in Annex 1 of the Protocol the relevant authority of the DPRK shall be notified two hours prior to the estimated time of crossing*

## *ARTICLE 8 VISA-FREE ENTRY AND EXIT PROCEDURES*

*1. KEDO Persons shall enter and exit the DPRK without visas through the entry and exit points specified in the Protocol. The DPRK shall provide KEDO with the details of visa-free entry and exit procedures referenced in Article 18, paragraph 5 of the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and immunities, and Consular Protection of KEDO in the DPRK as soon as practicable.*

*2. Crew transporting KEDO Persons and Materials to the DPRK*

*for the purpose of the LWR project shall not require entry and exit visas to enter and exit the DPRK ports provided they remain in areas designated by the DPRK.*

*ARTICLE 9  
CUSTOMS CLEARANCE AND QUARANTINE*

*1. The DPRK shall expeditiously process and clear Materials, including belongings brought to the DPRK by KEDO Persons, through DPRK customs in accordance with its customs clearance procedures for the expeditious and smooth implementation of the LWR project.*

*2. For the purpose of paragraph 1 of this Article, the DPRK shall designate the locations agreed between KEDO and the DPRK at the entry and exit points in DPRK and the Project Site where Materials may be stored pending customs clearance(hereinafter referred to as "Bonded Areas"). Details of Bonded Areas shall be agreed between KEDO and the DPRK in the Protocol on Site Take-over, Site Access and Use of the Site.*

*3. The DPRK shall exempt KEDO, its contractors, subcontractors and KEDO Persons from all taxes and duties, and charges and fees as agreed between KEDO and the DPRK in connection with the import and export of Materials in accordance with Article IX, paragraph 2 of the Agreement.*

*4. For the purpose of regulating the entry of any controlled and contraband goods as specified in Annex 6 of the Protocol the DPRK customs authorities shall perform any necessary inspections speedily at the*

*entry points or Bonded Areas.*

*5. KEDO Persons and Materials entering the DPRK shall be accompanied with a quarantine certificate as appropriate. The DPRK shall conduct its quarantine inspections speedily and free of charge in a manner consistent with international practices.*

*6. KEDO, its contractors and subcontractors may repatriate Materials from the Project Site without any interference, in accordance with DPRK customs clearance procedures.*

*7. Nothing in this Article limits the privileges and immunities and protection specified in the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and Immunities, and Consular Protection of KEDO in the DPRK.*

## *ARTICLE 10 COOPERATION*

*1. The DPRK shall provide KEDO, its contractors and subcontractors, upon request, with DPRK labor and goods at its disposal at a fair price agreed between KEDO and the DPRK for the service and maintenance of KEDO's, its contractors' and subcontractors' means of transportation while in the DPRK.*

*2. The means of transportation used by KEDO, its contractors and subcontractors shall not intentionally deviate, without prior notice to and approval from the DPRK, from the transportation routes specified in the Protocol. Such means of transportation shall travel to and from*



*the entry and exit points specified in the Protocol through such transportation routes in a manner consistent with the purposes of the LWR project.*

*3. In the event of either an emergency situation or conditions beyond their control which force the operators of KEDO's, its contractors' and subcontractors' means of transportation to deviate from the transportation routes specified in the Protocol, the operators shall immediately inform the relevant authorities of the DPRK and confirm their identity. Such operators and such authorities shall cooperate with each other to ensure the safety of KEDO, its contractors, subcontractors, KEDO Persons and the means of transportation and the safe and prompt return of such means of transportation to the aforementioned routes in accordance with international practice. In the event that the emergency situation prevents the safe and prompt return of such means of transportation to the aforementioned routes, such operators may land or dock such means of transportation at DPRK ports other than those specified in the Protocol, in accordance with relevant international agreements and internationally accepted practices.*

*4. In an emergency situation, the DPRK shall render immediate assistance to KEDO, its contractors, subcontractors and KEDO Persons in accordance with international agreements and internationally accepted practices. Upon notification of an emergency situation, the DPRK shall permit KEDO, its contractors, subcontractors and KEDO Persons to render immediate assistance, including access to the site of the emergency, in accordance with relevant international agreements and inter-*

*nationally accepted practices.*

*5. In the event of an accident involving an aircraft or sea vessel in the territory of the DPRK, including its territorial seas, the DPRK shall institute and conduct an investigation and relevant activities in accordance with relevant international agreements and internationally accepted practices.*

*6. In the event of and urgent need to evacuate KEDO Persons for their safety, including medical emergencies, KEDO, its contractors and subcontractors and the DPRK shall cooperate and take measures to evacuate them expeditiously via the most efficient routes in accordance with international agreements and internationally accepted practices. For this purpose, KEDO, its contractors and subcontractors may use routes other than those specified in the Protocol.*

*7. In the event that KEDO, its contractors or subcontractors are unable to evacuate KEDO Persons from the site of an emergency, the DPRK, at the request of KEDO, shall evacuate such persons to a location within the territory of the DPRK from which KEDO, its contractors or subcontractors can assume the evacuation.*

**ARTICLE 11**  
**ARRANGEMENT FOR THE IMPLEMENTATION**  
**OF THE PROTOCOL**

*KEDO and the DPRK shall have consultations to ensure the expeditious and smooth implementation of the Protocol. Such consultations, which shall include technical experts from KEDO and the DPRK*

*as needed, shall occur upon the request of either side at the Project Site or, if necessary, at any other mutually agreed place.*

*ARTICLE 12  
ENTRY INTO FORCE AND AMENDMENTS*

- 1. The Protocol shall enter into force on the date of its signature.*
- 2. The Annexes of the Protocol shall be an integral part of the Protocol.*
- 3. The Protocol may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.*
- 4. Article XV of the Agreement shall apply to any disputes arising under the Protocol.*

*In witness whereof, the undersigned, being duly authorized, have signed the Protocol.*

*Done at New York on the 11th of July, 1996, in duplicate in the English language.*

*For the Korean Peninsula Energy  
Development Organization*

*For the Government of  
the Democratic People's  
Republic of Korea*

*ANNEX 1*

*The coordinates for the sea transportation route specified in Article 4, paragraph 2. a shall be as follows:*

*Crossing line: The line will connect the following two points:*

1. *Lat. 38° 36' 50/51" N Long. 128° 41' 00" E*
2. *Lat. 38° 36' 50/51" N Long. 128° 47' 24" E*

*Passing Points:*

1. a) *Lat. 39° 04' 00"N Long. 128° 34' 30"E*  
b) *Lat. 39° 04' 00"N Long. 128° 40' 40"E*  
c) *Lat. 39° 03' 00"N Long. 128° 35' 00"E*  
d) *Lat. 39° 03' 00"N Long. 128° 41' 10"E*
2. a) *Lat. 39° 31' 15"N Long. 128° 28' 15"E*  
b) *Lat. 39° 31' 15"N Long. 128° 34' 40"E*  
c) *Lat. 39° 30' 15"N Long. 128° 28' 30"E*  
d) *Lat. 39° 30' 15"N Long. 128° 35' 00"E*

## *ANNEX 2*

*The coordinates for the sea transportation route specified in Article 4, paragraph 2. b shall be as follows :*

- Lat. 39° 17' 40"N Long. 129° 57' 00"E*  
*Lat. 39° 22' 00"N Long. 130° 00' 00"E*

## *ANNEX 3*

*The list of items referenced in Article 4, paragraph 4 shall consist of the following for each LWR plant :*

1. *one pressurizer*
2. *one reactor "internals" (core assembly unit) and core*
3. *three main condensers*

4. *one polar crane*
5. *two moisture separator reheaters*
6. *three low pressure turbine casings*
7. *one reactor vessel*
8. *four reactor coolant pumps and motors*
9. *one turbine generator (consisting of a low-pressure turbine, high-pressure turbine and generator)*
10. *main transformers and stand-by transformers*
11. *two steam generators*
12. *other items to be agreed between KEDO and the DPRK.*

#### *ANNEX 4*

*The coordinates for the pilot station referenced in Article 4, paragraph 5 shall be as follows :*

1. *Lat. 40° 00' 00"N Long. 128° 20' 30"E*
2. *Lat. 40° 00' 00"N Long. 128° 27' 00"E*
3. *Lat. 39° 57' 12"N Long. 128° 28' 30"E*
4. *Lat. 39° 57' 12"N Long. 128° 22' 00"E*

#### *ANNEX 5*

*Land transportation routes specified in Article 5, paragraph 1 shall be as follows :*

1. *Sondok Airport-Hamhung-Project Site*
  - a. *Sondok-Hamhung by bus, car or truck*
  - b. *Hamhung-Kangsang ri by train*

- c. Kangsang ri-Project Site by bus, car or truck*
- 2. Yanghwa Port- Project Site by bus, car or truck.*

## *ANNEX 6*

*The controlled and contraband items referenced in Article 9, paragraph 4 shall be as follows :*

- 1. weapons, bullets, explosives(except for gun powder, percussion caps, dynamite fuses, powder train, etc., which are permitted for the LWR project), military supplies, lethal arms*
- 2. binoculars and telescopes[field glasses of over 10 magnifications, cameras with built-in lens of more than 160 millimeters and camcoders with more than 24X power zoom*
- 3. wireless apparatuses and their accessories, other than those referenced in the Protocol between KEDO and the Government of the DPRK on Communications for the implementation of the Light-Water Reactor Project*
- 4. poison and toxic chemicals; narcotics and drastic medicines other than those used for medical purposes*
- 5. publication, video tapes and tape-recorder cassettes, other than those used by KEDO, its contractors, subcontractors and KEDO Persons in the LWR Project Sites and Related Areas as defined in the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and Immunities, and Consular Protection of*

*KEDO in the DPRK.*

c. Protocol on Communications

In the Protocol on Communications, various rules on unimpeded and efficient communications of KEDO persons and the creation of independent satellite communications system after a specific period were agreed on.

The highlights of the Protocol on Communications are as follows:

(1) General Principles

◦ The two sides shall closely cooperate with each other to ensure unimpeded and efficient communication of KEDO, its contractors, subcontractors and KEDO persons.

◦ KEDO, its contractors, subcontractors and KEDO persons shall be allowed to set up and use unimpeded and secure communications means of their own.

◦ All communications of KEDO, its contractors, subcontractors and KEDO persons shall not be impeded.

(2) Use of Couriers

◦ Couriers shall travel to, from and within North Korea via the transportation routes and entry and exit points specified in the Protocol on Transportation.

(3) Postal Services

◦ KEDO, its contractors, subcontractors and KEDO persons may use the domestic and international postal services in North Korea.

– North Korea shall establish and operate a post office in the project site area.

– International postal matters shall be received and sent through channels agreed between the two sides.

(4) Use of North Korean Means of Communications

◦ KEDO, its contractor, subcontractors and KEDO persons shall have unimpeded use of the available means of communication in North Korea.

– North Korea shall establish and operate communications service offices in project site areas.

– North Korea shall provide a sufficient number of overseas and long-distance telephone lines including lines for facsimile and data communications.

– North Korea shall connect KEDO even to those countries with which North Korea has no telecommunications agreements in the event KEDO reaches agreements with communications companies of such countries.

(5) Independent Means of Communications

◦ KEDO, its contractors and subcontractors may set up, use and operate secure and independent means of communications under Paragraph 5, Article 9 of the supply agreement.

– Such means of communications shall include their own independent satellite communications system and independent land-based (wireline and wireless) communications systems including cellular phones and walkie talkies.

◦ KEDO, its contractors and subcontractors may use



and operate their own means and types of satellite communications and cellular phones 24 months after the formal ground breaking ceremony for site preparation.

– North Korea shall assign frequencies in advance of the establishment of such communications taking into account the manufacturing time required for such equipment.

(6) Permits and Exemption

◦ North Korea shall process approval of applications expeditiously and free of charge.

◦ Exemption from all communications-related taxes and duties and those charges and fees as agreed between the two sides.

(7) Consultations

◦ The two sides shall have consultations to ensure the expeditious and smooth implementation of the Protocol on Communications.

– If necessary, such consultations shall include technical experts and take place at the project site or any other mutually agreed place.

The following is the full text of the Protocol on Communications concluded between KEDO and North Korea:

*PROTOCOL BETWEEN  
THE KOREAN PENINSULA  
ENERGY DEVELOPMENT ORGANIZATION AND  
THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S  
REPUBLIC OF KOREA ON COMMUNICATIONS  
FOR THE IMPLEMENTATION OF  
A LIGHT-WATER REACTOR PROJECT*

*The Korean Peninsula Energy Development Organization(hereinafter referred to as “KEDO”) and the Government of the Democratic People’s Republic of Korea(the Democratic People’s Republic of Korea is hereinafter referred to as the “DPRK”),*

*Reaffirming that KEDO and the DPRK shall faithfully perform their respective obligations under the Agreement on Supply of a Light-Water Reactor Project to the DPRK between KEDO and the Government of the DPRK, signed on December 15, 1995(hereinafter referred to as the “Agreement”),*

*Desiring to conclude a protocol in accordance with Article IX, paragraphs 1, 2, 4, 5 and 6 of the Agreement concerning unimpeded and efficient communications and related issues(hereinafter referred to as the “Protocol”),*

*Have agreed as follows:*

*ARTICLE I  
DEFINITIONS*

*For the purposes of the Protocol:*

- 1. “Communication” means transmission and reception of information via wireline and wireless telecommunications services(including telephone, telex, telegraph, facsimile, data and image/video communications) and via postal services and couriers necessary for the smooth and expeditious implementation of the LWR project.*
- 2. “KEDO Persons” means all personnel sent to the DPRK by*

*KEDO, its contractors and subcontractors; as well as other persons in the DPRK under the auspices of KEDO; and family members of the above persons, in connection with the LWR project.*

3. *“Project Site” means the location of the LWR plants and related areas as shall be defined in a separate protocol between KEDO and the DPRK.*

## *ARTICLE 2 GENERAL PRINCIPLES*

1. *KEDO and the DPRK shall closely cooperate with each other to ensure unimpeded and efficient communication of KEDO, its contractors, subcontractors and KEDO Persons to, from and within the Project Site in connection with expeditious and smooth implementation of the LWR project.*

2. *KEDO, its contractors, subcontractors and KEDO Persons shall be allowed unimpeded use of available means of communications in the DPRK for purposes directly and indirectly related to the LWR project. In addition, KEDO, its contractors and subcontractors shall be permitted by the DPRK to establish secure and independent means of communications for their offices, based on a timely and case-by-case review of equipment requests and in accordance with relevant telecommunications regulations of the DPRK.*

3. *KEDO, its contractors, subcontractors and KEDO Persons shall respect the relevant telecommunications laws and regulations of the DPRK, as shall be agreed between KEDO and the DPRK, and con-*

*duct themselves at all times in a decent and professional manner.*

*4. All communication involving KEDO, its contractors, subcontractors and KEDO Persons for purposes related directly or indirectly to the LWR project shall be unimpeded.*

### *ARTICLE 3 USE OF COURIERS*

*Couriers specified in Articles 4 and 5 of the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and Immunities, and Consular Protection of KEDO in the DPRK shall travel to, from and within the DPRK via the transportation routes and entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the implementation of a Light-Water Reactor Project.*

### *ARTICLE 4 POSTAL SERVICES*

*1. KEDO, its contractors, subcontractors and KEDO Persons may use the domestic and international postal services in the DPRK. For this purpose the DPRK shall establish and operate a post office in the Project Site area at a location agreed between KEDO and the DPRK.*

*2. KEDO, its contractors, subcontractors and KEDO Persons may send or receive correspondence and parcels through the DPRK international postal service via channels agreed between KEDO and the DPRK and in accordance with the Universal Postal Convention adopted in 1874. KEDO, its contractors, subcontractors and KEDO Persons*

may use P. O. boxes at the post office specified in paragraph 1 of this Article.

3. KEDO, its contractors, subcontractors and KEDO Persons may send or receive correspondence and parcels through the DPRK domestic postal agencies and persons related to the LWR Article.

4. The price for the domestic and international postal services specified in this article shall be a fair price agreed between KEDO and the DPRK and calculated in due consideration of the prices charged in the DPRK.

#### ARTICLE 5 USE OF DPRK MEANS OF COMMUNICATION

1. The DPRK shall allow KEDO, its contractors, subcontractors and KEDO Persons to have unimpeded use at a fair price agreed between KEDO and the DPRK and calculated in due consideration of the price charged in the DPRK of the available means of communication in the DPRK in accordance with Article IX, paragraph 5 of the Agreement.

2. The DPRK shall establish at the Project Site communications service offices and provide KEDO, its contractors, subcontractors and KEDO Persons with adequate and efficient services for international and LWR-project related long distance telephone calls facsimile and data communications and the connection of temporary circuit lines, upon request.

3. KEDO, its contractors, subcontractors and KEDO Persons may

*place international and LWR-project related long distance telephone calls and transmit and receive facsimile and data communications to, from and within the Project Site. KEDO, its contractors and subcontractors shall be permitted to import and export communications equipment, including parts and accessories necessary to maintain and operate such communications equipment, and to install such equipment in their offices.*

*4. For the purpose of paragraph 3 of this Article, the DPRK shall provide to KEDO, its contractors and subcontractors a sufficient number of telephone lines, including lines for facsimile and data communications, as requested by KEDO, its contractors or subcontractors. Such lines shall be used exclusively by KEDO, its contractors and subcontractors and KEDO Persons in accordance with Article 4, paragraphs 4 and 5 of the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and immunities, and Consular Protection of KEDO in the DPRK.*

*5. The DPRK shall connect KEDO, its contractors, subcontractors and KEDO Persons only to countries with which the DPRK has telecommunications agreements, but the event that KEDO reaches an agreement with a communications company with which the DPRK has no such agreement, the DPRK shall connect KEDO, its contractors, subcontractors and KEDO Persons to the countries served by that company.*

## *ARTICLE 6 INDEPENDENT MEANS OF COMMUNICATION*

1. *KEDO, its contractors and subcontractors shall be allowed to establish, use and operate secure and independent means of communications for their offices in communicating to, from and within the Project Site, in accordance with Article IX, paragraph 5 of the Agreement. Such means of communications shall include their own independent satellite communications system and independent land-based(wireline and wireless) communications systems, including cellular phones and walkie talkies. Cellular phones shall be used only for communicating within the Project Site.*

2. *The independent means of communications referenced in paragraph 1 of this Article shall be used exclusively by KEDO, its contractors and subcontractors and KEDO Persons in accordance with Article 4, paragraphs 4 and 5 of the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and Immunities, and Consular Protection of KEDO in the DPRK.*

3. *KEDO, its contractors and subcontractors shall be allowed to establish, use and operate their own means and types of satellite communications and cellular phones 24 months after the formal ground breaking ceremony for the site preparation for the LWR project, which shall occur as soon as practicable after the issuance of the site take-over certificate specified in Article X, paragraph 2 of the Agreement. During this period, KEDO shall facilitate the implementation of the LWR project on the basis of the construction schedule specified in the protocol on the delivery schedule to be agreed between KEDO and the DPRK,*

*in accordance with Article 3, paragraph 3 of the Agreement, to ensure the expeditious and smooth implementation of the LWR project.*

*4. KEDO, its contractors and subcontractors shall establish secure and independent means of communications for the purpose of the LWR project, based on a timely and case-by-case review by the DPRK of equipment requests and in accordance with the relevant telecommunications regulations of the DPRK. This paragraph shall not impair the purposes of paragraph 3 of this Article.*

*5. KEDO, its contractors and subcontractors shall submit to the DPRK for timely review equipment requests for the establishment of their independent means of communications, including frequencies for their own walkie talkies, cellular phones and satellite communications. The DPRK, in advance of the establishment of such communications, shall assign such frequencies, which shall be agreed between KEDO and the DPRK, consistent with paragraph 3 of this Article. The DPRK shall take into consideration the manufacturing time required for such equipment when assigning such frequencies for satellite communication.*

*6. For the purpose of paragraph 1 of this Article, KEDO, its contractors and subcontractors shall have the right to import to and export from the DPRK communications systems, or any part thereof, including equipment and parts necessary to service and maintain such systems.*

*7. KEDO, its contractors and subcontractors may, if they deem nec-*



*essary, provide physical security for the independent means of communications specified in this Article.*

*ARTICLE 7  
PERMITS AND EXEMPTION FROM TAXATION*

*1. The DPRK shall process of approval all applications by KEDO, its contractors and subcontractors concerning communications, including communications specified in Articles 4, 5 and 6 of the Protocol, expeditiously and free of charge in accordance with Article IX, paragraph 1 of the Agreement.*

*2. For the purposes of the Protocol, with the exception of the price specified in Articles 4 and 5 of the Protocol, KEDO, its contractors, subcontractors and KEDO Persons shall be exempt from all DPRK taxes and duties. Exemption from charges and fees shall be agreed between KEDO and the DPRK in accordance with Article IX, paragraph 2 of the Agreement.*

*ARTICLE 8  
ARRANGEMENTS FOR THE IMPLEMENTATION  
OF THE PROTOCOL*

*KEDO and the DPRK shall have consultations to ensure the expeditious and smooth implementation of the Protocol. Such consultations, which shall include technical experts from KEDO and the DPRK as needed, shall occur upon the request of either side at the Project Site or, if necessary, at any other mutually agreed place.*

*Protocol.*

*Done at New York on the 11th of July, 1996, in duplicate in the English language.*

**ARTICLE 9**  
**ENTRY INTO FORCE AND AMENDMENTS**

- 1. The Protocol shall enter into force on the date of its signature.*
- 2. The Protocol may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.*
- 3. Article XV of the Agreement shall apply to any disputes arising under the Protocol.*

*In witness whereof, the undersigned, being duly authorized, have signed the Protocol.*

*Done at New York on the 11th of July, 1996, in duplicate in the English language.*

*For the Korean Peninsula Energy  
Development Organization*

*For the Government of  
the Democratic People's  
Republic of Korea*

**d. Negotiations fo Protocols on Site and Use of Service**

The 1st-round negotiations for the conclusion of a Protocol on Project Site and a Protocol on the Use of Service were held in the Mt. Myohyang area of North Korea on July 20-30, 1996 under the principle of reciprocity.

At the negotiations, KEDO Secretariat officials, the government representatives of South Korea, the U. S. and Japan

and some experts attended from the KEDO side. They were led by Mitchell Reiss, assistant to the KEDO Secretary General. A seven-man North Korean delegation was headed by Choi In-ha, councilor at the General Department of Atomic Energy.

The 1st-round talks ended merely in narrowing a difference in the two sides' basic stands due to a limited conference period and difficulties experienced in communications with third countries.

The 2nd-round negotiations took place in New York in a period from August 22 to September 26, 1996. A draft protocol was adopted on the final date of September 26, which was subject to approval by the governments of the three countries.

During the negotiations period, North Korea was positive toward the light-water reactor project, showing a keen interest in acquiring expertise on atomic energy. The North also expressed the hope that ground leveling would begin at an early date for the construction of light-water reactors.

When KEDO delegates denounced the North over the submarine intrusion that occurred on September 18, 1996 during the talks period, the North's Chief Delegate Choe In-hwa said it might have been the work of those who did not like the light-water reactor project.

Later, however, Choe argued that the incident was a fabrication wrought with the intent of shifting the blame for a delay in the light-water reactor project to the North.

Formal signing of the two protocols has been withheld in

consideration of the strained conditions of South-North relations prompted by the submarine intrusion.

## **2. Major Achievements of Light-Water Reactor Project**

### **a. Project Site Surveys**

The survey of the Sinpo area of Hamgyongnam-do, North Korea, the candidate area of the light-water reactor project, was made six times to date since August 15, 1995.

The 1st and 2nd site surveys were made under the auspices of KEDO, which were jointly participated by experts from South Korea, the U. S. and Japan. Beginning with the 3rd survey, however, the Korea Electric Power Co. (KEPCO), the main contractor, conducted the surveys as part of its pre-project service. Thus South Korean experts made a leading role in the site examination.

During the 3rd survey made between December 16, 1995 and January 16, 1996, site terrain conditions were studied to prepare a 1/1,000 map of the area. The 3rd survey team consisted of 15 persons including nine South Koreans who included one KEPCO official, one Korea Power Engineering Co. (KOP-ECO) official and seven from the Samkyong Technical Service Corp.

The 4th survey team comprised 23 officials and experts,

of whom 16 were South Koreans. They included a KEPCO official, two KOPECO experts and 13 from the Tong-a Consultants Co.

During the 4th survey that lasted January 16 through February 24, 1996, boring and seismic tests were made to determine the condition of the base rock, subterranean water and soils. For use in the survey, two container loads of equipment including three sets of boring machines and one set of seismic analyzer were taken from Pusan to Rajin by a Tongyong Shipping Co. vessel, which were then transported to the Sinpo area by land.

In the 5th survey held from April 25 to May 7, 1996, seven South Korean experts – five KEPCO and two KOPECO experts – took part in collecting materials on the infrastructural conditions of the areas near the project site including the Yanghwa harbor.

The 6th site survey was conducted in July 6-30, 1996. Thirteen South Korean experts participated in it, who included a KEPCO official, seven from KOPECO, three professors from Seoul National University and one from Hanyang University. The experts, grouped with North Korean technicians into five teams of soils, water, environment, weather and general affairs, made a detailed observation of the site.

Also at the 6th survey, the existing materials owned by North Korea were reprocessed together with on-the-spot examination, based on which a preliminary safety analytical report

(PSAR) and an environmental report (ER) were prepared. These reports are needed in taking over the project site from the North Korean authorities and obtaining a permission for the construction of light-water reactors.

On July 11, 1996 during the 6th period , about 90,000 dollars worth of humanitarian aid materials were handed out to the residents of the project site area who were to move away.

The distribution of aid materials was based on an agreement made in the Reactors Supply Agreement. A ceremony marking the distribution was attended by Park Song-hoon, deputy director of South Korea's Office of the Planning for the Light-Water Reactor Project, who represented the South Korean government. Other attendees included KEDO and North Korean officials.

Based on the results of the six surveys, KEPCO prepared an overall site survey report for presentation to KEDO toward the end of August 1996. The report tentatively concluded there is no particular problem in the safety aspects of the candidate project site.

After reviewing the report, KEDO is set to present it to North Korea which will, based thereon, issue a certificate of the project site.

The 7th site survey, designed to make a detailed soils examination, advance preparation of infrastructural facilities, and a survey of site boundaries, was being withheld due to the personal safety of surveyors in strained inter-Korean relations. But,

more site surveys are set to take place in the days ahead.

The state of the six surveys made so far was as follows:

◦ First Survey (August 15~22, 1995)

Participants: 15 persons—Four South Koreans, seven Americans and four Japanese

Contents of survey made: Receipt and review of the summary of the outcome of a survey of the site made earlier by Russian experts; Review of the suitability of the area—sight survey of the seismic, terrain, water, weather and environmental conditions of the area.

◦ Second Survey (October 24~November 4, 1995)

Participants: 19 persons—Seven South Koreans, nine Americans and three Japanese

Contents of survey made: Evaluation of a site safety survey with regards to soil and seismic conditions and natural calamities; review of a Russian-made survey report; evaluation of the suitability and work feasibility of the site area with regards to water intaking and displacement, electricity, communication, water, roads, construction funds, etc.

◦ Third Survey (December 16, 1995~January 16, 1996)

Participants: 15 persons—Eleven South Koreans, two Americans and two Japanese

Contents of survey made: Measuring of the site area and preparation of a site map; operation of seismic gaugers; discussion of preliminary preparation for soils examination

◦ Fourth Survey (January 16~February 24, 1996)

Participants: 23 persons—Nineteen South Koreans, two Americans and two Japanese

Contents of survey made: Check of seismic conditions; measuring of the depth of nearby coastal waters and oceanic survey; and boring to find out base rock conditions

◦ Fifth Survey (April 25~May 7, 1996)

Participants: 12 persons—Eight South Koreans, two Americans and two Japanese Contents of survey made: Check of the existing infrastructural facilities in areas near the project site; collection of materials on and discussion of additionally necessary infrastructural facilities; securing of materials on and discussion of economic and social conditions for initial project programs

◦ Sixth Survey (July 6~30, 1996)

Participants: 19 persons—Sixteen South Koreans, one American and two Japanese

Contents of survey made: Preparation of PSAR and ER reports, collection of materials; joint evaluation of North Korea held site survey materials made by Russia

b. Korea Electric Power Co. Designated as Main Contractor

The agreement on the establishment of the Korean Peninsula Energy Development Organization (KEDO) specified that the light-water reactors to be supplied to North Korea shall be South Korea's standard model. The Kuala Lumpur Agreement of June 13, 1995, too, reaffirmed the plan to supply the standard



South Korean model and the central role of South Korea in the reactor project.

Upon the conclusion of the lighter-water reactor supply agreement, KEDO, in the Executive Board Decision No. 93-3 (March 19, 1996), chose the Korea Electric Power Co. (KEPCO) as the main contractor which would undertake the light-water reactor project on a turnkey basis.

On the following day, March 20, KEDO and KEPCO signed an agreement on the designation of KEPCO as the main contractor of the light-water reactor project.

KEPCO has thus been formally designated as the main contractor responsible for designing, producing, installing and project-managing two 1,000-mega-watt light-water reactors of the South Korean standard model with Uljin Power Plants No. 3 and 4 as reference plants.

Negotiations were going on for the conclusion of a main contract between KEDO and KEPCO during 1997.

#### c. Preparation for Site Preparatory Work

As the light-water reactor supply agreement and follow-up protocols such as those on privileges and immunities, transportation and communications have been concluded and talks were going on for protocols on project site acceptance and the use of service, KEDO has begun to prepare for site preparatory work.

The South Korean government, too, has taken a set of preparatory measures in a policy to embark on site preparatory

work as soon as various working-level steps are completed for the initiation of the project. The working-level measures to be completed include the conclusion of protocols on site acceptance and the use of service between KEDO and North Korea, conclusion of a provisional agreement on the initiation of initial work between KEDO and KEPCO, and North Korea's issuance of a certificate on the turnover of the project site area.

### **3. KEDO Activities**

Since the Korean Peninsula Energy Development Organization (KEDO) was created on March 9, 1995 at the initiatives of South Korea, the United States and Japan as an international consortium in charge of the raising of funds and supply of light-water reactors to North Korea, KEDO has been broadening the realm of its role and activities as an international organization aimed at undertaking the light-water reactor project and resolving the North Korean nuclear question.

KEDO is composed of an executive board, secretariat, general meeting and an advisory committee. The Executive Board, which is the highest decision-making body, consists of one each representative of South Korea, the U. S. and Japan, the three full member countries of KEDO. All decisions are to be made with unanimous agreements. The Executive Board retains the right to take necessary measures with regard to KEDO's func-

tion.

The secretary general and deputy secretaries general, chosen by the Executive Board from among the citizens of the full member countries, have two-year terms and take charge of the organization, personnel and budget of the KEDO Secretariat and carry out negotiations with North Korea and contract programs under the direction and supervision of the Executive Board.

KEDO general meeting is made up of the representatives of all member countries. A regular general meeting is held once in a year and special meetings may take place at the decision of the Executive Board.

Presently the full member countries of KEDO are South Korea, the U. S. and Japan. And, seven other countries -- Finland, Canada, New Zealand, Australia, Indonesia, Chile and Argentina -- have joined KEDO as general member countries with approval from the Executive Board as they support KEDO's objective and have furnished funds.

The 2nd KEDO general meeting held in New York on September 10-12, 1996 was attended by a total of 27 countries to show that KEDO has taken root as a solid international organization. The attending countries were the three full member countries of South Korea, the U. S. and Japan; seven general member countries; and 17 countries like Britain and France which were present as observer nations.

The 2nd general meeting proceeded in the order of the presentation of an annual report on KEDO activities and bud-

getary programs and speeches by attending representatives who affirmatively spoke of KEDO activities to resolve the North Korean nuclear question and expressed their political support for KEDO.

Following the meeting, KEDO has been negotiating with the European Union (EU) for its entry into KEDO.

#### **4. Future Prospects and Tasks**

For the full-fledged promotion of the light-water reactor project, a set of complex issues have to be resolved along with North Korea's sincere posture. The issues include negotiations for follow-up protocols between KEDO and North Korea, conclusion of a main contract agreement between KEDO and KEPCO and the question of financial sharing among relevant countries.

The light-water reactor project will be accomplished in the process of designing → production and procurement → construction → test operation → operation, which will be undertaken by a number of subcontractors under the overall management of main contractor KEPCO in accordance with a commercial contract to be signed by KEDO and KEPCO.

The "central role" the South is going to play in the light-water reactor project, means that the Korean standard model power plants, the product of high-tech expertise which

the South had developed with sweat, will be built by the South's own hands in the interests of the wellbeing of the same brethren in the North.

The project is highly significant in that during the construction period of nearly 10 years to come, there will be brisk personnel and material exchanges between the two sides, constituting an epochal momentum to forging a chapter of "common Korean national development."

When the light-water reactor project enters the full track of construction in the future, utmost efforts will be made to:

- (1) Ensure the safety and economy of designing, production, construction and project management;
- (2) Induce tangible improvement of South-North relations taking advantage of direct South-North contacts; and
- (3) Lay conditions for the embodiment of a "National Community" by ultimately solidifying the mechanism of South-North cooperation.



## Part III

# South-North Exchanges and Cooperation

1. Overview
2. Contacts with North Korean Residents
3. South-North Commodity Exchanges
4. South-North Economic Cooperation
5. South-North Cooperation through International organizations





# 1. Overview

Following the July 7, 1988 Declaration in which the government professed to dispel the barrier of division between the South and the North and promote inter-Korea exchanges in all areas, the South in August 1990 legislated the Law on South-North Exchanges and Cooperation and some other related laws to set a domestic legal stage for inter-Korean exchanges and cooperation. The measure was to institutionalize and consolidate South-North relations of exchanges and cooperation more systematically.

Moreover, as tangible achievements began to appear in the government's Northward Policy, such as diplomatic normalization with the former Soviet Union and China, efforts were made also between South and North Korea to ease tension and promote reconciliation and cooperation. As a result, a South-North high-level meeting was held in Seoul in September 1990 where the prime ministers of the two sides attended as senior delegates for the first time since national division.

In December 1991, about one year after the start of the high-level meeting, the South and the North, at the 5th meeting of the high-level talks, adopted the Agreement on Reconciliation, Non-Aggression and Exchanges and Cooperation. Again at the 8th meeting of September 1992, the Supplementary Agreement was signed. A ground was thus all laid for the South and the North to enter the age of reconciliation and cooperation.

However, these inter-Korean agreements are yet to be translated into action because North Korea, on the excuse of the defensive Team Spirit training exercise, rejected the inauguration of South-North Joint Commissions set to be opened in November 1992. Moreover, North Korea abruptly declared a plan to withdraw from the Nuclear Nonproliferation Treaty in March 1993 to make the North's nuclear question strain overall inter-Korean relations. Accordingly, South-North exchanges and cooperation, too, have become stagnant.

As a clue to the resolution of the North Korean nuclear question was provided with the signing of the Geneva Framework Agreement between the United States and North Korea in October 1994, the government announced a set of measures to invigorate South-North economic cooperation with a view to carrying out economic cooperation projects step by step, the projects which had been withheld. Based on the measures, the government took a series of follow-up steps in 1995 such as permission of businessmen's visits to the North and approval of economic cooperative projects.

In the socio-cultural area, too, the government has positively been permitting those exchanges and cooperation programs purely motivated and deemed contributory to the improvement of inter-Korean relations.

In 1996 also, inter-Korean contacts were made mainly through third countries without any direct exchanges between the two Koreas.

There have been some exchange programs in which the South and the North jointly participated. In the economic area, businessmen's visits to the North continued as they did in 1995. Inter-Korean commodity exchanges were carried on steadily and economic cooperation had reached a point where some South-North joint venture schemes were prepared.

## **2. Contacts with North Korean Residents**

### **a. Present Situation**

Contacts between South and North Korean residents refer to the exchange of information or messages by means of correspondence or meeting between the residents of South and North Korea. Travels back and forth or any promotion of commodity exchanges or other cooperative projects should always be preceded by the exchange of opinions through contacts between the two parties involved. The Law on South-North Exchanges and Cooperation stipulates that a South Korean citizen wishing to enter contact with a North Korean should obtain an approval thereof from the National Unification Ministry.

Under the statutory requirement, there were a total of 690 applications for contacts with North Koreans in the first ten months of 1996, of which 647 cases were approved. Of the applications approved, contacts were actually materialized in 405

cases, which by area included 269 cases or 66 percent of the total in the economic sector, 79 cases (20 percent) in the area of dispersed families and 57 cases (14 percent) in the socio-cultural area such as academy, culture and religion.

*State of Applications for Contacts with North Koreans  
by Year, June 1989- October 1996*

*(In 1 case (person))*

<i>Year</i>	<i>Application</i>	<i>Approval</i>	<i>Contacts</i>
1989	36 (70)	21 (22)	—
1990	235 (687)	206 (652)	62 (377)
1991	753 (2,195)	685 (2,047)	266 (1,173)
1992	801 (2,420)	744 (2,250)	238 (1,015)
1993	1,172 (2,220)	1,148 (2,182)	313 (707)
1994	1,338 (2,864)	1,261 (2,673)	237 (691)
1995	1,011 (2,769)	1,007 (2,703)	494 (1,222)
1996	690 (2,287)	647 (1,975)	405 (913)
<i>Total</i>	<i>6,036 (15,512)</i>	<i>5,719(14,504)</i>	<i>2,015 (6,098)</i>

*State of Contacts by Area in First 10 Months of 1996*

*(In 1 case)*

<i>Area</i>	<i>Application</i>	<i>Approval</i>	<i>Contacts</i>
<i>Economy</i>	331	329	269
<i>Dispersed families</i>	200	180	79
<i>Academy</i>	50	45	23
<i>Religion</i>	25	16	9
<i>Sports</i>	14	14	6
<i>Culture</i>	13	9	3
<i>Tourism and transportation</i>	15	15	2
<i>Press and publication</i>	14	14	—
<i>Others</i>	28	24	14
<i>Total</i>	<i>690</i>	<i>647</i>	<i>405</i>

The brisk contacts in the economic sector compared with other areas were due to the fact that South Korean industries were much interested in advancing to North Korea while North Korea, too, was responding positively in the belief it would help resolve their current economic difficulties. In South-North businessmen's contacts, talks were mainly on commodity exchanges and investment in the North.

At some contacts, the issue of on-the-spot observation of North Korean areas was discussed. As a result, 84 businessmen from 15 industries visited North Korea in the first ten months of 1996.

In contacts between dispersed families, letters used to be exchanged between the families separated in the South and the North after they found out the fate and whereabouts of their missing relatives through their relatives residing abroad in most cases. Some of them even met in third countries. In the first ten months of 1996, 72 families located the whereabouts of their relatives in the North and a total of 386 letters from the North were received. Besides, 14 families met their missing relatives in the North in third countries.

These contacts between dispersed families have been made informally under the present circumstances in which there is no way of direct contacts with North Korea. The South Korean government has taken every opportunity to urge the North to agree to dialogue and consultations between government authorities so as to resolve the dispersed family issue fundamentally.

But, no progress has been registered due to passivity on the part of the North Korean authorities.

*State of Dispersed Families' Contacts  
January 1990- October 1996*

<i>Year</i>	<i>Knowing of fate</i>	<i>Letters exchanged</i>	<i>Meeting</i>
<i>1990</i>	<i>35 (families)</i>	<i>44</i>	<i>6</i>
<i>1991</i>	<i>127</i>	<i>193</i>	<i>11</i>
<i>1992</i>	<i>132</i>	<i>462</i>	<i>19</i>
<i>1993</i>	<i>221</i>	<i>948</i>	<i>12</i>
<i>1994</i>	<i>135</i>	<i>584</i>	<i>11</i>
<i>1995</i>	<i>104</i>	<i>571</i>	<i>17</i>
<i>1996</i>	<i>72</i>	<i>386</i>	<i>14</i>
<i>Total</i>	<i>826</i>	<i>3,188</i>	<i>90</i>

Contacts in the socio-cultural area were made in the form of multilateral exchanges in which both South and North Korean representatives attended international academic, cultural and religious events. In the first 10 months of 1996, 23 academic contacts, nine religious contacts, six sports contacts and three cultural contacts took place.

In the academic area, seminars were held in the fields of unification, economic, language and computer issues, in which South and North Korean scholars or experts participated. The major events held since the turn of the year included the 6th Northeast Asia Economic Forum held in Hawaii on January 18-19; International Symposium on East Asia Society and Culture in the 21 Century, Shenyang, China, August 1-4; International Seminar of Korean Language Linguists, Changchun,

China, August 5-7; 3rd International Seminar on the Computer Handling of Korean Language, Yanji, China, August 12-14; and Seminar of Overseas South and North Korean Scholars for Unification, Beijing, September 13-15.

Contacts held in the religious area were largely Protestant events including the International Ecumenical Conference for Peace and Solidarity in Northeast Asia held in Macao on January 29-February 2; and the 5th Tokyo Christian Conference for Peaceful nification and Missionary Programs, Tokyo, June 5-7. Whereas six Christian and Catholic clergymen visited North Korea in 1995, no religious leaders visited the North in 1996. The 1966 contacts of religious leaders featured the discussion of flood assistance for North Korea in addition to matters related to religious exchanges.

In the sports area, there were inter-Korean matches in such international games as the 19th William Jones International Basketball Championships held in Taiwan on August 14-26; and 5th East Asia Hops Table Tennis Championships, Kobe, Japan, August 26-28. However, North Korea refused to participate in international matches held in South Korea.

In addition, there were minor contacts such as the Korean Peace Art Exhibition held in Osaka, February 8-13; and Gas Pipeline Research Meeting held in Beijing, January 8-9.

Contacts and exchanges between South and North Korean people in third countries constitute an effective inter-Korean conduit under the present circumstances in which there lacks

any institutional system for travels and exchanges between the South and the North and in which contacts and dialogue between the South and North Korean government authorities remain suspended. Some of the contacts held were routine events and a progress was visible in terms of the contents of the contacts and exchanges. But, even such private contacts and exchanges failed to be on the full track as North Korea responded to them on a selective basis without any consistency.

#### b. Major South-North Exchanges

##### (1) Seminars on Unification Issues

5th Symposium for Peaceful Unification of Korea The 5th Symposium on Peaceful Unification of Korea was held at the University of California, Berkeley, U. S. on April 18-20, 1996 with scholars from both Korea<sup>s</sup> attending. The symposium was co-hosted by the university's Koreanology Committee and Religious Council with a view to helping the two Korea<sup>s</sup> elevate their mutual understanding through the exchange of opinions on the Korean unification issue. The Koreanology Committee is composed mainly of Korean students of the Berkeley University.

South Korea has attended all the symposiums begun in 1991.

North Korea, however, attended only the 1st, 2nd and 5th symposiums.

To reflect the host's request, South Korean participants included delegates from the academic, religious and women's



circles, students and government officials. North Korea, however, sent mainly South Korea watchers including those of the Committee for the Peaceful Unification of Fatherland.

The 5th Symposium proceeded in the order of a joint press conference of South and North Korean delegates held on April 18, a symposium eve festival (April 19), symposium (April 20) and prayer for peace by South and North Korean participants (April 21).

At the symposium, North Korean delegates advocated a confederation unification formula, grand national unity and the conclusion of a U. S. -North Korea peace agreement, asking Korean students in the U. S. to actively take part in struggles for unification. On the other hand, South Korean participants, while pointing to the fictitiousness of the North's confederation idea, explained about the need of dialogue between government authorities of the two Koreas, energization of private exchanges and cooperation, and the creation of a peace mechanism taken part in by both South and North Korea.

To make future symposiums a more constructive forum for the debate of unification issues, there needs more careful selection of participants and themes.

### State of Symposiums Held

○ 1st Symposium (March 10~17, 1991)

Participants from the South:

Lee Young-hee, professor, Hanyang University, who pres-

ented a paper entitled “A Comparison of War Ability of Divided South and North Korea”

Park Hyong-kyu, a Christian clergyman, “A Method of Surmounting Differences between Ideas and Systems”

Chung Hyon-baek, professor, Sungkyunkwan University, “Unification of the Korean Peninsula and Women”

Participants from the North:

Pak Yong-su, vice chairman, Committee for the Peaceful Unification of Fatherland, “Prospects of Peace and Unification”

Kim Gyong-nam, research member, Unification Affairs Institute, “Major Obstacles to Peaceful Unification of the Fatherland”

○ 2nd Symposium (April 14~21, 1993)

Participants from the South:

Yang Young-shik, advisory member, National Unification Ministry, “South-North Relations in the Age of Reconciliation and Cooperation”

Park Hyong-kyu, a Christian clergyman, “Future of the Earth Village and Peace on the Korean Peninsula”

Han Myong-sook, co-chairwoman of the Federation of Korean Women’s Organizations, “Peaceful Unification of the Korean Peninsula and Women”

Kil Chong-woo, research member, Research Institute for National Unification, “Denuclearization of the Korean

Peninsula and the Termination of Cold-War Mechanism” Cho Doo-hyon, president, Seoul National University Student Council, “For the Termination of Cold War on the Korean Peninsula”

Participants from the North:

Kim Wan-su, member, Committee for the Peaceful Unification of Fatherland, “Grand Unity among the Entire Nation”

Ri Hyong-chol, department head, Disarmament and Peace Institute Ho Hyok-pil, deputy bureau director, Committee for the Peaceful Unification of Fatherland, “Nuclear Issue on the Korean Peninsula”

Yun Byong-chol, researcher, Institute of Unification of the Fatherland

○ 3rd Symposium (April 22~23, 1994)

The symposium was held as an in-campus seminar because of North Korea’s failure to participate.

○ 4th Symposium (April 7~9, 1995)

Participants from the South:

Yoon Byong-ik, professor, Unification Training Institute, “For the Prosperity and Unification of the Nation through Reconciliation and Cooperation”

Park Young-ho, head of Policy Research Office, Research Institute for National Unification, “Our Tasks for Unification and the Resolution of Issues Pending between

## South and North Korea”

Kim Yoon-ok, chairwoman, Peace and Unification Department, Federation of Korean Women’s Organizations, “Road to Unification- Beyond Existing Obstacles”

Kim Tae-shik, president, Seoul National University Student Council, “Role of Youth and Students on the Korean Peninsula in a Transitional Period Prior to Unification”

The North did not show up at the symposium without any explanation though it had earlier notified the organizer of the list of its participants.

### ○ 5th Symposium

Participants from the South:

Lee Bong-jo, research officer, National Unification Ministry, “Search for the Method of Restoring National Homogeneity”

Chee Eun-hee, co-chairwoman, Federation of Korean Women’s Organizations, “Women’s Role in Strengthening the Homogeneity of the South and the North”

Lee Chae-song, chairman, University Reform Committee, Seoul National University Student Council, “Beyond Systems and Ideologies”

Participants from the North:

Kim Gyong-nam, deputy director, Unification Affairs Institute, Academy of Social Sciences, “Grand Na-

tional Unity Is Requisite to Unification of the Fatherland”

Kim Ryong-song, director of Socio-Political Science Research Office, Kim Il-Sung University, “Concerning the Method of Unification of the Fatherland Based on National Commonness”

Kwon Ho-ung, editorial member, Kim Il-Sung University Student Council, “Unification of the Fatherland and the Role of Youth and Students”

Seminar of South and North Korean and  
Overseas Scholars on Unification

A seminar for unification among scholars of South and North Korea and those from abroad was held in Beijing, China on September 13-15, 1996 under the co-sponsorship of the Korean Unification Forum headed by Prof. Paek Young-chol and the Socio-Political Science Society of North Korea.

Attendees included 21 scholars from the South, nine from the North and five from the abroad. The South Korean participants included Paek Young-chol, professor of Konkuk University; Choe Jang-jip of Korea University; Chang Dal-jung of Seoul National University; and Kwon Man-hak of Kyunghee University. Among the North Korean attendees were Kim Gu-sik, director, Unification Affairs

Institute; and Choe Gum-chun, professor, Kim Il-Sung University. The five attendees from the abroad included Ko Byong-chol of Illinois University.

The first seminar was held in 1995 under the co-sponsorship of the Korea Political Science Institute of Seoul National University and the Socio-Political Science Society of North Korea. A total of 28 scholars from South and North Korea and abroad took part in the seminar to discuss unification-related issues such as the three principles for unification, method of unification and reconciliation and cooperation between the South and the North.

Discussion at the second seminar was made in the three areas of the Basic South-North Agreement: political reconciliation, peace system and military affairs, and economic exchanges and cooperation. Participants from the South called for dialogue between the government authorities of the two Koreas, a change in the North's policy toward the South, and reforms in North Korea, whereas the North Korean attendees advocated unification under a confederation system and the conclusion of a provisional agreement between the U. S. and North Korea, and, at the same time, rejected the influx of the wave of freedom.

Those who presented papers by area during the seminar and the themes of the papers were as follows:

## Political Reconciliation

The South: Choi Chang-jip of Korea University and Chung Jin-wie of Yonsei University- Implementation of the Basic Agreement; resumption of South-North Dialogue between government authorities; and peaceful management of national division and mutual coexistence

The North: Kim Gu-sik, director, Unification Affairs Institute and Choe Gum-chun of Kim Il-Sung University- Grand national unity; 10-point platform; and unification under a confederation system

Overseas: Lee Chae-jin of Claremont McKenna College of the U. S.

– The possibility of grafting the unification ideas of South and North Korea; and promotion of South-North high-level talks, and exchanges and cooperation Peace System and Military Issues

## Peace System and Military Issues

The South: Ha Young-son of Seoul National University- Criticism mainly of the North's military logic such as a call for the withdrawal of American forces from Korea; laying of a base for political peace; and the emphasis of the need of a change in the North's southward policy.

The North: Won Dong-yon of the Committee for Peace in Asia and the Pacific- Pursuit of a national and uni-

fication-oriented position; renouncement of a confrontation policy; and the conclusion of a provisional agreement between the U. S. and North Korea.

Overseas: Ko Byong-chol of Illinois University- Criticism of the North's call for the conclusion of a peace agreement; and the need of working out a feasible compromise between the South and the North Economic Exchanges and Cooperation

The South: Ahn Sok-kyo of Hanyang University- Separation of economy from politics; preparation of statutory and institutional devices; and the need of the North's reform  
The North: Chong Yong-chun of People's Economics University - Creation of a peaceful atmosphere; removal of statutory and institutional systems detrimental to economic exchanges; and rejection of the influx of the wave of freedom such as reforms and door-opening

## (2) Economy-Related Seminars

Niikata Northeast Asia Economic Conference This conference was an annual event designed to discuss the method of forming a Northeast Asia economic sphere. It was co-sponsored by the Niikata Prefecture of Japan, Japan Sea-Rim Economic Institute and the United Nations. The 1996 conference was held in Niikata, Japan on February 7-9 with experts from South and North Korea, Japan, China and Russia attending.



A number of officials of the Finance and Economy Ministry and research officials of private institutes including those of LG and Daewoo attended it from South Korea. Kim Gwang-rim, a deputy director of the Finance and Economy Ministry, presented a paper on "South Korea's Position over Economic Cooperation in Northeast Asia," and Lee Yoon-ho, director of the LG Economic Institute on "Investment Environment in the Tumen River Economic Development Area Seen from Investors' Point of View."

From the North, five officials of the Committee for the Promotion of Exeternal Economic Cooperation attended the conference.

Of them, three presented papers: Kim Ung-ryol, vice chairman of the committee, on "Position over and Concrete Means of Northeast Economic Cooperation;" Hwang Jong-nam, a division chief, on "Practical Method of Developing the Tumen River Area;" and Ri Gi-man, a researcher, on "Rajin-Sonbong Free Economic Trade Zone and Transit Forwarding."

North Korean participants took the occasion to induce investment in the Rajin-Sonbong area by staing separate programs like an investment briefing session.

Seminar on the Prospects of Bohai Bay Economic Cooperation A seminar on the prospects of Bohai Bay economic cooperation was held at Yaoning University in Shenyang, China on May 18-21, 1996 under the co-sponsorship of the Academy of Social Sciences and Institute for Economic Policies of South Korea

and the Yaoning University of China.

The seminar was attended by scholars from South and North Korea and China. South Korean attendees numbered 12 including Kim Jun-yop, chairman of the Academy of Social Sciences, and North Korean participants were six led by Jin Yong-gol, vice chairman of the Sociologists Association. North Korea's participation was the result of Yaoning University's negotiations with Pyongyang.

Four papers were presented from each of South and North Korean attendees. South Korean presenters were Song Byong-rak, professor, Seoul National University, who presented a paper on "The Principle of New Confucianism and Bohai Bay Economic Development;" Ahn Chung-young, professor, Chung-ang University, on "Method of Strengthening Economic Cooperation among Bohai Bay-Rim Countries;" Chon Hong-taek, researcher, Korea Development Institute, on "Present Situation and Prospects of Economic Cooperation in the Yellow Sea Area;" and Chong Young-rok, researcher, Korea Institute for Economic Policies, on "Evaluation of Conditions for Strengthening Bohai Bay-Rim Economic Cooperation."

Those from the North who presented papers were Kim Myong-ryol, professor, Kim Il-Sung University, on "Our Country's External Economic Strategy and Bohai Bay Economic Cooperation;" Mun Chun-gwang, professor, Kim Il-Sung University, on "Features and Prospects of Economic Cooperation in the Northeast Asian Area;" Ri Dong-su, researcher, Economic Insti-

tute, Juche Academy of Sciences, on "Let Us Positively Develop Economic Cooperation in the Northeast Asian Area Beyond Differences in Thoughts, Ideals and Systems;" and Choe Song-pil, member, Association of North Korean Sociologists, on "All Northeast Asian Countries Should Strengthen Economic Cooperation Based on Peace and Good Neighborliness."

During the seminar, an industrial tour was arranged for the purpose mainly of showing the North Korean attendees scenes of economic development achieved in China through reforms and opening. The places visited were Yaoning Mokran Group, a Chinese manufacturer of automobiles; Yaoning Sinbong Plastic Co., a South Korean investment firm; and Yaoning Hanhwa Cooperation Co., a producer of canvas shoes.

### (3) Seminars on Culture and Language

International Seminar of Korean Language Linguists An International Seminar of Korean Language Linguists was held in Changchun, China on August 5-7, 1996 under the co-sponsorship of the South's National Institute of Korean Language, Korean Language Committee of North Korea, and the Korean Language Committee of China.

The seminar was attended by five South Korean scholars led by Ahn Byong-hee, professor, Seoul National University; six from the North including Sim Byong-ho, chief secretary of the Korean Language Committee; and another six from China who were led by Choe Yun-gap, chairman, Korean Language Com-

mittee of China.

The seminar was designed to overcome discrepancies in the grammar of the Korean language in the two sides of Korea and also to prepare a unified grammar of the Korean language in preparation for unification. It was significant in that the seminar was co-sponsored by the responsible language institutes of South and North Korea and China.

Matters discussed at the seminar concerned the grammar, spacing and phrase markings. The papers presented by South Korean attendees were "History and Principle of Korean Language Grammar" by Ahn Byong-hee, professor, Seoul National University; "History of Spacing Words and Its Rules" by Suh Jong-hak, director, National Institute of Korean Language; and "The Past and Present of the Use of Alien Words in the Korean Language" by Im Hong-bin, professor, Seoul National University.

Those presented by the North Koreans included "The Principle That Has to Be Respected in Using Chinese Characters in the Korean Language" presented by Choe Jong-u, director, Linguistics Institute; "Concerning the Number of Consonants and Vowels of Korean Words and Their Order and Names" by Sonu Yong-hwa, deputy director, Linguistics Institute; "Concerning the Spacing of Incomplete Nouns and Supplementary Verbs" by Sim Byong-ho, chief secretary, Korean Language Committee; and "Concerning the Nature and Kinds of Phrase Markings" by Han Son-hi, guidance member, Korean Language Com-

mittee.

Major differences by area between the two sides were as follows:

### Grammar

Whether to use the inbetween consonant “ㅅ”

The South continues to use : Example—꽃간

The North Discards : Example—고간

whether to use “ㄴ” and “ㄹ” in phonetically describing the first word of Chinese characters.

The South Phoneticism : Example—“여자”

The North Morphologicism : Example—녀자

### Spacing

Whether to space supplementary verbs and dependent nouns.

The South—Spacing : Example—보고 싶다

The North—No spacing : Example—보고싶다

### Phrase symbols

Difference is relatively small compared with other areas.

The seminar failed to work out a specific unified plan between the South and the North, but agreed to see to it that any future change of Korean language grammar in either side would be made in a way that would not further widen the existing difference between the two Koreas and to continue to hold more seminars at times and on themes to be decided later through consultations.

*The 3rd International Symposium  
on Computer-Handling of Korean Words*

The 3rd International Symposium on the Computer-Handling of Korean Words was held in Yanji, China on August 12-14, 1996. It was co-sponsored by the Korean Language Information Society of the South, General Federation of Science and Technology of North Korea, and the Science and Technology Association of the Yanbian Ethnic Koreans Autonomous Prefecture of China.

The seminar was the 3rd annual event designed to ensure the joint development of the computerization of Korean words and also to prepare a unified plan in preparation for national unification. It was attended by 28 South Korean experts including Suh Jong-soo, professor, Hanyang University, and 10 North Korean scholars led by Choe Gi-ryong, chief secretary of the General Federation of Science and Technology. Chinese attendees numbered 43 including Kim Young-chol, chairman of the Yanbian Science and Technology Association.

The occasion was to prepare a unified plan based on what had earlier been discussed with regard to such computer-related usages as computer terminology, the order of consonants and vowels, computer keyboard and Hangul markings.

*Agreements by Area*

Terminology for the handling of information



tes, had no binding force. Yet, the seminar served to invoke interest in the need of unified plans on various industrial standards, contributing to the laying of a base for future inter-Korean cooperation in informationalizing of Korean words.

#### Seminar on Koreanology

Sungsil University's Institute of Social Sciences held a seminar on "The Present Condition and Prospects of the Study of Koreanology" in Beijing on August 20-21, 1996. The seminar was based on an agreement made in August 1995 between the institute and North Korea's Association of Social Scientists.

The seminar was attended by 12 scholars each from South and North Korea. They presented one each paper from both sides in each of the eight areas of literature, law, philosophy, history, economics, social welfare and regional development.

The eight papers presented by North Korean participants included "Concerning the Latest Study of Korean Language" presented by Chong Sun-gi of the Academy of Social Sciences; "Korean Literature is the Anthropology of Juche" by Chong Sun-gi; "Concerning the Pattern of the Study of Modern Korean History and Its Prospects" by Kim Gil-sin of Kim Il-Sung University; "The Present State and Prospects of the Study of Philosophy" by Ryu Je-gun of the Academy of Social Sciences; "Concerning the Present State and Prospects of the Study of Law in Our Country" by An Hyo-sik of Kim Il-Sung University; "The State and Prospects of Our Study of Economics" by Ri Myong-so of the Academy of Social Sciences; "The Present State



and Prospects of the Study of the Republic's Social Welfare Policies" by Kim Tae-hyon of the Academy of Social Sciences; and "The Present State and Prospects of the Development of a Free Zone for the Realization of Regional Economic Cooperation" by Ri Myong-suk of Kim Il-Sung University.

Also at the seminar, North Korean participants presented some theses in the areas of law, social welfare and regional development.

Such trend of the North Korean academic circles showed that the North was displaying a keen interest in practical academic areas.

### **3. South-North Commodity Exchanges**

#### **a. Volume of Commodity Exchanges**

South-North exchanges of commodities, precipitated by the July 7, 1988 Promulgation and the concomittant Measures of Economic Opening between South and North Korea of October 1988, have been institutionalized through the legislation of the Law on South-North Exchanges and Cooperation.

Since 1988 commodity exchanges have steadily increased between the two Koreas without any interruption. Their volume totaled 310 million dollars in 1995, making South Korea the North's third largest trading partner after Japan and China.

South-North commodity exchanges in the first nine mon-

ths of 1996 reached 189,580,000 dollars in 1,243 cases on an approval basis, which broke down to 134,790,000 dollars in 699 cases introduced into the South and 54,790,000 dollars in 544 cases shipped to the North. The volume represents a decline of 25 percent from the corresponding period of the previous year, which amounted to 252,890,000 dollars in 1,003 cases.

*State of South-North Commodity Exchanges*

*(In 1 case, 1 each, \$1,000)*

Year	Introduction			Shipment			Total		
	No. of deals	Items	Amount	No. of deals	Items	Amount	No. of deals	Items	Amount
1988	4	4	1,037	—	—	—	4	4	1,037
1989	57	20	22,235	1	1	69	58	21	22,304
1990	75	26	20,354	4	4	4,731	79	30	25,085
1991	328	92	165,996	40	48	26,176	368	140	192,172
1992	365	93	200,685	42	34	12,818	407	127	213,503
1993	478	87	188,528	76	39	10,262	554	126	198,790
1994	601	92	203,521	173	50	25,423	774	142	228,944
1995	755	120	236,075	604	86	73,751	1,359	206	309,826
1996	699	114	134,792	544	65	54,791	1,243	179	189,583
Total	3,362		1,173,223	1,484		208,021	4,846		1,381,244

Remarks : 1) The figures are on an approval basis.

2) The figures under the column of 1996 are for the first nine months of the year.

The items of the goods exchanged between the two sides numbered 179 in all, 114 introduced into the South from the North and 65 taken from the South to the North. By type, steel and metallic items such as gold and zinc ingots and billets accounted for 58.7 percent of the total, textile goods such as

*Structure of Items Introduced*

(In \$1,000)

Classification	Farm & Forestry	Fishery	Mining	Steel & metals	Textile	Chemical	Machinery & electronics	Others	Total
1988		233 (22.5)		660 (63.6)				144 (13.9)	1,037 (100)
1989	510 (2.3)	357 (1.6)	3,956 (16.2)	15,945 (71.7)	1,479 (6.7)			348 (1.6)	22,235 (100)
1990	6,843 (33.6)	2,086 (10.2)	3,257 (16.0)	6,625 (32.6)	249 (1.2)	89 (0.4)		1,211 (5.9)	20,354 (100)
1991	17,426 (10.5)	25,821 (15.6)	23,231 (13.9)	91,720 (55.3)	2,870 (1.7)	3,141 (1.9)		1,787 (1.1)	165,996 (100)
1992	24,485 (12.2)	13,685 (6.8)	31,916 (15.9)	123,395 (61.5)	3,878 (1.9)	1,630 (0.8)		1,696 (0.9)	200,685 (100)
1993	16,060 (8.5)	4,163 (2.2)	1,084 (0.6)	151,316 (80.3)	11,182 (5.9)	617 (0.3)		4,106 (2.2)	188,528 (100)
1994	34,645 (17.0)	4,200 (20.1)	4,522 (2.2)	130,351 (64.0)	22,918 (11.3)	952 (0.5)		5,933 (2.9)	203,521 (100)
1995	25,463 (10.8)	4,691 (2.0)	3,633 (1.5)	163,262 (69.2)	32,311 (13.7)	52 (-)		6,663 (2.9)	236,075 (100)
1996	16,320 (12.1)	5,713 (4.3)	1,331 (1.0)	79,168 (58.7)	23,864 (17.7)	60 (-)	4,007 (3.0)	4,329 (3.2)	134,792 (100)
Total	142,752 (12.1)	60,943 (5.2)	72,570 (6.2)	762,442 (65.0)	98,751 (8.4)	6,541 (0.6)	4,007 (0.3)	+26,217 (2.2)	1,173,223 (100)

Remarks : 1) The figures are on an approval basis.

2) The figures under the column of 1996 are for the first nine months of 1966.

3) The figures in parentheses indicate percentages to the total.

garments produced under processing-on-consignment deals 17.7 percent, farm and forestry products like walnuts, mushrooms, red beans and herb medicinal materials 12.1 percent, fishery goods such as swellfishes and octopuses 4.3 percent, machines and electronic goods like color television sets and automobile wiring 3 percent, mineral goods such as pebbles and magnesite 1 percent, chemical goods such as arsenic trioxide 0.04 percent, and miscellaneous goods like Chinese noodles, mineral water, canvas shoes and reed mats 3.2 percent.

Among the items taken to the North, textile goods like fabrics and other raw materials of garments produced in the North on a processing-on-commission basis topped the list with 52.6 percent, followed by chemical products such as heavy oil supplied to the North by the Korean Peninsula Energy Development Organization (KEDO) and LDPE (25.3 percent), machinery and electronics including television and automobile wiring parts, automatic spinners and lifters for use in processing on consignment (6.6 percent), farm and forestry goods like flour (0.8 percent), and miscellaneous goods such as sugar, rubber, seasoning materials and instant noodles (14.7 percent).

*Structure of Items Taken to the North*

(In \$1,000)

Classification	Farm goods	Textile	Machinery electronics	&	Chemical	Steel	Others	Total
1989		69					69	
1990		2,450	2,188	83		10	4,731	
	(51.8)	(46.2)	(1.8)		(0.2)	(100)		
1991	1,750	7,196	1,560	13,530		2,140	26,176	
	(6.7)	(27.5)	(6.0)	(51.7)		(8.2)	(100)	
1992	410	467		23	9,493	2,102	323	12,818
	(3.2)	(3.6)	(0.2)	(74.1)	(16.4)	(2.5)	(100)	
1993	491	7,217	679	936	39	900	10,262	
	(4.8)	(70.4)	(6.6)	(9.1)	(0.4)	(8.7)	(100)	
1994	50	13,794	80	5,957	151	5,391	25,423	
	(0.2)	(54.3)	(0.3)	(23.4)	(0.6)	(21.2)	(100)	
1995	2,164	46,013	1,987	6,960	1,592	15,035	73,751	
	(2.9)	(62.4)	(2.7)	(9.4)	(2.2)	(20.4)	(100)	
1996	436	28,819	3,629	13,873		8,038	54,791	
	(0.8)	(52.6)	(6.6)	(25.3)		(14.7)	(100)	
Total	5,301	106,025		10,142	50,832	3,884	31,837	208,021
	(2.5)	(51.0)		(4.9)	(24.4)	(1.9)	(15.3)	(100)

Remarks : 1) The figures are on an approval basis.

2) The figures under the column of 1996 are for the first six months of 1996.

3) The figures in parentheses indicate percentages to the total.

The number of the South Korean firms which took part in the exchange of commodities in 1996 reached 219. So far, South-North commodity exchanges have been made mainly by large industries, whose dealings accounted for about 80 percent of the total.

The government has been trying to encourage small and medium-size industries to take part in commodity exchanges by staging briefing sessions and providing them with informational materials.

*Number of South-North Commodity Dealers by Year*

<i>Classification</i>	<i>Introduction</i>	<i>Shipment</i>	<i>Total</i>
<i>1988</i>	<i>4</i>		<i>4</i>
<i>1989</i>	<i>21</i>	<i>1</i>	<i>21</i>
<i>1990</i>	<i>37</i>	<i>4</i>	<i>37</i>
<i>1991</i>	<i>125</i>	<i>9</i>	<i>126</i>
<i>1992</i>	<i>117</i>	<i>16</i>	<i>123</i>
<i>1993</i>	<i>132</i>	<i>25</i>	<i>132</i>
<i>1994</i>	<i>150</i>	<i>29</i>	<i>160</i>
<i>1995</i>	<i>181</i>	<i>77</i>	<i>213</i>
<i>1996</i>	<i>192</i>	<i>79</i>	<i>219</i>
<i>Total</i>	<i>621</i>	<i>156</i>	<i>672</i>

*Remarks: The figures under the column of 1996 are for the first nine months of 1996.*

#### b. Form of Commodity Exchanges

As for the form of the commodity exchanges between the South and the North, indirect exchanges accounted for 92.1 percent of the total made in the first nine months of 1996 with the remainder being direct exchanges.

In the early period, commodity exchanges were purely indirect ones made through overseas commissioners. Later, however, exchanges took the form of deformed indirect exchanges in which contract negotiations were made directly through industries' locally incorporated firms abroad or overseas branches but contracts and settlement were signed and made through foreign commissioners.

Beginning 1991, cases of direct commodity exchanges with North Korea have swelled. Due to the lack of formal institutional devices on settlement and dispute resolution between the North and the South, however, there is a limit to the expansion of direct commodity exchanges. To facilitate phased expansion of direct exchanges, the government has since 1992 been urging industries to introduce North Korean herb medicinal materials, walnuts and Chinese noodles initially through direct exchanges.

*State of South-North Commodity Exchanges by Form*

*(In \$1,000)*

Year	Indirect		Direct		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
'89-90	131	48,426			131	48,426
1991	365	177,814	3	14,358	368	192,172
1992	396	205,131	11	8,372	407	213,503
1993	540	195,343	14	4,447	554	198,790
1994	752	218,578	22	10,366	774	228,944
1995	1,291	282,863	68	26,963	1,359	309,826
1996	1,182	174,645	61	14,938	1,243	189,583
Total	4,657	1,302,800	179	78,444	4,836	1,381,244

Remarks : 1) The figures are on an approval basis.

2) The figures under the column of 1996 are for the first nine months of 1996.

Commodity exchanges based on processing on consignment, in which raw and secondary materials are provided by the South and commodities manufactured in the North with such materials are brought into the South, has been steadily increasing since it began in 1991. The exchanges made under the method reached 46,880,000 dollars in the first nine months of this year, an amount representing a rise of 25.4 percent over the like period of last year when it was 37,390,000 dollars.

The expanding exchanges under the method of processing on consignment was attributable to the facts that cheap and quality labor force of North Korea could be used and that South-Korean industries were eager to employ this method as they saw it as a preparatory process for future full-fledged economic cooperation with the North.

North Korea, too, has been positive toward exchanges under processing on consignment since it provided opportunities to use labor force, earn foreign exchanges without the burden of investment and use the occasion to develop its underdeveloped light industries.

Commodities brought into the South in exchanges under the form of processing on consignment were mostly garments and included bags, canvas shoes and toys in some instances. Since 1995, diverse items have been introduced under the method, which included accessories, color television sets, television speakers, bicycle wheels and automobile wiring in addition to sewn goods.

*State of Commodity Exchanges Under Processing on Consignment*  
(In \$1,000)

Year	Introduction		Shipment		Total	
		Consignment		Consignment		Consignment
1988	1,037	—	—	—	1,037	—
1989	22,235	—	69	—	22,304	—
1990	20,354	—	4,731	—	25,085	—
1991	165,996	23	26,176	13	192,172	36
1992	200,685	556	12,818	413	213,503	969
1993	188,528	4,385	10,262	3,611	198,790	7,996
1994	203,521	16,598	25,423	11,966	228,944	28,564
1995	236,075	26,490	73,751	20,747	309,826	47,237
1996	134,792	21,863	54,791	25,014	189,583	46,877
<i>Total</i>	<i>1,173,223</i>	<i>69,915</i>	<i>208,021</i>	<i>61,764</i>	<i>1,381,244</i>	<i>131,679</i>

Remarks: 1) The figures are on an approval basis.

2) The figures under the column of 1996 are for the first nine months of 1996.

### c. Tasks and Prospects

So far, South-North commodity exchanges have been made thanks to one-sided measures taken by the South. The Basic South-North Agreement and supplementary agreements provide that South-North commodity exchanges are to be promoted through agreement between the government authorities of the two sides. But, North Korea does not respect the rules. Even today when the volume of inter-Korean commodity exchanges reaches the 300 million dollar level a year, the North remains reluctant to engage in direct exchanges. Here, there arise several tasks to settle in the interests of the sound development of South-North commodity exchanges.



Firstly, problems exist due to the lack of institutional devices between the government authorities of the two sides. To ensure the stable promotion of South-North exchanges, there should be institutional mechanisms on the resolution of disputes, price settlement and the prevention of disguised introduction of items produced in third countries. If and when governmental negotiations take place between the two Koreas in the future, these issues should be discussed on a priority basis.

Secondly, there is the issue of trade information. Due to the closedness of the North Korean society and restricted exchange of communications and exchanges between the two sides, information on exchangeable items or forwarding conditions is hardly available in many cases. In this connection, the government strives to provide trade-related information by publishing trade-related bulletins, staging briefing sessions on the conditions of South-North commodity exchanges and creating counselling offices. But, there needs the North's cooperation in the exchange of accurate statistical materials and trade information.

Thirdly, measures should be sought to reduce excessive forwarding expenses. Due to the lack of any direct routes between the South and the North, items exchanged between the two sides have to be transported through third countries like Japan and China or third-country ships sailing to the North on an irregular basis. As a result, the time needed in transporting is unnecessarily prolonged entailing excessive shipping cost. One exigent task is to employ an effective forwarding system even

by sea.

Given the fact that South-North commodity exchanges carry the nature of inter-supplement giving benefits to both sides, South-North commodity exchanges are expected to grow more brisk if and when the problems pointed out in the above get resolved.

## **4. South-North Economic Cooperation**

### **a. Overview**

A stage has been set in the South for South-North economic cooperation through the legislation and implementation of the Law on South-North Exchanges and Cooperation. But, economic cooperation between the two Koreas could not be promoted normally due to strained inter-Korean relations caused by the North Korean nuclear question.

As the North Korean nuclear question began to be resolved with the conclusion of the U. S. -North Korea nuclear talks in Geneva in October 1994, however, the government announced the Measures to Energize South-North Economic Cooperation on November 8 the same year.

The measures featured 1) the permission of South and North Korean businessmen's mutual visits including South Korean businessmen's visits to the North, 2) permission of the shipment of facilities for use in processing on consignment and also

of technicians' visits to the North, and 3) promotion of pilot economic cooperation projects.

With the measures as a momentum, a number of businessmen visited North Korea to discuss economic cooperation projects or to make on-the-spot surveys. To facilitate the promotion of economic cooperation projects, the Seoul government worked out related regulations such as procedures for obtaining approval of cooperation projects and foreign exchange management procedures linked to investment in the North.

As a result, some of the industries that have been negotiating with North Korean partners for cooperation projects, have obtained government approval thereof under the new procedures and are preparing in earnest for cooperation projects with the North. One of the industries has gone so far as to undertake a joint-venture project, putting plants into operation.

#### b. Businessmen's Visits to North Korea

As of the end of October 1996, a total of 208 officials from 34 industries had visited North Korea after December 1994 when a Group of Ssangyong Group officials visited the North. The Ssangyong officials' visit was the first trip in two years after an investment feasibility study team visited North Korea in October 1992 in connection with a Nampo Light Industrial Estate scheme.

The industries whose officials visited the North included 11 large industries and 23 small and medium-size firms. They

visited mainly Pyongyang, Nampo and the Rajin-Sonbong area for advance observation of investment conditions or negotiations for cooperation projects. The routes of such visits were via China because North Korea was reluctant to allow direct inter-Korean passage through Panmunjom. The available routes were either by air from Beijing, China and by land through Tumen of China and Namyang of North Korea across the Tuman River separating China and North Korea.

### c. State of the Promotion of Cooperation Projects

The first visit by South Korean businessmen to North Korea to discuss economic cooperation projects was made in January 1989 when the chairman of the Hyundai Business Group and his adies travelled to the North to agree on the promotion of the development of the Mt. Kumgang resort area and some other joint-venture projects.

But, the schemes could not be translated into action. In January 1992, the Daewoo Group chairman and his aides visited the North and agreed with North Korea on the promotion of joint-venture production of shirts, blouses, jackets, bags and five other items taking advantage of the Nampo Light Industrial Estate.

In this connection, the South Korean government approved the Daewoo Corp. as the South's first inter-Korean economic cooperation undertaker on October 5, 1992. But, the scheme failed to register any further progress due to the North-

Korean nuclear issue before the government approved Daewoo's Nampo estate joint-venture project on May 17, 1995 upon the government announcement of steps to energize South-North economic cooperation in November 1994.

By the end of October 1996, a total of 10 South Korean industries were allowed to promote economic cooperation projects with the North.

*State of Economic Cooperation Project Undertakers Approved*

<i>Industry</i>	<i>Date of approval</i>	<i>Project</i>	<i>Investment amount</i>	<i>North Korean partner</i>	<i>Area</i>
<i>Daewoo Corp.</i>	<i>May 17, 1995</i>	<i>Shirts, bags, jackets</i>	<i>\$5.12 mill</i>	<i>Samcholli General Co.</i>	<i>Nampo Estate</i>
<i>Kohap Ltd.</i>	<i>May 17, 1995</i>	<i>Garments, Sewn goods, beddings, resin bottles</i>	<i>\$6.86 mill</i>	<i>Kwangmyongsong General Co.</i>	<i>Under negotiations</i>
<i>Hanil Synthetic Fiber Co.</i>	<i>June 26, 1995</i>	<i>Sweaters, sewn goods, blankets, spinning</i>	<i>\$9.8 mill</i>	<i>Choson Unha General Co.</i>	<i>Nampo</i>
<i>Kukje Corp.</i>	<i>June 25, 1995</i>	<i>Shoes</i>	<i>\$3.5</i>	<i>mill</i>	<i>"</i>
<i>Green Cross Co.</i>	<i>Sept. 15, 1995</i>	<i>Medicine</i>	<i>\$3 mill</i>	<i>Kwangmyongsong General Co.</i>	<i>Pyongyang</i>
<i>Tongyang Cement Co.</i>	<i>Sept. 15, 1995</i>	<i>Cement silo</i>	<i>\$3 mill</i>	<i>External Economy Promotion Committee</i>	<i>Rajin</i>
<i>Tongryong Shipping Co.</i>	<i>June 26, 1995</i>	<i>Stevedoring equipment</i>	<i>\$5 mill</i>	<i>Co. Maritime Trading</i>	<i>"</i>
<i>Samsung Electronics Co.</i>	<i>April 27, 1996</i>	<i>Communications center</i>	<i>\$7 mill</i>	<i>Choson Communications Co.</i>	<i>Rajin-Sonbong</i>
<i>Taechang Corp.</i>	<i>April 27, 1996</i>	<i>Development of mineral water</i>	<i>\$5.8 mill</i>	<i>Nungra 888 Trade General Co.</i>	<i>Gungang Mountains</i>
<i>Daewoo Electronics Co.</i>	<i>April 27, 1996</i>	<i>TV and other electronic goods</i>	<i>\$6.4 mill</i>	<i>Samcholli General Co.</i>	<i>Nampo</i>
<i>Korea Electric Power Co.</i>	<i>July 19, 1996</i>	<i>Light-water reactors</i>	<i>-</i>		<i>Sinpo</i>

It is desirable that South-North economic cooperation will be expanded and developed step by step depending on progress in inter-Korean relations. In the initial stage, it is necessary to promote cooperation projects solidly on a pilot basis. South-North economic cooperation will be energized if and when investment conditions become improved in the North and institutional devices such as an investment guarantee agreement are prepared between the two sides.

## **5. South-North Cooperation through International Organizations**

### **a. Participation in Tumen River Development Project**

Upon the turn of the 1990s, talks were made on the development of the Tumen River area among East Asian countries as a means of developing the relatively underdeveloped area of Northeast Asia. At the meeting of the U. N. Development Programme (UNDP) held in July 1991 in Ulan Bator, it was decided to promote the Tumen River Area Development Programme (TRADP) among East Asian countries on a top priority basis. Under the decision, the 1st Programme Management Committee (PMC) was held in Seoul in February 1992. So far, six PMC meetings, Working Group (WG) meetings by area, and two Five-Member Country Commission meetings were held.

The South Korean government has been taking part in

the project actively in the belief that cooperation in expanding North Korea's opening through the program will contribute to improving inter-Korean relations and will also bring about an increase in international cooperation among Northeast Asian countries through the international organization. North Korea, too, is positive toward the project, designating the Rajin-Sonbong area in the TRADP zone as a free economic and trade area in December 1991 and trying to induce foreign capital for use in developing the area into a cargo relaying point, an export industrial area and a tourist center.

The TRADP project has now entered a stage of implementation as several procedural agreements have been signed. The agreements signed included the Agreement on the Establishment of a Consultative Commission for the Development of the Tumen River Area and Northeast Asia; Agreement on the Establishment of the Tumen River Area Development Coordination Committee among the three neighboring countries; and the Memorandum of Understanding on Environment, which were signed among the five member countries at 6th PMC meeting held in New York on December 4-7, 1995.

The five-country Consultative Commission performs the central role of expediting the development, promoting economic, environmental and technical cooperation, and inducing investment while the three-country Coordination Committee takes charge of supplementary matters of regional nature. Along the accord on these organizations, another agreement was reached

on the creation of a combined secretariat of the Commission and Committee and Working Groups in charge respectively of communications, infrastructure and environment.

Under the New York agreement, the 1st meeting of the five-country Commission was held in China, the chairman country, on April 18-19, 1996 among South and North Korea, China, Russia and Mongolia.

The meeting decided to locate the secretariat of the Commission and Committee in Beijing, China for the first three years from July 1996 through June 1999 and to convene a meeting before July 1998 to discuss the relocation of the secretariat. The member countries also decided to equally shoulder 25,000 dollars each in operating expenses of the Secretariat and discussed mid-term projects, selection of a secretary general and Commission rules. The next Commission meeting was set to be held in Beijing in September the same year.

The 1st meeting provided an important momentum to progressing the TRADP project which had entered a second phase with the adoption of agreements in December 1995. Now, the UNDP which had single-handedly overseen the TRADP project was seeking to dispense its main role in favor of a secondary duty while the TRADP countries were asking for the continued positive support of the UNDP.

The 2nd five-nation Commission meeting was held also in China on October 21-23, 1996 among the member countries, UNDP officials, the observer countries of Japan, Finland and



the Asian Development Bank, and the semi-observer countries of the United States and Australia.

The meeting adopted Commission rules; decided to advise Japan to join the Commission membership; and discussed such matters as the selection of a secretary general, the method of raising necessary funds, organization and operation of the TRADP, 1997 projects, and the direction of second-phase projects. In particular, North Korea and two other neighboring countries displayed a keen interest in the method of fund raising.

b. Meeting of Relevant Countries on the Creation of An Air

Route via Information Regions of South and North Korea

Since North Korea announced the willingness to open its air space to international flights in December 1994, the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA) promoted the opening of new air routes through the Pyongyang Flight Information Region (FIR) in consultation with South and North Korea.

As a consequence, a meeting of relevant countries was held in Bangkok on September 10-13, 1996 under the auspices of the ICAO to discuss the issue of setting up international civil air routes through the Taegu and Pyongyang Flight Information Regions. It was attended by working-level aviation officials from South and North Korea, Japan and China. The two Koreas sent four delegates to the meeting each.

At the meeting, the issue of opening a North America-

Seoul route via the Taegu and Pyongyang FIRs and a Japan-China route across the North Korean air space was discussed. An agreement was reached on the indiscriminate opening of the Pyongyang flight zone to all civil airliners including those of South Korea and on measures to ensure the safety of all passing airplanes. However, the meeting failed to agree on the method of employing a direct communications network between the Taegu and Pyongyang air control centers, which is pivotal to ensuring safe navigation by those passing the Taegu and Pyongyang FIRs.

The two Koreas and the ICAO decided to study the issue further before they would try to resolve the issue based thereon at another meeting to be called in the immediate future.

art VI

## **Return of Woosung-Ho No. 86 and Repatriation of North Koreans in Distress**

1. Repatriation of the Crewmen of Woosung-ho No. 86
2. Demand for the Repatriation of the Crewmen of Taeyoung-ho No. 707
3. Rescue and Repatriation of the Crewmen of Yombunjin-Ho
4. Repatriation of a North Korean Soldier and the Remains of Two North Korean Civilians
5. Efforts to Obtain the Release of Novelist Kim Young and the Acceptance of the Remains of a Civilian
6. Question of Long-Term Prisoners Who Rejected Change of Allegiance



## 1. Assistance over 1995 Floods in North Korea

The South Korean government decided on September 14, 1995 to allow the provision of private-level flood assistance to North Korea through the sole conduit of the Republic of Korea National Red Cross (ROKNRC). Under the government decision, the ROKNRC on September 15 announced the willingness to collect and deliver to the North relief materials and tried to turn them directly over to the North in a flood relief plan it devised.

But, as the North Korean Red Cross (NKRC) showed no response whatsoever, the ROKNRC delivered relief goods to the North through the International Federation of Red Cross and Red Crescent (IFRC) on two occasions. The first shipment, sent on November 23, comprised 5,000 blankets worth 120 million won and the second delivery made on December 8 3,000 blankets valued at 70 million won.

The government made the ROKNRC the sole conduit for assistance to the North pursuant to the provisions of the Supplementary Agreement on the Implementation of and Respect for South-North Exchanges and Cooperation.

Representatives of the U. N. Food and Agriculture Organization (FAO) and World Food Program (WFP) toured North Korea on December 9-16, 1995 to look into the food situation there in connection with the floods, based on which the organizations issued a joint statement on December 28.

The statement said that “the food situation of North Korea has extremely deteriorated due to the floods of the 1995 summer.

Residents have already plunged into the state of serious malnutrition, and, in particular, 2,100,000 children and 2,600,000 expectant women were suffering most. “It then warned that unless there is food assistance, several million people would face famine in the next few months.” In view of the difficulty facing North Korea, the ROKNRC tried to send a telephone message to the NKRC on January 10, 1996 to discuss its cooperation in relieving flood victims and rehabilitating flood damage. As the NKRC refused to accept the telephone message, however, the ROKNRC sent the message by air.

The text of the message signed by ROKNRC President Kang Young-hoon and was addressed Acting NKRC Chairman Ri Song-ho was as follows:

*On last September 15, I disclosed a plan to deliver to your side those items my Red Cross and our people are sending to your side's flood victims.*

*Accordingly, we sent blankets to your side through the International Federation of Red Cross and Red Crescents. I am letting you know that we are sending this month the third shipment of blankets and instant noodles purchased with money contributed by our people.*

*Many of our organizations which have been raising funds for your side's flood victims are of the opinion that we'd better send items needed by your side's flood victims.*

*Therefore, I hope that you will let us know what are the items needed in relieving flood victims and rehabilitating flood damage.*

*I look forward to your early response.*

However, the NKRC made no reply at all to the ROK-NRC's radio message. In an interview with the North Korean Central News Agency on January 20, 1996, a spokesman for the North Korean Foreign Ministry hinted at the possibility of rejecting any additional flood assistance by saying, "Some Western press medias and South Korea are abusing the issue of humanitarian assistance, trying to use the occasion as a means of inducing reforms and opening."

Again on February 2, 1996, the North's Vice Foreign Minister Choe Su-hon called a meeting the representatives of the U. N. agencies and the IFRC who were active in flood relief activities in the North to tell them to suspend the appeal being prepared by the U. N. Department Humanitarian Affairs to the world community for additional flood assistance to North Korea, to terminate their relief activities in the North, and to withdraw from North Korea.

On the other hand, however, a leading North Korean Workers' (Communist) Party official attending the national convention of the German Communist Party in January 1996 asked Germany for flood assistance. And, Ri Song-rok, chairman of the North Korean External Economy Commission, asked in an interview with the daily Nihon Keizai Shimbun on February 2 for

additional food assistance by Japan. Again on February 8, the North Korean Central News Agency welcomed the decision of the United States to contribute 2 million dollars to the World Food Program (WFP) for use in purchasing foods for North Korea.

The double-facedness showed by North Korea seemed to have been motivated by the need to apply a brake to free activities by the officials of international organizations in North Korea and also by the sense of crisis they felt at the move of the U. S. and other donor countries to link flood assistance to the inducement of North Korea's door opening.

Simon Missiri, IFRC'S Asia-Pacific regional representative, who had witnessed the extent of the North's flood damage and food situation during his visit to North Korea on January 23-26, 1996, told a press conference at the ROKNRC on January 29, 1996, "Presently North Korea's food shortage total 2 million tons and flood victims needing relief number about 500,000. North Korea will be in an extremely difficult situation unless international assistance goes on until the next harvests."

In consideration of such a difficult situation facing North Korea, the ROKNRC sent to the North its third shipment of 120 million won worth relief items like blankets, instant noodles and socks, the kind the NKRC and IFRC had asked. The relief items were directly shipped from the Inchon harbor to the North's Nampo harbor on January 30, 1996 by a third-country vessel. The goods were accepted by IFRC officials in the North for



distribution to flood victims.

The IFRC informed the ROKNRC on February 16, 1996 that of the ROKNRC's first and second shipments made in 1995, 8,000 blankets were distributed to flood victims in 13 flood-stricken areas of five North Korean provinces. In the notification, the IFRC also conveyed the NKRC's policy about relief goods in response to an inquiry from the ROKNRC. The gist of the North Korean policy mentioned in the notification was as follows:

- The North won't accept processed foods like instant noodles because they require much manpower and time (this is because the noodle had to be re-packed to remove any description that it was made in or came from the South).

- The North refrains from accepting any further blankets because the North itself continued to supply them.

- Construction materials can be secured in the North, too, once funds are made available.

- It is difficult for the North to accept the ROKNRC's wish to send relief goods by land and to send its officials to the North as part of the IFRC delegation.

*The Areas and Victim Families Subject to  
Relief by the IFRC*

Pyonganbuk-do- 5,800 families

Shinuiju- 4,800; Pakchon- 470; Chongju- 530

Chagang-do- 10,575

Hichon- 6,115; Kopung- 1,810; Dongsin- 2,650  
Hwanghaebuk-do- 7,020  
Eunpa- 2,581; Insan- 2,152; Sinpyong- 2,287  
Hwanghaenam-do- 1,130  
Paechon- 1,130  
Kangwon-do- 1,415  
Ichon -550; Cholwon- 865  
Total- 25,940

Afterwards, the IFRC informed the ROKNRC of the contents of the announcement of the NKRC secretary-general made following a meeting with the North Korean government on February 21, 1996. The gist of the notification made on March 22, 1996, was as follows:

◦ The NKRC plans to formally ask the IFRC to extend the period of its relief activities through October in a second appeal after its relief activities based on the first appeal for assistance to 130,000 relief victims was completed.

◦ The second appeal, as was the case with the first appeal, will be made with emphasis on the assistance of foods (rice, soy bean and edible oil) by the IFRC.

◦ The project of building 1,900 houses for flood victims shall be carried on.

In a report on the situation of North Korea, the IFRC let the ROKNRC know the results of the relief activities it had

made in three months based on the first appeal of September 13, 1995 for foods to the victims of the floods reported in July and August, 1995.

The report said that of the CHF4,981,000 (CHF1,720,000 in cash and CHF3,261,000 in kinds) it appealed for, CHF3,393,272 in cash were raised by the Red Cross societies of 16 countries including Japan, Finland, Norway, Sweden and Denmark and CHF784,572 in goods by the Red Cross societies of three countries of South Korea, China and Britain.

This means, it said, that CHF4,177,844 or 83.9 percent of the amount appealed for was met.

The high percentage of contribution compared with other relief programs was obviously because it was the first time the NKRC called on the world community through the IFRC for assistance.

The IFRC originally planned to engage in relief activities in North Korea only through February 1996. However, as the conditions of the flood-stricken areas grew worse and at the request of the North, the IFRC made the second appeal to the Red Cross societies of all countries on March 22, 1996 for CHF7,658,000 in both goods (rice, soy bean, edible oils) and cash for use in relieving 130,000 persons in 26,000 families in seven months until the autumn harvest time.

As national Red Cross societies' response was low, IFRC Secretary-General Gorge Webber inspected North Korea's flood areas for four days of May 25-28, where he talked with Vice

North Korean President Ri Jong-ok, other Pyongyang leaders and senior officials of the North Korean Red Cross. On his way home, he held a press conference in Beijing on May 29 describing what he witnessed in North Korea. The press meeting was attended by the representatives of major donor countries in addition to correspondents.

In the press conference, the IFRC Secretary-General said, "North Korean flood victims depend entirely on IFRC food assistance. So far, only 23 percent of our federation's second appeal was met. To support North Korean flood victims who will be in an extremely difficult situation through the October autumn harvests, there should be additional 5,250,000 U. S. dollars."

As a result of his visit to the North, contributions from national Red Cross societies and governments of various countries accounted for 63 percent of the second appeal as of August 9, 1996.

Meanwhile, in a statement issued by the spokesman of the Flood Committee on March 28, 1996, North Korea spoke well of the measure the U. S. government took to ease the freezing of North Korean assets in the United States and said the North would continue to accept assistance from the international community. This was in line with the earlier North Korean statement of February 8, 1996 in which the North thanked the U. S. for contributing 2 million dollars to North Korean flood victims.

The spokesman of the North Korean permanent mission to the Geneva announced on April 1, 1996 that the North had

withdrawn its earlier rejection of food assistance and filed with the U. N. Department of Humanitarian Assistance a message calling for emergency assistance.

Besides, Ri Jong-hyok, vice chairman of the North's Asia-Pacific Peace Committee, said on April 29 during his participation in a seminar held at Georgia University of the U. S. that "we are a people accustomed to resolving all difficulties by ourselves, but we have appealed to humanitarianism of the international community this time because damage was so extensive." He expressed strong hope for the South Korean government's food assistance by saying "it is the Korean people's unique virtues that we help others in natural disaster or difficulty."

Meanwhile, the South Korean government, in response to the world community's appeal for assistance to North Korea, remitted 2 million dollars to the World Food Program (WFP) on July 1, 1996 and sent 1 million dollars worth of powdered milk to the representative of the U. N. Children's Fund (UNICEF) in North Korea through the Inchon harbor on August 30.

The following is the contents of the relief goods provided by the ROKNRC and distributed by IFRC representatives to flood-stricken areas of the North through October 30, 1996:

<i>Area</i>	<i>No. of families</i>	<i>No. of persons</i>	<i>Blankets (sheet)</i>	<i>Ramen (each)</i>	<i>Socks (pair)</i>	<i>Edible oil (liter)</i>
<i>Shimuju</i>	4,800	24,000	1,500	18,510	3,700	34,560
<i>Pakchon-kun</i>	470	2,350	150	1,800	365	3,370
<i>Chongju-kun</i>	530	2,650	310	2,040	410	3,800
<i>Hichon</i>	6,115	30,575	1,870	23,550	4,170	44,000
<i>Kopung-kun</i>	1,810	9,050	1,100	6,900	1,400	13,000
<i>Dongsin-kun</i>	2,650	13,250	1,490	10,200	2,040	19,070
<i>Unpa-kun</i>	2,581	12,950	835	9,960	1,990	18,557
<i>Rinsan-kun</i>	2,152	10,760	640	8,310	1,660	15,490
<i>Sinpyong-kun</i>	1,105	5,525	625	4,260	850	7,950
<i>Sinkyekun</i>	1,182	5,910	580	4,560	910	8,518
<i>Paechon-kun</i>	1,130	5,650	400	4,350	870	8,137
<i>Ichon-kun</i>	550	2,750	200	2,100	425	3,960
<i>Cholwon-kun</i>	865	4,325	300	3,360	670	6,210
<i>Total</i>	25,940	129,745	10,000	100,000	20,000	186,624

## 2. Assistance over 1996 Floods in North Korea

North Korea said in a Central-TV broadcast on July 28 and a North Korean Central News Agency report on July 29, 1996 that it had suffered extensive damage in heavy rains reported in southern and western North Korea in late July.

Again on August 7, the spokesman of the North Korean Foreign Ministry announced through the Central News Agency and Pyongyang Television that "in the heavy rains of late July, a total of 117 cities and counties in eight provinces suffered extensive damage.

At least 200 people were killed, 3,270,000 persons left home-

less and damage calculated so far reach 1,700 million dollars. We need humanitarian assistance from the international community.”

In response, ROKNRC President Kang Young-hoon proposed a meeting between the presidents or vice presidents of the South and North Korean Red Cross societies to discuss exigent humanitarian issues like the dispersed family question and flood assistance for North Korea.

The offer was made in a statement he issued on August 12, 1996 on the occasion of the 25th anniversary of the South-North Red Cross Conference. Kang said in the statement the two Red Cross could discuss at the proposed meeting ways to help North Korean compatriots suffering from two consecutive years' floods.

“The South-North Red Cross Conference intended to discuss the dispersed family issue should be progressed despite political and military difficulties between the two sides and cannot be swayed by changes in outside conditions. In particular, when the North Korean Red Cross comes forward to a dialogue to discuss ways to overcome the North Korean flood damage, various methods could be explored of assisting North Korean flood victims,” the ROKNRC president said.

The following is the full text of ROKNRC President Kang Young-hoon's statement:

*Another quarter century has passed since the Republic of Korea*

*National Red Cross proposed the South-North Red Cross Conference for the first time in the quarter century of national division on August 12, 1971.*

*The South-North Red Cross Conference, realized under the Red Cross spirit of the embodiment of humanitarianism, was a historical starting point that initiated South-North dialogue for the first time in the history of national division.*

*So far, the Red Cross Conference, through about 100 meetings and contacts, had neared the method of resolving the dispersed family question, giving much hope to many people.*

*The whole nation could hardly control joy when the exchange of dispersed family hometown visitors' groups was realized in 1985.*

*However, dispersed family projects, including the agreed-on second exchange of dispersed family hometown visitors' groups, had failed to materialize and even the South-North Red Cross Conference itself has been suspended, causing much disappointment and frustration among the 70 million Korean people.*

*For dispersed families to link their inborn family ties constitutes the most fundamental matter of human rights, a right which, bestowed by the heaven, cannot be abandoned for any reason.*

*The South-North Red Cross Conference, designed to resolve the dispersed family question, should be progressed even if there are some political and military difficulties between the South and the North, and, moreover, cannot be swayed by a change in outside conditions.*

*In this context, I am urging the the North Korean Red Cross once again to agree to resume the South-North Red Cross Conference*



*at an early date.*

*There is no reason why the resolution of the separated family question should be delayed any longer. The time is running short.*

*Times only add to the pains of dispersed family members and do not wait for those who pass away.*

*To the dispersed families who suffer pains longing for their missing parents, children, brothers and spouses, a single implementation is exigently more important than 100 words.*

*We should provide a clue to resolving the separated family issue by helping all dispersed families at least hear from their missing families before the close of this year.*

*The North Korean side must be well aware that we, acting in the humanitarian spirit and brotherly love, repatriated two survivors and the remains of two crewmen of North Korean freighter Yombunjin-ho on last March 5 and expeditiously repatriated the remains of two North Koreans drifting in the West Sea recently.*

*Also under the Red Cross spirit, the Republic of Korea National Red Cross has been staging a project to help those North Korean compatriots suffering from last year's floods in the North Korean area.*

*The Republic of Korea National Red Cross has furnished a total of 1,180 million won worth of relief goods including 704 tons of flour, 187,000 liters of edible oil, 76 tons of powdered milk, 100,000 packs of instant noodle, 10,000 blankets and 20,000 pairs of socks.*

*This project represents the implementation of the spirit of the Basic South-North Agreement and the Supplementary Agreement on*

*Exchanges and Cooperation which stipulate that Red Cross organizations take the lead in mutual assistance between the South and the North based on humanitarianism and brotherly love in the event disasters such as natural calamities break out in each other's areas.*

*The task of dispelling the pains of the North Korean compatriots suffering from floods can be undertaken much more easily if the Red Cross of the South and the North cooperate with each other.*

*There are a mountain of tasks over which the South and North Korean Red Cross societies should mutually assist based on humanitarianism and brotherly love, such as the dispersed family issue and natural calamities.*

*I cordially propose to the North Korean Red Cross that the presidents or vice presidents (chairman or vice chairman) of the two Red Cross societies meet at anywhere without any conditions to discuss these exigent issues.*

*I believe that mutual assistance between the Red Cross societies of the South and the North based on the inherent Red Cross spirit must be the way of practicing the basic Red Cross mission and, at the same time, contributing to the improvement of South-North relations. I look forward to an affirmative response from the North Korean Red Cross.*

Upon the announcement of the statement of ROKNRC President Kang Young-hoon, the ROKNRC sent copies of the statement to the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red

Crescent (IFRC). But, North Korea has made no response to date.

Meanwhile, the representative of the IFRC inspected the scenes of North Korean floods at the request of the North Korean Red Cross and sent a report on flood conditions to the ROKNRC on September 13, 1996. According to the report, the areas of Chagang-do, Hwanghaenam-do, Hwanghaebuk-do and Kaesong City were hardest hit by 1996 floods. As 290,000 hectares of farmlands in eight provinces were damaged, rice production was expected to decline by 30 to 40 percent from average year's production, it said.

The IFRC disclosed a plan to carry on food assistance to North Korea through the middle of November 1996 and to send its representatives to flood-stricken areas thereafter to determine whether there should be additional assistance. The IFRC report of September 13 said that a training program for preparation against natural calamities by North Korean Red Cross workers and a plan to build relief goods warehouses were underway in North Korea.

The IFRC field office set up in Pyongyang for the purpose of assisting North Korean flood victims has been working in close coordination with other international organizations such as U. N.

Development Program (UNDP), U. N. Department on Humanitarian Assistance (UNDHA), U. N. Children's Fund

(UNICEF), World Food Program (WFP), World Health Organization (WHO), Food and Agriculture Organization (FAO) and the Medicine Sans Frontiers (MSF).

The ROKNRC, too, had provided a total of 1,424 tons of relief goods to the NKRC through the IFRC in nine separate shipments as of September 1996. The relief goods, purchased with 1,440 million won out of the 1,564 million won donated by 76 organizations and 75 individual persons (including the ROKNRC's own fund of 111 million won), comprised 10,000 blankets, 100,000 packs of instant noodle, 20,000 pairs of socks, 186,624 liters of edible oil, 76 tons of powdered milk and 1,424 tons of flour.

The ROKNRC has unspent 140 million won in North Korean flood donation. But, the 10th shipment to the North couldn't be made due to the submarine intrusion incident.

The following table shows the state of South Korean people's flood donations sent to the North since 1995 through the ROKNRC:

The relief items provided to North Korea were those chosen from among the items the NKRC asked for the IFRC, which included rice, soy bean, corn, edible oil and cash.

Meanwhile, the NKRC called upon the IFRC to continue to provide assistance to the North because of the damage suffered in the heavy showers reported in late July and early August 1996. In response, the IFRC held a meeting of the Red Cross societies of the six major donor countries including Japan, Britain

*State of ROKNRC Assistance to North Korean Flood Victims*  
(1st-9th Shipments)

Shipment	Blankets (sheet)	Noodle (pack)	Socks (pair)	Edible Oil (liter)	Flour Dry (ton)	Milk (ton)	Total (won)
1st(Nov. 23, 95)	5,000						120 mill
2nd(Dec. 8, 95)	3,000						70 mill
3rd(Jan. 30, 96)	2,000	100,000	20,000				118 mill
4th(May 16, 96)					186,264		208 mill
5th(July 18, 96)						286	302 mill
6th(July 24, 96)						286	102 mill
7th(Aug. 10, 96)						132	260 mill
8th(Sept. 9, 96)						220	79 mill
9th(Sept. 17, 96)						500	175 mill
<i>Total</i>	10,000	100,000	20,000		186,264	1,424	1,435 mill

and Sweden in Pyongyang on October 2-4, 1996 to decide to ask all national Red Cross societies for third-phase assistance for North Korean flood victims.

Hiroshi Higashura, deputy director of the Japan Red Cross's International Department, who observed flood scenes in North Korea, said in a press conference in Beijing on October 5, 1996 that due to two straight years' floods, per-capita annual food ration had been cut from 260kg to 100kg. He said that 450 grams of rice were supplied per day to each of the 130,000 residents in 26,000 families whose foods were met with the IFRC's food assistance. But, North Korea conceded that in other areas where the North Korean government and U. N. organizations were jointly responsible for food rations, mere 200 grams were distributed a day per person.

In a message sent to the ROKNRC on October 10, the IFRC said it would send two representatives to North Korea on October 19 through November 5, 1996 for the observation of food conditions for use in determining the amount of further food assistance. The IFRC said in the message that it would ask national Red Cross societies in November for third-phase assistance to North Korea.

Part V

## **Peace on the Korean Peninsula and South-North Cooperation**

– An Expounding of the President's  
National Liberation Day Message





President Kim Young-sam laid down in his 51st National Liberation Day message a solid blueprint to develop the country into one of the first-rate nations of the world and thereby to bring about a genuine national liberation. By disclosing the blueprint, President Kim has further elevated his standing as the top leader of the 70 million Korean people, putting forth the nation's vision oriented toward the first centenary of national liberation.

The President allotted almost all part of the message to issues of inter-Korean relations and the issue of unification. Such an emphasis on South-North issues was rarely seen in the past under any other regime. It could thus be known that the message contained the recognition that the unification issue has been fast emerging as an exigent task as well as his firm determination to make unification come true.

Underneath the message flows the spirit based on which the President seems determined to embrace all the Korean nation in the belief that the nation is "oneness." The President, in the spirit of embracing the North Korean people too, concretely discussed the question of bringing about durable peace on the Korean peninsula, question of inter-Korean cooperation, and the need of preparation for unification.

In content the Presidential message can be classified into six sectors: 1) national vision for the next 100 years, 2) stress on the posture of duly caring about the entire 70 million Korean people, 3) manifestation of his basic stand toward North

Korea, 4) re-examination of the significance of the proposed four-way meeting, 5) presentation of the means of fundamentally resolving the North's chronic food problem, and 6) the formal raising of the task of national unification. In this way, President Kim in the Liberation day message comprehensively discussed his philosophy and policy direction of inter-Korean relations and the unification question, and concrete measures related thereto.

Firstly, the President presented a national vision for the second half of the first century of national liberation. Regulating accomplishment of peaceful unification as a prerequisite to perfecting genuine national liberation, President Kim renewed his determination to attain genuine liberation at this threshold of the second half of the first one century of national liberation. The President then put forth a blueprint to develop the nation into one of the world's first-rate countries by professing to build an "advanced country" able to lead the world with democracy and prosperity; a "cultural country" in which political values and virtuous moral are respected; and a "unified country" contributory to the world's peace and prosperity.

Second, President Kim emphasized the importance of caring about the entire 70 million Korean people.

President Kim stressed that unification should always be for the whole of the Korean people. Stating that the first step toward peaceful unification lies in sharing the perception that the 70 million compatriots are oneness, the President said "we should always care about not only those in the southern side of

the Korean peninsula but all of those including the residents of the northern area and all other places in the world.”

He also pointed out that although the provision of 150,000 tons of rice to the North in 1995 failed to lead to reconciliation and cooperation between the South and the North, the rice delivery would go down into the history as an event of epochal significance.

Third, President Kim clearly discussed the South’s basic stand toward North Korea.

President Kim said the South 1) does not want instability in North Korea, 2) wants North Korea to become a proper member of the international community to contribute to the world, and does not want North Korea’s isolation, and 3) wants to resolve the issue of unification peacefully through agreement between South and North Korea, and will not pursue unification that is imposed by one side on the other.

The President, in a broad viewpoint from which he cares about all the Korean people, sought to dispel North Korea’s anxiety as well as some misunderstanding that the South is trying to achieve unification through the absorption of the North by expediting the collapse of North Korea. In this policy line, President Kim called for the implementation of the Basic South-North Agreement.

Fourth, President Kim shed light anew on the significance of the proposed four-way meeting.

He explained about the philosophical background of the

four-party meeting proposal by saying that the proposal was to translate the spirit of "peace and cooperation" into action.

Pointing to the great significance of the four-way meeting proposal, President Kim strongly urged North Korea to affirmatively respond to the offer. He said that if and when the proposed talks materialize, the North would be able to promote political stability, military confidence building and economic benefits. The President stressed that the four-way meeting is the best means of bringing about stability and prosperity in the entire area of Northeast Asia.

Fifth, President Kim laid down the method of resolving North Korea's food difficulties.

The President pointed out in the message that since North Korea's food crisis lies in a structural problem, it won't be resolved with momentary outside assistance. He offered ways of South-North agricultural cooperation, suggesting that to fundamentally resolve the problem, the North's agricultural productivity should be increased and that the South could lease equipment to the North to help rehabilitate flood damage.

He also discussed ways to help improve the North's economy, suggesting that the South could 1) invest in the Rajin-Sonbong area, 2) supply materials needed by the North through expanded South-North commodity exchanges, and 3) allow South Korean tourists to visit North Korea.

What is especially noticeable is that the South could al-

low South Korean tourists to visit the North. For, this is a step to give practical help to the North over a short period of time. Stressing that there should be dialogue between government authorities to materialize these projects, President Kim displayed a magnanimous posture by saying that in consideration of the North's position, all these issues could be discussed at the proposed four-way meeting.

Sixth, President Kim formally raised the question of preparing for national unification.

As basic preparatory tasks for unification, the President stated that 1) any sentimental idea of unification or a call for one-sided benefit does not serve the resolution of the Korean question, 2) his government would rigidly deal with those forces challenging liberal democracy and trying to subvert the system of the South, and 3) he, as the supreme commander of the armed forces, would safeguard the country and people and firmly maintain national security.

As the major tasks to do to accomplish unification, President Kim said that 1) national integration should be realized among regions, stratas and generations, 2) politics should be developed into specialized and globalized politics so as to better pool the strength of the people, 3) the nation's economic capacity should be further expanded to a point where the country could uplift its economy size to 1,000 billion dollars and trade volume to 500 billion dollars by the early stage of the 21st Century, 4) changes and reforms will be promoted steadily so that

justice and reasonableness could take root, and 5) globalization should be further expedited to elevate all areas to the international standard level.

The President also laid down social tasks to undertake to prepare for national unification. He said that changes and reforms should be steadily promoted so that justice and reasonableness could take firm root in the society, and, at the same time, globalization should be further expedited to develop all areas to the international standard level.

The Presidential message clearly shows that President Kim Young-sam's determination and all-out efforts to promote the unification issue as the nation's paramount task, dwell in every part of the message. It may be too far to expect that the President's resolution would be translated into action outright. Still, it is highly significant that the President gave a new and meaningful message to the North in his anniversary address which gives a new hope so far as inter-Korean relations are concerned.

The full text of President Kim's Liberation Day message was as follows:

*Fellow 70 million compatriots at home and abroad and distinguished guests,*

*We have assembled here today to pledge ourselves to national unification and glory on the occasion of the 51st anniversary of national liberation.*

*In the hearts of our people who are now watching this occasion, there rage the torrents of the emotion we had on our liberation from a colonial rule on that day when "we caressed our soils anew and even sea waters danced. "*

*We are full of the pride over the past half a century when we have built what is today out of none and with blood and sweats. We are burnign with the hope and courage to blossom the upcoming 21st Century into a great era of the Korean people.*

*Whenever we observe this significant day, we acutely feel once again the importance of a country. Only because we have a country of our own, can we enjoy prosperity and advance toward the world and future.*

*I would first like to express respect to our fallen compatriots who have laid the groundwork of the fatherland at the cost of their bodies and lives. I thank you our people who are masters in the construction of a free and prosperous country.*

*Countrymen,*

*In the past half a century, we have run along the path of nation building, overcoming the sufferings from national division and the ruins of a war.*

*Cruel adversities blocked our way. But, we have finally built this country of today with indefatigable spirits.*

*South Korea, which had begun with one of the poorest countries on the earth, has now become a nation boasting the 11th powerful econoy and per-head national income of 10,000 dollars.*

*The democracy which we all earned has made the people the*

*genuine masters of the country and transformed the fatherland into an imposing nation in the world.*

*We have rectified our history, established the legitimacy of our national history, and enhanced our national esteem.*

*It is our great pride that we have changed from an aid-recipient country into a donor nation giving helps to others.*

*At the Atlanta Olympics ten days ago, we ascertained once again the nation's great potentials. It has been unprecedented in history that our country's standing has been so elevated.*

*The dream of our forefathers for a free, just, peaceful and prosperous country is coming true.*

*You citizens have created the "myth of Korea" in the past half a century.*

*Fellow 70 million countrymen,*

*Today when the latter half-a-century chapter of history is unfolding, we must resolve ourselves for a fresh start toward the centenary of national liberation.*

*We have an acute wish. That is to complete our still incomplete national liberation. I mean we create a great age of the Korean people, that is, a first-rate country standing proudly in the center of the world, with our own hands.*

*Our dream is to build an advanced country that leads the world with democracy and prosperity, a cultural country where spiritual values and virtues are respected and a unified country contributory to world peace and prosperity.*

*We can make it.*



*We can realize without fail the “glory of the Korean people” with the same great strength with which we have forged the “myth of Korea.”*

*Compatriots at home and abroad, now the greatest challenge facing our nation is to accomplish peaceful unification. This is indispensable to completing genuine national liberation.*

*The first step toward peaceful unification is to share the perception that the 70 million compatriots are oneness.*

*We always care about the compatriots not only in the southern area of the Korean peninsula but also those in the northern area and elsewhere around the world.*

*Last year, we donated the vast amount of rice worth 190 billion won to North Korea without any conditions simply to ease the sufferings of the North Korean compatriots.*

*Regrettably our good intention failed to lead to inter-Korean reconciliation and cooperation. But, the event would be epochally significant seen from the long-term historical point of view.*

*The key to developing South-North relations and achieving peaceful unification will be “peace and cooperation.” “Peace and cooperation” alone will hold the key to surmounting the pains and tragedy of national division and paving the way to unification and prosperity.*

*In this sense, I am disclosing clearly our position toward “peace on the Korean peninsula and cooperation between the South and the North.”*

*First, we are interested in the stability of North Korea. It is not desirable that the difficulties North Korea is experiencing today*

would lead to an event that affects the stability of North Korea.

*Second, we do not want North Korea's isolation. We hope that North Korea will become a proper member of the international community and, together with us, cultivate our national energies and contribute to the world.*

*Third, we will not pursue one-sided unification. The Korean question should be resolved in a peaceful and practical means under free mutual agreement between the South and the North.*

*Already in the Basic Agreement, South and North Korea had pledged before the nation and world that they, as direct parties to the Korean question, would consolidate peace and promote exchanges and cooperation.*

*Implementation of this pledge cannot be delayed any longer.*

*I shall engineer South-North relations based on this basic spirit..*

*Fellow 70 million compatriots,*

*It was to translate the spirit of "peace and cooperation" into action that I and U. S. President Bill Clinton proposed to North Korea a four-party meeting last April.*

*At the four-way meeting, broad-ranging issues on the alleviation of tension and rooting of peace on the Korean peninsula can be discussed.*

*Here, the issue of laying a peace mechanism would be discussed in the first place. The question of promoting military confidence building, too, would be studied. And, the issue of South-North economic cooperation would be discussed as part of measures to ease tension.*

*I would like to take this occasion to disclose our idea on the is-*

*sue of economic cooperation to be discussed at the proposed four-way meeting.*

*First, there is the question of foods.*

*North Korea is currently experiencing serious food difficulties.*

*In particular, floods caused by last month's heavy rains have further added to the pains of the North Korean residents.*

*We, the same brethren, regret this truly. In the past, we have helped North Korea with brotherly love and will endeavor for international assistance, as well, in the future.*

*But, North Korea's food difficulties cannot be resolved with transitory assistance from outside. We are willing to contribute to fundamentally resolving North Korea's food problem.*

*In the first place, we would be able to help the North in many ways elevate its agricultural productivity and restore flood-damaged farmlands through the lease of equipment.*

*We are also willing to invest in the Rajin-Sonbong area, expand South-North commodity exchanges, supply to the North those items it needs, and allow South Korean tourists to visit North Korea.*

*These economic exchanges would be undertaken mainly through private industries. To ensure the safety of personnel and material exchanges in this connection, there should first be an agreement between the government authorities of the South and the North.*

*I expect that more meaningful and practical economic cooperation between the South and North Korean government authorities will be promoted through dialogue with the alleviation of tension and under the principle of reciprocity.*

*North Korea's economic problem can be resolved only through genuine consultations and cooperation between South and North Korea.*

*We have the stronger will and ability to help North Korea more than any one else.*

*I therefore believe that once the proposed four-way meeting takes place, North Korea would be able to promote political stability, military confidence building and economic interests.*

*It is because this meeting is the best means of ensuring stability and prosperity not only on the Korean peninsula but in the entire area of Northeast Asia that nearly all world countries are supporting the four-way meeting proposal.*

*I again urge the North Korean authorities to affirmatively respond to the four-way meeting proposal even in the interests of the future of our nation and Northeast Asia let alone their own future.*

*Countrymen,*

*Peaceful unification has now emerged as a task of reality. The destiny of our people rests entirely with ourselves. This is a time we should be prepared for unification concretely.*

*As our passion for unification is burning, our steps toward unification should be careful. Any sentimental idea of unification or the advocacy of one-sided benefit giving can by no means be helpful to resolving the inter-Korean question.*

*I shall rigidly deal with those forces who, while challenging liberal democracy, the base for our survival, attempt to subvert our system.*

*National security should be maintained firmly.*

*As the supreme commander of the Armed Forces, I shall solidly safeguard the country and people with our powerful defense power.*

*Joint defense preparedness and cooperative system between South Korea and the United States are firmer now than any other time in the past.*

*Most of all, national integration is important for the accomplishment of national unification. To this end, there should first be integration among regions, stratas and generations.*

*Now our politics should not be power struggles based on regions or factions but be the kind of politics able to pool people's energies through integration and harmony.*

*Our politics should now be developed into specialized politics able to run the country with a firm vision toward the future and into globalized politics able to run the world.*

*Our economy, too, should be developed one stage farther so that our 70 million compatriots would be able to lead affluence together.*

*We must expand our economy size to 1,000 billion dollars and our trade volume to the level of 500 billion dollars.*

*I am well aware of you people's concern about our economy lately. The government is doing all it can to resuscitate the vitality of our economy.*

*I earnestly ask you people to make your household economy more affluent through thrift and conservation and to positively cooperate in healing our economy.*

*We should also root justice and reasonableness in our society*

*through the steady promotion of changes and reforms.*

*Globalization should be further expedited so that all areas could be enhanced to the international level.*

*When our all people exert concerted efforts, our unification ability will be redoubled and the look of a unified homeland will come closer to us.*

*Fellow 70 million compatriots at home and abroad,*

*A new world is unfolding before us. The 21st Century is drawing near, in which we, standing imposingly in the center of the world, should take the lead in bringing about mankind's prosperity and world peace.*

*Let us all move forward shoulder to shoulder toward a genuine national liberation.*

*Let us accomplish national unification with the hands of our generation.*

*Let us build a first-rate country which the whole world would look up to.*

*Let us create a great period of the Korean people.*

*Let us, thereby, hand down to our posterity "the glory of the Korean people" which our fallen patriots had aspired for so much.*

*Thank you.*

## Part IV

# Flood Assistance to North Korea

1. Assistance over 1995 Floods  
in North Korea
2. Assistance over 1996 Floods in  
North Korea





# 1. Repatriation of the Crewmen of Woosung-ho No. 86

The government had made multi-pronged efforts to obtain the release of Woosung-ho No. 86, a South Korean fishing boat which was fired upon and seized by a North Korean patrol boat on May 30, 1995 in high seas 25 miles northwest of Paengryong-do (See "South-North Dialogue No. 63.").

Yielding to the government efforts made at home and abroad, North Korea announced in a Central Radio broadcast on December 22, 1995 that it would repatriate the five surviving crewmen and the remains of three dead fishermen on the afternoon of December 26 through Panmunjom.

A spokesman for the National Unification Ministry, in a comment on the North Korean announcement, said it was unreasonable for the North to seize an unarmed civilian fishing boat by force of arms and hold it in captivity for no shorter than seven months. "It is fortunate that North Korea took the step though it was belated. But, it is highly regrettable that there were three deaths. We extend condolences to the bereaved families," the spokesman said.

The crewmen of Woosung-ho No. 86 returned to the South through Panmunjom on December 26 as scheduled. Soon after his return, Kim Pu-gon, skipper of the fishing boat, met the press at the temporary altar set up for the dead fishermen at the forward office of the Office of South-North Dialogue.

He told reporters that at the time of the seizure, his

boat approached a North Korean patrol boat mistaking it for his boat's sister vessel, Woosung-ho No. 85, due to utterly poor visibility caused by thick fogs before his boat was fired upon by the North Korean patrol ship. In the shooting, he said, two of his crewmen were killed.

The skipper said that during his stay in the North under captivity, he was forced to denounce the South Korean government in a press conference arranged by the North Korean authorities. One of his crewmen died of an illness during their captivity, he said.

The surviving crewmen were Kim Pu-gon, age 35; Park Chae-yol, 45; Lee Pyogn-so, 39; Kim Woo-sok, 37; and Yoon Kyong-sun, 32. The three dead crewmen included Shin Hung-kwang, 38; Shim Chae-jong, 36; and Lee Il-yong, 30.

## **2. Demand for the Repatriation of the Crewmen of Taeyoung-ho No. 707**

Fishing boat Taeyoung-ho No. 707 which sailed out of the Songsanpo harbor, Cheju-do with eight fishermen aboard on December 26, 1995 had severed radio contact after it last reported that it anchored 45 miles southeast of Songsanpo on January 8, 1996.

On January 13, the Cheju Maritime Police announced that an investigation indicated that the crewmen of the missing

fishing boat might have committed some illegal act and defected to the North in an attempt to escape punishment in the South.

Subsequently on January 28, the Central Radio and Radio Pyongyang reported that the ship reached the Kim Chaek harbor in a defection, four of its crewmen held a press conference, and the fishermen observed the Kim Il-sung statue in Pyongyang.

The South Korean government, in a radio message signed by Kang Young-hoon, president of the Republic of Korea National Red Cross (ROKNRC), asked the North Korean Red Cross (NKRC) on February 12 to cooperate positively in letting the fate of the four unaccounted-for fishermen be known and returning all of the crewmen and ship to their families in the South at an early date.

The following is the full text of the message from ROK-NRC President Kang to Acting NKRC Chairman Ri Song-ho:

*Your side's broadcasts reported that Taeyoung-ho No. 707 of Sogui-po registry, which left the Songsanpo harbor, Cheju-do on December 26 last year and was listed as missing on January 8 this year, was taken by four of its crewmen to the North in defection.*

*Eight persons were aboard Taeyoung-ho No. 707 when it sailed out of the Songsanpo harbor. But, your side's reports indicated that only four persons -- Skipper Kim Jong-in, his common-law wife Lee Kil-sim, chief engineman Kim Jong-hyon and crewman Ko Chon-kwon -- defected to the North. Nothing was said of the fate of the four others -- Ko Young-soo, Kwak Min-soo, Chong Hak-bong and Cho*

*Su-nam.*

*Your side's reports said they had defected to the North. But, their families believe that they must have gone to the North due to some unavoidable temporary situation and earnestly wish they would return to the bosom of their families.*

*Here, I request that your Red Cross let us know the fate and whereabouts of the four unaccounted-for crewmen and positively cooperate in enabling all the crewmen of Taeyoung-ho No. 707 to return to their families at an early date in a humanitarian move.*

On every subsequent opportunity including the time when the crewmen of the North's Yombunjin-ho were repatriated to the North on March 4, 1996, the government called for the return of the fishermen of Taeyoung-ho No. 707. But, North Korea showed no response to date.

### **3. Rescue and Repatriation of Crewmen of Yombunjin-Ho**

A North Korean bulk carrier, Yombunjin-ho (9,955 tons), radioed SOS as it was sinking 14 miles east of Changjon, North Korea on the afternoon of February 27, 1996. Here, South Korean naval craft promptly began rescue operations. On February 29, a naval vessel rescued two surviving crewmen and retrieved the remains of the two seamen 100 miles of east of Kangnung, Kangwon-do.

The government promptly decided to repatriate the seamen and remains to the North. In a telephone message sent under the name of the ROKNRC president, the government informed the NKRC of the time and place of their repatriation, urging the North to repatriate the crewmen of Tongjin-ho and Taeyoung-ho to the South under the spirit of humanitarianism.

The following is the full text of the telephone message of March 4 from ROKNRC President Kang to Acting NKRC Chairman Ri Song-ho:

*Our side's relevant authorities have medically treated and are protecting two surviving crewmen of Yombunjin-ho and holding the remains of two seamen, which were rescued and retrieved by one of our side's naval craft in the East Sea on last February 29.*

*I am hereby letting you know that we will repatriate them to your side through Panmunjom at 11 a. m. March 5 (Tuesday), 1996 in the humanitarian spirit and brotherly love. I hope your side will take corresponding steps.*

*At the same time, I am urging your side to repatriate our side personnel being held in captivity in your side including the fishermen of Tongjin-ho and Taeyoung-ho at an early date in the humanitarian spirit.*

Thanks to the government efforts, two surviving crewmen of the North's Yombunjin-ho and two sets of remains were repatriated to the North through a South-North Red Cross officials' contact at Panmunjom on March 5, 1996.

#### **4. Repatriation of a North Korean Soldier and the Remains of Two North Korean Civilians**

The government, informing the North of the rescue of a North Korean soldier who was floating down along the upper stream of the Imjin River during the heavy rains of July 26-27, 1996 and of the retrieval of a small drifting North Korean boat and two sets of remains in the West Sea, decided to repatriate them to the North promptly.

Accordingly, the government tried to let the North know repatriation procedures in a telephone message to be sent by the ROKNRC President. But, the NKRC refused to accept the telephone message, simply demanding their return in a radio broadcast.

Despite the discourteous act taken by the North, the government repatriated the rescued North Korean soldier through Panmunjom on July 29 and returned the two civilian bodies to the North on August 7.

#### **5. Efforts to Obtain the Release of Novelist Kim Young and Acceptance of the Remains of a Civilian**

In a Radio Pyongyang broadcast on August 5, 1996, North Korea said it was questioning a South Korean man who, it said, unlawfully violated the northern boundary in the dawn

hours of July 31.

The South Korean government said he was Kim Young (pen nam: Kim Ha-gi), a novelist who was listed as missing in Yanbian, China, and asked the North to return him to his family in the South under the humanitarian spirit. The request was made to the NKRC under the name of the ROKNRC.

The following was the full text of the telephone message from ROKNRC Kang Young-hoon to Acting NKRC Chairman Ri Song-ho:

*I heard your side's Central News Agency report that Novelist Kim Young (a lecturer at Pusan Art Junior College) unlawfully violated your side's northern boundary on last July 31 and was being questioned by your side's relevant authorities.*

*Kim Young, along with his father and younger brother, was making a group tour of Yanbian area of Jilin Province, China on July 30 when he was listed as missing. It is believed that he inadvertently crossed the boundary under heavy alcoholic influence.*

*I hope that your side will cooperate in letting Kim Young who inadvertently entered your area return to his family at an early date.*

Owing to the efforts of the government, Novelist Kim Young could return to the South on August 15 via China.

Meanwhile, the NKRC president, in a telephone message to the ROKNRC president, said on August 12 the North was holding the remains of a South Korean civilian retrieved on Aug-

ust 9 in the West Sea, asking for a South-North Red Cross liaison officials contact to discuss the transfer of the body.

The South agreed in a telephone message to the proposed liaison officials contact. Following discussion between South-North Red Cross liaison officials, the remains of Kang Dae-hee, born in 1965 and of Yangjae-dong, Socho-ku, Seoul, were accepted by the South on August 12, 1996 and turned over to his family.

## **6. Question of Long-Term Prisoners Who Refuse to Change Allegiance**

Acting NKRC Chairman Ri Song-ho, in a telephone message to ROKNRC President Kang Young-hoon, demanded on August 30, 1996 the repatriation of Kim In-suh, a Communist who lives in Kwangju after many years in prison, to the North.

As the South Korean government had disclosed many times, Kim In-suh was captured alive during his guerrilla activities. Kim In-suh was sent to the South during the Korean War as a Political Operations Corps member and worked as a staff officer of the Guerrilla Command of the Changhung Area of Chollanam-do and later a cadre official of Workers' (Communist) Party Chollanam-do Party School before he left the regular North Korean army column in favor of guerrilla activities.

He was in prison for 27 years beginning April 1952 on



charges of violating the Decree of Special Measures on the Punishment of Crimes in the State of Emergency.

Because of his experiences, he did not fall under the category of prisoners of war specified by the Geneva Convention and, as a criminal who violated the "rules of customary practices" was even excluded from those prisoners of war exchanged upon the conclusion of the Armistice Agreement.

Besides, since Kim In-suh is an express South Korean citizen as he obtained the nationality of the Republic of Korea on his own, the North has no ground whatsoever to ask for his repatriation.

In a telephone message signed by the ROKNRC President and addressed to the NKRC on September 3, 1996, the South Korean government explained about the South's position, inviting the North's attention to the fact that the North had been using Ri In-mo for political propaganda purposes after the South repatriated to the North Ri who was an ex-long-term prisoner who refused to change allegiance to the North.

In the same message, the South urged the North to affirmatively respond to the South's proposal for a Red Cross presidents or vice presidents meeting to discuss the dispersed family issue.

Following is the full text of ROKNRC President Kang's telephone message of September 3 to Acting NKRC Chairman Ri Song-ho:

*Your August 30th telephone message was received. I have on many occasions clearly explained your side about our side's position with regard to the issue of Kim In-suh.*

*Your side asserted that Kim In-suh was so sick that he cannot even move. But, Kim does not experience any physical difficulty in his daily lives as he has undergone acupuncture and other herb medicinal treatment at the "Bitkoul Tangjewon" located at Tong-ku, Kwangju.*

*I would like to invite your side's attention to the fact that despite our side's humanitarian-motivated efforts made on many occasions such as those for the repatriation of Ri In-mo in 1993 without any conditions, your side used them for your political propaganda purposes.*

*I therefore urge your side to affirmly respond to a presidents or vice presidents (chairmen or vice chairmen) meeting between the two Red Cross societies which I proposed on last August 12 to discuss the issue of reunion between dispersed families under the principle of reciprocity.*

While showing no response at all to this position of the South, the NKRC again on September 3, 1996 issued a statement under the name of the "North Korean Committee on Measures to Rescue Long-Term Prisoners Who Have not Changed Allegiance in South Korea," in which the North insisted that they would send a medical team and two of Kim In-suh's daughters to the South to look after him, demanding that the South guarantee the personal safety of these visitors and provide various conveniences to them.

The North's demand was no more than a mere political propaganda piece without regard to a host of humanitarian issues such as the dispersed family question pending between the two sides. Here, the South, in another ROKNRC President's telephone message to the NKRC, explained about the living condition of Kim In-suh and urged the North again to agree to resume without any conditions the South-North Red Cross Conference designed to resolve the issue of the families dispersed in the South and the North.

The following is the full text of ROKNRC President Kang Young-hoon's September 17th telephone message to Acting NKRC Chairman Ri Song-ho:

*I regret that though I have on many occasions clearly disclosed our side's position with regard to the question of Kim In-suh, your side again raised the issue on September 16. Kim In-so once showed symptoms of paralysis waist down, but he has recovered fast and is leading his daily life without difficulties.*

*As I disclosed in my August 12th statement and Septemer 2nd telephone message, I again propose that the South-North Red Cross Conference be resumed without any conditions to discuss humanitarian issues pending between the South and the North under the principle of reciprocity. I emphasize once again that this position of our side is irrevocably firm.*

*Your side asserted that Kim In-suh was so sick that he cannot even move. But, Kim does not experience any physical difficulty in his*

*daily lives as he has undergone acupuncture and other herb medicinal treatment at the "Bitkoul Tangjewon" located at Tong-ku, Kwangju.*

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dition of Kim In-suh and urged the North again to agree to resume without any conditions the South-North Red Cross Conference designed to resolve the issue of the families dispersed in the South and the North.

About 400 persons forcibly taken to the North, including the crewmen of Tongjin-ho and those of a civil airliner, are being held in captivity to date in North Korea. Besides, there are about 10 million dispersed family members living dispersed in the South and the North unaware even of the fate of their missing families. While strictly turning a deaf ear to the South's call for resolving these problems from a humanitarian ground, North Korea unreasonably demands the repatriation of a man who served a long prison term due to his guerrilla activities and who afterwards voluntarily became a Republic of Korea citizen.

North Korea is urged to depart from such deceptive humanitarianism and return to the Red Cross spirit and brotherly love, responding affirmatively to the resumption of the South-North Red Cross Conference as suggested by the Republic of Korea National Red Cross.



No. 64

December

1996

**SOUTH-NORTH DIALOGUE IN KOREA**

Published by

*Office of the South-North Dialogue*  
*Ministry of National Unification*  
*Seoul, Korea*

C. P. O. Box 4161  
Seoul, Korea









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No. **65** May 1998



OFFICE OF THE SOUTH-NORTH DIALOGUE  
MINISTRY OF UNIFICATION  
SEOUL, KOREA



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Part I

Promotion of Four-Party Talks to  
Establish a Peace Regime on the  
Korean Peninsula



## 1. Background Leading to Holding Joint Briefing Sessions Following the Four-Party Talks Proposal

On April 16, 1996, Presidents of Kim Young-sam of South Korea and Bill Clinton of the United States proposed a four-party meeting among South and North Korea, the United States and China to discuss the establishment of a peace regime on the Korean Peninsula. In response, a spokesman for the North Korean Foreign Ministry said in an interview with the North Korean Central News Agency (KCNA) on May 7, "We promptly asked for a concrete explanation about the purport, objective and reality of the proposal laid down by the United States, but we are yet to receive any explanation." He added that North Korea planned to wait a little more for an explanation from the United States.

During his regular May press briefing, U.S. Department of State Spokesman Nicholas Burns, said that if North Korea wished to have an additional meeting or an explanation with regard to the four-way talks proposed, an explanation would be given them with pleasure.

The South Korean government, too, said that if the North wanted to have an explanation about the proposed four-way talks, the government was willing to give it to the North in a joint briefing by South Korea and the United States.

Emerging later from a high-level consultative meeting held in Cheju Island on May 14 among South Korea, the United States and Japan, a South Korean government official told reporters at the press conference "A briefing session will be offered to North Korea jointly

by South Korea and the United States as part of the effort to persuade North Korea into accepting the four-party talks proposal."

North Korea said in a comment appearing in the May 24 issue of the Rodong Sinmun, "As the American President proposed a four-way conference, we have asked the United States to explain about the proposal," adding that "it is a nonsensical act for the South to try to take part in the joint briefing session. We have nothing to listen to from the South."

Again in a statement made by the spokesman of its Foreign Ministry on September 2, North Korea asserted, "Since the United States said the purpose of the four-party talks is to discuss a permanent peace agreement, the main agenda topic of the talks should be the question of U.S. military withdrawal." They then argued that if the United States were not prepared to discuss U.S. military withdrawal at the four-way meeting, the talks would be good for nothing.

North Korea's insistence that talks with the United States alone, excluding South Korea, and demanding discussion of a U.S. military withdrawal at the conference, showed that chances for early realization of the four-way talks had grown slim.

It was around this time that about 20 North Korean soldiers trying to infiltrate into the South aboard a submarine were detected near Kangnung along the east coast on September 18, 1996. The submarine ran aground and the 20 North Korean soldiers fled into the inland area killing civilians. This event heightened military tension between South and North Korea.

One of the infiltrators, Ri Gwang-su, was captured alive. Ri

confessed that the mission of the infiltrators was to survey military installations and carry out espionage and subversive activities such as the assassination of important officials. His revelations shed light on the armed provocations the North had been perpetrating clandestinely.

Initially North Korea, while contending that the "submarine was on a routine training duty" when it ran on a rock, denounced the actions the South took to cope with the infiltrators. However, the South stood firm against the North Korean provocation. Pressure and criticism from the United States and the international community compelled, North Korea to make a public apology for the infiltration and pledge to prevent the recurrence of a similar incident.

The apology came on December 29 when North Korea issued through Radio Pyongyang a statement of apology for the submarine intrusion.

North Korea said through a KCNA release that "A working level contact between North Korea and the United States took place in New York December 9-29, in which the submarine and other issues were discussed." It added that the North was willing to attend a joint briefing session on the four-way talks.

The text of the December 29 North Korean statement was as follows:

Acting on authority delegated, the spokesman of the Democratic People's Republic of Korea Foreign Ministry expresses a deep regret over the submarine incident in the Kangnung sea in September 1996

which resulted in heavy casualties. The Democratic People's Republic of Korea will endeavor to prevent the recurrence of such an incident and strive together with relevant sides to ensure solid peace and stability on the Korean peninsula.

Given their past conduct, the North's public apology was unusual - perhaps unique. It was something new for them to show something of an affirmative response to the four-party talks to discuss permanent peace and stability on the Korean peninsula. In the past, the North's leadership had opposed the South Korean government's participation in talks.

In response to the change in the North's attitude, South Korea and the United States held a working-level meeting in Seoul on January 20, 1997 to discuss a joint briefing session on the four-way talks. At the meeting, the two countries agreed to hold a briefing session in New York on January 29, 1997, and to use the Korean as its official language and use English interpretation.

They also agreed that South Korean Deputy Foreign Minister Song Young-shik and U.S. Acting Deputy Assistant Secretary of State for East Asian and Pacific Affairs Charles Kartman would lead their respective delegations to the briefing session.

Announcing the agreement, the South Korean government reported on January 25 that a joint briefing session on the four-way talks would be held in New York on January 29 with the participation of South and North Korea and the United States.

On January 27, however, North Korea suddenly demanded that

the briefing session be postponed until February 5, saying, "We can attend the joint briefing session only after negotiations being held with Cargill Co. of the United States for a food deal were concluded satisfactorily."

North Korea on January 31 further postponed the joint briefing session slated for February 5 indefinitely by saying that a North Korean delegation to the session won't leave Pyongyang as scheduled of difficulties in the food deal talks with Cargill.

Commenting on the postponement by North Korea of the joint briefing session, a U.S. State Department spokesman said on February 4, "The United States will not offer a time schedule for negotiations with the North until it is confirmed that North Korea is willing to attend a three-party briefing session on the four-way talks."

He went on to say that though North Korea wants the U.S. government to play a more positive role in the food negotiations with Cargill, the U.S. government will not interfere in commercial business talks.

Following the U.S. statement, North Korea showed a change in their attitude, expressing willingness to attend the joint briefing session.

## **2. Proceedings of the Four-Party Talks**

### **A. Joint Briefing Session**

As North Korea was affirmative toward the joint briefing session, the session took place at New York Hilton Hotel on March 5, 1997,

more than one month behind initially planned January 29.

Four officials from each of the three countries attended the briefing session. The South Korean delegation was led by First Deputy Foreign Minister Song Young-shik, along with Yu Myung-hwan, Foreign Ministry director-general for North American Affairs; Kwon Jong-rak, a Presidential secretary for Foreign Affairs; and Rhee Bong-jo, first policy officer of the National Unification Ministry.

The North Korean delegation included Vice Foreign Minister Kim Gye-gwan who served as chief delegate. Ri gun, Foreign Ministry deputy director-general for American Affairs; Han Song-yol, a minister at the North Korean mission to the United Nations; and Pak Myong-guk, a division chief of the Foreign Ministry's American Bureau also attended.

Members of the U.S. delegation led by Acting Deputy Assistant Secretary of State Charles Kartman, included Mark Minton, Director for Korean Affairs at the Department of State; Jack Pritchard, Director for East Asian Affairs at National Security Council; and Thomas Harvey, Defense Department official in charge of Korean Affairs.

Prior to the opening of the session, the three chief delegates posed hand-in-hand for pictures, which was followed by informal talks behind closed doors.

The briefing session, chaired by the U.S. chief delegate, proceeded in the order of greetings, introduction of delegation members, keynote speeches, briefings on the four-way talks by the U.S. and South Korean delegations, and an exchange of opinions.



Discussing the background of the four-party talks proposal, South Korean Chief Delegate Deputy Foreign Minister Song Young-shik said the overture was intended to establish a permanent peace regime on the Korean peninsula and to enable South and North Korea to pursue co-prosperity. He stressed that no prerequisites whatsoever were attached to the four-way talks.

"A permanent peace mechanism should be prepared on the Korean peninsula with South and North Korea playing a leading role," Song said. He added that reducing tensions and building confidence between the two Koreas should be among the highest priorities of the two nations.

The chief South Korean delegate explained that the issue of promoting economic cooperation between South and North Korea could also be discussed at the four-party talks as part of the programs aimed at easing tension and building mutual confidence.

With regard to the four-way conference, the South Korean delegation suggested that the full-dress four-way talks be held as soon as possible following the briefing session at a place agreed on among the relevant parties.

The South Korean delegates also proposed that chief delegates to the full-dress four-way talks should be minister-level officials with vice-minister-level officials acting as alternate chief delegates. The team also suggested that the meeting focus on the two major topics -- "issue of establishing a permanent peace regime on the Korean peninsula" and "issue of reducing tension and promoting confidence building activities between South and North Korea."

Meanwhile, U.S. Chief Delegate Kartman expressed the hope that the briefing session will become an historic occasion to bring about permanent peace on the Korean peninsula. He added that he expects the process aimed at creating a permanent peace will be initiated at an early date based on the Basic South-North Agreement and the U.S.-North Korea Agreed Framework.

Kartman also said that the issue of bringing about permanent peace on the Korean peninsula ought to be tackled between South and North Korea, emphasizing that the four-party talks are designed to provide a framework for such inter-Korean negotiations.

At the same time, the South Korean and American chief delegates said participation in the talks by China, a signatory country of the Korean Armistice Agreement, is highly important in reducing tension and bringing about a solid peace mechanism on the Korean peninsula.

In reaction, North Korean Chief Delegate Kim Gye-gwan repeated his country's existing policy at the end of the session, contending that "inasmuch as a non-aggression agreement already exists between South and North Korea, a peace agreement should be concluded between the United States and North Korea." He also raised some "questionable points" including "the issue of imbalance among the participating countries."

On the other hand, the North Korean delegation showed somewhat of an affirmative reaction by saying that they would take time back at home to carefully review what was said by the South Korean and American delegations.

## B. Follow-Up Discussions

About one month after the joint briefing session, North Korea, in what they said was their response to the joint briefing session, asked for follow-up discussions related to the joint briefing session. As a result, "follow-up discussions of the joint briefing session of the four-party talks" were held at the U.N. Plaza Hotel in New York on April 16, 1997.

South Korean attendees were Chief Delegate Song Young-shik and delegates Yu Myung-hwan, Kwon Jong-rak, Rhee Bong-jo and Lee Soo-hyuk, a political councilor at the Korean Embassy in the United States who newly joined the South Korean delegation. The North Korean delegation consisted of Chief Delegate Kim Gye-gwan and four delegates while the U.S. delegation was led by Kartman and included four other delegates.

At the meeting, the South Korean delegation, acknowledged the affirmative response from North Korea toward the four-way meeting, stressed the need to hold full-dress four-party talks at an early date. The Seoul delegation suggested that if the North could not agree to an early full-dress meeting of the four-way talks, then there could be a preparatory meeting to discuss working-level matters. The southern delegates proposed that the preparatory meeting be held toward the end of May and the full four-way talks at the end of June if working-level issues could be agreed on at the preparatory meeting.

The North Korean delegation, however, showed an ambiguous attitude by saying that "North Korea is in principle accepting the idea

of the four-way talks" but was, nevertheless opposed to fixing the dates of the preparatory and full-dress four-way talks. The North, instead, asked for the delivery of a large amount of food assistance around the time the four-way talks would begin.

In reaction, the South Korean delegation said that if and when the full-dress four-party talks begin, the food assistance issue could be taken up as part of the measures to reduce tension and build confidence between South and North Korea.

The three participating countries had three rounds of working-level contact and one informal chief delegates' contact through April 21, after the April 16th plenary session. At these contacts, the delegates discussed the issues of holding preparatory meeting and full-dress four-party talks. North Korea refused to accept the suggested times of the preparatory and full-dress four-party talks and repeatedly asked for assurances of massive food assistance.

Moreover, North Korea laid yet another obstacle to the opening of the four-way talks by insisting that a tripartite meeting among South and North Korea and the United States be held first before China is allowed to take part in due course.

Follow-up discussions came to an end on April 21 without any substantial progress. The delegations agreed, however, to carry on tripartite working-level contacts through diplomatic channels.

After the end of the follow-up talks, the South Korean delegation said it was regrettable that no agreement could be reached although utmost efforts were made to persuade North Korea to accept the four-way talks, adding, "In a sense, however, the follow-up discussions were

part of a process toward realizing the four-party talks."

### C. Deputy-Minister-Level Officials' Tripartite Conference

After the end of the follow-up conference of the joint briefing session, working-level officials from South and North Korea and the United States had several rounds of contacts in New York from May 30 through June 28 on issues related to the four-party meeting.

At the working-level contact, North Korea again demanded that South Korea and the United States guarantee the provision of food in an amount the North needed prior to the opening of the preparatory meeting of the four-way talks.

Seoul and Washington explained their existing stand on the food aid issue, saying that they could not guarantee beforehand any provision of food to the North in return for Pyongyang's participation in the four-way talks. They would, they said, continue to consider giving humanitarian assistance to the North and that government-level food assistance could be discussed within the framework of the four-way talks as part of measures to promote confidence building and to reduce tension.

Moreover, the South Korean officials consistently tried to persuade the North to attend the four-party talks. The South stressed that North Korean acceptance of the talks would be the only way for them to overcome the north's current economic difficulties or establish a permanent peace on the Korean peninsula.

North Korea finally agreed to attend the preparatory meeting of

the four-way talks, apparently aware that further delay in the preparatory talks wouldn't be in their interest.

On June 30, 1997, South and North Korean and U.S. delegations met at the New York Palace Hotel to hold a deputy-minister-level contact to affirm the agreements made by the three countries' working-level delegations, thus formally agreeing to hold a preparatory meeting of the four-party talks in New York on August 5, 1997.

The South and North Korean delegations to the tripartite deputy-minister-level officials conference were same as those to the follow-up talks of the joint briefing session, but, the U.S. delegation included a new member, Richard Finn, a Defense Department official in charge of Korean Affairs.

The text of a joint press release made by the June 30th deputy-minister-level contact in New York was as follows:

Joint Press Statement

(June 30, 1997, New York)

ROK Deputy Foreign Minister Song Young-shik, DPRK Vice Foreign Minister Kim Gye Gwan, and U.S. Acting Assistant Secretary of State Charles Kartman had tripartite talks in New York on June 30, 1997, and agreed as follows :

- 1) the Deputy Ministerial-level preparatory meeting for the Four Party talks among the ROK, DPRK, U.S., and PRC will be held on August 5, 1997, in New York;
- 2) the preparatory meeting will discuss and decide procedural

matters for the Four Party plenary session, including the earliest agreeable date, venue, and agenda.

Thus the process of the four-party talks had in reality begun one year and two months after the South Korean and U.S. Presidents jointly proposed a four-party conference to discuss permanent peace on the Korean peninsula on April 16, 1996.

The purpose of the four-way talks is to change the present precarious armistice system into a solid peace mechanism through the reduction of tension and promotion of confidence building between South and North of Korea. Therefore, the agreement to hold a preparatory meeting of the four-way talks meant that full-fledged negotiations were set to begin on the question of peace on the Korean peninsula, the peace that has been unstably maintained amid a "temporary halt to war" in the past 44 years.

The South Korean government, while welcoming the North's acceptance of the four-way talks and its agreement to go along with a preparatory meeting, expressed the expectation that "the four-party meeting, designed to initiate a process aimed at achieving permanent peace on the Korean peninsula, is expected to contribute much to peace and stability in the Northeast Asian region as well as to reducing tension and bringing about peace on the Korean peninsula.

#### **D. First Preparatory Meeting**

A preparatory meeting of the four-way talks was held at the

international conference room of International and Public Affairs School of Columbia University in New York on August 5-7, 1997 with South and North Korea, the United States and China participating, as agreed at the tripartite deputy-minister-level officials meeting.

South Korea and the United States chose the Columbia University conference room as the venue for the preparatory meeting because the proposed four-way talks had progressed to the point of holding preparatory talks. The conference room was equipped with simultaneous interpretation facilities, and was ideal for the international meetings.

First Deputy Foreign Minister Song Young-shik led the South Korean delegation whose members included Yu Myung-hwan, Foreign Ministry director-general for North American Affairs; Kwon Jong-rak, a Presidential secretary for Foreign Affairs; Rhee Bong-jo, first policy officer of the National Unification Ministry; Ryoo Jin-kyu, deputy chief of the Office of Arms Control, National Defense Ministry; Lee Soo-hyuk, councilor for political affairs at the Korean Embassy in the United States; and Jun Ok-hyun, a deliberations officer at the Office of the Prime Minister.

Members of the North Korean delegation included, Vice Foreign Minister Kim Gye-gwan as head of the delegation; Ri Gun, deputy ambassador at the North Korean Permanent Mission to the United Nations; Chang Jang-chon, deputy director of the Foreign Ministry's American Bureau; Pak Myong-guk, a division chief at the Foreign Ministry's American Bureau; and Kim Myong-gil, a councilor at the North Korean Permanent Mission to the United Nations.



Acting Deputy Assistant Secretary of State for East Asian and Pacific Affairs Charles Kartman led the U.S. delegation, whose other members were Mark Minton, Director for Korean Affairs at the Department of State; Jack Pritchard, Director for East Asian Affairs at National Security Council. Thomas Harvey, Defense Department officer in charge of Korean Affairs; Eric John, DPRK country officer of the office of Korean Affairs at the Department of State; and Lawrence Robinson, first secretary at the American Embassy in South Korea rounded-out the American team.

The Chinese delegation was headed by Deputy Foreign Minister Chen Jian. Other members included Ning Fukui, deputy director-general of the Foreign Ministry's Asian Bureau; Tian Baozhen, Foreign Ministry's Korea Desk chief; Tian Chunyen, first secretary at the Foreign Ministry's North American and Oceanic Bureau; Yang Xiyu, first secretary at the Chinese Embassy in the United States; and Xing Haiming, second secretary of the Foreign Ministry's Korea Desk.

The delegates sat at a rectangular table with the South Korean delegation facing the North Koreans and the U.S. delegation the Chinese, respectively. There were English, Chinese and Korean interpreters at desks placed between the delegation tables.

Interpretation was simultaneously made. For example, when a South Korean or North Korean delegate spoke, it was translated simultaneously into English and Chinese and when an American delegate did, it was put into Korean and Chinese.

Prior to the opening of the meeting on August 5, chief delegates posed for pictures. The first-day session proceeded behind the closed

doors under the chair of the chief U.S. delegate.

In his keynote speech, Chief South Korean Delegate Song said, "It is the ardent wish of the Korean people to transform the unstable South-North relations that have been persisting for almost half a century since the Korean War into the relationship of reconciliation and cooperation at an early date to pave the way to permanent peace and unification on the Korean peninsula," emphasizing that it is imperative to this end is to bring about permanent peace on the Korean peninsula.

Chief Delegate Song went on to say, "What is most important in establishing a solid peace regime on the Korean peninsula will be for the South and the North to negotiate with each other sincerely with firm conviction in peace." He said that the United States and China, for their part, can support and accelerate the process of creating a firm peace regime on the Korean peninsula and ultimately assuring the implementation of a new peace regime.

The chief North Korean delegate, on the other hand, asserted in his keynote speech that a peace agreement to replace the existing armistice agreement on the Korean peninsula should be concluded between North Korea and the United States and that the issue of U.S. forces in Korea should be discussed at the four-way talks.

The chief Chinese delegate said in his keynote speech that the four-party talks are very important historically. "To establish a permanent peace regime on the Korean peninsula, there needs to be an institutional guarantee," he said, adding that China supports reconciliation between South and North Korea, improving relations

between the United States and North Korea, and the realization of a peace mechanism and unification on the Korean peninsula.

Meanwhile, Chief U.S. Delegate Kartman said holding the talks showed the political courage of the four countries. He noted that the parties attended the meeting on the equal footing to initiate a dialogue to change the 44-year-old armistice system into a permanent peace regime. In his keynote speech, the American delegate said his country would exert positive efforts to extend support to the full process of the four-way talks.

Following the delivery of the keynote speeches, the South Korean and American delegations proposed that the preparatory meeting, true to its nature, initially discuss such procedural matters as the time, place and operational method of the full-dress four-party talks.

North Korea, however, insisted that discussion of the agenda topics of the full-dress meeting should come before anything else. In reaction, the South Korean delegation suggested that the meeting first discuss working-level procedural issues like the time and place of the full-dress meeting and the level of delegates under the principle of taking up easy-to-settle issues first, followed by the discussion of agenda topics.

The United States and Chinese delegations readily agreed, and the North Koreans agreed to discuss the procedural matters rather reluctantly, asserting that "the meeting can be regarded as having reached a complete agreement only when the issue of agenda topics is resolved."

Subsequently the first preparatory meeting arrived at a tentative

agreement on the time and place of the full-dress four-way talks, level of delegates, creation of subcommittees, and the operational method of the talks.

The highlights of the agreement reached with respect to the opening of the full-dress talks were as follows:

- The Four Party plenary meeting will be convened roughly six weeks after successful conclusion of the preparatory meetings.
- Recognizing the importance of the talks to all four countries, Foreign Ministers will meet as appropriate and as available. On other occasions, they will be represented by senior officials who report directly to them. Heads of delegations at each meeting will be of roughly equivalent rank.
- The Venue will be Geneva, Switzerland.
- The chair for the plenary sessions will rotate among the four parties. The United States will chair the first session. At that session, an order of rotation will be determined by random draw, with the exception that the United States will be last in order. Chairman will be for the duration of a session, and secretariat duties will rotate with the chairman.
- Subcommittees and working groups can be established by agreement of the parties at the plenary.
- Duration of each session will be decided prior to each session, including at the prior session.
- All three languages will be used as now.

In discussing the agenda topics of the full-dress talks, the South Korean delegation proposed that the topics be two comprehensive ones: "Issue of Establishing A Peace Regime on the Korean Peninsula" and "Issue of Reducing Tension and Promoting Confidence Building."

But, the North Koreans suggested a single topic "Establishment of System for Guaranteeing Peace on the Korean Peninsula" with two subtopics: "Withdrawal of U.S. Forces from the Korean Peninsula and Its Adjacent Areas" and "Conclusion of North Korea-U.S. Peace Agreement."

The United States supported South Korea's idea while China suggested two comprehensive topics, "Issue of Establishing Peace Regime on the Korean Peninsula" and "Issue of Improving Relations between Relevant Parties."

The four countries failed to reach an accord on the issue of agenda topics, simply deciding to review the issue at the next preparatory meeting. They agreed to hold the 2nd preparatory meeting in New York in the week beginning September 15. Detailed matters related to the 2nd preparatory meeting were to be settled through later working-level negotiations.

### **E. Second Preparatory Meeting**

Shortly before the opening of the scheduled 2nd preparatory meeting of the four-party talks, there occurred an incident in which North Korean Ambassador to Egypt Chang Sung-gil and his elder brother, Chang Sung-ho, a councilor at the North Korean Trade

Mission in Paris, and their families sought and gained asylum in the United States.

The incident made the fate of the 2nd preparatory meeting a little uncertain. Demanding that the United States repatriate Chang Sung-gil and his families and relatives to Pyongyang, North Korea threatened that if they were not repatriated, North Korea-U.S. relations would hardly be improved.

The United States rejected the North Korean demand and shared the view with South Korea, through consultations, that since the preparatory meeting had nothing to do with the asylum incident, the 2nd preparatory meeting should be held in the week starting September 15, as planned. The two countries decided to propose September 18-19 as the time of the 2nd meeting between the United States and North Korea.

At the U.S.-North Korea contact held in Beijing on September 10, the United States and North Korea agreed to hold the 2nd preparatory meeting on September 18. China agreed to the plan. The 2nd meeting was thus slated for September 18 at Columbia University in New York.

Most of those of the four delegations who attended the 1st preparatory meeting served as delegates to the 2nd meeting, as well, except that China's Tian Baozhen was replaced with Guan Huabing, new director for Korean Affairs at the Foreign Ministry, and Xing Haiming with Zhang Chenggang, a Korea Desk third secretary. American delegate, Lawrence Robinson, was replaced by Robert Carlin, Northeast Asia division chief of the Intelligence and Research

Bureau of the Department of State.

Since working-level procedural issues related to the opening of the full-dress talks were resolved at the 1st preparatory meeting, the key task facing the 2nd meeting was to determine the agenda topics of the full-dress meeting.

At the first session of the 2nd preparatory meeting on September 18, North Korea laid yet another obstacle to the talks. They produced another topic, "Prohibition of South and North Korea from Introducing Military Equipment from Outside of the Korean Peninsula" in addition to the two topics they earlier laid down, "Withdrawal of U.S. Forces from the Korean Peninsula and Its Adjacent Areas" and "Conclusion of a North Korea-U.S. Peace Agreement."

The South Korean delegation emphasized it was desirable to introduce a single generalized and comprehensive topic for the full-dress talks because if the preparatory meeting discussed detailed topics, the talks could linger on indefinitely. The South then offered the topic "Establishment of a Peace Regime on the Korean Peninsula, and Issues Concerning Tension Reduction There." urging the North Koreans to accept it.

The U.S. delegation agreed to the single topic produced by the South, saying that the U.S. delegation could not accept the itemized topics offered by the North, especially because the North Korean ideas presuppose some specific outcomes of the full-dress talks.

The Chinese delegation, too, favored the adoption of a generalized and comprehensive topic so that they could incorporate all matters of

concern to the four parties. The Chinese emphasized that all the participating countries should work from the common goal of building a permanent peace regime on the Korean peninsula.

The North Korean delegation stood firm, however, saying that since the question of topics was an essential issue, they could not show any flexibility at that stage. Here, the four delegations adjourned the first-day session, deciding to resume the meeting the following day, September 19.

Meanwhile, a separate tripartite meeting among South and North Korea and the United States was held on the afternoon of September 18 at the request of the North Koreans to continue to delve into the issue of topics. They failed to narrow their difference, however.

At the second-day session on September 19, the South Korean and American delegations said North Korea should not attempt to delay the opening of the full-dress four-way talks on the excuse of the question of topics. The two countries reminded the North that the preparatory talks were intended simply to discuss and determine procedural issues necessary for the opening of the full-dress talks.

However, North Korea stuck to their stand on the issue of topics, showing no flexibility at all. Amid the lack of any sign of any compromise, the 2nd preparatory meeting of the four-party talks was closed.

## **F. Third Preparatory Meeting**

As no agreement could be made at the 2nd preparatory meeting on



the agenda topics of the full-dress four-party talks, chances seemed almost slim for the opening of a meeting related to the four-way talks any time soon.

On October 21, 1997, however, Mark Minton, Director for Korean Affairs of the U.S. Department of State, and Ri Gun, deputy ambassador at the Permanent North Korean Mission to the United Nations, had an unofficial contact during a seminar held at Stanford University of the U.S. to discuss the issue of the four-way talks. At the contact, Ri Gun hinted that North Korea may attend the full-dress talks.

Following the change of the North Korean attitude, a working-level consultation was held in New York among the four countries, during which North Korea suggested they could show some flexibility in generalizing the agenda topics instead of the itemized topics they had adhered to.

The working-level delegates agreed to hold the 3rd preparatory meeting, which took place at Columbia University in New York on November 21. The participating delegates were the same officials who took part in the 2nd preparatory meeting.

At the 3rd preparatory meeting, the North Korean delegation agreed to adopt the single comprehensive topic which South Korea advanced at the 2nd preparatory meeting, which was "Establishment of a Peace Regime on the Korean Peninsula, and Issues Concerning Tension Reduction There." The Chinese and U.S. delegations, too, supported the topic, thus resolving the knotty issue regarding agenda topic of the full-dress talks completely.

The chief delegates to the 3rd preparatory meeting also discussed the question of when to open the full-dress talks and ended in agreeing to open the main four-party meeting as soon as possible. Taking into account the conditions of the countries involved, they decided and announced that the 1st full-dress meeting will be held on December 9, 1997.

Regarding the composition of delegations to the full-dress talks, the South Korean delegation suggested that in view of the importance and symbolism of the 1st full-dress meeting, it would be desirable that minister-level officials attend the meeting as chief delegates.

But, as other countries said they could not fix minister-level officials' participation beforehand, the delegations decided to announce details about delegations to the full-dress talks through separate discussions to be held prior to the opening of the main talks.

The following is the full text of the joint press release made at the end of the 3rd preparatory meeting:

### Joint Press Announcement

(1997. 11. 21)

Delegations to the Four Party preparatory meetings, which were held in New York from August 5 to November 21, 1997, recognizing the importance of tension reduction and establishment of a durable peace on the Korean Peninsula, have agreed as follows:

The plenary session of the Four Party Talks will commence in Geneva, Switzerland on December 9, 1997.

The agenda of the Four Party Talks will be the "establishment of a peace regime on the Korean Peninsula, and issues concerning tension reduction there.

Details about the delegation to the Four Party Talks will be announced prior to the opening of the plenary session.

The four delegations wish to thank Columbia University for making facilities available for the three preparatory meetings.

The stage was thus all set for the full-dress meeting of the four-party talks to discuss establishing a peace regime on the Korean peninsula for the first time in 43 years and four months after the armistice took effect on the Korean peninsula and one year and seven months after the South Korean and American Presidents proposed the four-party talks on April 16, 1996.

### **G. First Full-Dress Meeting**

The 1st full-dress four-party meeting was held on December 9-10, 1997 at the Secretariat of the European Free Trade Association (EFTA) located at the Center for International Conference Geneva (CICG) in Geneva, Switzerland, with delegations from South and North Korea, the United States and China attending.

The Swiss government, in recognition of the importance of the four-party talks, furnished various conveniences such as the conference site, vehicles for all the delegations and security service for free of charge.

At the 1st four-way meeting, Ambassador to France Lee Shi-young, one-time vice foreign minister, represented South Korea as chief delegate. Other delegates from Seoul were Moon Moo-hong, Assistant Minister for South-North Dialogue of National Unification Ministry who acted as deputy chief delegate; Yu Myung-hwan, Foreign Ministry's director-general for North American Affairs; Ryoo Jin-kyu, a Defense Ministry arms control officer; Kwon Jong-rak, presidential secretary for Foreign Affairs. Lee Soo-hyuk, councilor for political affairs at the Korean Embassy in the United States; Rhee Bong-jo, first policy officer at the National Unification Ministry; and Jun Ok-hyun, a deliberations officer at the Office of the Prime Minister were also present.

The North Korean delegation included Chief Delegate Kim Gye-gwan, vice foreign minister; Ri Gun, deputy chief delegate and deputy ambassador at the Permanent North Korean Mission to the United Nations; Pak Sok-gyun, a deputy Foreign Ministry director; Kim Gyong-nam, a councilor at the Committee for Peaceful Unification of the Fatherland; Pak Myong-guk, a Foreign Ministry division chief; and Chong Dong-hak, a Foreign Ministry official.

The U.S. chief delegate was Assistant Secretary of State for East Asian and Pacific Affairs Stanley Roth, while Deputy Assistant Secretary of State for East Asian and Pacific Affairs Charles Kartman was deputy chief delegate. Other U.S. delegation members were William H. Wright IV., Defense Secretary director for Asian - Pacific Affairs; Brig. General T. Michael Moseley of the Joint Chiefs of Staff; Jack Pritchard, Director for East Asian at National Security Council;

Norm Wulf, acting deputy assistant director for nonproliferation and regional arms control at the Arms Control and Disarmament Agency; and Mark Minton, Director for Korean Affairs at the Department of State.

The Chinese delegation, led by Vice Foreign Minister Tang Jiaxuan, included Ambassador of the Chinese Permanent Mission to Geneva Sha Zukang, deputy chief delegate; Ning Fukui, Foreign Ministry's deputy director-general for Asian Affairs; Chen Mingming, a councilor at North American and Oceanic Bureau, Foreign Ministry. Other team members included Guan Huabing, Korea Desk chief of Asian Bureau, Foreign Ministry; Gu Ziping, a division chief of Press Bureau, Foreign Ministry; Tian Xuezun, secretary to the vice foreign minister; and Yang Xiyu, first secretary at the Chinese Embassy in the United States.

U.S. Chief Delegate Roth chaired the meeting. The order and method of the conference proceeding was the same as those of the preparatory meetings. The four delegations were seated at a rectangular table, as was the case with the preparatory talks.

After a brief opening ceremony in the presence of press members in which Swiss State Secretary of Foreign Affairs Jacok Kellenberger offered greetings and chief delegates posed for pictures, the meeting went into a closed-door session.

South Korean Chief Delegate Lee, while expressly explaining about the purpose of the proposal of the four-way talks, said in a keynote speech that although South and North Korea agreed under the Basic South-North Agreement of 1992 to strive to change the existing state

of armistice into a permanent peace, the agreement was yet to be translated into action. He said the creation of an efficient and stable peace regime between the South and the North of Korea is a challenge that cannot be put off any further. Lee added that to this end, the four-way talks are the most realistic and reasonable method.

Chief Delegate Lee offered a five-point basic framework for establishing a peace regime, the five points being

- Respect for the principle of resolution between the direct parties involved, South and North Korea,
- Promotion of measures to reduce tension and promote confidence,
- Respect for and implementation of the existing agreements such as the Basic South-North Agreement and Military Armistice Agreement,
- Gradual discussion and implementation of the creation of a peace regime and tension reduction based on reciprocity, and;
- Formation of subcommittees for the efficient operation of the talks.

The chief South Korean delegate emphasized the need of broadening the common perception of the proposal. Meanwhile, North Korean Chief Delegate Kim said his country made the "courageous decision" to take part in the four-way talks after regarding the talks as a conference table where both U.S.-North Korea and inter-Korean dialogues could be promoted together.

At one point, however, he renewed his country's existing stand, stressing that there should be priority discussion of the conclusion of a

U.S.-North Korea peace agreement and U.S. military withdrawal from Korea before tackling the issues of establishing a peace regime, reducing tension and promoting confidence on the Korean peninsula.

U.S. Chief Delegate Roth pointed out that the four-party talks would become a historic occasion to bring about a peace regime and reduce tension on the Korean peninsula and to improve relations among the four countries. He especially stressed that in this process, the existing Military Armistice Agreement should be abided by, reminding that all sides had already expressly agreed to it.

Regarding the question of reducing tension on the Korean peninsula, the American chief delegate said it is important to implement the agreed items envisioned in the Basic South-North Agreement. He stressed that one of the duties of the four-way talks is to find out ways to better use the agreement within the framework of the four-way talks. Reacting to the North Korean demands on the issue of U.S. military forces in Korea, Chief Delegate Roth sternly rejected it, saying it is due to North Korea's threat to security that American forces are stationed in Korea.

Meanwhile, Chinese Chief Delegate Tang said that since persisting tensions on the Korean peninsula cannot be of any help to peace and stability in Asia, the world, or the Korean peninsula, the purpose of the four-way talks should be attained through the conclusion of a peace regime on the Korean peninsula. To this end, he said, efforts should be made to improve relations and promote confidence step-by-step within the framework of the four-way talks.

Stating that China would play a constructive role in the four-party

meeting, the Chinese chief delegate said that not only inter-Korean relations but U.S.-North Korea relations, too, should be improved.

The four chief delegates commonly expressed in their keynote speeches the view that the establishment of permanent peace on the Korean peninsula won't be dramatically attained overnight but would go through a complex and long path.

After the keynote speeches, there was a random draw to determine the order of subsequent chairs, which turned out to be China, South Korea and North Korea.

During the two-day (December 9-10) session, South Korea and the United States proposed creating the first subcommittees in a manner that conforms to the already agreed-on agenda topic to provide the talks with a proper framework and facilitate efficient operation of discussion.

However, North Korea asserted that what was more important was to make the agenda topics of the four-way meeting more concrete, proposing that there should be debate on fundamental issues among the parties.

The four countries, through chief delegates' consultations, decided to hold an ad hoc subcommittee meeting in Beijing in mid-February to prepare for the 2nd full-dress meeting of the four-way talks and hold the 2nd full-dress meeting in Geneva beginning March 16, which was announced in a chairman's statement.

The full text of the four-party talks chairman's statement issued on December 10 was as follows:



## Four Party Talks Chairman's Statement

Participants in the Four Party Peace Talks, meeting for the first time in plenary session in Geneva, Switzerland on December 9 and 10, 1997, successfully inaugurated the negotiating process to achieve a permanent peace on the Korean Peninsula.

Talks proceeded in a cordial and productive atmosphere, and the four delegation agreed on the following decision:

1. As a result of a random draw conducted by the Chair, the order of subsequent Chairs was determined to be: PRC, ROK, DPRK, U.S.
2. The next plenary session will convene beginning March 16 in Geneva.
3. The Chair of the first plenary will organize before the second plenary session an ad hoc subcommittee for intersessional consultations in mid-February in Beijing.
4. Intersessional consultations will consider arrangements for organizing the work of the second plenary session, and will provide recommendations for consideration at that session.

All four delegations wish to express their appreciation to the Swiss Government for its support for this meeting.

Thus, a full-track journey toward a permanent peace on the Korean peninsula was launched. The South Korean government, while retaining the spirit and goal inherent in the proposal made by the South Korean and U.S. Presidents for four-party talks on permanent

peace on the Korean peninsula, intends to steadily go through the process of establishing a peace regime.

Since the creation of a peace regime and reduction of tension on the Korean peninsula involve various complex questions such as promotion of confidence building and the issue of exchanges and cooperation between South and North Korea, no achievement can be expected over a short period of time.

The Seoul government, therefore, plans to steadily carry on the four-way talks consistently and patiently in a long-run approach.

Part II

South-North Red Cross Delegates'  
Contact for the Delivery of Relief  
Goods to North Korea



## 1. Background

North Korea has been suffering chronic food difficulties due mainly to structural problems characteristic of the socialist system. The problems include the low productivity of the North's agricultural system, sluggish farm production caused by the short supply of farming materials such as fertilizer and farm chemicals, and declining imports of foods due to the lack of foreign exchanges. Worse yet, natural calamities such as extensive floods in 1995-96 and widespread drought and tidal waves in 1997 further aggravated the food crisis of North Korea.

In March 1994, the South Korean government expressed the willingness to furnish food assistance to the North to help ease the food difficulties there. Under an agreement reached at a subsequent meeting in Beijing, the government shipped 150,000 tons of rice to the North in 1995.

Meanwhile, North Korea asked the United Nations for emergency food assistance, saying that they had suffered tremendously in a flood caused by heavy rains in August 1995.

In response, the South Korean government has since September 1995 been providing food stuffs to the North through such international organizations as the World Food Program (WFP) and United Nations Children's Fund (UNICEF), while allowing private organizations interested in donating foods to the North to collect funds or goods for delivery to the North Korean compatriots through the International Federation of Red Cross and Red Crescent (IFRC)

using the Republic of Korea National Red Cross (ROKNRC) as a single conduit.

However, as the method of indirect delivery by way of IFRC was less efficient in terms of cost and time than direct delivery between the two sides of Korea, the ROKNRC came to promote direct delivery of relief items to the North.

In a telephone message addressed to Ri Song-ho, acting chairman of the North Korean Red Cross Committee (NKRC) on April 18, 1997, ROKNRC President Kang Young-hoon proposed that the South and North Korean Red Cross delegates meet at Panmunjom on April 29, 1997 to discuss the issue of direct delivery.

The following was the full text of the telephone message from ROKRC President Kang to NKRC Acting Chairman Ri:

Learning of your side's difficult food situation through various international organizations lately, I, as a member of the same nation, have come to feel once again with deep anxiety the mission of Red Cross workers.

So far the Republic of Korea National Red Cross has cooperated with the International Federation of Red Cross and Red Crescent based on humanitarian spirit and brotherly love in the effort to reduce your side's difficulties stemming from the food crisis.

We decided on last March 31 to expand private-level assistance to the North. With this as an occasion, I think it is desirable for South and North Korean Red Cross officials to meet directly for discussion so that the food and items bound for your side could be delivered

speedily and smoothly.

Here, I propose that the South and North Korean Red Cross will have a delegates' contact to discuss procedural issues related to the delivery of relief foods and other goods to your side.

It will be good that the delegates' contact will be held at Panmunjom as soon as possible with the attendance of three officials from each side with a Red Cross secretary-general-level official as the chief delegate of each side. I look forward to an affirmative response from your side.

In response, the NKRC on April 19 sent a telephone message to the ROKNRC counter-proposing that the contact be held in Beijing on May 3. The ROKNRC on April 24 suggested in a telephone message that working-level officials meet at Panmunjom to discuss procedural issues including the question of a conference site so as to assure the proposed delegates contact, stressing that there was no reason why Red Cross officials of South and North Korea had to meet in a foreign country.

However, North Korea, in a telephone message, insisted on the Beijing contact without having any intermediary talks, contending that the South should agree to hold the contact in Beijing; and that the two sides had in effect reached an accord on the topic and format of the contact as well as on its delegations. The North thus kept shunning any Panmunjom contact.

Here, the South decided to accommodate the North Korean suggestion in the belief that it was not desirable to delay the contact

over the site issue in view of the humanitarian question involved. The ROKNRC on April 30 flashed to the North the following message signed by ROKNRC President Kang and addressed to NKRC Acting Chairman Ri:

I expect that the communications flowing between the South and North Korean Red Cross offices lately will lead to a meeting between the two sides and to the smooth discussion of procedural matters related to assistance to your side.

There is no change in our side's stand that since South and North Korean Red Cross had met countless times in our country and gave and received assistance at times of calamities, there cannot be any reason why we South and North Korean Red Cross officials should meet in a foreign country.

However, I have decided to send our delegation consisting of three delegates led by the KNRC Secretary-General and three attendants to Beijing, China on May 3 as an exceptional measure in the belief that it is not desirable to delay the contact any further over the issue of contact site and also in consideration of your side's position.

I believe that the place and time to meet in Beijing could be discussed through the telephone line existing between the permanent Red Cross liaison offices at Panmunjom. Please let us know your side's opinion thereon early.

On the afternoon of May 1, North Korea informed the South in a telephone conversation between the liaison officials at the South and



North Korean liaison offices at Panmunjom that delegates could meet at Shangrila Hotel in Beijing on May 3, 1997. Subsequently, the North notified the South of the list of its delegates in response to the earlier notification by the South of the names of its delegates. The stage was thus set for the 1st South-North Red Cross delegates contact in Beijing on the issue of delivery of relief goods to the North.

## **2. Proceedings of Delegates' Contact**

### **A. First Delegates' Contact**

The 1st South-North Red Cross contact called by the South took place at Shangrila Hotel in Beijing on May 3 and 5 to discuss procedures related to the direct delivery of relief goods to the North.

The ROKNRC delegates included Lee Byong-woong, ROKNRC Secretary-General, who acted as chief delegate; and Cho Myong-kyun and Kim Chang-kyun, both steering members of the ROKNRC Emergency Relief Headquarters. The NKRC delegates were Paek Yong-ho, NKRC Chief Secretary and chief delegate; and Chong Young-chun and Kim Song-rim, both members of the NKRC Flood Rehabilitation Committee.

In a keynote speech, ROKNRC Chief Delegate Lee said it is desirable to deliver relief goods to the North directly through the South and North Korean Red Cross rather than under the existing method of going through the IFRC. Lee discussed his Red Cross's

position over such procedural matters as the method of transportation, marking of donors' names, guarantee of the transparency of distribution, liaison business and communications, measures to cope with unexpected incidents, guarantee of personal safety, provision of conveniences to visiting delivery officials, and the issue of marking of transportation vehicles and vessels.

At the same time, Lee explained that direct delivery between the South and North Korean Red Cross would be an effective method, saying that if and when ROKNRC officials were allowed to witness the distribution of relief goods in the North, it could be helpful to expanding assistance to the North.

The North Korean delegation, while stressing that assistance to the North through the IFRC was being made without any particular problems, asked the South to disclose the approximate amount and time of the goods deliverable to the North before going into the discussion of procedural matters related to direct delivery of relief foods and goods.

In response, the ROKNRC said that if and when the path of direct delivery between the South and the North were secured, assistance to the North would be expanded, explaining about keen interest among potential donors in the South in the process of the delivery of relief goods. The South then handed to the North a copy of its version of a draft agreement.

As the NKRC showed the willingness to review the ROKNRC version, the two sides decided to have a second-day meeting on May 5.

At the beginning of the second-day session, the ROKNRC asked the

NKRC to disclose their view of the ROKNRC version of a draft agreement produced at the first-day session. However, the North Koreans demanded that the South first declare the amount of food, and time of expected delivery of the assistance to them.

The South explained that it was difficult to foretell the amount and time of assistance, but the ROKNRC would deliver the relief goods to the North soon after they were collected from private organizations. The South then urged the North to agree to enter into debate on procedural issues, stressing that speedy delivery of relief funds or goods was more important.

However, the NKRC repeated their stand that procedural issues could be discussed only after the South disclosed the specific amount and time of delivery of assistance to the North. The first inter-Korean Red Cross contact came to a close without narrowing their differences. They agreed to have further contact, the time of which was to be decided through telephone conversations between liaison officials at Panmunjom.

## **B. Second Delegates' Contact**

After the breakup of the first delegates' contact, the ROKNRC briefed the heads of private potential donor organizations about the outcome of the 1st contact in Beijing and learned in talks with them the rough amount and time of delivery of assistance to the North.

As a result, ROKNRC President Kang Young-hoon sent a telephone message to NKRC Acting Chairman Ri Song-ho on May 16,

suggesting that 2nd contact be held on May 23 either at Panmunjom, Seoul or Pyongyang. He implied that at the 2nd contact, the amount of assistance could be disclosed as the North wanted.

The full text of the ROKNRC's May 16th message to the NKRC was as follows:

On last May 3 and 6, South and North Korean Red Cross officials discussed procedural matters related to the direct delivery of relief foods and other goods to your side.

I believe that although no agreement was reached there, the contact was significant in that South and North Korean Red Cross officials met again to exchange opinions for the first time in nearly five years.

An agreement on procedural issues should be reached at an early date so that those relief foods and other goods which our private organizations provide could be delivered expeditiously to your side.

In this context, I believe it is desirable to have second delegates' contact on May 23 at either Panmunjom, Seoul or Pyongyang convenient to both sides. At the contact, the amount of assistance could be disclosed. I look forward to your side's affirmative response.

In a telephone message dated May 23, the North said they agreed to have the second contact but insisted it should take place in Beijing, China. The South hardly understood why North Korea insisted on having contact in a third country at the cost of much time and expense. But, the ROKNRC resolved to accept the North's counter-proposal on humanitarian grounds.

The 2nd Red Cross delegates contact was held for four days on May 23-26, 1997 at China World Hotel in Beijing, China. The members of both sides' delegations to the 2nd contact were same as those who attended the 1st contact.

(1) First-Day Session

At the first-day session held at China World Hotel in Beijing on May 23, the South, responding to the North's demand made at the 1st contact for the disclosure of the amount of assistance, said that food assistance in the amount of about 40,000 tons of corn equivalent would be delivered by the end of July 1997; and that the foods to be delivered would comprise mainly corn but would include flour, instant noodle (ramyon), dry milk and edible fats.

By offering a draft "Agreement on Procedures for Direct Delivery," the ROKNRC delegates suggested that the contact enter into the discussion of procedural items.

In response, the North Koreans asked that if the first-portion delivery were to be made by the end of July, how much second-portion assistance would be and how much money the ROKNRC was planning to collect.

The South explained that "since the entire amount of relief goods to the North is purchased with cash donations from people, fund-raising activities would be affected substantially by whether your side would agree on procedural matters." It then urged the North once again to embark on the discussion of procedural issues based on the draft version laid down by the South.

The NKRC, again inquiring about the amount of second-portion assistance, insisted that disclosure of a second-portion amount was linked closely with any discussion of procedural matters before they, producing a draft version of their own, finally agreed to discuss procedural issues.

Accordingly, the two sides decided to review their respective versions and adjust wording article-by-article on a second-day session to be held on May 24.

## (2) Second-Day Session

At the second-day session, the two sides, while comparing their respective versions, adopted those in common on the two versions and discussed those which differed.

Many items were adopted after their wording was adjusted. Agreed-upon items included the method of goods delivery, provision of conveniences, guarantee of personal safety and safe operation, marking of transportation vehicles and vessels, inspection and quarantine, notification of transportation plans, conditions for transportation, resolution of disputes, correction and supplement.

The two sides decided to have a working-level contact between delegates to adjust wording of a draft agreement after the adjournment of the 2nd-day session.

## (3) Working-Level Contact for the Adjustment of Wording

At the 1st working-level contact designed to adjust wording, the two sides reached an accord on procedural items based on the outcome of

the plenary meeting except those on the amount of relief goods, time of delivery, delivery routes and the packing of goods.

Regarding the amount of assistance, the South made it clear that it couldn't accept the North Korean request that the total amount of assistance be 100,000 tons of corn. Here, the North again wanted the first-portion food assistance to be 40,000 tons, not counting the 15,000 tons already committed.

As to the time of delivery, the North requested that the time of delivery be advanced as far as possible because rainy season begins in July and the food situation was harsh in the North.

On the issue of delivery routes, the South offered the compromise plan that if Namyang were added to the list of delivery points, it would consider advancing the time of delivery; while the North insisted that they could not accept Panmunjom as a delivery route under any circumstances.

Regarding the packing of relief goods, the South wanted to have the ROKNRC insignia on all the packages of relief goods, whereas the NKRC reiterated the demand that the Red Cross insignia (+) alone be given with the names of donor organizations or individuals below the insignia.

The working-level contact to adjust wording was resumed on the afternoon of May 25. At the 2nd wording adjustment session held at China World Hotel, the South again explained its position to the North while the North suggested the following as its final plan.

- If no total amount of relief goods can be disclosed, the target

amount of the second portion assistance should be disclosed. The first portion should be 40,000 tons not including the 15,000 tons already notified to the North.

- As for the time of delivery and delivery routes, the North is willing to open Namyang and Manpo as the points of delivery and receipt if the South can advance the time of delivery to the end of June. However, Panmunjom cannot be made available.
- The use of the Red Cross insignia (+) on the packages of relief goods would be alright. We don't care the use of the name of the ROKNRC, if and when the ROKNRC is a direct donor organization.

The 3rd working-level contact to adjust wording took place at China World Hotel on the evening of May 25. At the contact, the South offered the compromise plan that the South would add about 10,000 tons to the first portion and would try to deliver it by the middle of July, and that in return the North should designate Namyang and Manpo as additional points of delivery and allow the use of the name of the ROKNRC on all relief packages. The NKRC accepted it and thus a final agreement was adopted.

#### (4) Third-Day Session

The two sides held a third-day session on the morning of May 26, where the chief delegates signed the "Agreement on Procedures for the Delivery of Relief Materials between the South and North Korean Red Cross" consisting of a preamble and 16 articles.

The agreement served to facilitate the smoother delivery of private-



level relief materials to the North. Besides, through the Red Cross contact, the two sides could resume suspended bilateral Red Cross dialogue. By arriving at an agreement between them for the first time in 12 years after 1985, the South and North Korean Red Cross had built good momentum toward undertaking humanitarian projects.

Moreover, the ROKNRC managed to meet the major wishes of donor private organizations by having the NKRC allow use the names of donors, the existing brands of goods as they are, and the designation of specific donor individuals and areas.

The full text of the agreement the South and North Korean Red Cross adopted at their Beijing contact on May 26, 1997 was as follows:

### **AGREEMENT ON PROCEDURES FOR THE DELIVERY OF RELIEF MATERIALS BETWEEN THE SOUTH AND NORTH KOREAN RED CROSS SOCIETIES**

The Republic of Korea National Red Cross and Democratic People's Republic of Korea Red Cross discussed procedural matters relating to the direct delivery of relief materials by the South to the North in two delegates' contacts held in Beijing between May 3 and May 26, 1997.

The two sides evaluated the relief activities carried out so far by the International Federation of Red Cross and Red Crescent(IFRC) for North Korean people, decided to directly deliver and receive relief materials between the South and the North in cooperation with the IFRC to ensure speedy and smooth delivery of relief materials, and

agreed on working-level procedures relating thereto as follows:

1. Quantity and Items of Relief Materials and Time of Delivery

a. Quantity and Items of Relief Materials

- (1) The quantity of relief materials shall be about 50,000 tons of the equivalent of corn in the first phase.
- (2) The items of relief materials shall be mainly corn and shall include flour, ramyon (instant noodle), powdered milk and edible oil.

b. Time of the Delivery of Relief Materials

- (1) The first-phase assistance shall be delivered and received by the end of July 1997.
- (2) The time of the delivery of those materials to be secured after the delivery of the first-phase assistance, shall be determined under mutual agreement.

2. Transportation of Materials and the Points of Delivery and Receipt

- a. The South shall transport relief materials to the points of delivery and receipt to be mutually agreed on through convenient transportation means by land or sea.
- b. For convenience, the amount of materials to be transported at a time shall in principle be more than 20 train car loads in transportation by land and more than 1,000 or 2,000 tons in transportation by sea.
- c. The points of delivery and receipt shall be Shinuiju, Namyang and Manpo in transportation by land and the Nampo and Hungnam harbors in transportation by sea.
- d. If necessary, the points of delivery and receipt may be changed

or additionally set up through mutual agreement.

### 3. Method of the Delivery of Materials

- a. Materials shall be delivered under the method whereunder the two sides' Red Cross personnel commissioned by their respective Red Cross president (chairman) confirm the quantity and quality of materials and sign and exchange the certificates of delivery and receipt at the points of delivery and receipt. In land transportation, the confirmation of quantity shall be made based on the number of train cars used.
- b. Delivery personnel from the southern Red Cross shall be two to three.
- c. At the time of delivery and receipt, participation by the local representatives of the IFRC shall be allowed.

### 4. Delivery to Designated Targets

In the event southern donors designate recipient areas or persons in their contributions, the North shall see to it that the materials so contributed would be delivered to the designated areas or persons.

### 5. Witnessing of the Process of Distribution

The North shall guarantee the witnessing of the process of distribution in the northern area by the local representatives of the IFRC.

### 6. Guarantee of Conveniences

- a. During the stay in the northern area by southern personnel, the North shall assure them of communications like telegraph and telephone. If possible, the direct telephone line already existing between the South and the North shall be made available. The

fares of overseas telephone calls to be made by southern personnel shall be borne by the South.

- b. During the stay in the northern area by southern personnel, the North shall provide them with conveniences such as boarding, vehicles and guiding.

#### 7. Cooperation in Recording

The North shall cooperate in and guarantee photo-taking by southern Red Cross personnel at the points of delivery and receipt of relief materials.

#### 8. Guarantee of Personal Safety and Safe Operation

The North shall deliver safety guarantee memoranda signed by relevant authorities to the South in advance, in which the North shall guarantee the personal safety of southern personnel, the safe operation of vessels and vehicles entering into their area, and their expeditious and safe return.

#### 9. Insignias for Transportation Vehicles and Vessels

- a. Transportation vehicles of the South shall carry the Red Cross insignia.
- b. When the South's vessels enter or leave North Korean area harbors, they shall hoist the Red Cross flag only without using the national flags of either side.

#### 10. Packs of Materials

The packs of materials shall bear the Red Cross insignia and the names of the donor organizations or individuals. The labels and how-to-use descriptions appearing on the packs of materials shall be left as they are.

## 11. Inspection and Quarantine

Procedures for inspection and quarantine shall be handled in accordance with international practices.

## 12. Advance Notification of Transportation Plan

- a. The South shall, through the direct South-North telephone line, inform the North not later than ten days before departure about a transportation plan containing such concrete items as the time of transportation, kind of materials, identity of transportation vehicles or vessels, quantity of materials laden and the list of transportation personnel.
- b. The North shall, through the direct South-North telephone line, inform the South not later than five days before departure about unloading harbors, stevedoring conditions and other materials necessary for unloading.
- c. Notification schedule may be readjusted through mutual agreement depending on the conditions of the quantity of materials to be transported and transportation means.

## 13. Conditions of Transportation

The South shall bear expenses related to transportation such as shipping fare and insurance payment arising until arrival at the northern area of unloading. Those stevedoring and harbor fees, demurrage and dispatch money arising in the North's unloading area shall be borne by the North.

## 14. Resolution of Disputes

Various problems arising in the course of carrying out this Agreement shall be discussed and resolved between the Red

Cross delegations.

15. Amendment and Supplement

This Agreement may be amended or supplemented through mutual agreement.

16. Effectuation

This Agreement shall go into force from the date when the two sides sign and exchange its copies.

May 26, 1997

Lee Byong-Woong	Paek Yong-ho
Chief Delegate, Southern Delegation	Chief Delegate, Northern Delegation
South-North Red Cross Delegates'	North-South Red Cross Delegates'
Contacts	Contacts
Republic of Korea National Red Cross	Democratic People's Republic of Korea Red Cross

C. Third Delegates' Contact

On July 12, 1997 around the time the first-portion delivery was about to be completed, the South proposed in a telephone message that the 3rd South-North Red Cross delegates' contact be held to discuss the delivery of second-portion assistance to the North.

The text of the telephone message from ROKNRC President Kang Young-hoon to Acting NKRC Chairman Ri Song-ho was as follows:

At this time when the delivery of the first-portion 50,000 tons of foods agreed on with your side on last May 26 is almost completed, I feel that the two sides need to make an evaluation of the first-portion delivery and to discuss the issue of second-portion assistance.

In this connection, I propose that the 3rd South and North Korean Red Cross delegates' contact be held on July 22 (Tuesday) either at Panmunjom or another place of convenience within our land.

The delegates may be three from each side led by a Red Cross secretary-general-level official as was the case with the previous contact. I look forward to your side's affirmative response.

Responding to the South's proposal, the North agreed on the 3rd contact but insisted on Beijing, China as the site of the contact. As the excuse for advocating Beijing, the North Koreans argued, "Since the contact would be the continuation from the previous contact, it is reasonable to have it in Beijing, China."

The South could not agree to the North Korean contention. But, it accepted the counter-proposal because the 3rd contact couldn't be delayed any further merely on the ground of a site issue.

The ROKNRC delegation to the 3rd contact was comprised of the same three delegates led by ROKNRC Secretary-General Lee Byongwoong and three attendants who attended the 1st and 2nd rounds of the contact. The North Korean delegation, too, was the same as for the previous contact except that Chief Delegate Paek Yong-ho was replaced with Choe Gyong-rin, who was just named as the NKRC chief secretary.

### (1) First-Day Session

At the first-day session on July 23, the North, thanked the donor organizations and the ROKNRC for giving them the first-portion assistance, and observed that providing food aid had set a good precedent for mutual assistance between the same people. The NKRC then asked that the South disclose the amount and time of the delivery of second-portion assistance.

The ROKNRC observed that the delivery of first-portion assistance was carried out smoothly, presenting to the North a draft agreement containing some supplementary items.

Commenting on the draft agreement, the NKRC asked for food aid in an amount larger than the first-portion aid consisting mostly rice and corn. They asked for delivery to the North by September 20. In reaction, the South suggested that 50,000 tons of corn equivalent could be provided to the North by the end of October, saying that the items to be delivered could include medicines, clothes and fertilizer, in addition to corn and other items furnished to the North in the first-portion assistance.

The North Korean refused to expand the points of delivery and receipt of relief goods or to cooperate in ascertaining designated recipients of the aid. They also shunned any discussion of sensitive issues such as transparency of distribution, allowing press members to cover food distribution, and providing conveniences to delivery officials from the South.

### (2) Second-Day Session

At the second-day session held on the morning of July 24, the



NKRC wanted to confirm that there was no change in the 50,000-ton amount the South had suggested, expressing the hope that the amount would be increased step by step. They also asked that the delivery be made by the end of September.

The North agreed to videotaping delivery scenes, to issue visas at the North Korean Consulate in Shenyang and to notify the South of detailed information on the distribution of relief goods within 20 days after delivery.

But, they refused to increase the number of the points of delivery and receipt, to allow officials from the South to witness distribution, to ascertain the whereabouts of dispersed family members, and to distribute relief goods to designated recipients. The North said that the items agreed at the time of the first-portion delivery could be applied to the issues of guaranteeing press activities and providing conveniences to delivery officials.

The two sides had working-level contact twice on the afternoon of July 24 to adjust wording and reach an accord on the items to be delivered, the time of delivery, inspection of materials, notification of the results of distribution, and linkage with the existing agreement.

They also decided that procedural items not contained in the agreement would be covered in a separate "Matters of Understanding." The NKRC accepted the ROKNRC's suggestion that the second-portion aid would be shipped by the end of September. The North also agreed to guarantee the verification of the distribution process by IFRC officials to ensure the transparency of distribution. Regarding the items to be delivered, the South suggested the

elimination of fertilizer and the North wanted to exclude medicines, which were adopted as suggested.

### (3) Third-Day Session

An agreement was reached at the working-level contact, which led to a plenary session at 10 a.m. July 25. At this session, the two sides finally reviewed the agreement and signed the Agreement and Matters of Understanding to formally adopt procedures for the delivery of second-portion assistance to the North.

A little more transparency of distribution was secured at the 3rd South-North Red Cross delegates' contact as IFRC officials posted in the North were enabled to verify the distribution of relief goods. In addition, North Korea was obligated to notify the South of detailed information on distribution areas, recipients of relief goods, and items and quantities within 20 days after the delivery of relief goods.

The South scored another achievement by seeing to it that those areas needing improvement would be covered in a separate "Matters of Understanding." Areas to be covered included those which the North could interpret arbitrarily, and measures enabling the crewmen of the South's transportation vessels to go ashore, instead of being confined aboard their vessels during the unloading of relief goods.

The following is the full text of the Agreement and the Matters of Understanding signed on July 25, 1997 by ROKNRC Chief Delegate Lee Byong-woong and NKRC Chief Delegate Choe Gyong-rin.

## **THE AGREEMENT BETWEEN THE SOUTH AND NORTH KOREAN RED CROSS ON PROCEDURES FOR THE DELIVERY OF SECOND-PORION RELIEF GOODS**

The Republic of Korea National Red Cross and Democratic People's Republic of Korea Red Cross Committee had delegates' contact in Beijing from July 23 through July 25, 1997 to discuss procedural issues related to the direct delivery by the South of second-portion relief goods to the North.

The two sides evaluated the delivery made by the South of its first-portion relief goods and their receipt by the North under the Agreement on Procedures for the Delivery of Relief Materials between the South and North Korean Red Cross of May 26, 1997, and agreed as follows on the amount, items and delivery time of the second portion and on supplementary items;

### **1. Amount, Items and Delivery Time of Second-Portion Relief Goods**

- (1) The amount of relief goods shall be the equivalent of 50,000 tons of corn.
- (2) The items of relief goods shall be mainly foods such as corn.
- (3) The second-portion relief goods shall be delivered and received by the end of September 1997.

### **2. Inspection of Materials**

Inspection of relief items shall be made based on train coaches when land routes are used and aboard vessels when sea routes are employed and in accordance with international practices.

### **3. Witnessing of Distribution Process and Notification of the Results of**

## Distribution

- (1) The North shall guarantee that field representatives of the International Federation of Red Cross and Red Crescent (IFRC) verify the results of distribution in areas to which relief items from the South were delivered.
- (2) The North shall notify the South by writing of details of the distribution of materials (areas, targets of distribution, items, quantities, etc.) within 20 days after the delivery of relief materials.

## 4. Relations with the Existing Agreement

The Agreement on Procedures for the Delivery of Relief Materials between the South and North Korean Red Cross which the two sides concluded on May 26, 1997, shall continue to remain in force.

July 25, 1997

Lee Byong-Woong

Choe Gyong-rin

Chief Delegate, Southern Delegation

Chief Delegate, Northern Delegation

South-North Red Cross Delegates'

North-South Red Cross Delegates'

Contacts

Contacts

Republic of Korea National Red Cross

Democratic People's Republic of  
Korea Red Cross

## (Matters of Understanding)

1. At the time of sea transportation, delivery personnel from the South

shall have boarding on land during the period of their stay in the area of the North.

2. Picture taking and video-taping of the scenes of delivery, receipt, unloading and inspection shall be guaranteed on both land and sea routes.
3. Plans for relief goods transportation and notification of the outcome of distribution of relief goods shall be delivered in writing through the South and North Red Cross liaison delegates at Panmunjom.
4. The visas necessary for visits to the areas of the North by delivery personnel from the South shall be issued by the North's Consulate in Shenyang.
5. If a delay in transportation is unavoidable due to natural disaster or holidays, the time of delivery and receipt may be adjusted.
6. The South shall endeavor to ensure the proper quality and quantity of the materials deliverable to the North.

July 25, 1997

Lee Byong-Woong	Choe Gyong-rin
Chief Delegate, Southern Delegation	Chief Delegate, Northern Delegation
South-North Red Cross Delegates'	North-South Red Cross Delegates'
Contacts	Contacts
Republic of Korea National Red Cross	Democratic People's Republic of Korea Red Cross

#### D. Fourth Delegates' Contact

The delivery of the second-portion relief goods, originally set to be completed by the end of September 1997, could be finished only on October 29 due to a change in the purchasing price of corn in China, a delay in the return of North Korean train coaches, and Chusok (Moon Festival) and national holidays in China.

On November 7, 1997, the North sent a telephone message to the ROKNRC, offering appreciation for the delivery of the second-portion relief goods, informing the South of detailed information on the distribution of the final shipment made on October 11-29, and proposing that the 4th South-North Red Cross delegates contact be held in Beijing to discuss business matters. They also said in the telephone message that they took note of the South's request regarding the verification of distribution in areas other than those covered by the IFRC.

However, the information furnished by the North on the outcome of distribution did not contain the results of distribution of those relief goods supplied in a period from August 12 to October 10.

Here, the ROKNRC, in a telephone message, asked the North to see to it that the South would be able to verify the distribution of relief goods even in areas other than those covered by the IFRC's relief programs. The South also said it would express its stand during the proposed the 4th contact, after receiving detailed information on the distribution of the whole second-portion relief goods delivered from August 12 to October 29.

In response, the North notified the South of the outcome of the distribution of the relief items delivered to the North from August 12-October 30. But, it was in effect no more than a rewritten copy of the list of designated recipients the South had sent. While failing to offer substantive guarantees regarding the verification of distribution by the IFRC, the North merely urged the South to have 4th South-North delegates' contact.

At a liaison officials' contact held on December 8, the South proposed that the 4th contact be held in Beijing on December 22. The South stressed that at the 4th contact, the North should pledge an advanced measure regarding the verification of the distribution of relief goods. In a telephone message dated December 11, the North agreed, thus setting the stage for the 4th South-North Red Cross delegates' contact.

There was no change in the members of the ROKNRC delegation led by KNRC Secretary-General Lee Byong-woong. The team was composed of three delegates and three attendants. The North Korean delegation was headed by Choe Gyong-rin, chief secretary of the North Korean Red Cross Committee. Kim Song-rim who was a delegate to the 1st through 3rd contacts was replaced this time with Ri Chon-il.

#### (1) First-Day Session

At the first-day session on December 22, the NKRC said it had correctly distributed the materials provided by the South and informed the South of the outcome of the distribution. The NKRC

delegates thanked donor organizations and individuals as well as the ROKNRC for the assistance. The North Koreans then urged that the two sides discuss the volume, items and time of third-portion assistance to the North.

In reaction, the ROKNRC emphasized the need to obtain more transparency of distribution system, pointing out that the verification of distribution of the relief goods earlier delivered was not satisfactory. The ROKNRC also asked the North to show its response to the suggestion made by the South on November 8 for the creation of a reunion center for dispersed families before presenting its version of a draft agreement on third-portion assistance.

Detailed discussion ensued between the two sides. The ROKNRC said that the volume of the third-portion could be same as the first- and second-portions. The ROKNRC delegates also said that due to the changing value of the won currency, it would be good not to specify the amount at that time. They indicated that items would be mainly domestically available goods such as foods, medicines, blankets, clothes and edible fats; and that the South would try to make the delivery by the end of March.

The NKRC said that the amount of the third-portion relief goods be specified and that chemical fertilizer and farming-purpose vinyl sheets should also be included in the relief goods. Regarding the medicines and clothes offered, the North said that the South could entrust money for medicines to the IFRC in cash, and that clothes should be in designated sizes or they could not receive them. They wanted to have the third portion delivered by the end of March.



With regard to the issue of additional designation of the points of delivery and receipt, the South suggested that Panmunjom and Chongjin harbor be added to the list of delivery and receipt points. The North replied that Shinuiju alone can remain as a land route and Nampo and Hungnam as sea routes, contending that they couldn't open the Rajin-Sonbong area because the area had been developed for other purposes and because any opening of the area would require separate consultations with the Rajin-Sonbong authorities.

On the issue of delivering relief goods to designees among dispersed families, the South, taking into account the North's position, suggested that the project be undertaken on a pilot basis. But, the NKRC rejected the proposal, saying that the topic was not proper material for a contact which was supposed to discuss food assistance issues.

Regarding the issue of witnessing the distribution process and informing of the outcome of distribution, the South urged the North to abide by the agreement made for the delivery of second-portion relief assistance. That stipulated that ROKNRC officials could visit the areas of distribution once or twice to witness the process of distribution and that field IFRC representatives could verify the distribution of relief goods in areas covered by ROKNRC relief projects other than IFRC project areas. The ROKNRC also asked the North to see to it that documents regarding the outcome of distribution be sent to the South within 20 days after delivery and such documents include detailed items including the number of recipient households by city or county.

In reaction, the NKRC said it was rather premature for the North to allow ROKNRC personnel to witness the distribution process. Contending that relief activities should be promoted with trust, the NKRC said that suspecting the outcome of distribution was not in line with Red Cross activities. The North Korean delegation went on to say that verifying of distribution by IFRC field representatives was valid only for those areas covered by IFRC relief programs. The North's delegation added that there is the need to make it express whether the South's assistance to the North would be carried out directly between the South and the North or through the IFRC. The NKRC said that if the IFRC were involved, IFRC representatives can verify distribution only in those areas covered by IFRC relief activities.

They argued that the agreement made at the time of the first-portion assistance to the effect that the two sides would cooperate with the IFRC in the delivery of relief goods was a mistake committed by Paek Yong-ho, the then NKRC chief delegate. North Korea then challenged the South to choose one of the two: to provide assistance through the IFRC or directly between the South and the North, rather than through the IFRC.

When the South urged the North to agree to have South-North Red Cross contact to discuss the creation and operation of a dispersed family reunion center or to discuss the exchange of visitors to aged parents, the North said that since the method of resolving the dispersed family question is included in the Basic South-North Agreement, the dispersed family issue would be resolved by itself when inter-Korean relations are improved to the point of putting the

basic agreement into action.

In addition, the South, recalling that South Korean media reported in detail the assistance provided by the North to the South during a flood in 1984, said it was difficult to explain to donor organizations about transparency in the distribution process, because North Korea's media had not reported on the relief assistance given by the South at all. The North shunned a direct reply, merely saying that the North was attaching a particular importance to the Beijing contact, asking that "won't there be a progress in inter-Korean relations?"

Under the circumstances, the two sides failed at the first-day plenary session to iron out differences over the issues of the volume and items of assistance and of ensuring transparency of distribution. A working-level contact took place in the afternoon to discuss adjusting the words of a draft agreement. But, no progress was registered either as the North showed no change in their intransigent attitude. The two delegations decided to hold a second-day session on the afternoon of December 23.

## (2) Second-Day Session

At the second-day plenary session held on the afternoon of December 23, the North persisted in its basic stand but hinted that they may add Rajin harbor to the list of delivery points, and accept the South's idea with respect to the issue of notification of the outcome of distribution.

On the question of witnessing the process of distribution and confirming the outcome of distribution, however, the North

challenged the South to either leave the issue to the IFRC or trust the NKRC, saying that they couldn't cooperate in delivering relief goods to designated recipients or allow press members to cover the distribution sites.

At separate working-level contact held at 6 p.m., the two sides reached a tentative agreement on the volume of third-portion relief assistance, items to be provided, time of delivery, and the points of delivery and receipt. However, they decided to review again at a plenary session following day, December 24, the issue of whether to allow IFRC field representatives to affirm the outcome of distribution.

### (3) Third-Day Plenary Session

The third-day plenary session was held at 10 a.m. December 24. The South produced its version of a draft agreement, asking the North to accept it.

However, the North's Chief Delegate, Choe Gyong-rin, rejected the suggestion made by the South on the issue of transparency of distribution, asserting that "the South's demand lacks practicability."

Here, the South suggested that the North make a study the issue of distribution transparency a bit more before having further contact. The ROKNRC said the two sides could carry on discussion either over the direct telephone, have working-level contact in Beijing or exchange documents through liaison officials at Panmunjom.

However, the North declined to make any concrete answer. The 4th South-North Red Cross delegates' contact thus came to an end without any achievement due to the issue of ensuring distribution

transparency through the IFRC.

### **3. Delivery of Relief Goods to the North through the Korean National Red Cross**

Under the agreements made at the South-North Red Cross contact held in Beijing, the delivery of first-portion relief goods began June 12 and was completed July 23. Delivery of second-portion goods began August 12 and was completed October 29. The relief goods furnished in these periods totaled 106,729 tons of corn equivalent, some 6,700 tons more than what were initially agreed on. The total broke down to 53,841 tons in the first-portion shipment and 52,888.1 tons in the second-portion shipment.

#### **A. Delivery of First-Portion Relief Goods**

##### **(1) Delivery Routes**

In the first-phase delivery of relief goods to the North, a total of 53,841 tons were furnished beginning June 12. By land, 41,511 tons were delivered through three areas on four occasions until July 23. Of the 41,511 tons, 17,111 were transported to Shinuiju, 9,000 tons to Manpo and 15,400 tons to Tomun.

Some 11,200 tons were delivered on the first of the four occasions from June 12 through 19; 10,600 tons on the second occasion (June 20-27); 7,711 tons on the third occasion (June 28-July 5); and 12,000

tons on the fourth and last occasion (July 9-23).

By sea, a total of 12,330 tons of corn equivalent were transported on two occasions by South Korean vessels. The items delivered by sea were exclusively domestic products such as flour, instant noodles (Ramyon) and fertilizer. On the first of the two occasions, 5,330 tons of corn equivalent in flour and instant noodles were transported by Changyoung-ho No. 8 on June 26, 1997 from Pusan to the Hungnam harbor along the east coast. On the second occasion about 7,000 tons of corn equivalent in flour, instant noodles and fertilizer by Dongjin Nagoya on July 26 from Pusan to the Nampo harbor along the west coast.

## (2) Items Delivered

The relief items provided to the North in the first-portion shipment included 41,511 tons of Chinese corn and corn powder and 12,330 tons of corn equivalent in purely domestic products like flour, instant noodle and fertilizer. The domestic products were delivered in packs carrying their original South Korean brands, while Chinese corn and corn powder were contained in specially made sacks carrying the mark of the Republic of Korean National Red Cross and the names of donor organizations.

Moreover, in view of the fact that North Korea had been appealing to the rest of the world community for the provision of fertilizer, 2,000 tons of fertilizer were additionally provided to help North Korea better cultivate crops in 1998.

### (3) Donor Organizations and Distribution Areas

A total of 10 South Korean private organizations and individuals took part in the first-portion relief assistance to the North. They included the Federation of Korean Industries, Movement for Mutual Assistance Between the Korean People, Nationwide Movement for Assistance to Northern Compatriots and Mr. Chung Ju-young, honorary chairman of the Hyundai Group.

The ROKNRC desired that the relief goods be distributed to all nine provinces and the Kaesong Direct-Controlled Cities including Hamgyong-do and Pyongan-do provinces, and the four organizations of the North Korean Red Cross, Agricultural Commission, North Korean Christian Federation and the North Korean Chondoists Association.

### (4) Delivery Personnel

The South Korean personnel who visited the North to deliver the first-portion relief goods totaled 42. When the 20 crew persons of vessels used were included, the number reached 62. Thirty-six officials visited three land-route areas on four occasions and six sea-route areas on two occasions.

North Korea furnished such conveniences as room and board, and vehicles to the visiting South Korean officials. But, the personnel visiting Hungnam harbor were denied room and board on the ground of the lack of lodging facilities there. During their stay in North Korea, the delivery officials used international telephones linking North Korea and China.

## B. Delivery of Second-Portion Relief Goods

### (1) Delivery Routes

In the second-portion shipment of relief goods to the North, which began on August 13, 1997 under an agreement made at the 3rd South-North Red Cross delegates' contact in Beijing, a total of 52,888.1 tons of corn equivalent were shipped to the North by October 29.

Of the total, 32,676.1 tons that were transported by land routes: 12,211.4 tons of Chinese corn, millet and potatoes were sent to Shinuiju. Some 15,664.7 tons of similar items were sent to Namyang, and 4,800 tons to Manpo. By sea, a total of 20,212 tons of corn equivalent - such as flour, edible fats, powdered milk, baby foods and children's dietary supplements were shipped to the North on three occasions: twice to the Nampo harbor and once to Hungnam.

### (2) Items Delivered

The second-portion relief goods included 17,100 tons of corn, 14,576.1 tons of millets, 5,501 tons of flour, 270,000 liters of edible fats, 1,300 tons of potatoes, 96.74 tons of baby food, 100 tons of powdered milk and 30,000 bottles of children's dietary supplements. The children's dietary supplements were in addition to the agreed-upon 50,000 tons of corn equivalent. The children's dietary supplements were provided at the request of a South Korean private organization because children are the priority target of relief.



### (3) Donor Organizations and Distribution Areas

A total of 25 South Korean religious and civil organizations, plus a number of individual people took part in the second-portion assistance to North Korea. Donors included the Korean Christian Federation (Hankichong), the Buddhist Headquarters of the Movement for Mutual Assistance Between the Korean People, World Vision Korea; and the Committee for the Promotion of Reunion of 10 Million Dispersed Families.

The South desired that the second-portion relief goods be distributed to eight provinces including Hamgyong-do, Pyongan-do, Yanggang-do and Chagang-do. Also specified were Seven cities and counties and 13 organizations including the North Korean Red Cross's city and provincial Red Cross chapters. The North Korean Christian Federation and the North Korean General Federation of Trade Unions were also listed for direct distribution of the goods.

### (4) Delivery Personnel

Those South Korean personnel who visited North Korea to deliver the second-portion relief goods numbered 63 for both land and sea routes. Also during the period of the second-portion delivery, the South sent 12 inspectors to China to ensure the quality and quantity of the relief goods.



Part III

Support for the Construction  
of Light-Water Nuclear Reactors  
in North Korea



# 1. Background

North Korea's nuclear question began to emerge as a matter of keen international concern after a "serious inconsistency" was shown between what North Korea had declared and what was found during six special and general inspections of the North's nuclear facilities by the International Atomic Energy Agency (IAEA) following the conclusion of a Nuclear Safeguards Agreement between the IAEA and North Korea in January 1992.

Contrary to the North Korean declaration that they had only once extracted a small amount of plutonium which could be used in producing nuclear arms, the IAEA probes determined on February 1993 the North had produced a much larger amount of plutonium on a number of occasions. In particular, two undeclared facilities were found to be the storage sites for reprocessed nuclear waste; while an alleged radioactive chemical laboratory turned out to be a large-scale nuclear reprocessing plant.

When the IAEA wanted to make a special inspection of these facilities, North Korea announced on March 12, 1993 its plan to withdraw from the Nonproliferation Treaty (NPT). The announcement exacerbated tensions that had persisted between North Korea and the rest of world community until the Agreed Framework was signed in Geneva on October 21, 1994 between the United States and North Korea.

Efforts to resolve the North Korean nuclear question were made mainly in two channels -- one was the effort made by the world

community led by the IAEA, U.N. Security Council and the United States; and the other was the effort of the South Korean government to ensure peace and stability on the Korean peninsula.

The effort by the IAEA to dissuade North Korea ended in vain. The United States, which had led the worldwide nonproliferation system, embarked on negotiations with North Korea under the U.N. Security Council resolution of May 11, 1993 which called on North Korea to return to the NPT and accept special IAEA inspections.

After second-stage U.S.-North Korea negotiations, North Korea unilaterally went ahead with drawing out fuel rods from a 5MWe experimental reactor in May 1994 to drive the tension to a perilous point.

However, as North Korea promised to have an inter-Korean summit meeting and return to the dialogue table with the United States during former U.S. President Jimmy Carter's visit to Pyongyang, a third-stage of U.S.-North Korea negotiations was set to take place on July 8, 1994 and the two Koreas agreed to have a summit meeting in Pyongyang on July 25-27, 1994 for the first time since national division.

Due to the death of Kim Il-sung on July 8, 1994, however, the third-stage talks were put off until a later date and the South-North summit was called off. But, in his National Liberation Day message on August 15, 1994, President Kim Young-sam announced a plan to extend financial support to the construction of light-water nuclear reactors in the North as part of a policy to help resolve the North Korean nuclear question and to use it as an occasion to improve inter-

Korean relations under a grand plan to promote national development.

Influenced by such a positive policy of the South Korean government, the third-stage U.S.-North Korea talks recorded rapid progress, leading to the conclusion of the Agreed Framework in Geneva on October 21, 1994. The agreement guaranteed that North Korea would freeze and eventually dismantle its graphite-moderated nuclear reactors and related facilities and, in return, support would be extended to the construction of light-water nuclear reactors in North Korea.

Accordingly, the South Korean government established the Office of Planning for the Light-Water Reactor Project under the control of the National Unification Ministry on January 23, 1995 with a view to ensuring the smooth promotion of the light-water reactor project.

The South Korean government also helped to create the Korean Peninsula Energy Development Organization (KEDO), which was established March 9, 1995 with the duty of supplying light-water reactors and raising necessary funds. South Korea, the United States and Japan are playing a leading role in the KEDO. The consistent stand of the Seoul government toward the light-water reactor project has been that South Korea should play a central role in the project and that the project should be undertaken always in a way that would be contributory to the improvement of inter-Korean relations.

In the subsequent Kuala Lumpur agreement signed on June 13, 1995 by the United States and North Korea, Pyongyang accepted the supply of the standard South Korean reactor model. Finally on December 15, 1995, a light-water reactor supply agreement, which,

carrying the stature of an international treaty, would serve as the framework of the light-water reactor project. The agreement was concluded in negotiations between the KEDO and North Korea. Officials from the Office of Planning for Light-Water Reactor Project attended the negotiations as representatives of the South Korean government.

Following the conclusion of the reactors supply agreement, the KEDO on March 20, 1996 formally designated the Korea Electric Power Corp. (KEPCO) as the main contractor charged with the overall implementation of the project in which light-water reactors would be built in the North on a turn-key basis.

Pursuant to the provisions of the reactor supply agreement, there were a series of KEDO-North Korea negotiations for the conclusion of a set of protocols, leading to the conclusion and effectuation of the Protocol on Privileges, Immunities and Consular Protect, Protocol on Transportation and the Protocol on Communications on July 11, 1996. Protocols on site and services, too, were agreed on on September 26, 1996. But, their formal conclusion was withheld due to the outbreak of a submarine intrusion incident. North Korea was formally asked to admit to and apologize for the intrusion.

## **2. Negotiations for the Conclusion of Follow-up Protocols between the KEDO and North Korea**

Negotiations for protocols on site and services were difficult for a



considerable period of time because of the issue of the cost of the labor North Korea is set to furnish to the project. However, as the North found its negotiation card weakened as a result of the submarine intrusion incident that flared up on September 18, 1996 during the height of the negotiations, the North Koreans sought to wrap up the talks early resulting in the conclusion of the two protocols on September 26, 1996 in a manner that reflected the stand of South Korea in most cases.

Formal signing of the protocols was withheld at the urging of the South until after the submarine incident was resolved with North Korea's apology, which was made on December 28, 1996. The two protocols which were signed and put into force on January 8, 1997 in New York put the reactor project on full track.

### **A. Protocol on Site**

The Protocol on Site provides for concrete matters related to site take-over, site access and the use of the site in the implementation of the light-water reactor project in accordance with Paragraph 3, Article 5 of the supply agreement. Highlights of the protocol are:

- Securing the reactor site and housing area extending about 8,910,000 square meters (2,700,000 pyong) necessary for the project.
- Furnishing of quarry and aggregate sources areas, and an agreement on the joint use of a corridor area (along a road

linking the reactors site and housing area).

\* Opening of the sea area in front of the housing area after more than 500 KEDO persons are living in the housing area; or 14 months after ground breaking for site preparation, whichever comes first.

○ Securing the exclusive right to use the site.

- KEDO's advance permit is needed when a North Korea person enters the site.
- North Korean personnel engaged in the reactor project should respect the internal order established by the KEDO or KEDO contractors.

○ Regulating of items in which North Korea should cooperate for the expeditious implementation of the project.

- The North shall guarantee the creation of a bonded area and speedy customs clearance, and guarantee of customs clearance through documental review.
- Issuance of a certificate of site hand-over would be taken as having given permits for all construction projects within the site with the exception of a construction permit to be given by North Korean atomic energy authorities and a permit for test operation of reactors.

The following is the full text of the Protocol on Site concluded between the KEDO and North Korea:

**PROTOCOL BETWEEN THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION AND THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON**

# **SITE TAKE-OVER, SITE ACCESS AND USE OF THE SITE FOR THE IMPLEMENTATION OF A LIGHT-WATER REACTOR PROJECT**

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK"),

Reaffirming that KEDO and the DPRK shall faithfully perform their respective obligations under the Agreement on Supply of a Light-Water Reactor Project to the DPRK between KEDO and the Government of the DPRK, signed on December 15, 1995 (hereinafter referred to as the "Agreement") and protocols to the Agreement,

Desiring to conclude a protocol in accordance with Article V, paragraph 3 of the Agreement concerning take-over, access and the use of the light-water reactor (LWR) project site, and related issues (hereinafter referred to as the "Protocol"),

Have agreed as follows:

## **ARTICLE 1 DEFINITIONS**

For the purposes of the Protocol:

1. "KEDO Persons" means all personnel sent to the DPRK by KEDO, its contractors and subcontractors, and members of KEDO delegations, as well as other persons under the auspices of KEDO and their

- accompanying family members in connection with the LWR project.
2. "Materials" means all equipment, raw materials, goods, amenities and other items necessary for working and living by KEDO Persons, directly or indirectly related to the LWR project.
  3. "Site", referenced as LWR Project Sites and Project Site in protocols to the Agreement, means the location of the LWR plants and related facilities as specified in Annex 1 of the Protocol.
  4. "Site Survey" means a preliminary investigation and analysis of the Kumho area near Sinpo City, South Hamgyong Province conducted by KEDO to ensure that the area satisfies the site selection criteria as shall be agreed between KEDO and the DPRK and to identify the requirements for design, construction and operation of the LWR plants, including infrastructure improvements. The Site Survey forms part of the site studies which shall be included in the preliminary safety analysis report(PSAR) referenced in Article X, paragraph 2 of the Agreement.

**PART 1**  
**SITE BOUNDARIES AND SITE TAKE-OVER**

**ARTICLE 2**  
**SITE BOUNDARIES**

1. The boundaries outlining the Site, as specified in Annex 1 of the Protocol, and as indicated on the map are attached as Annex 2 of the Protocol. Such boundaries may be amended as required for the

expeditious and smooth implementation of the LWR project and as agreed between KEDO and the DPRK.

2. KEDO shall prepare a Site Survey report, which shall include detailed coordinates of the boundaries referenced in paragraph 1 of this Article based on the Site Survey, relevant data provided by the DPRK in accordance with Annex 2, paragraph 2 of the Agreement, and the site selection criteria. The Site Survey report shall demonstrate that the Site can meet the site selection criteria. Final confirmation that the Site meets the site selection criteria shall be made in PSAR.

### **ARTICLE 3**

#### **SITE TAKE-OVER CERTIFICATE**

1. As soon as possible after receiving the Site Survey report, the DPRK shall issue a site take-over certificate to KEDO, the form and the type of content of which shall be agreed between KEDO and the DPRK. The site take-over certificate shall be valid for the duration of the LWR project. The site take-over certificate issued by the DPRK shall in no way transfer ownership of valuable mineral resources and cultural relics, but the assertion of this ownership shall not impede the smooth and expeditious implementation of the LWR project. Following the issuance of the site take-over certificate, KEDO may allow DPRK nationals to use portions of the Site temporarily for agricultural purposes provided such use does not affect the safety or the implementation of the LWR project, as

deemed necessary by KEDO.

2. The site take-over certificate, including the boundaries referenced in Article 2, paragraph 1 of the Protocol, may be amended as required for the expeditious and smooth implementation of the LWR project and as agreed between KEDO and the DPRK. This shall include amending the site take-over certificate when the DPRK issues a plant take-over certificate for the first LWR plant and related facilities as specified in Article III, paragraph 2 of the Agreement.
3. The DPRK shall fulfill the relevant tasks specified in Annex 2, paragraphs 1, 2, 5 and 6 of the Agreement before the issuance of the site take-over certificate specified in paragraph 1 of this Article. Existing structures and facilities, in the Site, referenced in Annex 2, paragraph 1 of the Agreement shall include buried explosive materials, underground utilities, fish farm facilities, and cultural and other properties, except any roads.

## **PART 2**

### **ACCESS TO, USE OF AND RIGHTS WITHIN THE SITE**

#### **ARTICLE 4**

##### **USE OF THE SITE**

1. KEDO, its contractors and subcontractors shall have exclusive rights to use the Site without interference from the DPRK for: construction of LWR plants and related facilities; offices for KEDO,

its contractors and subcontractors; housing and recreation for KEDO Persons; services; and any other purposes related directly or indirectly to the LWR project.

2. In accordance with paragraph 1 of this Article, the DPRK shall not interfere with the performance or personal life of KEDO Persons, including the right to conduct religious services, within the Site.
3. KEDO, its contractors, subcontractors and KEDO Persons shall respect the relevant laws and regulations of the DPRK, including those on the environment and construction, as shall be agreed between KEDO and the DPRK, and shall conduct themselves at all times in a decent and professional manner. KEDO, its contractors and subcontractors shall not restore any topographical features that are altered during the implementation of the LWR project or compensate the DPRK in lieu of such restoration, unless otherwise agreed between KEDO and the DPRK. KEDO, its contractors and subcontractors shall restore to practical use the road, railway, protective installations of the river and lake, and irrigation facilities at the Site that have been altered during the implementation of the LWR project, as agreed between KEDO and the DPRK. Such restoration shall include leveling, as agreed between KEDO and the DPRK. KEDO, its contractors and subcontractors shall take measures to remove facilities and structures, except those which shall be taken over by the DPRK, after a mutually agreed duration following the completion of the second LWR plant. KEDO and the DPRK shall agree on the criteria for which facilities and structures shall be taken over by the DPRK or removed by KEDO, its

contractors or subcontractors.

4. KEDO, its contractors, subcontractors and KEDO Persons may use explosives within the Site in connection with the LWR Project as agreed between KEDO and the DPRK.
5. In carrying out construction work within the Site, KEDO, its contractors and subcontractors shall take appropriate measures to protect and preserve the environment. KEDO, its contractors and subcontractors shall also take into consideration the protection and preservation of the surrounding areas, and shall cooperate with the DPRK for this purpose. The DPRK shall take appropriate measures to protect its properties when KEDO, its contractors and subcontractors are engaged in construction activities likely to affect areas beyond the Site.
6. KEDO shall be responsible for the maintenance of order within the Site and shall take appropriate measures to establish a system to ensure such maintenance of order. DPRK nationals shall not enter the Site without prior arrangement with KEDO.
7. When necessary for the implementation of the LWR project, KEDO Persons shall be allowed to photograph or videotape objects outside the Site, with the consent of the DPRK. KEDO Persons shall not be allowed to photograph or videotape DPRK means of transportation passing through the Site, without the consent of the DPRK. KEDO Persons conduct themselves at all times in a decent and professional manner at the Site.



## **ARTICLE 5**

### **SITE ACCESS**

1. KEDO, its contractors, subcontractors, KEDO Persons and Materials shall be allowed unimpeded entry to and exit from the Site on the routes referenced in Annex 5 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project and on roads connecting non-contiguous areas of the Site. When KEDO Persons enter and exit the Site, they each shall carry an identification certificate issued by KEDO.
2. To ensure the safety of the Site, KEDO shall take appropriate measures to control the entry and exit of persons, goods, and means of transportation to and from the Site. For this purpose, a fence, stakes or similar structures may be erected to indicate the boundaries of the Site. The DPRK may establish checkpoints for identification at locations agreed between KEDO and the DPRK outside the Site for the purpose of securing the safety of the vicinity of the Site. KEDO and the DPRK shall agree on the identification procedure, which shall not impede the smooth and expeditious implementation of the LWR project, to be used at such checkpoints.
3. For the purpose of securing the safety of the Site, KEDO and those contractors and subcontractors authorized by KEDO shall issue an entry and exit permit to each DPRK national working in connection with the LWR project as KEDO deems necessary.

DPRK nationals who do not possess such a permit may be refused entry to the Site. Such DPRK nationals who enter the Site shall respect the internal rules and regulations of KEDO, its contractors and subcontractors and shall act in a cooperative manner within the Site.

## **ARTICLE 6**

### **TRANSPORTATION WITHIN THE SITE AND ON ROADS BETWEEN NON-CONTIGUOUS AREAS OF THE SITE**

1. KEDO, its contractors and subcontractors shall be allowed to import to and export from the DPRK any means of transportation for use within the Site and on roads between non-contiguous areas of the Site for the expeditious and smooth implementation of the LWR project. Such means of transportation, which shall be imported and exported through the entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, may be imported to and exported from the DPRK without discrimination and shall be permitted to be equipped with secure means of communications, as deemed necessary by KEDO, its contractors and subcontractors, based on a timely and case-by-case review of equipment requests and in accordance with relevant telecommunications regulations of the DPRK.
2. KEDO may place on all means of transportation brought to or purchased in the DPRK for use by KEDO, its contractors or

subcontractors within the Site and on roads between non-contiguous areas of the Site marks specified in Annex 3 of the Protocol to indicate that the means of transportation are used in connection with the LWR project.

3. The DPRK shall provide KEDO, its contractors and subcontractors with, upon request, appropriate means of transportation to the extent possible for use within the Site and on roads between non-contiguous areas of the Site for the expeditious and smooth implementation of the LWR project. The price for such means of transportation shall be a fair price determined in accordance with the Protocol between KEDO and the Government of the DPRK on Labor, Goods, Facilities and Other Services for the Implementation of a Light-Water Reactor Project.
4. In the event KEDO, its contractors or subcontractors bring their own means of transportation for use within the Site and on roads between non-contiguous areas of the Site as provided in paragraph 1 of this Article, the DPRK shall issue any permits necessary for the operation of such means of transportation at the Site. Following clearance through DPRK customs, KEDO Persons may drive such means of transportation to the Site, if necessary, for this purpose. Applications for approval of such permits shall be processed expeditiously and free of charge as specified in Article IX, paragraph 1 of the Agreement. KEDO, its contractors and subcontractors shall be exempt from any taxes and duties, and charges and fees as agreed between KEDO and the DPRK regarding the issuance of such permits. Permits necessary to

operate the means of transportation within the DPRK shall be valid for the duration of the LWR project.

5. The DPRK shall process for approval and issue any permits necessary to KEDO Persons who will drive or operate means of transportation used by KEDO, its contractors or subcontractors within the Site and on roads between non-contiguous areas of the Site. For this purpose, KEDO, its contractors or subcontractors shall provide the DPRK with a copy of the driver's or operator's license certified by KEDO together with two passport photographs. Applications for approval of such driver's or operator's permits shall be processed expeditiously and free of charge as specified in Article IX, paragraph 1 of the Agreement. KEDO, its contractors, subcontractors and KEDO Persons shall be exempt from any taxes and duties, and charges and fees as agreed between KEDO and the DPRK regarding the issuance of such driver's or operator's permits. Permits necessary for KEDO Persons to drive or operate such means of transportation within the DPRK shall be valid for an agreed duration.
6. KEDO, its contractors and subcontractors may use their own means of transportation, except as specified in Article 5, paragraph 2 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, to transport KEDO Persons and Materials to areas within the DPRK outside the Site for official purposes with prior consent by the DPRK.
7. The DPRK shall inspect annually at the Site the means of land

transportation, except for construction equipment, used by KEDO, its contractors and subcontractors and shall be responsible for traffic safety outside the Site. Exemptions from charges and fees for such inspections and other related matters shall be agreed between KEDO and the DPRK.

## **ARTICLE 7**

### **CONSTRUCTION AND INSTALLATION WITHIN THE SITE**

1. KEDO, its contractors and subcontractors shall construct and install any offices, facilities, Materials and other properties within the Site (hereinafter referred to as "Properties" in this Article), in accordance with the Agreement and as deemed necessary by KEDO for the purpose of implementing the LWR project.
2. Upon issuance of the site take-over certificate, any permits and licenses for construction and operation within the Site required by the Agreement and its protocols, other than those permits specified in Article X paragraph 2 of the Agreement, shall be considered to have been issued by the DPRK.
3. KEDO may place on all Properties marks specified in Annex 3 of the Protocol to indicate such Properties are used in connection with the LWR project.
4. The DPRK shall limit or stop temporarily any road, rail or sea traffic that may impair the construction or installation of Properties, at the request of KEDO, its contractors or subcontractors and as shall be agreed between KEDO and the DPRK.

## **ARTICLE 8**

### **IMPORT AND EXPORT OF MATERIALS FOR KEDO PERSONS**

KEDO, its contractors and subcontractors shall be allowed to import to and export from the DPRK Materials for KEDO Persons. Such Materials may include amenities such as foreign newspapers, books, periodicals and brochures etc.; audio and video tapes; software; CD-ROMS, etc.; and devices, including satellite dishes, based on a timely and case-by-case review of equipment requests for such satellite dishes, for receiving foreign television and radio broadcasts, which shall be made available only to KEDO Persons. Materials imported to the DPRK under the provisions of this Article will be for the exclusive use of KEDO, its contractors, subcontractors and KEDO Persons within the Site, unless otherwise agreed between KEDO and the DPRK.

## **ARTICLE 9**

### **BONDED AREAS**

1. In order to facilitate the expeditious processing of Materials through customs and in accordance with Article 9, paragraph 2 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, the DPRK shall designate locations within the Site agreed between KEDO and the DPRK where Materials may be stored and maintained pending customs clearance (hereinafter referred to as

"Bonded Areas"). The designation of Bonded Areas shall be valid for the duration of the LWR Project unless otherwise agreed between KEDO and the DPRK.

2. In the event the Bonded Areas are unavailable for storing Materials, due to their nature or unavoidable circumstances, the DPRK, upon the request of KEDO, shall permit KEDO, its contractors and subcontractors to store and maintain Materials pending customs clearance in other areas.
3. With reference to Article 9, paragraph 4 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, it is agreed that upon inspection and approval, Materials shall be considered completely cleared through customs.
4. Customs inspections by the DPRK shall be carried out as expeditiously as possible on the basis of documents submitted by KEDO, its contractors and subcontractors. When DPRK customs authorities deem it appropriate, customs inspections shall be carried out through the examination of documents only. Those Materials which are not appropriate for unpacking at the entry points may be sealed by the DPRK customs authorities and shall be inspected by such authorities when they are unpacked by KEDO, its contractors or subcontractors at the Bonded Areas or areas specified in paragraphs 1 and 2 of this Article.
5. Upon the request of KEDO, its contractors and subcontractors and for the expeditious and smooth implementation of the LWR project, the DPRK shall permit Materials to be transported for

inspection directly between entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project and Bonded Areas at the Site.

## **ARTICLE 10**

### **PUBLIC HEALTH AND SANITATION WITHIN THE SITE**

1. KEDO, its contractors, subcontractors and KEDO Persons shall take appropriate measures to maintain public health and sanitation within the Site.
2. In the event of any public health or sanitation emergencies within the Site or surrounding areas, KEDO and the DPRK shall promptly inform the other. Both sides shall cooperate to resolve any such emergency as safely and expeditiously as possible.
3. KEDO Persons shall not raise any animals or plants within the Site except for pets and decorative plants.
4. KEDO, its contractors and subcontractors who enter the DPRK through the entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project shall carry a quarantine certificate as appropriate. KEDO and the DPRK shall make arrangements for medical checkups of KEDO Persons and DPRK nationals working at the Site, respectively, to ensure that public health at the Site is consistent with international standards. KEDO and the DPRK shall cooperate with each other and take



appropriate measures in the event a KEDO Person or DPRK national working at the Site presents a public health risk.

## **ARTICLE 11**

### **OTHER WORKING AREAS**

The DPRK shall provide KEDO, its contractors, subcontractors and KEDO Persons with other working areas outside the Site as specified in Annex 4 of the Protocol (hereinafter referred to as "Other Working Areas"). When detailed locations and boundaries of such Other Working Areas and the duration of their use are agreed between KEDO and the DPRK through the consultations specified in Article 16 of the Protocol, such Other Working Areas shall enjoy the same status as LWR Project Sites and the Project Site in protocols to the Agreement and the same status applied to the Site in the Protocol, other than those provisions in Article 2, Article 3, paragraph 2 and Article 9, paragraph 5 of the Protocol, only for the duration of their use. KEDO shall not be responsible for maintenance of order in Other Working Areas, except within KEDO offices.

## **ARTICLE 12**

### **CORRIDOR/REST AREA CONNECTING THE HOUSING AND RECREATION AREA AND THE POWER PLANT CONSTRUCTION AREA**

KEDO Persons shall have unimpeded access at any time to the corridor of the land between the housing and recreation area and the

power plant construction area. The precise boundary of this corridor/rest area shall be determined through the consultations specified in Article 16 of the Protocol.

### **ARTICLE 13**

#### **SEA AREA**

1. KEDO Persons shall have unimpeded access at any time to the sea area in front of the housing and recreation area after 500 KEDO Persons are living at the housing and recreation area or fourteen months after the formal ground breaking ceremony for the site preparation for the LWR project, whichever comes first. The boundaries of the sea area are specified in Annex 5 of the Protocol. The boundaries of the sea area shall be confirmed through the same local survey referenced in Annex 2, footnote 3 of the Protocol.
2. The sea area referenced in paragraph 1 of this Article shall be made available only for KEDO Persons, except for the maintenance of order, which shall be the responsibility of the DPRK. KEDO and the DPRK shall cooperate to make practical arrangements on the maintenance of order and to ensure the safety of KEDO Persons and this area through the consultations specified in Article 16 of the Protocol.

### **ARTICLE 14**

#### **WAIVER OF NOTIFICATION REQUIRED FOR KEDO CONSULAR OFFICERS**

Notification, as specified in Article 11, paragraph 2 of the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and Immunities, and Consular Protection of KEDO in the DPRK, shall not be required when KEDO consular officers travel to and reside in the areas specified in Articles 12 and 13 of the Protocol.

### **PART 3**

## **COOPERATION AND IMPLEMENTATION**

### **ARTICLE 15**

#### **COOPERATION**

1. KEDO and the DPRK shall cooperate with each other to ensure the safety of KEDO Persons and Materials within the Site. In the event an emergency situation within the Site requires immediate decision and action for the safety of KEDO Persons, buildings, offices, facilities, Materials and other properties, related directly or indirectly to the LWR project, the DPRK shall render immediate and necessary assistance and cooperate with KEDO, its contractors and subcontractors to ensure maximum safety in accordance with relevant international agreements and internationally accepted practices.
2. KEDO, its contractors and subcontractors may repair, fabricate, assemble, test and replace Materials in areas within the DPRK outside the Site with prior consent by the DPRK. The DPRK shall

cooperate with KEDO, its contractors and subcontractors in performing the above tasks if requested.

3. Upon the request of KEDO, the DPRK shall cooperate with KEDO, its contractors and subcontractors for the physical protection of installations in connection with the LWR project such as pipelines, facilities for communications, electrical distribution lines, and environmental radiation monitoring systems, including thermo luminescence dosimeters.

## **ARTICLE 16**

### **ARRANGEMENT FOR THE IMPLEMENTATION OF THE PROTOCOL**

KEDO and the DPRK shall have consultations to ensure the expeditious and smooth implementation of the Protocol. Such consultations, which shall include technical experts from KEDO and the DPRK as needed, shall occur upon the request of either side at the Site or, if necessary, at any other mutually agreed place.

## **ARTICLE 17**

### **MISCELLANEOUS**

1. To facilitate the implementation of the LWR project, the DPRK shall decide, after consultation with KEDO, upon the official names of the two LWR plants to be supplied by KEDO before the issuance of the site take-over certificate.
2. Details of the referenced bench mark and the original(triangulation)

points, provided by the DPRK, for the construction of the LWR project are specified in Annex 6 of the Protocol.

**ARTICLE 18**  
**GENERAL PROVISIONS**

1. The Protocol shall enter into force on the date of its signature.
2. The Annexes of the Protocol, including their footnotes, shall be an integral part of the Protocol.
3. This Protocol may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.
4. Article XV of the Agreement shall apply to any disputes arising under the Protocol.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Protocol.

Done at New York on the 8th of January, 1997, in duplicate in the English language.

For the Korean Peninsula Energy  
Development Organization  
Stephen W. Bosworth

For the Government of the Democratic  
People's Republic of Korea  
Ho Jong

## ANNEX 1

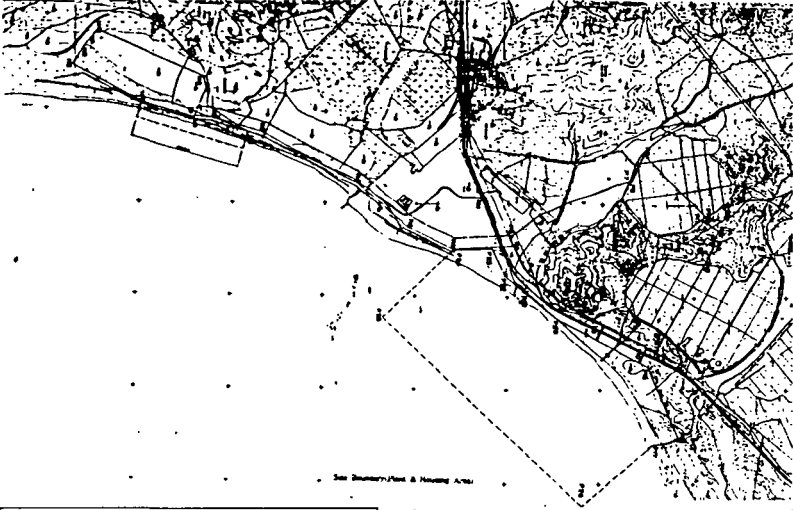
The "Site", referenced in Article 1, paragraph 3 of the Protocol, shall include the following:

1. a power plant construction area, including: a power generating facilities area; a temporary electricity generating facilities area; intake/discharge structure areas; a barge-docking facilities area; breakwater and relevant harbor areas on the sea; warehouse and yard storage areas; low-and medium-radioactive waste storage areas; roads from barge-docking facilities to areas specified in this paragraph; borrow and disposal areas for soil; areas for permanent and temporary buildings; construction waste screening and temporary storage areas; and other areas required to construct and operate the LWR plants;
2. a housing and recreation area, including: areas for the housing, welfare and recreation of KEDO Persons; a communications facilities area; and an electricity generating facilities area;
3. water, quarry and aggregate sources areas, including: a water catchment area; a quarry site area, including quarry source and storage areas for quarry-run rock; an aggregate sources area; and a water source area for potable and process water.

## ANNEX 2

The map of the Site boundaries, referenced in Article 2, paragraph 1 of the Protocol, is as follows:

### SITE BOUNDARY(1)



#### NOTES

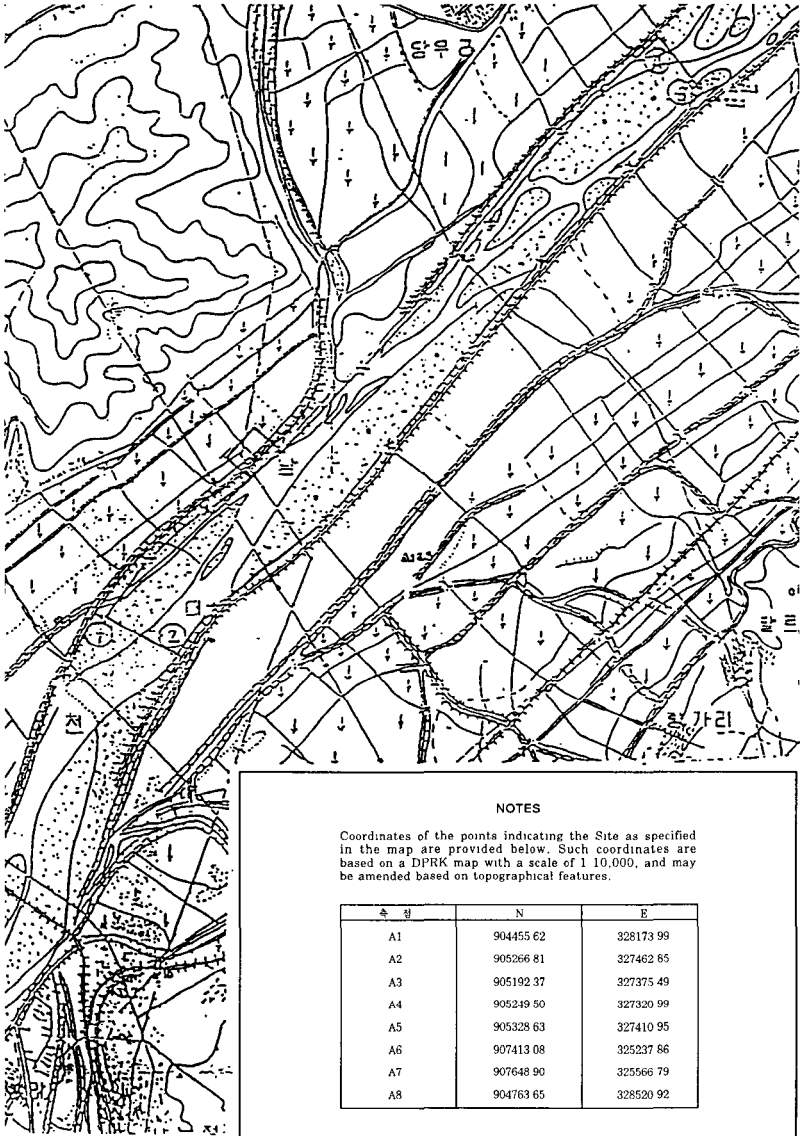
- 1 Taking into consideration that the Site does not include the entire portion of the exclusion area as shall be specified in the site study report and PSAR, KEDO and the DPRK shall take appropriate measures, as agreed, prior to the initial fuel loading of the first LWR plant, to ensure the Site satisfies the site selection criteria
- 2 Details concerning the areas for the intake/discharge structure and the roads crossing the railway/road shall be determined through the consultations specified in Article 16 of the Protocol. Such areas shall be part of the Site
- 3 The housing and recreation area specified on the map shall be enlarged by an additional area needed by KEDO (approximately 10 hectares) for additional sports and recreation facilities. For this purpose, a local survey shall be conducted by KEDO and the DPRK to determine the precise boundaries of this area
- 4 The precise boundary lines on either side of the railway intersecting the power plant construction area shall be determined by a local survey conducted by KEDO and the DPRK. Such boundary line shall be up to 100 meters on each side from the center line of the railway track, and shall be agreed between KEDO and the DPRK. KEDO Persons and means of transportation shall have free access, through gateways agreed between KEDO and the DPRK, to the area between the boundary lines for the purpose of moving between sections of the power plant construction area specified in Annex 1, paragraph 1 of the Protocol
- 5 Details of the road between the housing and recreation area and the power plant construction area shall be determined through the

consultations specified in Article 16 of the Protocol

6 Coordinated of the points indicating the 'Site' as specified in the map are provided below. Such coordinates are based on a DPRK map with a scale of 1:10,000 and may be amended based on topographical features.

속 점	N	E
P1	895606 52	329575 56
P2	894719 57	329122 27
P3	894886 55	329056 26
P4	894214 27	328731 47
P5	894027 59	328369 84
P6	894341 95	328104 72
P7	895285 41	327729 51
P8	895316 38	327740 51
P9	895454 06	327442 59
P10	896104 50	328111 33
P11	896063 11	328140 52
P12	896252 93	328277 13
P13	896209 22	328372 94
P14	896216 11	328424 34
P15	896165 79	328535 03
P16	895622 61	329538 55
P17	895627 41	330573 80
P18	895849 95	330516 65
P19	895518 32	329742 72
P20	894527 43	329237 42
P21	894203 65	328967 97
P22	893967 35	328750 17
P23	893839 64	328484 22
P24	893430 01	328509 91
P25	892660 00	329235 00
P26	894830 00	331250 00

## SITE BOUNDARY(2)





### ANNEX 3

The marks specified in Article 6, paragraph 2 and Article 7, paragraph 3 of the Protocol shall include the following:

1. The name and symbol(s) of KEDO;
2. The names and commercially used symbols of KEDO's contractors and subcontractors along with the name and symbol(s) of KEDO;
3. The names and commercially used symbols of manufacturers of the means of transportation and equipment along with the name and symbol(s) of KEDO;
4. Other names and symbols as agreed between KEDO and the DPRK.

KEDO shall notify the DPRK in advance of the above names and symbols before such names and symbols are used in the DPRK.

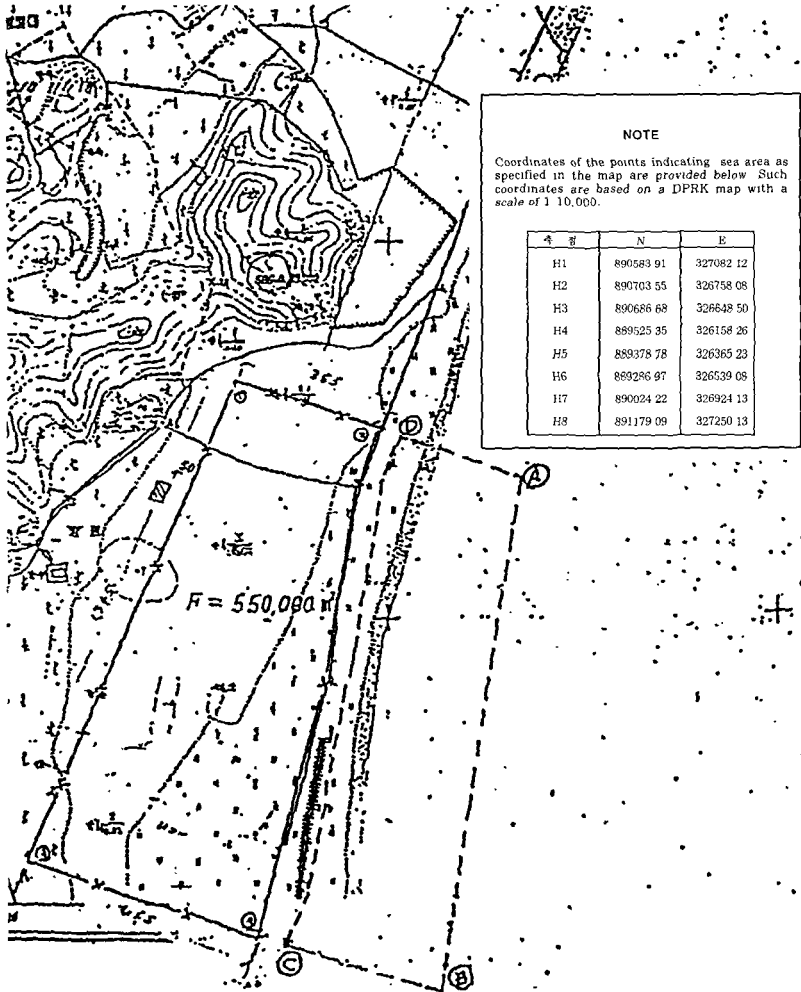
## ANNEX 4

The Other Working Areas, referenced Article 11 of the Protocol, shall include the following:

1. areas at the entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project for loading, unloading and storing Materials and offices used by KEDO, its contractors, and subcontractors;
2. fixed working areas including, easements for interconnecting necessary utilities such as pipelines and electrical distribution lines; areas for living waste disposal; an area for disposal of surplus earth materials and dredged materials; and areas for environmental radiation monitoring systems, including thermo luminescence dosimeters;
3. temporary working areas including, roads specified in Annex 1, paragraph 3 of the Agreement, or parts thereof, while such roads are under construction, improvement or repair by KEDO, its contractors or subcontractors;
4. any areas other than those specified in this Annex where KEDO Persons work for an extended period of time for the purpose of implementing the LWR project.

## ANNEX 5

The map of the sea area boundaries, referenced in Article 13, paragraph 1 of the Protocol, is as follows:



## ANNEX 6

Details of the referenced bench mark and the original(triangulation) points specified in Article 17, paragraph 2 of the Protocol shall be as follows:

(Unit: meter)

1. Referenced bench mark(beside Daein Lake)

$$X = 896,095.030$$

$$Y = 329,843.005$$

$$H = 0.338$$

2. Original Strangulation Point

a. Power plant construction site

Triangulation point(on Oin Peak)

$$X = 894,634.260$$

$$Y = 328,838.410$$

$$H = 136.70$$

Triangulation point(on the bank of Hyonkum lake)

$$X = 895,351.730$$

$$Y = 327,567.680$$

$$H = 2.00$$

b. Housing and recreation area

Triangulation point(on the peak of the mountain near the housing and recreation area)

$$X = 890,904.750$$

$$Y = 326,722.870$$

$$H = 85.02$$

Triangulation point(on Sinho Peak)

X = 891,495.970

Y = 325,083.740

H = 215.30

c. Construction area for water catchment facilities and waterway

Triangulation point(on peak of mountain west of Dangu-ri)

X = 906,330.410

Y = 324,440.230

H = 135.76

Triangulation point(on peak of Sung-san mountain west of  
Ryongjon-ri)

X = 903,657.880

Y = 326,330.930

H = 314.76

Note : coordinates of the above referenced bench mark and  
triangulation points are the local coordinates of the DPRK.

X = latitude

Y = longitude

H = altitude

## B. Protocol on Services

The Protocol on Services governs detailed items on the labor, goods, facilities and other services for the implementation of the light-water reactor project pursuant to Paragraphs 4 and 6, Article 9 of the Supply Agreement. Highlights of the Services Protocol are as follows:

- KEDO contractors like the KEPCO and a North Korean company shall directly conclude contracts after a guideline for such contracts was established between the KEDO and its contractors on one side and North Korea and its company on the other.
- The prices of the labor, goods, etc. which North Korea would furnish will be determined in consultations between the KEDO and the North in consideration of the prices applied to joint-venture and foreigners investment industries in North Korea.
- When North Korean manpower is used, the North would provide a list of North Korean workers.
  - The KEDO, in consultation with the North, may not accept for work any North Korean worker made available, and will have the right to return any North Korean worker prior to the end of a contract in conformity with its terms.
- Specifying of the system of financial and other rewards for extraordinary work achievements with a view to promoting the efficiency of project implementation.
- Specifying of a base for furnishing financial services by KEDO-side banks.
  - A KEDO-side bank or banks may open branches 14 months after ground breaking for site preparation or upon completion of site preparation, whichever comes first.
  - At the early stage of the project, the representative office of a KEDO-side bank may provide such financial services as deposit accounts, currency exchanges and electronic wire transfers.
- Creation and operation of medical facilities of the KEDO's own

within the project site.

- Invitation of medical personnel and introduction or shipment of medical equipment.

The following is the full text of the Protocol on Services concluded between the KEDO and North Korea:

**PROTOCOL BETWEEN THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION AND THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON LABOR, GOODS, FACILITIES AND OTHER SERVICES FOR THE IMPLEMENTATION OF A LIGHT-WATER REACTOR PROJECT**

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK"),

Reaffirming that KEDO and the DPRK shall faithfully perform their respective obligations under the Agreement on Supply of a Light-Water Reactor Project (hereinafter referred to as the "LWR project") to the DPRK between KEDO and the Government of the DPRK, signed on December 15, 1995 (hereinafter referred to as the "Agreement") and protocols to the Agreement,

Desiring to conclude a protocol in accordance with Article IX, paragraphs 4 and 6 of the Agreement concerning labor, goods, facilities and other services (hereinafter referred to as the "Protocol"),

Have agreed as follows:

**PART 1**  
**PURPOSE OF THE PROTOCOL AND GENERAL PRINCIPLES**

**ARTICLE 1**  
**PURPOSE OF THE PROTOCOL**

The purpose of the Protocol is for KEDO and the DPRK to establish the conditions under which labor, goods, facilities and other services shall be provided to KEDO, its contractors and subcontractors and their personnel, including persons under the auspices of KEDO and their accompanying family members.(Personnel specified in this Article are hereinafter referred to as "KEDO Persons".)

**ARTICLE 2**  
**GENERAL PRINCIPLES**

1. The DPRK shall, to the extent possible, make available to KEDO, its contractors and subcontractors and KEDO Persons DPRK labor, goods, facilities and other services in accordance with Article IX paragraph 4 of the Agreement if requested by KEDO, its contractors and subcontractors. For this purpose, the DPRK shall create or designate a company which shall be responsible for the provision of such DPRK labor, goods, facilities and other services(hereinafter referred to as the "DPRK Company").
2. KEDO and the DPRK, through the offices of KEDO and the DPRK established at and near the Project Site, respectively, shall



cooperate closely with each other in order that KEDO, its contractors or subcontractors and the DPRK Company conclude and smoothly implement contracts for the provision of DPRK labor, goods, facilities and other services necessary for the expeditious and smooth implementation of the LWR project. The KEDO and DPRK offices, along with KEDO's contractors and subcontractors and the DPRK Company, shall exchange information and consult on the general principles and guidelines for the effective conclusion and implementation of contracts for the provision of DPRK labor, goods, facilities and other services.

3. KEDO, its contractors or subcontractors and the DPRK Company shall enter into and implement relevant contracts in accordance with the general principles and guidelines referenced in paragraph 2 of this Article. KEDO's contractors and subcontractors shall sign these contracts for the provision of DPRK labor, goods, facilities and other services as contractors or subcontractors of KEDO. The price for such labor, goods, facilities and other services shall be a fair price agreed between KEDO, its contractors and subcontractors and the DPRK Company. Such price shall be calculated in consideration of the price applied to joint ventures and foreign investment companies operating in the DPRK, and may vary according to productivity, skill levels and other relevant factors.
4. KEDO, its contractors and subcontractors shall pay all prices for labor, goods, facilities and other services provided through contracts with the DPRK Company, directly to the DPRK Company in U.S. dollars. All payments in the corridor/rest area between the

power plant construction area and housing and recreation area shall also be made in U.S. dollars.

5. At the request of KEDO, its contractors or subcontractors, the DPRK shall make available information on financial services and other matters to ensure a fair price as agreed between KEDO and the DPRK.

## **PART 2**

### **LABOR**

#### **ARTICLE 3**

##### **PROVISION OF DPRK LABOR**

1. The DPRK Company shall, in a timely manner and to the extent possible, make available to KEDO, its contractors and subcontractors DPRK labor for the implementation of the LWR project in accordance with the Protocol.
2. For the purpose of the LWR project, KEDO, its contractors and subcontractors will use as many DPRK laborers as possible, taking into consideration the cost effectiveness and quality of labor, and will use laborers from KEDO member countries and countries that have contributed to KEDO to ensure the expeditious and smooth implementation of the LWR project. Following consultations with the DPRK Company, KEDO, its contractors and subcontractors may use laborers from other countries.
3. KEDO, its contractors and subcontractors shall submit to the DPRK

Company their requests for DPRK labor. Upon receipt, the DPRK Company shall provide to KEDO, its contractors and subcontractors a list of DPRK laborers to be made available together with detailed relevant information about such laborers, including their professional qualifications. Following consultation with the DPRK Company, KEDO, its contractors and subcontractors may choose not to accept for work any DPRK laborer made available by the DPRK Company for the LWR project.

4. The DPRK Company shall ensure that DPRK laborers shall not act in any manner at the Project Site that disrupts the expeditious and smooth implementation of the LWR project.
5. KEDO, its contractors and subcontractors shall have the right to return any DPRK laborer working in connection with the LWR Project prior to the end of a contract in conformity with its terms.

## **ARTICLE 4**

### **WAGES**

1. Wages to be specified in the relevant contracts referenced in Article 2 of the Protocol shall consist of basic wages, financial and other rewards for extraordinary work achievements, and allowances for hazardous work and overtime work, including work on Sunday and holidays. Wages for DPRK laborers shall be paid in accordance with the relevant contract.
2. The DPRK Company shall ensure that the wages specified in

paragraph 1 of this Article shall be duly paid to the DPRK laborers concerned.

**ARTICLE 5**  
**SAFETY EDUCATION AND TRAINING**

KEDO, its contractors or subcontractors shall provide to DPRK laborers working in connection with the LWR project a safe working environment, including safety education, relevant job training, protection equipment and other precautionary measures.

**PART 3**  
**GOODS AND FACILITIES**

**ARTICLE 6**  
**GOODS**

1. The DPRK Company shall, to the extent possible, make available goods that may be procured in the DPRK for the LWR project, including, but not limited to, the following items necessary for working and living by KEDO, its contractors and subcontractors and KEDO Persons in accordance with Article 2 of the Protocol:
  - a. items for living such as agricultural products, meat, fish, fruit and vegetables, potable water and foodstuffs;
  - b. items for construction such as cement, steel products, electrical concrete poles, gasoline, fuel, stable electricity, lumber and other

materials and equipment, including building machinery.

2. KEDO, its contractors and subcontractors may choose not to accept any goods, made available by the DPRK Company for the LWR project, which are inconsistent with the relevant contracts specified in Article 2 of the Protocol.
3. For the purpose of providing amenities and other items to KEDO Persons, KEDO, its contractors and subcontractors may import to and export from the DPRK any goods they deem necessary, irrespective of the national origin of such goods, as specified in Articles 8 and 9 of the Protocol between KEDO and the Government of the DPRK on Site Take-over, Site Access and Use of the Site for the implementation of a Light-Water Reactor Project.

## **ARTICLE 7**

### **FACILITIES**

1. For the purpose of providing amenities and other items to KEDO Persons, KEDO, its contractors and subcontractors may establish and operate within the Project Site facilities such as those referenced in the Annex of the Protocol. Such facilities shall be exempt from all DPRK charges and fees.
2. KEDO, its contractors and subcontractors may operate the facilities specified in paragraph 1 of this Article on a non-profit/cost recovery basis.
3. The DPRK may establish and operate facilities for lodging, dining, recreation, and other services outside the Project Site.

## **PART 4**

### **SERVICES**

#### **ARTICLE 8**

##### **MEDICAL SERVICES**

1. KEDO, its contractors and subcontractors may establish and operate their own medical facilities in the Project Site and for this purpose may bring a medical team to the Project Site, import to and export from the DPRK any medical equipment they deem appropriate, and may engage DPRK doctors, nurses and technicians, in accordance with Article 2 and 3 of the Protocol.
2. The DPRK Company shall make available to KEDO Persons medical services available in the DPRK in accordance with Article 2 of the Protocol.

#### **ARTICLE 9**

##### **FINANCIAL SERVICES**

1. The DPRK shall make available to KEDO, its contractors and subcontractors and KEDO Persons currency exchanges at the exchange rate issued by the DPRK Foreign Trade Bank, and other financial services in accordance with Article 2 of the Protocol.
2. For the purpose of paragraph 1 of this Article, the DPRK Foreign Trade Bank and the Korea International Insurance Company of the DPRK shall establish and operate at a place agreed between KEDO

and the DPRK within the Project Site a branch office of the bank and a branch office of the insurance company through which KEDO, its contractors, subcontractors and KEDO Persons may conduct financial transactions and purchase insurance. The branch office of the DPRK Foreign Trade Bank shall conduct all appropriate financial transactions and services until the establishment and operation of a branch of a joint venture bank or a representative office of a non-DPRK bank, as referenced in paragraph 4 of this Article, within the Project Site. The branch office of the Korea International Insurance Company of the DPRK may provide third-party liability insurance to KEDO, its contractors, subcontractors and KEDO Persons for their means of land transportation.

3. The DPRK shall allow non-DPRK banks and other financial institutions, as requested by KEDO, to establish and operate branches and to provide all appropriate financial services for KEDO, its contractors, subcontractors and KEDO persons within the Project Site fourteen months after the formal ground breaking ceremony for the site preparation for the LWR project or upon completion of such site preparation, whichever comes first. The financial services provided by the branches of the non-DPRK banks and other financial institutions referenced in this paragraph shall be used only in connection with the implementation of the LWR project.
4. As soon as possible after the entry into force of the Protocol, the DPRK shall allow non-DPRK banks, as requested by KEDO, to establish and operate representative offices within the Project Site, to provide such financial services as deposit accounts, currency exchanges, and

electronic wire transfers for KEDO, its contractors, subcontractors and KEDO Persons. As soon as possible after the entry into force of the Protocol, the DPRK shall also allow joint venture banks, as requested by KEDO, to establish and operate branches and to provide all appropriate financial services to KEDO, its contractors, subcontractors and KEDO Persons within the Project Site, in accordance with the relevant laws and regulations of the DPRK.

5. In accordance with Article 3, paragraph 4 of the Protocol between KEDO and the Government of the Democratic People's Republic of Korea on the Juridical Status, Privileges and Immunities, and Consular Protection of KEDO in the DPRK, KEDO, its contractors and subcontractors shall have no restrictions on the amount of funds and remittances they may transfer to and from the DPRK.

## **PART 5**

### **GENERAL PROVISIONS**

#### **ARTICLE 10**

##### **ARRANGEMENT FOR THE IMPLEMENTATION OF THE PROTOCOL**

KEDO and the DPRK shall have consultations to ensure the expeditious and smooth implementation of the Protocol. Such consultations, which shall include technical experts from KEDO and the DPRK as needed, shall occur upon the request of either side at the Project Site or, if necessary, at any other mutually agreed place.



**ARTICLE 11**  
**MISCELLANEOUS**

Nothing in the Protocol affects any privileges, immunities and protection granted to KEDO, its contractors, subcontractors and KEDO Persons in the Agreement and its other protocols.

**ARTICLE 12**  
**GENERAL PROVISIONS**

1. The Protocol shall enter into force on the date of its signature.
2. The Annex of the Protocol shall be an integral part of the Protocol.
3. The Protocol may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.
4. Article XV of the Agreement shall apply to any disputes arising under the Protocol.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed the Protocol.

Done at New York on the 8th of January, 1997, in duplicate in the English language.

For the Korean Peninsula Energy  
Development Organization  
Stephen W. Bosworth

For the Government of the Democratic  
People's Republic of Korea  
Ho Jong

## ANNEX

The facilities referenced in Article 7, paragraph 1 of the Protocol shall include:

1. Dining facilities
2. Commissary for foodstuffs and medicine
3. Hardware and dry goods facilities
4. Indoor and outdoor recreational facilities, including parks
5. Religious facilities

### C. Protocol on Actions in the Event of Nonpayment

Negotiations began in New York on March 18, 1997 for the conclusion between the KEDO and North Korea of a protocol on actions to take in the event North Korea fails to pay its financial obligations.

The meeting was attended by KEDO Secretariat officials led by Mitchell Reiss, a KEDO assistant; government representatives of South Korea, the United States and Japan, and seven North Korean officials headed by Chang Chang-chon, a Foreign Ministry research official.

The negotiations were a little delayed due to the North's insistence that the protocol should also cover the loss North Korea would suffer in the event of a delay in the project. The protocol, mainly on penalty payable by the North in the event of its nonpayment, was initialed on May 2, 1997 and formally signed and effectuated on June 24, 1997.

The protocol of actions in the event of nonpayment concerns actions to be taken in the event of late payment or nonpayment with respect to financial obligations incurred in connection with the project implementation pursuant to Paragraph 3, Article 16 of the Supply Agreement. Highlights of the protocol are as follows:

- Imposition of penalty in the event of nonpayment.
  - Application of a penalty of the basic interest rate + 3 percent (or 2 percent per annum if applicable).
- Assessment of an acceleration clause.
  - After 30 days of nonpayment, the other party may declare all or part of other financial obligations to be immediately due and payable.
- Imposition of penalty on the whole amount of nonpayment in the event of the application of acceleration.
  - If payment were not made by the notified date upon the application of acceleration, the same penalty would be assessed.

The following is the full text of the Protocol on Actions in the Event of Nonpayment concluded between the KEDO and North Korea:

**PROTOCOL BETWEEN THE KOREAN PENINSULA ENERGY  
DEVELOPMENT ORGANIZATION AND THE GOVERNMENT OF  
THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON  
ACTIONS IN THE EVENT OF NONPAYMENT WITH RESPECT TO  
FINANCIAL OBLIGATIONS**

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK"),

Reaffirming the KEDO and the DPRK shall faithfully perform their respective obligations under the Agreement on Supply of the Light-Water Reactor Project to the DPRK between KEDO and the Government of the DPRK, signed on December 15, 1995 (hereinafter referred to as the "Agreement") and protocols to the Agreement, and

Desiring to conclude a protocol in accordance with Article XVI, paragraph 3, of the Agreement concerning actions to be taken in the event of late payment or nonpayment with respect to financial obligations incurred in connection with implementing the Agreement (hereinafter referred to as the "Protocol"),

Have agreed as follows:

## **ARTICLE I**

### **DEFINITIONS**

For the purpose of the Protocol :

1. "Party" means either KEDO or the DPRK, and "Parties" means KEDO and the DPRK ;
2. "Financial Obligation" means the payment commitment of one Party to make a payment on any one Payment Date, as specified in paragraph 3 of this Article, to the other Party in connection with the light-water reactor (hereinafter referred to as "LWR") project

under the Agreement, its protocols, or other written agreements between KEDO and the DPRK under the Agreement or its protocols. A payment commitment is a Financial Obligation regardless of whether the commitment is to be paid in cash, cash equivalents, or through the transfer of goods ;

3. "Payment Date" means the payment date for a Financial Obligation, specified in the Agreement, its protocols, or other written agreements between KEDO and the DPRK under the Agreement or its protocols ;
4. "Nonpayment" means the failure to pay a Financial Obligation on or before the Payment Date ;
5. "Noncomplying Party" means the Party that has failed to pay a Financial Obligation and/or a Penalty in accordance with the terms specified in the Agreement, its protocols, or other written agreements between KEDO and the DPRK under the Agreement or its protocols from which the Financial Obligation and/or the Penalty is incurred ;
6. "Penalty" or "Penalties" means the monetary penalties payable by the Noncomplying Party to the other Party in the event of Nonpayment.

## **ARTICLE 2**

### **GENERAL PRINCIPLES**

1. Each Party shall pay all Financial Obligations in a timely manner, on or before the Payment Date and under the other payment terms

set forth in the Agreement, its protocols, or other written agreements between KEDO and the DPRK under the Agreement or its protocols.

2. In the event of Nonpayment of a Financial Obligation by the Noncomplying Party, the other Party shall have the right to assess and apply a Penalty or Penalties against the Noncomplying Party as set forth in Articles 3 and 4 of the Protocol.

### **ARTICLE 3**

#### **ASSESSMENT AND APPLICATION OF NONPAYMENT PENALTY**

1. If one Party fails to pay the full amount of a Financial Obligation on or before the Payment Date, the other Party shall assess and apply a Nonpayment Penalty against the Noncomplying Party at a rate equal to the Basic Interest Rate specified in the Annex of the Protocol plus 3% per annum, or 2% per annum if applicable, applied to such outstanding amount for the period from and including the Payment Date to but excluding the date the Financial Obligation and Nonpayment Penalty are paid.
2. Each Party shall be notified by the other Party in a timely manner of the Basic Interest Rate referred to in paragraph 1 above based on the currency or currencies in which the Financial Obligation is constituted.
3. A Financial Obligation and a Nonpayment Penalty shall be payable to the Party to which the Financial Obligation and Nonpayment Penalty are owed at any time after the Payment Date.

## **ARTICLE 4**

### **ASSESSMENT AND APPLICATION OF ACCELERATION**

1. If one Party fails to pay the full amount of a Financial Obligation on or before the Payment Date, the other Party may thirty days after the Payment Date or at any time thereafter, by written notice to the Noncomplying Party declare all or part of any other Financial Obligations covered by the same Agreement, its protocols, or other written agreements between KEDO and the DPRK under the Agreement or its protocols (hereinafter referred to as the "Accelerated Amount") to be immediately due and payable.
2. Upon receipt of the written notice, such Accelerated Amount shall be immediately due and payable without further presentment, demand, protest or other formality of any kind, and deemed to be a Financial Obligation for which the date of receipt of such written notice shall be regarded as a Payment Date unless otherwise specified in such written notice.

## **ARTICLE 5**

### **CONSULTATIONS**

KEDO and the DPRK shall have consultations in a timely manner to ensure the expeditious and smooth implementation of the Protocol. Such consultations, which shall include financial experts from KEDO and the DPRK as needed, shall occur upon the request of either Party at any mutually agreed place.

**ARTICLE 6**  
**GENERAL PROVISIONS**

1. The Protocol shall enter into force on the date of its signature.
2. The Annex of the Protocol shall be an integral part of the Protocol.
3. The Protocol may be amended by written agreement between the Parties. Any amendment shall enter into force on the date of its signature.
4. Article XV of the Agreement shall apply to any disputes arising under the Protocol.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed the Protocol.

Done at New York on the 24th of June, 1997, in duplicate in the English language.

For the Korean Peninsula Energy  
Development Organization

Stephen W. Bosworth

For the Government of the Democratic  
People's Republic of Korea

Ho Jong

**ANNEX**

The "Basic Interest Rate" referenced in Article 3, paragraph 1 means the following interest rates, as applicable:

- (1) the interest rate on loan or debt incurred by a Party for the purpose of providing goods or services which have resulted in the Noncomplying Party's Financial Obligation; or



- (2) the interest rate on additional loan or debt incurred by a Party as needed to repay an existing loan or debt that cannot otherwise be repaid because the Noncomplying Party failed to pay the full amount of a Financial Obligation on or before the Payment Date; or
- (3) the 6-month certificate of deposit rate that a Party could have earned if the Noncomplying Party had paid the full amount of a Financial Obligation on the Payment Date. The 3% or 2% per annum referenced in Article 3, paragraph 1 shall not be applied to this sub-paragraph.

The interest rate described in sub-paragraph (3) shall be used with respect to a Financial Obligation or portions of a Financial Obligation to which neither sub-paragraph (1) nor sub-paragraph (2) is applicable.

The interest rate referred to in sub-paragraph (1) and (2) shall not exceed a rate that a Party that incurs the loan or debt deems commercially and generally available at the time the loan or debt is incurred. Such Party shall notify the other Party, in a timely manner, of such rate and of interest rates publicly available at the time the loan or debt is incurred.

In the event that different interest rates from one or more of the categories described in the sub-paragraphs above are applicable with regard to a Financial Obligation, the Basic Interest Rate based on the applicable currency or currencies shall be a weighted average of all applicable interest rates or weighted averages of the relevant interest rates currency by currency, respectively.

## D. Protocol on Quality Assurance and Warranties

The KEDO and North Korea held negotiations for the conclusion of a protocol on quality assurance and warranties in the Mt. Myohyang area in North Korea for 11 days beginning November 4, 1997. The protocol was to be the seventh to be signed between the two parties. Six others have already been concluded. Attending the meeting on the KEDO side were KEDO Secretariat officials led by Mr. Mitchell Reiss, a KEDO assistant, and government representatives of South Korea, the United States and Japan. The 16-member North Korean delegation was headed by Ri Myong-sik, an advisor to the General Department of Atomic Energy.

The protocol on quality assurance and warranties is designed to govern systematic quality assurance activities to elevate the safety and reliability of the light-water reactors to be constructed in the Kumho area of North Korea as well as to regulate power generating and generating capacity warranties and the performance of the nuclear structures.

At the 1st-stage conference in North Korea, the two sides could move no farther than presenting their basic stands. Even at the 2nd-stage meeting held in New York from December 3 through December 23, 1997, the two sides failed to narrow differences over the scope and conditions of quality assurance and warranties. Signing of the protocol, therefore, was carried forward to 1998.

### 3. Ground Breaking for Site Preparation

#### A. Site Survey

The site survey was to determine if the Kumho area of South Hamgyong Province of North Korea were fit to be the site of light-water nuclear reactors. The outcome of the survey was used as a base material in the preparation of a preliminary safety analysis report and environment evaluation report necessary for obtaining permits for the designing and constructing nuclear reactors.

The KEDO and North Korea had already agreed in their reactors supply agreement to enable the KEDO to survey the candidate site to find out if the site area conforms with site standards agreed on by the two sides. Depending on the outcome of the survey, North Korea was to issue a site hand-over certificate to the KEDO.

The KEDO began the site survey on August 15, 1995. The 1st and 2nd surveys were managed by the KEDO with experts from South Korea, the U.S. and Japan jointly taking part. Beginning the 3rd survey, however, the KEPCO made the survey as part of pre-project service, thus enabling South Korean experts to take charge of the survey.

Based on the results of the six site surveys made through July 1996, the KEDO forwarded to North Korea in February 1997 a rough site survey report indicating that the Kumho area is suitable to be the site of nuclear reactors.

After reviewing the report, North Korea issued the Certificate of

Site Take-Over to the KEDO on July 21, 1997. As the KEDO formally took over the site, the KEDO began to take charge of the maintenance of order within the site area under the Protocol on Consular Protection, thus providing an environment in which South Korean construction workers could work free of any anxiety.

Meanwhile, in the 7th site survey held for four months from March 1 to July 1, 1997, 48 South Korean experts, together with four American and three Japanese experts, studied extensive geological conditions of the area through prospecting, elasticity test, tomogram taking and a look into the flow of subterranean water.

Besides, the autumn survey of the 8th seasonal survey of the area designed to obtain materials for use in preparing a preliminary safety analysis report and environment report, 22 South Korean experts made the survey from October 21-November 8, 1997. The survey was focused on meteorological, ecological and environmental studies. Seasonal surveys including an oceanic study will be carried on of the area in the days to come.

## **B. Working-Level Talks on Site Preparation**

As pivotal protocols such as those on consular protection, transportation and communications among those protocols set to be concluded between the KEDO and North were concluded and the basic site survey of the Kumho area wrapped up, the South Korean government, deciding to break ground for site preparation in 1997, set out to prepare for it in close consultation with the United States

and Japan.

In this connection, the Seoul government in July 1996 designated the KEPCO as a "South-North cooperation project undertaker" charged with the implementation of the light-water reactor project in accordance with the Law on South-North Exchanges and Cooperation.

The light-water reactor project, a turn-key operation, is in principle supposed to be launched after a turn-key contract was concluded between the KEDO, the ordering authority, and KEPCO, the main contractor. But, ground was broken for site preparation prior to the start of the main project as there was a delay in determining the total project cost and subsequent sharing of the cost among relevant countries.

The move was to dispel any misgivings on the part of North Korea about the lack of any tangible progress in the project after the conclusion of the Agreed Framework at a time when the North had frozen its nuclear facilities and was capping its spent fuel rods smoothly, and also to take into account the time needed in winding up cost sharing negotiations and in concluding a main contract between the KEDO and KEPCO.

But, to facilitate the start of site preparation, detailed agreements had to be prepared based on the six protocols already concluded between the KEDO and North Korea.

In view of the reality of inter-Korean relations in which personnel and material exchanges are strictly controlled, detailed KEDO-North Korea agreements on free access to the construction area by South

Korean construction workers, and the introduction and operation of massive amounts of materials and equipment were essential to ensuring the smooth implementation of the reactor project.

Accordingly, working-level negotiations began between the KEDO and North Korea to discuss various issues related to access to the site area. The talks included procedures for sea and air transportation, customs and quarantine procedures, medical programs to cope with emergency cases of patients, maintenance of order, and postal and communications links between the South and the North.

The KEDO delegation to the 1st working-level conference held at the Sinpo-Majon area of North Korea from April 9 through April 15, 1997 comprised 54 officials in all: 40 South Korean officials, three each from the United States and Japan, and eight officials of the KEDO Secretariat. Among the South Korean participants were those from the Office of Planning for Light-Water Reactor Project, relevant ministries like the National Unification, Construction-Transportation and Maritime-Fisheries ministries, and the main contractor, KEPCO. In area-by-area negotiations, in particular, South and North Korean experts directly led the discussion of various issues.

For the negotiations, the KEDO delegation traveled back and forth from the Tonghae harbor, Kangwon Province to the Yanghwa port of the North's South Hamgyong Province aboard Hannara-ho, an experimental vessel of Korea Maritime University. This was the first instance of using the sea route defined in the Protocol on Transportation. The travel process was highly significant in that a large number of South Korean personnel visited the North for the

first time by sea.

Following the 1st working-level meeting, the 2nd meeting was held in the Mt. Myohyang area from May 31 to June 7, 1997 and the 3rd meeting in New York from June 23 to July 2, 1997. As a result, the KEDO and North Korea adopted agreements in 19 areas, which consisted of various procedural items and memoranda of understanding related to the implementation of the protocols already concluded. The adoption came at the end of the 3rd working-level meeting on July 2, 1997. The agreements are expected to become a good

precedent in full-fledged exchanges and cooperation between the South and the North in the days to come.

Highlights of the agreements in 19 separate areas were as follows:

#### **Entry and Exit Procedures**

- Under the non-visa principle, visitors can enter the site area with certificates issued by the KEDO.
  - However, when a person enters the site area through an area other than designated points (Yanghwa port and Sondok airport) of entry and exit, he or she will need a North Korean visa on the KEDO-issued certificate.
- Paper processing for the stay in the North by KEDO personnel will be made on a one-year basis. When an extended stay is requested, it will be given automatically.
  - \* A person planning to stay in the site area for less than two weeks will be exempted from the required paper processing for a stay in the North.

- Guarantee of free passage through the site, other work areas and the area along the corridor between the site and housing area.
- Trips to the Sondok airport and other related areas only with 24 hours' advance notification.
  - In the event of a trip to other related areas for official business, North Korea is to issue travel certificates at the request of the KEDO.
  - \* In emergency, trips to other areas can be made immediately upon notification.

#### **Customs Clearance**

- Customs clearance of personal luggage and belongings will be made in principle through mechanical inspection.
  - Contents of luggage can be checked visually only when a mechanical inspection reveals the suspected existence of contraband goods.
- Preparation of a base for the carriage of unlimited amounts of cash, securities, etc.
  - Customs declaration will be waived for up to 3,000 U.S. dollars per person.
- Customs clearance of cargoes will be made either in the bonded area or one of the entry-exit points designated by the KEDO.
- Customs clearance of cargoes in the bonded area will in principle be made within two days after a request is made for customs inspection.



\* When goods are introduced through areas (Pyongyang, Rajin, etc.) other than the entry-exit points specified in the Protocol on Transportation, the goods will be customs-cleared at the request of the KEDO after they were transported to the bonded area of the site.

## Quarantine

- Quarantine will be conducted toward persons, animals, vegetables, processed goods, medicines, containers and packing materials, and transportation means.
  - Germs and harmful insects subject to quarantine will be specified in consideration of international standards and the North's own standards.
- KEDO personnel will carry with them necessary vaccination papers and quarantine certificates for animals or vegetables.
  - Vaccination papers can be asked only when it is deemed necessary in the event of the outbreak of an epidemic. Even if a person does not carry a proper paper, he or she can be vaccinated at a KEDO dispensary.
- Vegetable seeds can be brought in under a case-by-case agreement so that some greengrocery can be raised depending on the KEDO's need.
- Quarantine procedures should be carried out in the presence of KEDO officials. When it is necessary in quarantine, samples can be taken but human bodies will not be the target of sample taking.
- Since foods are prone to decay with the lapse of time,

quarantine of foods will be conducted simultaneously with customs procedures.

- The KEDO will carry out sanitation, disinfection and epidemic prevention activities on its own.
- The KEDO and North Korea will cooperate with each other in taking necessary measures in the event of the outbreak of diseases. If and when an epidemic breaks out, the two sides will take anti-epidemic measures toward their respective personnel.

#### **Maritime Transportation**

- Guarantee of safe navigation of KEDO vessels.
  - In the event of emergency during navigation, North Korea will promptly provide proper assistance including refuge to a nearby port in accordance with international practices.
- Notification procedures and communications method related to the navigation of vessels will be made in accordance with the Protocol of Transportation and international practices.
- Small vessels permitted to navigate along a coastal route shall be limited to 3,000 Gross Tons or less.
- North Korean inspectors boarding a KEDO vessel for inspection related to its entry into port, will be limited to 14 or less.
- Provision of maximum conveniences to the KEDO during cargo handling at harbor, and North Korea will compensate for the loss suffered during cargo handling at port in accordance with international practices.
- Inspection of vessels will in principle be made only of such

public areas as bridge, engine room, radio room and bonded storage.

- Radio equipment can be sealed from the point of pilotage. However, such equipment can be used if need be or proper international communications facilities at harbor are paralyzed.
- Ferries and barges can continue to use navigational equipment from the point of pilotage to harbor. The navigation equipment of freighters alone can be sealed.
  - \* During anchoring at harbor, the power switch of navigational equipment can be sealed.
- Harbor fees will be set at about 75 percent of those North Korea assesses on foreign vessels.
  - Tax fees such as tonnage tax and entry tax will be waived.

#### Land Transportation

- Equipment subject to registration and license will be limited to transportation equipment (construction equipment will in principle be excluded).
  - \* Transportation equipment having gone through customs clearance can be driven directly by KEDO personnel having the existing license to the site, which can be operated between work sites in the presence of North Korean personnel even before formal registration.
- Technical inspection will be conducted once a year only of transportation equipment with the exception of construction equipment.

- In the event of the outbreak of a traffic accident, it will be handled pursuant to the provisions of the Protocol on Privileges, Immunities and Consular Protection.
  - Fact finding of an accident will be conducted in the presence of KEDO consular and North Korean officials.
  - The scene of an accident will in principle be preserved but first-aid measures for a victim involved can be taken.

**Bank Service and Creation of Non-North Korea Banks**

- Until a KEDO-side bank opens a representative office, the Foreign Trade Bank of Korea will open a branch to handle bank business related to the reactor project such as deposits, remittance, exchange, etc.
  - When the KEDO needs it, foreign exchange loans and overdraft will be made possible.
- Imposition of the duty to guarantee the confidentiality of deposits and protect deposits.
- When the KEDO selects a bank and asks the North to allow the creation of its representative office (branch), North Korea should endorse it within 15 days. The bank involved can begin business from the moment it receives North Korea's endorsement in writing.
  - Creation of a KEDO bank representative office in the site will not be subject to the bank-related laws of North Korea.
- A KEDO bank representative office can handle all bank businesses as is the case with a branch.

- A bank representative office will be elevated to a branch 14 months after formal ground breaking or the completion of site preparation, whichever comes first.
- If and when a joint-venture bank is created in connection with the light-water reactor project, the North Korean partner will be the External Trade Bank of Korea.

#### **Insurance Service**

- For automobile third party liability insurance, a North Korean insurance company (Korea International Insurance Co.) can be used depending on the KEDO's decision.
  - \* If need be, a third country insurance firm can be used.
- An insurance contract will take effect immediately upon joining insurance (issuance of an insurance policy) so that the operation of a vehicle will be made possible even before the payment of insurance premium.
- In the event of an accident, a North Korean transportation safety official will verify the scene in the presence of a KEDO consular official.
  - In the event of an accident within the site, however, the scene will be verified jointly by insurance firm appraisers and KEDO consular officials.
- Exceptional clauses will be prepared for the prevention of suffering by those KEDO personnel joining the insurance of a North Korean insurance firm.
  - An insurance firm cannot additionally ask the KEDO for

compensation for the accident that occurred.

- A victim cannot ask an insurance policy holder for additional compensation.

## **Aviation**

- Securing a base for use of the regular flights between Beijing and Sunan in the outskirts of Pyongyang.
- Use of chartered planes between Beijing and Sondok near the site and between Sunan and Sondok is made possible.
  - Proper fare rates to be agreed on between a KEDO buyer and North Korea will be applied.
  - North Korea will take various steps related to safety during take-off and landing at Sondok airport.
  - The type of airplanes to be used will be selected through safety review by KEDO-side aviation experts.
- Compensation for delay in airplane operation or the cancellation of a contract will be made by a party responsible for the delay or cancellation.
- Compensation in the event of an aviation accident will be made in accordance with an international convention (Warsaw Convention) to which North Korea is a signatory.

## **Communications**

- Communications networks between the site and South Korea will be formed through a relay station.
  - Exclusive telephone lines between the site and South Korea

will be opened and used at the time of ground breaking for site preparation.

- However, the IDD network will be used 14 months after ground breaking or the completion of site preparation, whichever comes first.
- In the event of the malfunction of communications networks, reserve communications networks (INMARSAT portable telephone system) will be used in the presence of a North Korean official.
- A uniform communications fee will be adopted for the Northeast Asia region and North American area each.
- Creation of a telephone exchange in the site area.
  - Walkie-talkies can be used on vehicles or offices.
- Satellite television reception can be possible beginning the time of ground breaking, and facilities will be operated by the KEDO by itself.

#### **Postal Service**

- North Korea will create and operate a postal office in the site area three weeks after the effectuation of the Memorandum of Understanding.
- In the initial stage, the "open-bag relay method" by way of Beijing will be used. However, it will be switched to the "sealed-bag relay" method beginning 14 months after ground breaking for site preparation or completion of site preparation, whichever comes first.

- Postal matters to be handled will include letters, printed matters and parcels.
- The addresses will be "Seoul Korea" + "domestic address" / "KEDO Kumho" + "North Korean address." Domestic and North Korean addresses will be entered in hangul, the Korean alphabet.
- Postage fees will be set for the United States and Northeast Asian area, which will be paid in cash.
- When the method is switched to the sealed-bag method, fees settlement and compensation for loss or damage will be handled in accordance with the UPU treaty.

**General Principles on the Use of Labor, Materials, Facilities and Services**

- Individual contracts will be concluded directly between the KEDO and a supplier through the relevant organization of North Korea.
  - When a supplier has been fixed beforehand, the conclusion of a direct contract is possible.
- Retaining by the employer of the rights to manage labor force such as the rights to select workers and give work orders.
- The wage of unskilled workers will be the basic wage of 110 dollars including indirect expenses. Lunch and overtime allowance will be provided.
- For projects of proper size, a contract can be awarded to a North Korean industry with the assurances of work performance by



subcontractors.

- In the event of the supply of materials by the North, securing of a supplier's quality guarantee, transportation, implementation warrant and opening of a letter of credit.

#### **Medical Service**

- The KEDO will send medical personnel and operate its own medical facilities in the site area.
  - Employment of North Korean physicians and nurses, and provision of first-aid treatment of North Korean workers.
- Treatment of KEDO personnel by a KEDO medical team taking advantage of the Hamhung People's Hospital. Treatment of patients in consultation with North Korean medical personnel will be possible.
  - Depending on consultations between the two sides' medical teams, a hospital having better facilities and equipment than those of the Hamhung People's Hospital may be used.
- A North Korean hospital will provide the KEDO all medical records on KEDO patients and will handle medical accidents in consultation with the KEDO (joint responsibility).
- The main contractor (KEPCO) will introduce and use necessary ambulances.
- If need be, a patient can be evacuated out of North Korea depending on judgement by KEDO medical personnel.
- Guarantee of maximum cooperation from North Korea in visits by the family members of a patient for tending.

## □ **Economical Sea Routes**

- The sea routes envisioned in the Protocol on Transportation for the transportation of personnel and materials will be replaced with efficient and economical sea routes.
  - 200 miles from Tonghae will be adjusted into 182 miles.
    - \* The navigational hours are expected to be shortened by 1.5 to 2 hours.
- Promise for the replacement with a more efficient and economic route at a proper future time (when more than 500 KEDO personnel are dispatched or 14 months after ground breaking, whichever comes first).

## **C. Ground Breaking for Site Preparation**

Detailed procedures were agreed on between the KEDO and North Korea in 19 separate areas for breaking ground for site preparation, following which, full-fledged preparation began for breaking ground.

Firstly, test navigation by a barge was made from July 15-20, 1997 to determine the safety and economy of the barge route established along the North Korean coast. Work to repair the road linking the site area to the Yanghwa port was launched on July 18, 1997, while on July 24, 1997 postal exchanges began between the site area and South Korea.

On July 25, 1997, about 70 initial-stage construction workers and some 9,000 tons of heavy equipment and materials were taken to the

site. The personnel were from a joint work team composed of Hyundai Engineering and Construction, Daewoo Construction, Dong A Construction Industrial and Korea Heavy Industries companies employees.

The KEDO Kumho Office in charge of consular protection of KEDO personnel and liaison programs between the KEDO and North Korea was opened on July 28, 1997. Thus two South Korean government representatives, together with two from the United States and one Japanese official, were staying in a North Korea area permanently to handle consular business for South Korean construction workers for the first time since national division.

On July 29, 1997, a North Korean certificate of take-over of the site area, covering some 8,910,000 square meters (2,700,000 pyong) was received by the KEDO. Eight exclusive communications circuits linking the Kumho area and the KEPCO head office in Seoul were opened on August 4, 1997 to facilitate telephone and facsimile service.

On August 16, 1997, the South Korean government approved the initial-stage site preparation project costing 45 million dollars as a "South-North cooperation project." The approval qualified the KEPCO to promote the light-water reactor project in light of South Korean domestic law. The project cost, 45 million dollars, is set to be loaned to the KEDO by the South Korean government out of its South-North Cooperation Fund.

Meanwhile, North Korea made the site area independent of Sinpo City and redesignated the area as the "Kumho Special Administrative District." The area was placed under the direct control of the South

Hamgyong Province, and created as the North Korean counterpart of South Korea's Office of Planning for Light-Water Reactor Project. The "Light-Water Project Bureau," manned with officials dispatched by the Foreign Ministry and General Department of Atomic Energy.

An historic ground-breaking ceremony was held on August 19, 1997 at the project site at Kumho District, South Hamgyong Province.

The ground-breaking ceremony was attended by Chang Sun-sup, administrator of the Office of Planning for Light-Water Reactor Project; KEDO Executive Director Stephen Bosworth; a number of other government representatives of South Korea, the U.S. and Japan; representatives of the main contractor, KEPCO, and other contractors; and about 200 construction workers from the South. About 80 North Korean officials took part in the ceremony, including Ambassador Ho Jong; the director of the General Department of Atomic Energy; and the director of the Light-Water Project Bureau. The ceremony was televised worldwide by South Korean, U.S. and Japanese press members.

The ground breaking came two years and 10 months after the United States and North Korea concluded the Agreed Framework in Geneva. The start of site preparation meant that the reactor project was now actually under way. The project also represented a significant milestone in the effort to improve inter-Korean relations, as the South and the North took part together in a mammoth project for the first time since national division.

Site preparation is expected to last about one year at the cost of 45 million dollars, and will include leveling ground for the reactor plants,

building workers' quarters and constructing roads in the site area.

The South Korean government expects that momentum gained from the reactor project site preparation will help lay a foundation for inter-Korean reconciliation and cooperation. The South Korean government believes that going beyond the resolution of the North Korean nuclear question, will contribute much to dispelling the last vestiges of Cold-War confrontation in the Northeast Asian region.



**No. 65**

**May**

**1998**

**SOUTH-NORTH DIALOGUE IN KOREA**

Published by

***Office of the South-North Dialogue  
Ministry of Unification  
Seoul, Korea***

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