

FOIA MARKER

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Folder Title:

North Korea/South Korea [2]

Staff Office-Individual:

Legislative Affairs-Davis, William

Original OA/ID Number:

959

Row:	Section:	Shelf:	Position:	Stack:
40	3	2	1	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Gary Samore to William Davis et al re KEDO funding (1 page)	10/22/1996	P1/b(1)
002. memo	action, Gary Samore and Sandra Kristoff to Anthony Lake re KEDO funding (2 pages)	08/02/1996	P1/b(1)
003a. letter	POTUS to DPRK President Kim Jong Il re Letter of Assurance (2 copies) (2 pages)	10/20/1994	P1/b(1)
003b. memo	action, Gary Samore and Sandra Kristoff to Anthony Lake re KEDO funding [duplicate of 002] (2 pages)	08/06/1996	P1/b(1)
004. email	Gary Samore to William Davis et al re North Korea briefing (1 page)	06/10/1996	P1/b(1)
005a. email	Robert Suettinger to William Danvers et al re DPRK Food Aid (1 page)	06/05/2996	P1/b(1)
005b. email	William Danvers to William Davis et al re DPRK Food Aid (1 page)	06/05/2996	P1/b(1)
006a. memo	Robert Suettinger to Anthony Lake re North Korea's Food Situation (3 pages)	05/24/1996	P1/b(1)
006b. memo	Winston Lord to the Secretary of State re Emergency Food Aid (4 pages)	06/01/1996	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F

kc1454

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Davis, William K.

From: Davis, William K.
To: Kerrick, Donald L.; @UP - APNSA Special Assistants; @NSA - Natl Security Advisor
Cc: /N, NonRecord at A1; @ASIA - Asian Affairs; @DEMOCRACY - Dem/Human Affairs;
@PLANNING - Strat Plan & Comm; @LEGISLAT-Legislative Affairs
Subject: N. Korean food Hill consults [UNCLASSIFIED]
Date: Tuesday, February 18, 1997 7:58PM

Please pass to Jim (in response to your request of Bill):

Per State/H, all relevant committees have been consulted (there were a series of briefings today and a briefing for SFRC bi-partisan staff last week). Committee staff that have been briefed/consulted are: House International Relations Committee (Gilman & Hamilton), House Appropriations Committee (both Foreign Operations and Agriculture subcommittee staff - Callahan, Pelosi, Skeen, Kaptur), Senate Appropriations Committee (McConnell, Leahy) and SFRC (Helms, Biden, plus Murkowski staff as well).

It is H's opinion that there is sufficient assent for this on the Hill to allow us to proceed.

Three of the four committees that were briefed eventually gave grudging approval. All staff grouched about hearing about our decision from the press first and there were tough questions about N. Korean use of the assistance, severity of the need, etc.. Gilman's staff on House International Relations Committee were the exception as they did not remove their opposition. While they have no way to hold the \$10 million in food assistance, Gilman staff did say they might be inclined to take a reprisal on the funding for KEDO. It is H's assessment that we can proceed notwithstanding Gilman staff objections, since they cannot block our use of Section 614 waiver authority to free up FY '97 funds for KEDO, and it will be the Appropriations Committee, not Gilman's authorizing committee that will determine FY '98 funding levels for KEDO.

TONY P. HALL
THIRD DISTRICT, OHIO

COMMITTEES:
HOUSE COMMITTEE ON RULES
SUBCOMMITTEE ON RULES
OF THE HOUSE
CHAIRMAN
DEMOCRATIC TASK FORCE ON HUNGER

Congress of the United States
House of Representatives

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200 WEST SECOND STREET
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(513) 225-2843

Deborah DeYoung

Special Assistant for Hunger Affairs

(202) 225-6465

TO: Will Davis

DATE:

9/21/96

456-9170

PAGE:

34

(total)

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In North Korea, isolation and

Politics makes desperate situation more dangerous

famine a deadly mix

By Barbara Slavin
USA TODAY

This is a story about death and politics.

The deaths are happening secretly, without wrenching cable television pictures, in the bleak and isolated country of North Korea. The politics involves North Korea, South Korea and its ally, the United States in an imbroglio that is getting more dangerous as the numbers facing death from hunger and disease rise.

Long known as the hermit kingdom, North Korea is still one of the world's most opaque societies. But foreigners allowed in recently fear that food shortages caused by two years of floods, the end of Soviet support and 40 years of mismanagement are turning lethal.

"What I saw is what starvation looks like in an isolated country," says Rep. Tony Hall, D-Ohio. Hall witnessed the first U.S. food aid arrive in August. He says he saw children with "hair reddened by lack of nutrients, bellies distended . . . rickets. I felt the cough of a bone-thin toddler rattle deep in her lungs and saw her grandfather's shoulder blades nearly poking through his thin shirt. I don't see how some of the people I saw could make it until October, much less survive the winter."

According to the U.N. World Food Program, which delivers and monitors aid, government rations are down to 7 ounces a day — barely a bowl of rice — or 600 calories. "You need 1500-1800 calories to keep an adult alive," says Andrew Natsios, vice president of World Vision U.S. "At 600, you simply waste away."

North Koreans, used to hardship, are scouring the countryside for greens and trading what they can on the black market. The situation is expected to ease slightly soon, thanks to aid from China, a barter deal with Syria and the annual harvest of rice and corn. But U.S. officials expect the harvest to fall short by as many as 2 million metric tons. And the cumulative effects of two years of hunger are already taking a toll, one that will worsen during the harsh Korean winter.

"The second year of a famine is always the worst," says Natsios, recalling Ethiopia, where 1 million people

starved to death, and Somalia, where 300,000 died. In the second year, people start dying of typhoid, tuberculosis and other diseases.

Despite this forecast, foreign donors are not lining up. In the past year, the United States has provided only enough to feed North Korea for one day — 13,000 tons of grain for 23 million people compared with 165,000 tons for 2.1 million refugees in Rwanda and Burundi. No significant food aid is in the pipeline.

The reason? Politics.

Republican presidential nominee Bob Dole has criticized U.S. aid to North Korea — as well as a program freezing North Korea's nuclear development in exchange for energy assistance — as rewarding North Korea for bad behavior.

North Korea, ambivalent after years of preaching self-reliance, is a hard country to help. When South Korea sent a ship full of grain a year ago, the Pyongyang regime briefly detained the crew and forced the ship to fly a North Korean flag. Then last month, a submarine from the North carrying 26 commandos ran aground in the South.

The two Koreas, which fought a bloody civil war in 1950-53, still have no peace treaty. A hesitant rapprochement began two years ago after strenuous American diplomacy. The North agreed to halt a nuclear program that seemed headed in the direction of producing weapons in return for oil and two reactors.

Since South Korea had agreed to build and largely pay for the reac-

tors, it was outraged when it discovered the submarine. President Kim Young Sam, himself gearing up for a re-election campaign next year, demanded an apology and put the breaks on aid.

"The recent atmosphere keeps any relief activity from taking place," says Lee Changho, minister for political affairs at the South Korean Embassy in Washington.

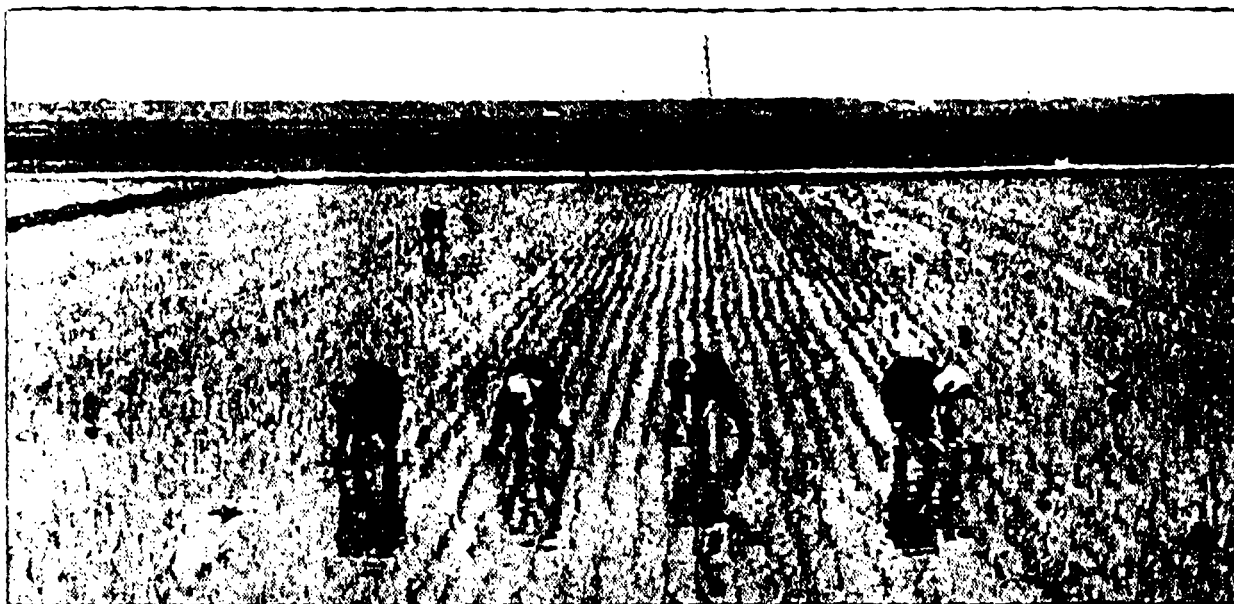
U.S. officials say that some in Seoul were so angry that they urged striking back at North Korea. That could have drawn the 37,000 U.S. forces in the South into another war.

North Korea's economy has been in free fall since the end of the Cold War. There is growing concern that the regime may launch a strike of its own across the world's most heavily fortified border. Last week, North Korea alarmed outsiders with preparations to test a Scud-type missile in the Sea of Japan.

The United States on Friday sent a strong message to the North not to carry out the test. But American policy toward the North has been contradictory, experts say.

"Do we know what we want to happen there? No," says Stephen Linton, a Korea expert at Columbia University. He referred to projections that North Korea can be brought or bribed into the community of nations, the "soft landing" theory. The greater fear is of a "hard landing," a collapse of the food distribution system that could send refugees streaming across its borders.

"We have a hard landing and soft



International Red Cross via AP

Politics and hunger: Farmers plant rice seedlings in fields south of Pyongyang devastated by summer floods. Though millions are threatened by starvation, international aid is slow to come because of the totalitarian nation's isolation.

landing policy at the same time," Linton says. "We are trying to bring the North to its knees by maintaining trade sanctions and at the same time subsidize them with oil and food."

Quoting a Korean saying, Linton says, "We're giving them the disease and the medicine."

Secretary of State Warren Christopher has urged both sides to avoid "provocative actions." This only further infuriated Seoul, which thought the comment equated its young democracy with one of the world's few totalitarian states. Relations were strained further when the United States arrested a Korean-American Sept. 24 on charges of passing military secrets to the South's embassy in Washington.

Then North Korea, in apparent retaliation for the seizure of its sub and the deaths of 22 crew, charged an American with spying. Congressional staffers say Carl Hunziker, 26, who has a Korean mother, has a drinking problem. They say he left a tour group in China, took off all his clothes and swam across the Yalu River into North Korea in a misguided effort to find his roots.

Given these new provocations, and North Korea's stubborn refusal to admit foreign journalists to document the famine, the chances of saving lives look slim.

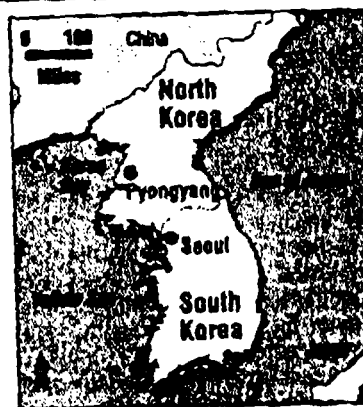
"I've never seen a more complicated and convoluted political situation than this one," says World Vision's Natsios. "Unfortunately, as Ronald Reagan once said, 'A hungry child knows no politics.'"

THE TWO KOREAS

Since they fought a bitter war in the 1950s, the two Koreas have sought to reunify on their own terms. But the North has lost the economic and political competition.

Although the North has the larger army — 1 million to the South's 600,000 — its economy is dwarfed. In 1994, according to the CIA's 1995 World Factbook, South Korea had a gross domestic product of \$508 billion, nearly 25 times the North's \$21 billion. The North's per capita GDP was \$920 compared with the South's \$11,270.

There is also no contest between the two in political freedom. While the South was for years an authoritarian state, it is now a democracy. President Kim Young Sam, elected in 1992, was once an opposition leader.



USA TODAY

The North remains a one-party dictatorship, ruled for most of its existence by Kim Il Sung. Since Kim died in 1994, it is believed that his son, Kim Jong Il, has assumed power although the succession has not been confirmed.

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001. email	Gary Samore to William Davis et al re KEDO funding (1 page)	10/22/1996	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
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Davis, William K.

From: Samore, Gary S.
To: Davis, William K.; @NONPRO - Export Controls
Cc: /N, NonRecord at A1; /R, Record at A1; @LEGISLAT-Legislative Affairs
Subject: RE: KEDO mtg [UNCLASSIFIED]
Date: Wednesday, October 30, 1996 3:40PM

all sounds fine to me. I agree that we can meet the notification requirements without using 614 waiver. (Of course, we have to use 614 anyway to waive other legal restrictions.) Early December is ok for KEDO.

From: Davis, William K.
To: @NONPRO - Export Controls
CC: /N, NonRecord at A1; @LEGISLAT-Legislative Affairs
Subject: KEDO mtg [UNCLASSIFIED]
Date: Wednesday, October 30, 1996 12:20 PM

Gary,
Chip Walgren talked to Barbara and they don't need an NSC presence at the 4pm. Meeting is designed to "indocriate" the new folks (new PDAS?) in EAP on how the 614 waiver and other certification requirements will play out. Barbara mostly wants to lay out for them the roadmap to getting the KEDO funding.

From Barbara's perspective, we should start making pre-consultation calls on the 614 waiver early next week and get paperwork from State for the President as soon as calls are made. Barbara is also inclined to go through the regular notification process instead of using 614 to waive notification requirements. I think that makes sense - let's wait until we determine there's going to be a problem before we pick a fight. We also want to avoid delivery of notifications on weekends or right on top of holidays, so H's goal is to have the money as soon after Thanksgiving as possible (maybe early December). I realize that's cutting it close from KEDO's perspective, but this will be the least contentious path with the Hill. If someone like McConnell decides to be antagonistic after we make every effort to accommodate them, then we can assess blowing by holds/objections, etc.

CONGRESSMAN

TONY HALL NEWS

Third District, Ohio

2264 Rayburn House
Office BuildingWashington, D.C. 20515
(202) 225-6465FOR IMMEDIATE RELEASE
September 12, 1996CONTACT: Deborah DeYoung
202/225-6465**SOUTH KOREA AGREES TO HALL'S REQUEST**
TO HELP FUND UNICEF PROJECT IN NORTH KOREA

WASHINGTON -- South Korean President Kim Young Sam has announced that his government will donate the money needed to reopen a North Korean plant that manufactures one of the tools essential to saving children's lives. The announcement followed an appeal that Congressman Tony P. Hall, D-Dayton, made during his visit to North and South Korea in late August.

The plant will manufacture Oral Rehydration Salts -- packets of glucose and salt that save children from a common and deadly spiral of disease, diarrhea and death. Children are particularly vulnerable to diseases that sap their vital fluids and weaken them before their bodies can fight the disease. Oral Rehydration Salts act as a "circuit breaker" in this deadly progression, giving children a chance to regain enough strength to fight off a wide range of diseases that otherwise might claim their lives.

"If your goal is helping children, and you had just three wishes -- this way of fighting childhood disease and death would be one," Hall said. He will testify about his recent visit to North Korea at a hearing of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs:

When: Thursday, Sept. 12 at 10 a.m.

Where: Room 419, Dirksen Senate Office Building

"We are going to provide \$350,000 through UNICEF out of brotherly love and on humanitarian grounds," President Kim told business leaders from Hyundai, Daewoo and other top South Korean companies during his recent visit to South America.

North Korea was self-sufficient in manufacturing Oral Rehydration Salts until 1995, when the worst natural disaster in its history washed its ORS plant away. In a meeting with Hall in Pyongyang, UNICEF called bringing this plant on-line its most urgent priority in North Korea. The project had been included in the United Nations' June appeal and North

Korea had recently donated the building and brought it up to World Health Organization Standards.

“South Korea’s donation of \$350,000 will finish the job -- equipping the plant with laboratory equipment and instruments, and ensuring that production of ORS resumes,” Hall said. “I raised this urgent need directly with South Korean Foreign Minister Gong Ro-Myung in a meeting in Seoul just two weeks ago, and was very pleased to learn that he acted so quickly on my request,” Hall said.

“This is an historic step, and I hope it marks the beginning of a renewed effort by both North and South Korea to put aside their many differences and work toward the goals that each country shares with the United States,” he added.

Davis, William K.

From: Davis, William K.
To: @UP - APNSA Special Assistants; @NSA - Natl Security Advisor
Cc: /N, NonRecord at A1; @EXECSEC - Executive Secretary; @LEGISLAT-Legislative Affairs; @ASIA - Asian Affairs; @DEMOCRACY - Dem/Human Affairs
Subject: Meeting with Rep. Tony Hall [UNCLASSIFIED]
Date: Tuesday, October 15, 1996 4:36PM

Note for Tony:

Your meeting tomorrow at 4:00 PM with Rep. Tony Hall (D-OH) comes at the Congressman's request and stems from his trip to North Korea in August. On his trip, Rep. Hall focused on humanitarian issues (he has long been the Chairman of the Congressional Task Force on Hunger) and he was quite moved by the dire humanitarian situation he found there. Hall also raised POW/MIA issues on his trip. Hall committed to the N. Koreans that he would convey what he saw on his trip back to President Clinton - this meeting is his fulfillment of that promise.

Hall has been seeking this meeting to press the Administration to engage North Korea and forego linking humanitarian aid to political and diplomatic issues such as POWs or strict compliance with the Agreed Framework. He outlined his position in testimony on North Korea before the Senate Foreign Relations Committee on Sept. 12th (we are FAXing Hall's statement to you).

Per Kristoff's office, Hall was carrying some USG water on this trip to North Korea, so it would be useful to thank him for his suggestion regarding an oral rehydration project. You could note that the South Koreans have agreed to fund the oral rehydration facility project proposed by Hall (this info was passed to us as Pres. Kim travelled to S. America - despite recent saber rattling surrounding the submarine incident, the S. Koreans remain committed to this project, it just may be delayed in implementation until tensions die down - they will then introduce legislation to fund the hydration project).

Other points regarding Hall:

- - he will thank you for the Administration helping to get him a plane for the trip to North Korea;
- - he has been following the situation in Burundi closely, is supportive of the ACRF, and is considering a trip to Burundi this year so he may be interested in the latest developments on that front;
- - last year, to commemorate the Dayton Peace Accord (Hall represents Dayton) he travelled to Bosnia (and met with Karadzic, according to Hall's staffer) - he may make another trip to Bosnia this year as well.

UNCLASSIFIED

FAX TRANSMITTAL SHEET

Number of pages + cover

7 Total

FROM: WILL DAVIS

TELEPHONE: 202-456-9171

FAX NUMBER: 202-456-9170

TO

PHONE

FAX NUMBER

1.

Wilma/Peter Bass

2.

3.

4.

5.

6.

For Tony's meeting w/Rep. Mall
tomorrow - as mentioned in our e-mail.
Thanks

TONY P. HALL

THIRD DISTRICT, OHIO

COMMITTEE:

HOUSE COMMITTEE ON RULES

SUBCOMMITTEE ON RULES OF
THE HOUSECHAIRMAN
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Congress of the United States
House of Representatives
Washington, DC 20515

Testimony of

U.S. Rep. Tony P. Hall

to the

United States Senate Committee on Foreign Relations
Subcommittee on East Asian and Pacific Affairs

September 12, 1996

Good morning. I want to thank you for inviting me to testify today, Mr. Chairman, and to thank both you and Senator Robb for the focus you are bringing to the United States' relationship with North Korea.

I am convinced that our increasing contacts with North Korea can only benefit America's interests -- and make the job of the 37,000 American troops stationed along the border with South Korea easier. And I am hopeful that our contacts also will help the people of North Korea who have suffered in their decades-long isolation, and are hurting badly today.

Our humanitarian work, our progress in dismantling North Korea's nuclear reactor and on missile technology controls, and the unprecedented joint investigations by U.S. and North Korean soldiers into the fate of missing servicemen -- all of these mark a dramatic turn-around in a relationship that is in its fifth decade of military tension.

I believe our nation owes special thanks for these changes to former President Jimmy Carter, whose personal diplomacy laid the groundwork for peace two years ago. Senator Paul Simon, who with Senator Frank Murkowski travelled to North Korea at a crucial moment, and who has championed ideas that hold great promise for the future of both countries, also deserves recognition for his work. We ought to build on their success in seizing this historic opportunity.

North Korea's Food Shortage

The hunger and malnutrition that I saw in North Korea is different than famines I've seen in my visits to other countries. This is the only country I can remember where grown children are shorter than their parents. The stunting is severe, especially when you compare North Koreans to their siblings and cousins in South Korea. And North Korea is the only place I've seen where parents and grandparents are giving their own rations to their children in a desperate effort to protect them.

Today in North Korea, people are somehow surviving on rations of little more than 600 calories a day -- just seven ounces of grain. That's not two bowls of rice: too much to die on, but not enough to live on and function. They are scrambling to supplement that starvation diet, but clearly having little success.

Nutritional standards say sedentary workers need about 2,000 calories a day to maintain their body weight -- but people in North Korea cannot be sedentary. In two weeks, the harvest will be brought in with the aid of few animals and fewer machines. And if there is to be any hope for next year's harvest, the back-breaking work of rebuilding broken irrigation systems, roads, and other infrastructure must be completed.

Adults have lost an average of 30 pounds since January, according to Western aid workers I talked to there. According to our Ambassador to South Korea, James Laney, a North Korean soldier who defected to South Korea in mid-August weighed just 92 pounds. And there are many more measures of the extent of the suffering in North Korea in both the intelligence and in the unclassified reports of U.N. agencies, the International Red Cross, and charities that have visited North Korea.

For me, two things stand out in all of these measurements:

- ☐ First, the bodies of most of the North Koreans that I saw are exhausted. Simply surviving this winter will be a tremendous physical challenge that many of them will not be able to meet.
- ☐ Second, North Korea's land appears equally worn out. Food grows on any patch of land available -- atop the rice paddy walls, along the shoulders of roads, in rivers' floodplains, on the slopes of steep hills. Land is not permitted to lie fallow, there is no investment in fertilizers and pesticides, deforestation leads to soil erosion that ruins once-productive land -- and sorry yields are the result of it all.

North Korea's granaries were last full in 1992 -- but however self-inflicted the long-term problems may be, the country was overwhelmed by the worst natural disaster in its history last year. And this year, another severe flood struck the breadbasket provinces that produce 60 percent of North Korea's grain.

What Is Missing

What struck me most was not what I saw -- but what was missing. There is an eerie silence in the capital, and in the villages that we visited in more than 20 hours on the road. You don't hear roosters crowing, and the air seems empty of birds -- even of gulls in the seaside city of Haeju. You don't see cats, or rats, or cows or goats -- or much sign of other animal life. Occasionally, in people's homes I saw dogs, but not a single puppy. According to some aid workers, the sight of a pregnant woman is increasingly rare, and a new maternity hospital never has more than 25 of its 250 beds filled. Certainly we saw no fat people -- or anybody that bore much resemblance to their healthier siblings and cousins in South Korea.

Soldiers --and we saw a lot of individual soldiers throughout the capital and countryside-- have the same hollow-cheeked look as civilians, and their uniforms hang very loosely on them. That may be the best evidence that most of North Korea's military isn't getting much more to eat than the rest of the people.

All of this added up to a nagging sense that we simply cannot know what is happening in North Korea. Aid workers speak in hushed tones when talk turns to what is happening in the mountains that make up 80 percent of North Korea. They can barely help the 1.5 million children and flood victims covered by the U.N.'s appeal for humanitarian aid; the remaining 20 million people are on their own.

Two American demographers, Nicholas Eberstadt of the American Enterprise Institute and Judith Banister, of the U.S. Census Bureau, have done statistical analysis of North Korea's population -- and with your permission, Mr. Chairman, I would like to submit a letter for the record that Mr. Eberstadt is preparing. The gist of their finding is that half a million people are "missing." That is either (1) a statistical blip; or (2) a sign of severe changes in the birth and death rates. We cannot know which is true, but I believe the possibility of something that would affect 500,000 people deserves our concern.

North Korea's Own Efforts

I also want to comment briefly on the efforts that North Korea is making to ease suffering in its country. Its ration system now feeds the majority of the population, and by all accounts, it is meticulously fair. Ration cards measure out to three decimal points. A U.N. report issued Sept. 9 notes that sometimes there is not enough food to distribute the second of two monthly rations, but people do seem to share equally in the food available.

The system also appears to be exceptionally efficient. The first U.S. flag ship to visit North Korea since the war arrived on Wednesday, Aug. 21 -- and the rice and cornmeal it carried already was being distributed when I visited two rural provinces on Thursday, Aug. 22.

Other North Korean efforts are more troubling, however. According to Monday's report, some 30 to 20 percent of the nation's livestock have been turned over to individuals for tending or slaughtering; and local provinces have gotten a green-light to barter their timber and other resources for food (primarily with China) -- increasing deforestation and reducing the fuel available this winter.

The July 1996 Flood

So far, North Korea's suffering is largely caused by the 1995 disaster -- a massive, 100-year flood that bore striking similarities to our own Midwest flood of just three years ago. People already bombarded with admonitions to "work harder, eat less" have high hopes that the 1996 harvest will be good.

It won't be.

United Nations experts who travelled to the region I saw just after I left reported this week that much of the country's breadbasket region -- which produces 60 percent of its grain, and which I visited last month -- was under water for five days in July. Rainfall was 3-5 times normal, overwhelming irrigation canals and bursting dams. To put the torrential rains into some perspective, it was twice what North Carolina and Virginia endured in Hurricane Fran's aftermath -- and it lasted five times longer. And the rains came at a crucial time in crop development -- stunting the growth of corn, and robbing rice stalks of their nutritional kernels.

Along just one 500-mile irrigation network, there were 369 breaks. A report issued by the International Red Cross, UNICEF, and several U.N. agencies puts the likely crop losses in the half-million acres irrigated by this system at \$300 million. And broken sea dykes added to this misery, washing salt water over land and poisoning it for this year and probably several more.

International Aid

The international community is lending a hand -- but only barely. China, Japan and the U.S. each have donated some \$6 million to the current appeal. South Korea has given \$3 million, and promises far more if North Korea agrees to peace talks that President Clinton and President Kim proposed in April.

With the notable exception of Sweden, though, the response of most European nations has been nothing less than a "let 'em starve" pittance that shames the reputation of European people. I spoke with the director of U.S. AID, Brian Atwood, about this -- and he plans to raise the matter with his European Community counterpart in October.

In all, just over half of the United Nations' current emergency appeal has been filled. It lasts until March 1997, but the food-for-work projects to rebuild irrigation systems and other infrastructure must begin immediately after the harvest in order to stave off another disaster in 1997.

NGOs are doing their best to respond, but they are hampered by restrictions on South Korean individuals -- many who have family ties to the North -- and by North Korea's petulant insistence that NGOs bring food, and not just people. Without eyewitness accounts, without reporting by independent journalists, NGOs simply cannot raise the money they need to fund their operations. U.S. organizations like World Vision and Mercy Corps are doing their best to help, and the U.S. government should lend its weight to their efforts.

In every disaster, NGOs are the first to respond -- the people who work with the most vulnerable groups, and who stick around long enough to do the long-term work needed. Governments -- including the U.S. Government -- need to do more. But it will be the work of private citizens, and the organizations they support, that will make or break North Korea's recovery. This is my strong conviction, and I raised it with both North and South Korean leaders.

Conclusion

Despite the seemingly endless stream of bad news about North Korea, I remain hopeful. My talks with North Korea's leaders were productive, and I am convinced that good-faith efforts by the U.S. and other nations will produce more good-faith efforts by North Korea. It is not a quick process, but it one whose pace is increasing, and it is our best hope for lending momentum to the progressive factions inside North Korea.

I am hopeful for one other reason: a UNICEF project that represents an historic joint effort by North and South Korea. Like all UNICEF projects, the Oral Rehydration Salts plant will be a Godsend to children. The packets of glucose and salt that this plant will manufacture are used around the world as a circuit-breaker in the spiral of disease and death. If you care about suffering children, and had just three wishes, Oral Rehydration Salts would be one of those wishes.

North Korea was self-sufficient in producing this life-saving product -- until the flood swept away its building and equipment in 1995. It has since donated a building for the plant to UNICEF and brought it up to World Health Organization standards -- but UNICEF still lacked the money needed to equip the plant.

Until this week.

When I met with South Korea's Foreign Minister, Gong Ro Myung en route home, I raised this urgent need with him. At the time, my hopes that South Korea would help were pretty low. But despite the loss of seats in Parliament that ensued after South Korea's donation of humanitarian aid ended in insults by North Korea; and despite public outrage recently reinvigorated by violent clashes between students and police, Minister Gong carried my request to President Kim Young Sam. And despite President Kim's difficult position as the country's first democratically elected leader -- he pledged the money needed to finish this project.

This is an example that should inspire political leaders here, and in other capitals. I hope it will mark a determination by charities and private individuals to overcome the challenges of helping people in North Korea as well.

Missing Servicemen

Finally, I cannot close without expressing my serious concern about the persistent trickle of rumors that missing American servicemen have been sighted in North Korea. I personally raised questions about a pilot shot down during the Korean War, and conveyed the resolve of Americans to help the families of missing servicemen learn the answers to their question.

I know that this Committee's Chairman, along with Senators John Kerry, Nancy Kassebaum, Hank Brown, and Chuck Robb have devoted considerable attention to these questions, as has Senator John McCain. Several of my House colleagues also have worked hard on these issues -- especially Congressmen Bill Richardson, Pete Peterson and Lane Evans. I am convinced that this persistent attention, and the ability of Americans in military service today to work on the ground in North Korea, offer the best hope possible.

Four decades of isolation have not produced answers about servicemen missing since the Korean War. I believe it is time to try a new strategy; and I hope that North Korea's new openness is the silver lining in the black cloud of the terrible suffering the North Korean people are enduring.

Again, thank you for holding this hearing, and for inviting me to testify.

TONY P. HALL

7th DISTRICT, OHIO

COMMITTEES:

HOUSE COMMITTEE ON RULES

SUBCOMMITTEE ON RULES
OF THE HOUSE

CHAIRMAN

DEMOCRATIC TASK FORCE ON HUNGER

Congress of the United States
House of Representatives1437 LONGWORTH HOUSE OFFICE BUILDING
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(513) 225-2843***Deborah DeYoung******Special Assistant for Hunger Affairs******(202) 225-6465***TO: *Will Davis* *456-9170*DATE: *9/9*PAGE: *2* (total)

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New Account Adds to the Mystery About the Fate

By NICHOLAS D. KRISTOF

SEOUL, South Korea, Sept. 4 — One of the most elusive and maddening mysteries swirling about East Asia concerns the occasional "sightings" of American prisoners of war still supposedly held by North Korea, more than four decades after the end of the Korean War.

Now the mystery is becoming even more elusive and maddening. A defector from North Korea claims to have repeatedly visited a top-secret prison camp housing elderly white and black men who, the camp guards told him, were American prisoners of the Korean War.

The latest account is simply one more in a murky and inconclusive mosaic, and many experts are extremely skeptical that North Korea could have — or would have wanted to have — kept American prisoners for so long. But the new descriptions are by far the most detailed to have emerged so far, and there is a growing sense among intelligence officials that the notion of surviving American prisoners, however outlandish it sounds at first, is a serious possibility.

The new testimony comes from Oh Young Nam, a 33-year-old former police official who escaped to China last October and then came to South Korea. Mr. Oh was the son of a bodyguard to the country's late "Great Leader," Kim Il Sung, and he himself graduated from the elite police academy and joined the secret police.

In an interview on Wednesday, Mr. Oh said that from 1982 to 1993 he repeatedly visited a camp housing the Americans, in a sealed-off area just north of Pyongyang, the capital. He said he had never seen more than 20 or 30 Americans at one time, but that there were others in their dormi-

of American P.O.W.'s in North Korea

tries and so the total number was probably higher.

Once he and a group of other police officers stopped their car and gave a half-dozen cans of beer to a group of the Americans, who said "thank you" in Korean but did not engage in conversation. He said he had police friends working in the camp and that they told him that the Americans had learned Korean and spoke with a good accent.

Mr. Oh said that the Americans, though painfully thin, were relatively well treated. He said they lived in a one-story compound around a central meeting area and that a tennis court was nearby — although it lacked a net and was overgrown in the years he saw it. North Korea officials had even found Korean wives for the prisoners, Mr. Oh said.

The reports of American P.O.W.'s were first published this week by Asia Times, a Bangkok-based daily whose reporter spoke with Mr. Oh. During the interview on Wednesday, Mr. Oh said that he had not realized that his conversation with that reporter would be published in a newspaper, and he tried to avoid talking about American prisoners.

"I'll talk about anything else in North Korea, but right now I can't tell you about the American prisoners," he said. "Some time later it may be possible."

Asked if American officials had ordered him not to discuss what he had seen, he refused to say, but he squirmed a lot. The obstacle was apparently not South Korean officials, for Mr. Oh is now being looked after by the South Korean security service and it could have easily rejected the interview on one ground or another.

Still, Mr. Oh gave some details of what he had seen, and he added that he had spoken to American intelligence officials in April and had shown them the prisoner-of-war camp in pictures — presumably satellite photos.

J. Alan Liotta, deputy director of the Defense Department office responsible for prisoners of war, would not comment on specifics but said the accounts of Americans in North Korea were being carefully checked.

"We are continuing to investigate several reports to corroborate information suggesting there may still be American prisoners from the Korean War being held in North Korea,"

Mr. Liotta said by telephone from Washington. "To date, we have no first-hand reports."

Mr. Liotta said "first hand" meant that the person interviewed had not only seen Westerners but had talked to them to confirm that they were American P.O.W.'s and that they wanted to go home.

Senior Administration officials, who are trying to reduce tensions with North Korea and entice it out of its isolation, have played down the possibility that American P.O.W.'s might still be held captive. But in June an internal Defense Department report was leaked by Representative Robert K. Dornan, Republican of California, and it caused an uproar by suggesting that a small group of P.O.W.'s might still be held by North Korea.

"When you talk to working-level intel people, I think it's taken as a given that there are P.O.W.'s there," said a military intelligence specialist in Washington.

Some 8,100 Americans are missing from the Korean War, and it had been widely assumed that all had died either during the war or soon after it ended in 1953. A Pentagon official who asked not to be identified said that about a dozen reports of surviving P.O.W.'s had emerged over the decades, and that as a result a more intensive study was begun about a year ago.

That study then uncovered several more people claiming to have information on the Americans, the official said.

There is always a danger that defectors may be seeking publicity or American passports, or that they are pushing a line devised by their South Korean guardians. But an American intelligence expert on North Korea said that South Korea had never pressed an opinion on the P.O.W. question, one way or the other.

"This is the first report that I've seen of an alleged first-hand recent sighting of that nature," the expert

said. He added that North Korea could have held on to some prisoners after the war as a bargaining chip, and then after years passed felt it could no longer acknowledge their existence.

North Korea has vigorously denied the assertions, saying in an official statement in June that the accusation "has seriously gotten on our nerves." The statement added that if America pursues the issue North



The Americans were said to be in a camp just north of Pyongyang.

NYT
9.8

Korea might revoke its permission for joint excavations now under way to search for bodies of American flyers killed during the war.

FRIDAY, July 12, 1996

NEW YORK TIMES

July 12, 1996

Pg. 26

Get Serious About Mr. Karadzic

The major powers agreed this week in London that Radovan Karadzic, the Bosnian Serb political leader, belongs in The Hague standing trial for war crimes, including the mass killing of civilians in Srebrenica one year ago this week. Yet the American, British, French, German and Russian Governments failed to agree on any new diplomatic or economic pressure to achieve this worthy goal.

It is a sadly familiar pattern. But with the elections that will probably determine the ultimate success of the Bosnia peace agreement now only two months off, there is very little time left for such empty posturing. Muscular diplomacy, including economic sanctions and high-level arm-twisting, are needed — starting at once.

Hearings by the International War Crimes Tribunal over the past few weeks have begun to spell out the prosecutor's case against Mr. Karadzic, based on his responsibility for the Srebrenica massacre and other atrocities in the course of the 44-month Bosnia war. This week the tribunal's investigators began excavating the 12 mass graves at Srebrenica believed to hold the bodies of some 8,000 Muslim males who were taken away and allegedly beaten and shot to death by Bosnian Serb forces following the city's fall. Yesterday the tribunal issued international arrest warrants for Mr. Karadzic and his military chief, Ratko Mladic. These oblige every U.N. member country to arrest either man should he venture into their territory.

Unfortunately, Mr. Karadzic seems inclined to remain in Serb-held Bosnia. Removing him from Bosnian soil is critical if the elections scheduled for Sept. 14 are to be successful.

Within both the Serb-held part of Bosnia and the Muslim-Croatian section, there are politicians and

voters who favor tolerance of other ethnic groups and eventual national reconciliation. But moderate candidates do not stand a chance in the Bosnian Serb region so long as Mr. Karadzic controls the ruling party apparatus and can send gangs of thugs to keep them from campaigning or frighten them out of the race altogether.

Some in Washington are advocating a military commando operation to remove Mr. Karadzic. But forcing him out by diplomatic means or economic sanctions runs less risk of renewed combat.

The best point of leverage for such pressure is Serbia's President, Slobodan Milosevic, who still has considerable influence in the Bosnian Serb capital, Pale. Mr. Milosevic virtually created the Bosnian Serb government four years ago, sustained it militarily and economically throughout the war, and now serves as the Bosnian Serbs' principal protector against the outside world. But he is far more concerned with his own political survival and the recovery of Serbia's economy than with the fate of Mr. Karadzic, whom he now considers a potential rival. He might well be convinced under threat of sanctions to be more helpful in securing Mr. Karadzic's early removal from Bosnia.

Unfortunately, the hapless ditherings of the chief international civilian official in Bosnia, Carl Bildt, and other European diplomats have amounted to meaningless huffing and puffing. If other countries remain reluctant to act, President Clinton should dispatch Vice President Al Gore, Secretary of State Warren Christopher or the national security adviser, Anthony Lake, directly to Belgrade to inform Mr. Milosevic that Washington wants results without further delay. The time for serious diplomacy is right now.

NEW YORK TIMES

July 12, 1996

Pg. 4

Congress Is Faulted on North Korea

WASHINGTON, July 11 (AP) — The Clinton Administration accused Congress today of jeopardizing an international agreement under which North Korea consented to freeze its nuclear program.

Both the House and Senate have agreed to provide only \$13 million of the \$25 million requested by the Administration as the American share for the Korean Peninsula Energy Development Organization, an international consortium set up to provide alternate fuel sources for North Korea.

"If we cannot get the U.S. contribution, other countries will not contribute, and we will be, I would just say, in a much more dangerous situation," said Daniel Ponneman, senior director for nonpro-

liferation issues at the White House's National Security Council. "I could not speculate on what the North Koreans would do."

North Korea is suspected of using its nuclear program to develop weapons, instead of for energy research and development.

Part of the Aerocam money will go toward the purchase of 500,000 tons of heavy fuel oil promised North Korea each year until two replacement nuclear reactors are built. The new reactors are considered safer than existing equipment because only a negligible amount of plutonium, used to make nuclear weapons, is produced as a byproduct.

Earlier this month, North Korea threatened to reconsider its promise to freeze its nuclear program if it does not receive the

promised fuel.

Mr. Ponneman briefed reporters at the White House as representatives of the consortium and North Korea signed protocols in New York on the 1994 agreement. The protocols will clear the way for the initial site work for the reactor project, which is to begin later this year.

WASHINGTON TIMES

July 12, 1996

Pg. 17

Indonesian Defense Minister Edi Sudradjat signed a memo on military and weapons cooperation with his Ukrainian counterpart Valery Shmarov in Kiev this week. During his three-day visit, Mr. Sudradjat met with Ukrainian President Leonid Kuchma and toured a shipyard at Feodosia on the Crimean Peninsula.

FRIDAY, July 12, 1996

NEW YORK TIMES

July 12, 1996

Pg. 12

Bosnian Serbs Celebrate Srebrenica

By MIKE O'CONNOR

SREBRENICA, Bosnia and Herzegovina, July 11 — Most of the world regards it as the date on which the worst war crime began in a war covered in crimes, but Bosnian Serb leaders have given it a new name: Liberation Day. And today, many of Srebrenica's new Serbian residents celebrated the anniversary of the capture of the town from Muslims one year ago.

There was no mention here of international investigators' estimates that after the town was taken, as many as 8,000 men and boys were hunted down, captured and killed by Bosnian-Serb soldiers. Most Serbs here appear to be convinced that such talk is nothing but lies.

Still, it was not a completely joyful event to the Serbs now living here, most of whom were themselves displaced from their homes elsewhere in Bosnia during the war.

A quartet of two electric guitars, a drummer and an accordionist tried to warm up the crowd at a local theater with Serbian folk songs. But even the blood-churning strains of "March On to the Drina River" was not enough to produce much of a reception for the Serbian official who took the stage to tell the crowd how glorious it was to have gained the town's freedom from the Muslims.

The speaker, Momcilo Cvetinovic, did not remind them that four years ago they had homes that were really their own, and jobs and families still whole. Instead, his speech was about the great strides they have taken toward creating their own country.

Despite commitments by Bosnian Serb politicians that the agreement stopping the war would create a semi-autonomous Serbian state within Bosnia, Mr. Cvetinovic told the people that they now must assist in making a completely independent state. "We must show the world that we don't want to live with Muslims," he said.

And on a day when international arrest warrants were formally issued for the Bosnian Serb leader, Radovan Karadzic, and the Bosnian Serb military commander, Gen. Ratko Mladic, for the killings in Srebrenica, Mr. Cvetinovic said the people must continue to support Dr. Karadzic because he was the only person who could give them their own country.

In the audience, only a few people nodded, and only a few others clapped. But the weary crowd did not

appear to doubt the message, which they have heard now for years.

It was a message clearly accepted by Zagorka Jokic, whose son was killed in the war. Today she was at a refugee assistance center picking up a plastic bag holding a pound of sugar, a half pound of pasta, six tiny candies and a jar of jam.

She said the food aid was all provided by the Bosnian Serb Government, and that no one else cared enough about the people here to help them, because that is what she has been told. Even though United Nations refugee aid officials say they give the food to the Government in the first place.

She said the small amount on which she and her husband are to live for nearly a month, along with what they can grow themselves, was due to the fact that the Bosnian Serb Government has been made poor by actions taken by other nations.

Her leaders have told her they are her only protection from a malevolent world, so she must support them. She, and others here, could not consider that the taking of this town one year ago was a prelude to mass murder.

"We had to liberate Srebrenica because it was a Muslim enclave in a part of Bosnia the Serbs needed for their own protection," said Sreten Pantic, 26 a former soldier in the Bosnian Serb army. "The Muslims wanted to kill us, everyone knows that."

"There was no mass killing," said Mr. Pantic. "Serbs could not do

that." His family lives in a home provided by local officials to whom he feels he owes allegiance and whose vision of an independent state he has come to share.

Mr. Pantic speculated that the thousands of missing men could have died in combat or perhaps killed themselves. Any evidence suggesting that there was mass murder would surely be propaganda, he said, and show even more that the Serbs can trust no one.

About 10 miles north west of here, in the village of Cerska, on the side of a narrow road, investigators from the war crimes tribunal were working today at one of about a dozen mass graves found in the area. They were exposing the top layer of bodies of the men of Srebrenica who were killed.

On the other side of the road they had found dozens of spent cartridges, and behind the bodies trees were scarred from bullets. It was clear, said an investigator, that the men had been lined up, shot, and then their bodies covered with dirt.

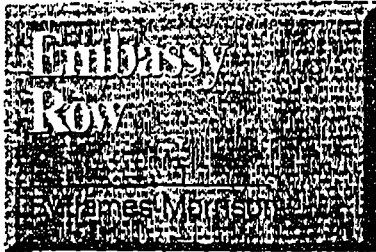
In Tuzla, where most of the survivors of the attack on Srebrenica fled, several thousand women, who lost male relatives went to a rally commemorating the fall of the town.

The event was sponsored by women from other countries, including the American Ambassadors to Austria and Queen Noor of Jordan. A representative of the organizers said they had raised over \$3 million to finance rehabilitation programs for the survivors.

WASHINGTON TIMES

July 12, 1996

Pg. 17



Bitter Bosnian envoy

The Bosnian ambassador yesterday bitterly denounced the United Nations and Bosnian Serbs on the anniversary of the slaughter of thousands of Muslims in Srebrenica.

Ambassador Sven Alkalaj said the United Nations was responsible for standing by and allowing Serbian forces to overrun the Bosnian town, which was declared a U.N. "safe area."

The "world's credibility can

never be the same again," he said.

"May those who were able to make a difference and who chose passivity in the hour of decision be haunted by their own inhumanity."

Mr. Alkalaj blamed Bosnian Serb leaders Radovan Karadzic and Gen. Ratko Mladic for "the most heinous crime in Europe since World War II."

The United Nations' refusal to allow NATO air strikes to counter the Serbs' offensive condemned the Muslim residents of Srebrenica to genocide, Mr. Alkalaj said.

"And to this day," he added, "the United Nations hides behind its shield of saying, 'We didn't have enough troops for the safe areas,' although it held the trigger which could have halted the slaughter — NATO air strikes."

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 11, 1996

STATEMENT BY THE PRESS SECRETARY

We are pleased to announce another step forward in the implementation of the 1994 U.S.-North Korea Agreed Framework, which calls for the freeze and eventual replacement of North Korea's dangerous nuclear program with two proliferation-resistant light water reactors (LWRs) provided by the Korean Peninsula Energy Development Organization (KEDO). Today, at KEDO headquarters in New York City, KEDO and the DPRK will sign three protocols in connection with the light water project, covering privileges and immunities for KEDO workers in North Korea, communications, and transportation for the implementation of the December 1995 LWR Supply Agreement. Signing of these protocols will facilitate the initial site work for the project, which is expected to begin later this year.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 11, 1996

BRIEFING BY
SENIOR DIRECTOR OF THE NATIONAL SECURITY COUNCIL,
DAN PONEMAN

The Briefing Room

1:17 P.M. EDT

MR. MCCURRY: I've got Dan Poneman who's the Senior Director of the National Security Council for Nonproliferation Issues is up next.

Just a short while ago, a very important announcement was made regarding the 1994 agreed framework that deals with North Korea's nuclear program, an agreement between the government -- the Democratic People's Republic of Korea and the Korean Peninsula Energy Development Organization, KEDO, as we call it. And Dan, who is our expert on nonproliferation matter -- things that go boom and things we don't want to go boom -- is here. And he can talk to you a little bit more about the announcement that's made in New York -- why it's significant and how it relates to --

Q Where was it announced, New York?

MR. MCCURRY: In New York, correct?

MR. PONEMAN: True.

Q At the U.N.?

MR. MCCURRY: At the U.N.?

MR. PONEMAN: At KEDO.

MR. MCCURRY: At the offices of the Korean Peninsula Energy Development Organization.

MR. PONEMAN: Thank you, Mike.

This morning the announcement of the signing of the three protocols took place in New York. The parties were, on the one hand, KEDO -- the Korean Peninsula Energy Development Organization -- whose constituent three charter members are the United States, South Korea and Japan and has a number of other members -- on the other side, the Democratic People's Republic of Korea. The KEDO signature was signed by Steven Bosworth who's the executive director of KEDO, Ho Jin Yun from North Korea signed for the other side.

The significance of these specific agreements are that they set up the further implementation of the agreed framework between the United States and the Democratic People's Republic of Korea. Specifically, they accord specific privileges and immunities that will permit KEDO to carry out the light water reactor project in North Korea. They establish ways of communication for KEDO to carry out its functions in moving that project forward, as well as providing for means of transportation both to North Korea and then once arriving either by sea or by air into North Korea to the actual reactor side.

I think to understand the significance of this, you have to really look at it as yet another step in a long chain of steps coming out the October, 1994 agreed framework in which the United States secured North Korea's agreement to freeze its nuclear program. That is the five megawatt reactor they already had operating, the construction on the 50 and the 200 megawatt reactors together which could have produced dozens of bombs worth of plutonium each year once they were up and running. It continues the freeze of the plutonium reprocessing facility which could have taken the plutonium out of the spent fuel from those reactors. It continues through the recanning operation which has now embarked -- since April when we began recanning the spent fuel in the fuel pond at Pyongyang. Over 1,000 of the plutonium containing fuel elements have been canned out of 8,000. This operation will continue through the end of the year.

All of this freeze is now under full IAEA monitoring. The IAEA monitors are at the sight. They've just finished technical discussions with North Korea. So, basically, you have a situation in which we faced a couple of years ago, as many of you here recall, a rampant proliferation problem which we now have contained. The freeze continues. Missile talks have now become possible between the United States and North Korea. A round was held in April in Berlin. We expect to have another round of talks to address the missile proliferation threat.

I think the one issue that we need to focus on today, however, is the need that we have in the United States to assure

the continued implementation of that agreed framework. And here I refer specifically to the administration request for \$25 million as the U.S. contributing to KEDO for the next year, which is absolutely critical to the United States for us to be able to discharge our responsibilities under the agreed framework, which include not only our work with KEDO on the reactor project, but also providing for the heavy fuel oil which KEDO has agreed to provide under the agreed framework.

We have been working very hard with the Congress. So far we have not secured their agreement. We have funding caps both in the House bill and the bill now under consideration in the Senate at \$13 million. I must emphasize the critical importance to our national security of this modest investment in securing \$25 million from the United States, well within the bounds of the \$20 million to \$30 million figure Secretary Christopher said in 1995 we would be seeking annually from the Congress. It's very important, not only directly, but because it's critical to leverage the much larger contributions that the South Koreans and the Japanese have offered in terms of underwriting the much larger reactor project.

And that's basically what happened.

Q What happens if you don't get the rest of the money? What are the North Koreans going to do?

MR. PONEMAN: Well, it's hard enough to know what we will do in the future. I've long since given up speculating on what North Koreans would do. What I would say is, it is critically important to us to make sure that KEDO fulfills its obligations under the agreed framework. That includes the provision of 500,000 tons of heavy fuel oil a year. Right now we have gone around a large number of countries. We've secured contributions from about 20, but it's not going to come up to the \$50 million to \$60 million we're going to need.

If we cannot get the U.S. contribution, other countries will not contribute, and we will, I will just say, in a much more dangerous situation. I could not speculate on what the North Koreans would do, but I do not think it is prudent for the United States to raise a risk of lack of implementation on our side of the agreed framework.

Q You talked about missile talks are possible. Talks about what kinds of missiles? And are there goals to reach?

MR. PONEMAN: Yes. The North Koreans we have had very serious concerns for a lot of years in two respects -- one, their

indigenous missile programs, which obviously threaten their nearest neighbor, South Korea, but also contain the risk of a much further threat beginning with Japan and perhaps further depending on how quickly they proceed. So we have a direct threat. We also have a threat because North Korea is a missile proliferator. We have had longstanding concerns about North Korea supplying missile technology to the Middle East and to countries hostile to our allies in that region. And so our objectives in the talks that began in Berlin in April were to secure North Korean cessation of any export activity, as well as to get a cap on their indigenous programs, which are extremely threatening to our allies.

Q What is their stockpile, do you know?

MR. PONEMAN: The North Koreans -- I couldn't give you specific figures, but they have Scud missiles. They are developing longer-range systems. In terms of exactly how many they have, it's very hard to know the details of what goes on in North Korea, but it is a serious threat.

Q It was reported in South Korea the last couple of days that in fact there had been a new transfer of 370 missiles from North Korea to somewhere in the Middle East. And I'm sorry, I don't know what kind of missiles they were, similar to SCUDs, or something. Do you know anything about that?

MR. PONEMAN: I can't -- we have long been concerned about those kinds of transactions. I'm not going to be able to comment on a specific allegation of a transaction.

Q What do you give up? I mean, when you have a negotiation with the Soviets about SALT I and so on, you were ready to come down to certain levels on both sides. What does the U.S. -- what do the allies give us in a negotiation with the North Koreans?

MR. PONEMAN: In a negotiation like this, we would have -- it is not at all similar to the kind of negotiation we traditionally had with the Soviets. This would be much more of a nonproliferation kind of a discussion on the theory not of getting negotiated limits of our stockpiles versus theirs, but to get them to live up to international norms, the principal one in this area being the missile technology control regime.

There is not, therefore, the kind of back and forth you would see. The consideration running in the other direction is, if they live up to international norms in this area, just as in the nuclear area, the kinds of benefits to countries that are no longer pariahs and outlaws could begin to flow, the kind of

cooperation and closer links to other countries around the world.
But you would not get a kind of tit -for-tat kind of
negotiation.

THE PRESS: Thank you.

END

1:27 P.M. EDT

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

5523

August 9, 1996

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: DANIEL PONEMAN *DP*

FROM: GARY SAMORE *DP fr*

SUBJECT: Report on North Korean Compliance with the Agreed Framework

Attached at Tab I for your signature is a memorandum to the President recommending that he approve the semiannual report to Congress on North Korean compliance with the Agreed Framework. The report has been cleared interagency.

Concurrence by: Jack Pritchard, Will Davis, Alan Kreczko

RECOMMENDATION

That you sign the Memorandum to the President at Tab I.

Attachments

Tab I Memorandum for the President
Tab A Presidential Transmittals
Tab B Report on North Korean Compliance

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: EXECUTIVE CLERK

FROM: ANTHONY LAKE
SOHW MILLEY

SUBJECT: Report on North Korean Compliance with the Agreed Framework

Purpose

To approve the semiannual report on North Korean compliance with the Agreed Framework for submission to Congress.

Background

The Foreign Operations Appropriations Act, 1996 (PL 104-107), enacted February 12, 1996, requires that the President report to Congress every six months on North Korean compliance with the Agreed Framework, including progress of the light water reactor project, North Korean observance of the nuclear freeze, and U.S. efforts to encourage North-South dialogue. The attached letters (Tab A) transmits the report (Tab B) to the chairs and ranking members of the relevant Congressional Committees.

As explained by the report, North Korea's nuclear program remains frozen under IAEA supervision, and the light water reactor project is moving ahead satisfactorily, including the designation of a South Korean company as prime contractor for the project. The report also describes our efforts to encourage North-South dialogue, although North Korea continues to resist direct contacts with the South in many areas. Overall, the report will strengthen our request to Congress for \$25 million in FY97 to support the Korean Peninsula Energy Development Organization (KEDO).

RECOMMENDATION

That you approve the Presidential ~~Determination~~ at Tab A.

Attachments

Tab A Presidential Transmittals

Tab B Report on North Korean Compliance

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

I transmit herewith the six-month report required under the heading "International Organization and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104-107), relating to the Korean Peninsula Energy Development Organization (KEDO).

Sincerely,

The Honorable Mark Hatfield
Chairman, Committee on Appropriations
United States Senate
Washington, D.C. 20510-6025

THE WHITE HOUSE
WASHINGTON

Dear Senator Byrd:

I transmit herewith the six-month report required under the heading "International Organization and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104-107), relating to the Korean Peninsula Energy Development Organization (KEDO).

Sincerely,

The Honorable Robert C. Byrd
Ranking Member, Committee on Appropriations
United States Senate
Washington, D.C. 20510-6025

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

I transmit herewith the six-month report required under the heading "International Organization and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104-107), relating to the Korean Peninsula Energy Development Organization (KEDO).

Sincerely,

The Honorable Bob Livingston
Chairman, Committee on Appropriations
House of Representatives
Washington, D.C. 20515-6015

THE WHITE HOUSE

WASHINGTON

Dave

Dear Representative ~~Obey~~:

I transmit herewith the six-month report required under the heading "International Organization and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104-107), relating to the Korean Peninsula Energy Development Organization (KEDO).

Sincerely,

The Honorable David R. Obey
Ranking Member, Committee on Appropriations
House of Representatives
Washington, D.C. 20515-6015

REPORT REQUIRED UNDER THE HEADING
"INTERNATIONAL ORGANIZATIONS AND PROGRAMS"
IN TITLE IV OF THE FOREIGN OPERATIONS ACT FOR FY 1996

The final proviso set forth under the heading "International Organizations and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (P.L. 104-107), requires the President to submit to the Committee on Appropriations a semi-annual report on specific efforts with regard to:

- (a) KEDO designation of a Republic of Korea company, corporation or entity for the purpose of negotiating a prime contract to carry out construction of the light water reactors provided for in the Agreed Framework;
- (b) The Democratic People's Republic of Korea's (DPRK) maintenance of the freeze on its nuclear facilities as required in the Agreed Framework; and
- (c) United States steps to assure that progress is made on (1) the North-South dialogue, including efforts to reduce barriers to trade and investment; and (2) implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula.

(a) - Designation of ROK Company

In section I of the Agreed Framework between the United States of America and the Democratic People's Republic of Korea (DPRK), signed in Geneva on October 21, 1994, the two parties stated that they would cooperate in replacing the DPRK's graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants. The U.S. further stated that it would undertake to make arrangements for the provision of the LWR project to the DPRK, including organizing under its leadership an international consortium to finance and supply the project. This organization, the Korean Peninsula Energy Development Organization (KEDO), was created on March 9, 1995, by agreement of the U.S., Japan, and the Republic of Korea (ROK). These parties have agreed that the ROK will assume the central role in financing and building the LWR project.

On June 13, 1995, in Kuala Lumpur, the United States and the DPRK issued a joint statement providing that KEDO will select both the LWR reactor model and the prime contractor to carry out the project. (These points were confirmed in the LWR supply agreement between KEDO and the DPRK, signed December 15, 1995 in New York City.) On the same date as the Kuala Lumpur statement (June 13, 1995), the KEDO Executive Board decided by Board resolution that an ROK reactor model (Ulchin 3/4) would be built in the DPRK by an ROK firm. KEDO agreed last year that the Korea Electric Power Company (KEPCO) will be the prime contractor in building the light water reactors called for in the Agreed Framework. On March 19, 1996, KEDO passed Executive Board

Resolution 1996-3, officially designating KEPCO as prime contractor. KEDO and KEPCO are slated to begin formal negotiations on the prime contract in August, 1996. KEPCO employees have already participated in site surveys and KEDO negotiations with North Korea about construction of the first light water reactor.

(b) - DPRK Maintenance of the Freeze

Paragraph e of Section I of the U.S.-DPRK Agreed Framework provides for the immediate freeze and eventual dismantlement of all graphite-moderated reactors and related facilities in the DPRK. Within this context, the DPRK agreed to implement the freeze on its nuclear facilities within one month after the signing of the Agreed Framework and to allow the International Atomic Energy Agency (IAEA) to monitor the freeze on its facilities, with the full cooperation of the DPRK. In addition, the U.S. and DPRK agreed to cooperate in finding a method to store safely the spent fuel from the DPRK's 5 MW(e) experimental reactor during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

Since November 1994, all of North Korea's graphite-moderated nuclear facilities have been frozen. Specifically, this means no refueling or operation of the 5MW research reactor; no construction on the 50 and 200 MW reactors; no reprocessing and sealing of the reprocessing facility; no operation of the fuel fabrication plant; and no construction of new graphite-moderated reactors or related facilities. The IAEA has maintained a continuous presence at the Nyongbyon nuclear facility and has continued with inspection activities related to verifying and monitoring the freeze in the DPRK according to the terms of the Agreed Framework. In addition to IAEA monitoring activities, the United States continues to monitor the freeze through National Technical Means.

With the successful conclusion of the December 15, 1995, agreement on the supply of light-water reactors to the DPRK, signed between the DPRK and KEDO in New York City, the IAEA has resumed ad hoc and routine inspections under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. North Korean and IAEA officials met at the end of June to discuss implementation of the Agreed Framework freeze. The two sides resolved a number of technical problems hindering the spent fuel canning project. The North presented a paper concerning the preservation of historical data at Nyongbyon. The two sides are scheduled to meet again in September. When the first LWR unit is completed, the IAEA will have oversight over the dismantlement of the DPRK's nuclear facilities which will be completed when the second LWR unit is completed.

In January 1995, the U.S. and DPRK agreed on the method for safely storing the DPRK's spent nuclear fuel as an interim step before it is shipped out of the DPRK, as defined in the Agreed Framework. U.S. and North Korean experts are continuing to cooperate in safely storing North Koreans spent nuclear fuel. Actual canning of the fuel began on April 27, 1996, and is planned to continue through at least March 31, 1997. To date, approximately 25% of the spent fuel rods (roughly 2000 of the total 8000) have been canned and stored under IAEA monitoring.

(c) (1) - North-South Dialogue

The U.S.-DPRK Agreed Framework provides that "the DPRK will engage in North-South dialogue." Since then, the U.S. has taken steps to support South Korean initiatives toward the North and to encourage the DPRK to fulfill its commitment to engage in dialogue as soon as possible. In all of our bilateral contacts with the DPRK, the U.S. has made clear that improvement in North-South relations is the key to peace and security on the Korean peninsula, and a requirement if U.S.-DPRK bilateral relations are to continue to move forward. Ambassador Robert L. Gallucci, during his tenure as Chairman of the Senior Steering Committee on Korea, had frequent occasion to raise the issue of North-South relations in his correspondence with his North Korean counterpart, First Vice Minister of Foreign Affairs Kang Sok Ju. Deputy Assistant Secretary of State Thomas Hubbard raised the North-South issue repeatedly during the May-June 1995 negotiations with the North Koreans in Kuala Lumpur on the LWR supply agreement. Most recently, Mr. Hubbard raised this issue when he met with North Korean Ambassador-at-Large Ho Jung in December 1995. Finally, working-level officials have repeatedly stressed to their North Korean counterparts the importance of the DPRK improving relations with the ROK. Over the last year, these points have been made at all three rounds of U.S.-DPRK negotiations on the opening of liaison offices, and repeatedly in contacts with officials of the DPRK Mission to the UN.

Implementation of the Agreed Framework has already created a number of opportunities for North-South contact. ROK Korean officials have participated directly in KEDO's extensive negotiation with the DPRK on the LWR supply agreement and related protocols. South Koreans have also made up the majority of the six site survey teams dispatched to North Korea by KEDO to survey the proposed site for LWR construction.

In support of ROK initiatives, we have conveyed South Korean positions -- and U.S. support for those positions -- to the DPRK and others. At South Korea's request we have raised several particular issues with the DPRK, sometimes with positive effect. The South Korean government has expressed its appreciation for these U.S. efforts. During this period North and South Korea held a series of bilateral meetings in Beijing

that produced an agreement whereby the South provided 150,000 tons of rice to the North as a grant. In December 1995, the DPRK released the crew of a South Korean fishing vessel which strayed into North Korean waters earlier in the year, a step which the ROK had been urging the DPRK to take.

It is the firm position of the United States that North-South contacts are the key to resolving the most important issues on the peninsula. We have used every available opportunity to press the DPRK to resume North-South dialogue, as it is committed to do under the terms of the Agreed Framework, including during the visits of two high-level North Korean delegations to the U.S. this spring.

It is against this background that President Clinton agreed to co-sponsor, along with President Kim Young Sam of the Republic of Korea, a proposal for a Four Party Meeting on Peace on the Korean Peninsula. In announcing this initiative, the two Presidents confirmed the fundamental principle that establishment of a stable, 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 peace. For its part, the U.S. will play an active role in support of the peace process.

We and the ROK believe that the Four Party proposal can begin a process that will lead to tension reduction, greater economic cooperation and eventually the creation of a new, permanent peace mechanism. To date, we have not received a definitive response from the DPRK. We are working very closely with the Government of the Republic of Korea in a coordinated attempt to induce the North to accept the proposal.

(c) (2) - Implementation of the 1/1/92 Joint Declaration on Denuclearization

On January 1, 1992, the Republic of Korea and the Democratic People's Republic of Korea issued the Joint Declaration of the Denuclearization of the Korean Peninsula. The provisions of the Joint Declaration state that the North and South:

- shall not test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons;
- shall use nuclear energy solely for peaceful purposes;
- shall not possess nuclear reprocessing and uranium enrichment facilities, and;
- in order to verify the denuclearization of the Korean Peninsula, shall conduct inspections of the objects selected by the other side and agreed upon between the two sides, in accordance with procedures and methods

to be determined by the North-South Nuclear Control Commission which shall be established within one month of the effectuation of this joint declaration.

The DPRK and the ROK held a series of North-South Joint Nuclear Control Commission meetings in early 1992 as specified in the Joint Declaration, but these were discontinued as relations between the two Korean states worsened and the DPRK threatened to withdraw from the Nuclear Non-Proliferation Treaty (NPT) and refused to cooperate with the IAEA. As a result, the absence of sustained governmental talks between the ROK and DPRK has delayed further implementation of the Denuclearization Declaration.

The United States has, however, taken steps to encourage DPRK compliance with the Joint Declaration by encouraging North-South dialogue and ensuring DPRK implementation of the Agreed Framework. The Agreed Framework itself explicitly provides that the DPRK will take steps to implement the Joint Declaration on the Denuclearization of the Korean Peninsula. In addition, the Agreed Framework, as a step towards full implementation of the Denuclearization Declaration, has succeeded in eliciting positive DPRK movement on key provisions of the Declaration. Specifically, North Korea's willingness to freeze immediately and eventually dismantle its graphite-moderated nuclear reactors and related facilities has halted activities which would, had they not been stopped, given the DPRK a nuclear weapons capability. Such a capability would have been a threat to peace and security on the Korean Peninsula as well as to Northeast Asia. The DPRK agreement to forego reprocessing under the Agreed Framework and to replace its existing nuclear reactors with proliferation-resistant LWRs represents a major step toward assuring the DPRK will not test, manufacture, produce, store, deploy or possess nuclear weapons. All these steps, aside from advancing the goals of the Joint Declaration, go beyond the NPT's requirements. The DPRK has agreed to a continuous IAEA inspector presence on the ground and has come into full compliance with its IAEA safeguards obligation. Both are steps related to the inspection objectives set forth in the Denuclearization Declaration.

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9605402
RECEIVED: 05 AUG 96 14

TO: LAKE

FROM: SAMORE

DOC DATE: 05 AUG 96
SOURCE REF:

KEYWORDS: ENERGY

KOREA

WLD
B

PERSONS: CLEVELAND, PAUL

SUBJECT: KEDO FUNDING STRATEGY

ACTION: OBE PER APNSA

DUE DATE: 08 AUG 96 STATUS: C

STAFF OFFICER: SAMORE

LOGREF:

FILES: PA

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO

DAVIS
KRISTOFF
NSC CHRON
PETERS
PRITCHARD
SAMORE

DECLASSIFIED E.O. 13526
White House Guidelines,
September 11, 2006

By W NARA, Date 03/26/15
2009-0528-F

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY: NSDRS

DOC 1 OF 1

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

RECORD ID: 9605402

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 LAKE

Z 96080618 FOR DECISION

001

X 96081209 OBE PER APNSA

~~CONFIDENTIAL~~

National Security Council
The White House

RECEIVED
10:00a

PROOFED BY: _____

LOG # 5402

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT ARS

BYPASSED WW DESK: _____

DOCLOG LA A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
 Harmon	_____	_____	_____
Dohse	<u>1</u>	<u>D</u>	_____
Sens	_____	_____	_____
Soderberg	<u>copy</u>	_____	_____
Berger	<u>2</u>	<u>BR</u>	_____
Lake	<u>3</u>	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>4</u>	<u>WA</u> 8/9	<u>N</u>
Records Mgt.	<u>5</u>	_____	<u>N</u>
_____	_____	_____	_____
_____	_____	_____	_____

A = Action I = Information D = Dispatch R = Retain N = No Further Action

CC:

COMMENTS:

Exec Sec Office has diskette yes

NATIONAL SECURITY COUNCIL

Peter,

Should I file this for the record or did Tony make a decision on approving or disapproving the strategy proposed in the paper?

R/ Fred

Fred - file for record.
No decision taken
or needed yet in light
of new developments.

Peter

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. memo	action, Gary Samore and Sandra Kristoff to Anthony Lake re KEDO funding (2 pages)	08/02/1996	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
kc1454

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MEMORANDUM
OF CALL

Previous editions usable

TO:

☐ YOU WERE CALLED BY-- ☐ YOU WERE VISITED BY--

OF (Organization)

☐ PLEASE PHONE ► ☐ FTS ☐ AUTOVON

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU
☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

NEVER
- Given to Michael
Sheffer in Feinstein via
Senate Security 8/6/96
- already on H'll for Terri Lodge &
Senate

RECEIVED BY	DATE	TIME
<i>- Cellular give to Sheffer bec he has no clearance</i>		

63-110 NSN 7540-00-634-4018 STANDARD FORM 63 (Rev. 8-81)
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U.S. GOVERNMENT PRINTING OFFICE: 1961 281-781/40014 FPMR (41 CFR) 101-11.6

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003a. letter	POTUS to DPRK President Kim Jong Il re Letter of Assurance (2 copies) (2 pages)	10/20/1994	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
kc1454

RESTRICTION CODES

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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003b. memo	action, Gary Samore and Sandra Kristoff to Anthony Lake re KEDO funding [duplicate of 002] (2 pages)	08/06/1996	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
kc1454

RESTRICTION CODES

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Davis, William K.

From: Davis, William K.
To: Samore, Gary S.; @NONPRO - Export Controls
Cc: /R, Record at A1; @LEGISLAT-Legislative Affairs; @LEGAL - Legal Advisor
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 3:44PM

Gary, give me a ring when you get back and I'll come get a copy. thanks

From: Samore, Gary S.
To: Davis, William K.; @NONPRO - Export Controls
CC: /N, NonRecord at A1; /R, Record at A1; @LEGISLAT-Legislative Affairs; @LEGAL - Legal Advisor
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 02:52 PM

I checked with Terry Lodge. Her recollection (as mine) is that we released the President's letter to the Hill along with the Agreed Framework and Confidential Minute back in October 1994.

From: Davis, William K.
To: @NONPRO - Export Controls
CC: /N, NonRecord at A1; @LEGISLAT-Legislative Affairs; @LEGAL - Legal Advisor
Subject: FW: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 01:15 PM

Dan, Gary: Can you work with Alan on this and let us know how we should handle it? We have no equities (unless it has previously been released in which case we need to be consistent for Feinstein). thanks

From: Kreczko, Alan J.
To: Davis, William K.
CC: /R, Record at A1
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 12:40 PM

As Dan notes, we have generally not provided copies of POTUS correspondence. We have instead briefed contents. Exceptions have been made for nonsubstantive letters -- e.g, I had a great visit to your country... We are trying to hold the line here. Haven't seen POTUS letter to NK's -- is it substantive?

From: Davis, William K.
To: @LEGAL - Legal Advisor
CC: /N, NonRecord at A1; Leary, William H.; @NONPRO - Export Controls; @LEGISLAT-Legislative Affairs
Subject: FW: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 11:49 AM

Alan & Co.,
over to you all. Feinstein's office is looking for the letter from the President to the North Koreans. Can we give to them? thanks

From: Poneman, Daniel B.
To: Davis, William K.; Samore, Gary S.; @LEGISLAT-Legislative Affairs
CC: /R, Record at A1; @NONPRO - Export Controls; @LEGAL - Legal Advisor
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 09:36 AM

I remember briefing the contents, but do not recall sending a copy to Hill. I always tend to be protective of Executive diplo correspondence. Suggest we consult Alan Kreczko on this.

From: Davis, William K.
To: Samore, Gary S.; @LEGISLAT-Legislative Affairs
CC: /R, Record at A1; @NONPRO - Export Controls
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]

Date: Monday, August 05, 1996 09:28 AM

Gary, this isn't the letter where we went back and forth with McConnell, is it? If memory serves, it was a Clinton letter to Kim of S. Korea, and I don't think we ever gave it to McConnell. But wouldn't the same principle apply to this one (i.e. executive correspondence)? thanks

From: Burrell, Christina L.
To: @LEGISLAT-Legislative Affairs
CC: /R, Record at A1
Subject: FW: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Friday, August 02, 1996 04:02 PM

Bill: Do you agree with giving Feinstein's office a copy of this letter? Request came from Brock in WHLA at x66493

From: Samore, Gary S.
To: Burrell, Christina L.
CC: /R, Record at A1
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Friday, August 02, 1996 03:54 PM

The letter is from President Clinton to North Korean leader Kim Jong Il. As I recall, we provided a copy to the Hill on a confidential basis in 1994 when the U.S.-DPRK Agreed Framework was signed. I don't see any problem with giving it to Senator Feinstein's office on the same basis.

From: Burrell, Christina L.
To: Samore, Gary S.
CC: /N, NonRecord at A1
Subject: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Friday, August 02, 1996 03:13 PM

WH Leg had a request from Feinstein's office for a copy of this letter they say is dated 10-24-94. Are you familiar with it? If so, is it something that can be given out or not?

Thanks.

Davis, William K.

From: Poneman, Daniel B.
To: Davis, William K.; @NONPRO - Export Controls
Cc: /N, NonRecord at A1; /R, Record at A1; @LEGISLAT-Legislative Affairs; @LEGAL - Legal Advisor
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 4:14PM

Can we confirm Terry's and Gary's recollection on providing the text? If we did, it is hard to argue not to provide it again. If we did not, we need to make a decision.

From: Davis, William K.
To: @NONPRO - Export Controls
CC: /N, NonRecord at A1; @LEGISLAT-Legislative Affairs; @LEGAL - Legal Advisor
Subject: FW: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 01:15 PM

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To: Davis, William K.
CC: /R, Record at A1
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 12:40 PM

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From: Davis, William K.
To: @LEGAL - Legal Advisor
CC: /N, NonRecord at A1; Leary, William H.; @NONPRO - Export Controls; @LEGISLAT-Legislative Affairs
Subject: FW: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 11:49 AM

Alan & Co.,
over to you all. Feinstein's office is looking for the letter from the President to the North Koreans. Can we give to them? thanks

From: Poneman, Daniel B.
To: Davis, William K.; Samore, Gary S.; @LEGISLAT-Legislative Affairs
CC: /R, Record at A1; @NONPRO - Export Controls; @LEGAL - Legal Advisor
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 09:36 AM

I remember briefing the contents, but do not recall sending a copy to Hill. I always tend to be protective of Executive diplo correspondence. Suggest we consult Alan Kreczko on this.

From: Davis, William K.
To: Samore, Gary S.; @LEGISLAT-Legislative Affairs
CC: /R, Record at A1; @NONPRO - Export Controls
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Monday, August 05, 1996 09:28 AM

Gary, this isn't the letter where we went back and forth with McConnell, is it? If memory serves, it was a Clinton letter to Kim of S. Korea, and I don't think we ever gave it to McConnell. But wouldn't the same principle apply to this one (i.e. executive correspondence)? thanks

From: Burrell, Christina L.
To: @LEGISLAT-Legislative Affairs
CC: /R, Record at A1
Subject: FW: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Friday, August 02, 1996 04:02 PM

Bill: Do you agree with giving Feinstein's office a copy of this letter? Request came from Brock in WHLA at x66493

From: Samore, Gary S.
To: Burrell, Christina L.
CC: /R, Record at A1
Subject: RE: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Friday, August 02, 1996 03:54 PM

The letter is from President Clinton to North Korean leader Kim Jong Il. As I recall, we provided a copy to the Hill on a confidential basis in 1994 when the U.S.-DPRK Agreed Framework was signed. I don't see any problem with giving it to Senator Feinstein's office on the same basis.

From: Burrell, Christina L.
To: Samore, Gary S.
CC: /N, NonRecord at A1
Subject: Letter of Assurance to North Korea [UNCLASSIFIED]
Date: Friday, August 02, 1996 03:13 PM

WH Leg had a request from Feinstein's office for a copy of this letter they say is dated 10-24-94. Are you familiar with it? If so, is it something that can be given out or not?

Thanks.

N. Korea of Funds Misuse

Policy Payout Allegedly Not Used to Buy Food

By Mary Jordan

Washington Post Foreign Service

TOKYO, June 12—South Korean officials accused North Korea today of failing to use \$130 million in foreign crop-damage insurance payments to purchase food for its hungry people.

"We are certain that North Korea did not use the money to buy food," Kim Sook, a Foreign Ministry official said in a telephone interview from Seoul. "But we are not certain what they did with the money."

The North Korean government has not commented on the accusation.

U.S. officials say they are aware of this debate, but it will not deter them from providing humanitarian aid to North Korea, which has been suffering for more than a year from severe food shortages.

[A State Department official in Washington disputed the South Korean account, saying that the amount of money involved could be as little as \$25 million, not \$130 million, staff writer R. Jeffrey Smith reported. But the official said "the story is still evolving here" because Washington has not finished looking into the matter.]

Many officials in Seoul advise against sending aid to North Korea, and some of them had hoped the revelation about the insurance payments would sabotage South Korean, U.S. and other international aid efforts.

According to many officials in South Korea, U.S. aid sends the wrong signal to a country that refuses to agree to peace talks and has chosen to invest a whopping one-quarter of its gross national product on its armed forces.

But U.S. officials, who declined to be identified, said Washington's policy is not to withhold food for hungry people as a weapon. The United States is sending rice and other food rather than cash, and United Nations food aid workers in North Korea say the aid is reaching needy people.

After Clinton administration officials said last week that Washington would provide \$6.2 million in food aid to North Korea, Japan matched the figure. On Tuesday, Seoul, however reluctantly, joined its allies and announced it would send \$3 million in food and supplies.

For years, North Korea has taken out a variety of insurance policies, mainly in Britain and other parts of Europe, against crop damage. In January, it collected on

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FRIDAY

1994

...ary, it is believed to have collected on at least eight 1994 policies that paid out because of the scarce harvest that followed the harsh winter that year. North Korea is now negotiating with its insurers over payouts for 1995, a far worse year during which floods swept away rice paddies and villages.

Because North Korea fell behind on its payments in 1994, it did not get the full amount that it was insured for, but it did collect \$130 million, according to Seoul government officials.

U.S. officials say they do not know exactly how much insurance North Korea has or what it spent its payouts on. While the cash from the insurance might not have bought food, "we know that [Pyongyang] recently spent at least that amount of money on food bought from Taiwan, India and Thailand," the U.S. official said.

Special correspondent Lee Keumhyun in Seoul contributed to this report.

New Coalition In India Wins Confidence Vote

Associated Press

NEW DELHI, June 12—India's coalition government won a vote of confidence in Parliament today, ending a power struggle that had caused a virtual suspension of government activity since elections last month.

After its victory, the unwieldy amalgam of 13 mostly lower-caste parties, ranging from communists to free marketeers, vowed to improve the lives of the country's poorest.

Prime Minister H.D. Deve Gowda, wrapping up a two-day debate, sought to shift the focus from allegations of corruption against his allies to development issues, promising to restructure India's priorities.

Gowda must prepare an annual budget by next month. He listed his top goals as providing drinking water, education and housing to India's poor. He promised to run a government of consensus, offering to consult with all parties on major decisions such as nuclear disarmament and job quotas.

The United Front controls just 190 seats of the 545-member Lok Sabha, the lower house of Parliament. But former prime minister P.V. Narasimha Rao, whose Congress party has 241 seats, promised to keep the coalition in office to block the Hindu nationalist Bharatiya Janata Party (BJP).

The BJP won the most seats in last month's elections and briefly took office. It was forced out 13 days later from failing to form a coalition.

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World News Briefs

North Korea Says U.S.
Is Hampering Oil Supply

TOKYO, July 1 (Reuters) — North Korea accused the United States Congress today of trying to cut back on fuel oil that is supposed to be supplied under an agreement to freeze North Korea's nuclear weapons program.

"If the heavy oil is not supplied in time as scheduled, we will be compelled to reconsider" the freeze, the official news agency warned.

A Congressional committee recently set next year's funding for the energy program at \$13 million, just over half of the \$25 million the Administration had requested.

Under the agreement, North Korea promised to freeze its nuclear program and to stop building reactors capable of producing weapons-grade plutonium. In return, the United States pledged to supply two light-water reactors and interim supplies of fuel oil. Fuel from light-water reactors cannot be easily converted into weapons-grade plutonium.

In Washington, the State Department shrugged off both North Korea's statement and the intransigence in Congress. "We are fully confident that the North Korean nuclear activities, frozen in 1994, remain frozen," said the State Department spokesman, Nicholas Burns. "The agreement calls for the delivery of 500,000 metric tons of oil per annum, and that will take place."

Mongolian Centrists Face
Task of Forming Cabinet

ULAN BATOR, Mongolia, July 1 (AP) — Mongolia's opposition democratic alliance, which upset the former Communists in parliamentary elections on Sunday, turned today to forming a government.

The alliance took 48 of the 76 seats, defeating the formerly Communist People's Revolutionary Party, which

had ruled for nearly 75 years. The ex-Communists dropped from 70 seats to 23, according to preliminary returns. Five seats are undecided.

"We have a very, very big task," said Gonchigdorj, leader of the democratic coalition.

A new government might not be formed for a month. During the next week, activity will grind to a halt for a national festival.

Galthuu, an official with the Chamber of Commerce and Industry, said opposition pledges to accelerate the privatization of state enterprises and to reform the banks could help attract badly needed investment. But the local representative of the United States Agency for International Development, Chuck Howell, said business activity might slow down temporarily during the transition.

Figure in Amazon Killing
Captured After 3 Years

SÃO PAULO, Brazil, July 1 (AP) — The cattle rancher who ordered the slaying of an activist defending the Amazon rain forest in 1988 has been arrested after more than three years as a fugitive. The rancher, Darly Alves da Silva, was arrested on Sunday near the remote Amazon town of Medicilândia, about 1,250 miles north of São Paulo, federal police officials said today.

Mr. da Silva was sentenced in December 1990 to 19 years in jail for ordering the slaying of Chico Mendes, a rubber tapper and union leader who came to symbolize efforts to prevent exploitation of the Amazon rain forest. Mr. da Silva's son, Darci Alves Pereira, was convicted of carrying out the shooting and received the same sentence.

After serving about two years in jail, the men escaped.

Mr. da Silva was recaptured while living on property used by the Government for its land reform program, news reports said. Mr. Pereira is still at large.

Ne

International

VELTSIN MYSTERY

In an apparent attempt to allay fears about the absence of President Boris N. Yeltsin for two days away, the president gave a stiff televised address to raise confidence.

THE SERBS' ARTFUL

The recent events in Bosnia and Herzegovina threatened to derail the peace process. The Serbs signed, then backed out of, a pattern of the Serbs' dealings with the West. News

NEWCOMER WINS DO

A lawyer raised in the United States has not held public office since the runoff presidential election in the Dominican Republic. He pledged to discard the authoritarian past.

NEW REBEL REPORT

An armed group has been active in the Mexican state of Guerrero. The group changed gunfire for negotiations with authorities are pursuing.

National

DOLE ON HIS RUNNING

Bob Dole said he was running for president. He said he was running for president. He said he was running for president. He said he was running for president.

BOB DOLE PROMOTER

written with his wife.

PRIVATIZING U.S. IN

The Clinton Administration is transforming backlogs of many Government-owned enterprises into a profit-run by a new private company.

HIGH COURT REJECT

The Supreme Court rejected an appeal by the University of California from a ruling that the state's universities from in selecting students.

Metro Report

REFIGURING HOSP

Gov. George E. Pataki and five leaders agree to a wide-ranging plan to reform New York's decades-old medical care system. The plan calls for medical care in

Cartier

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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004. email	Gary Samore to William Davis et al re North Korea briefing (1 page)	06/10/1996	P1/b(1)
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COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
kc1454

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Congressional Talking Points on North Korea Food Aid

BACKGROUND

The U.S. Government plans to provide USD 6.2 million of humanitarian assistance to the World Food Program (WFP) for North Korea. This assistance will be financed through PL 480 Title II Emergency Food Aid and is expected to consist of 3,500 tons of corn-soy blend (CSB), 2,400 tons of maize meal and 6,600 tons of rice.

TALKING POINTS

- We would appreciate it if members and staff would treat this briefing with discretion and not disclose any facts to the public pending our final announcement. The ROK has requested that we coordinate closely with them on this issue.
- The USG has given serious consideration to the question of further humanitarian assistance to flood victims in North Korea in the wake of the WFP Special Emergency Alert and new WFP/UN DHA appeal.
- We are convinced that the need is real, in part due to flooding last summer and in part to declining per capita food production.
- In providing assistance, we made a specific effort to accommodate concerns that Members and staff expressed during our last tranche of assistance of emergency food aid on the need for careful monitoring of distribution. In response, we sent our own contract food monitor, who has provided Congressional briefings on her findings.
- We also consulted closely with the ROK and Japan, beginning with our trilateral consultations in Cheju, and intensively in the past few days leading up to the June 6 issuance of the UN DHA appeal. We believe they will respond positively and hope very soon to have a coordinated response.
- The ROKG has told us it believes that modest responses to the UN appeal by the U.S. and Japan will not undercut leverage with North Korea.

- Based on need and consultations with the ROK and Japan, the USG is prepared to provide \$6.2 million of PL 480 Title II Emergency Food Aid to the World Food Program for use in distribution to farmers and rural residents of flood affected areas of North Korea.
- Specifically, the USG would provide 3,500 tons of CSB, 2,400 tons of maize meal to the WFP's special feeding program for children under age 5, as well as 6,600 tons of U.S.-origin rice.
- The entire U.S. contribution would be targeted to the rural population with specific focus on farm families
- The USG contribution is modest and targeted. It is humanitarian assistance that represents about one-half of the CSB request and one-third of WFP's emergency food request.
- We anticipate this modest humanitarian assistance will: 1) respond to a humanitarian crisis and help efforts to bring in this year's crop; 2) continue encouraging the DPRK's constructive engagement with the international community; 3) encourage a positive DPRK response to the Four Party Peace Proposal; and 4) keep the World Food Program in place in North Korea.
- We are confident in the WFP's ability to monitor distribution to ensure this assistance reaches the intended recipients. We will work closely with them avoid divergence of food assistance to the North Korean military.
- WFP has told us that they will increase their staff in North Korea and would welcome monitors from NGOs and donor countries. We are actively considering sending USG monitors to help in the distribution of our assistance.
- Our modest humanitarian contribution would be limited to meeting the still-urgent emergency needs generated by last year's flooding. It does not directly address North Korea's long-term structural food problems. Organizations like the WFP and some NGOs are urging North Korea to undertake real agricultural reform to address these long-term needs.
- As Ms. Lautze, our OFDA contractor and Mr. Coutts of the WFP have made clear in their briefings, we believe that there is no famine yet, but the food situation in North Korea continues to deteriorate alarmingly. Their assessment is consistent with what we have learned from intelligence sources.

- Without international assistance, we believe widespread malnutrition could lead to large-scale outbreaks of disease and serious human suffering before the October harvest. This presents an undesirable and highly unstable scenario that will not advance our political goals on the Korean peninsula.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005a. email	Robert Suettinger to William Danvers et al re DPRK Food Aid (1 page)	06/05/2996	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
kc1454

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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RR. Document will be reviewed upon request.

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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005b. email	William Danvers to William Davis et al re DPRK Food Aid (1 page)	06/05/2996	P1/b(1)
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Clinton Presidential Records
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Davis, William K.

From: Davis, William K.
To: @LEGISLAT-Legislative Affairs
Cc: /N, NonRecord at A1
Subject: FW: KEDO funding [UNCLASSIFIED]
Date: Friday, May 31, 1996 3:23PM

From: Samore, Gary S.
To: Davis, William K.
CC: /R, Record at A1
Subject: RE: KEDO funding [UNCLASSIFIED]
Date: Friday, May 31, 1996 03:02 PM

I like your plan. I'm working hard on a \$20 m EU contribution for FY97, hopefully announced this summer. I should have a better idea by mid-June.

From: Davis, William K.
To: Kristoff, Sandra J.; Poneman, Daniel B.; Samore, Gary S.
CC: /N, NonRecord at A1; /R, Record at A1; @NONPRO - Export Controls; @LEGISLAT-Legislative Affairs; @ASIA - Asian Affairs
Subject: RE: KEDO funding [UNCLASSIFIED]
Date: Friday, May 31, 1996 12:50 PM

Gary, KEDO is going to be a real tough fight, now that we have the House (Callahan/Bill Inglee) squarely against us. You're correct that we don't stand to gain anything by bringing it up on the House floor. You can rest assured that the Senate's bill is going to be rough on KEDO as well (Robin is writing it and they'll probably unveil it mid to late June at the earliest). We do have a few factors in our favor though: 1) McConnell may be leaving Foreign Ops to take Dole's seat on Finance (making Robin Cleveland irrelevant), but this isn't a done deal and McConnell probably will stick around on Foreign Ops long enough to do his subcommittee markup (thereby getting the kudos and \$ from AIPAC for helping Israel) before he leaves; 2) Livingston and Hatfield are both relatively favorably inclined toward us on this (and Dave Obey will fight like hell as well); 3) this is very important to Christopher and Lake, so we can employ big guns. Unfortunately, this is not a fight that is easy to win in public fora (i.e. on the floors of either chamber, or even full Committee markups). Our best plan is to try to survive the House floor next week without any worse damage, work with someone in the Senate (Leahy) to prepare an amendment to offer in Senate subcommittee markup (assuming McConnell/Robin come in with something objectionable or even buy onto the House status quo), if a Leahy amendment fails, then we exercise discipline again and lay low (maybe through full committee and (definitely) the Senate floor, again assuming we leave ourselves wiggle room to address the issue in conference which is where we can employ Hatfield, Livingston, and Obey to best effect. We just have to guard against being stuck going into conference with a choice between the House and something worse in the Senate bill. We'll stay in close touch with you on this. In the meantime - GET SOME OTHER DONORS TO PONY UP SOME BUCKS to prove to Callahan/Inglee we're serious about burdensharing. thanks

From: Samore, Gary S.
To: Davis, William K.; Kristoff, Sandra J.; Poneman, Daniel B.
CC: /R, Record at A1; @NONPRO - Export Controls; @LEGISLAT-Legislative Affairs; @ASIA - Asian Affairs
Subject: KEDO funding [UNCLASSIFIED]
Date: Friday, May 31, 1996 10:41 AM

DOE told me this morning that the required Committees have approved our \$4.1 m reprogramming request for spent fuel canning, which means that the canning operation will be funded for the rest of this fiscal year.

Will, What's our plan to recover from the awful \$13 m House Foreign Ops mark on KEDO funding for FY97? I assume there's no hope for floor action. When does the Senate begin its markup?

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BACKGROUND

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- Without international assistance, we believe widespread malnutrition could lead to large-scale outbreaks of disease and serious human suffering before the October harvest. This presents an undesirable and highly unstable scenario that will not advance our political goals on the Korean peninsula.

North Korea -- Food Assistance

Q: Can you confirm stories that the United States will be providing \$6 million in food assistance to North Korea?

A: The World Food Program of the United Nations issued an appeal yesterday for \$43 million in food and other assistance for North Korea to help overcome serious food shortages caused by extensive flooding last year in the DPRK.

We are prepared in principle to respond positively, but are in consultation with our allies in the region to agree upon a coordinated response to the WFP appeal. We have worked closely with them in the past on issues relating to North Korea and will continue to do so.

Q: What kind of assistance is being considered?

A: The WFP appeal calls for food assistance, land reclamation aid and medical assistance. U.S. legislation prohibits provision of anything but disaster relief assistance. That is what was provided earlier this year. Assistance would be provided out of PL 480, Title II funds, as they are most readily available.

Q: Will food be provided directly to North Korea?

A: Any assistance will be provided to the World Food Program, which has demonstrated an ability to deliver assistance to those in most need.

Q: Is the assistance linked to North Korea's response to the April 16 proposal by President Clinton and President Kim of South Korea for Four-Party peace talks?

A: This is humanitarian assistance to be provided to the World Food Program in response to its appeal on behalf of North Korea.

Obviously, we hope North Korea will respond positively to the proposal. But we are imposing no linkage.

Q: Did Congressman Richardson strike a deal with the North for food aid in return for POW-MIA remains recovery?

A: The North Koreans raised their concerns about food assistance with Congressman Richardson during his visit, which was primarily concerned with implementation of the U.S.-DPRK agreement on remains recovery. He did not conclude a "secret deal."

Q: Aren't the South Koreans suspicious of the reporting about the food crisis and want to limit food assistance until the DPRK comes to the Four-Party talks?

A: I would refer you to to Republic of Korea spokespersons for the ROK's position.. Given the closed nature of North Korean society, we do not have completely reliable information about the overall food situation there. We consider the WFP appeal to be as carefully derived as possible in the circumstances, and to be based on direct observations made during previous aid deliveries.

Q: Can you guarantee that assistance won't be diverted to the North Korean army?

A: We believe channeling of assistance through the WFP provides the best means of assuring that the aid is delivered to those most in-need, particularly to rural areas still affected by last year's floods. We note that the WFP will increase the number of in-country monitors involved in delivering this tranche of assistance.

The monitoring system for the delivery of this assistance will be the same as the last time the international community responded to the WFP's appeal in February.

Q: Isn't this just propping up -- or appeasing -- a completely discredited and vile government on its last legs? Do you really think this will prevent a North Korean collapse? Why not just let it fall?

A: The WFP appeal is based upon humanitarian concerns for the people of Korea who may face severe malnutrition if external assistance is not made available in the next two or three months. The cooperation of the DPRK government is essential to insure proper distribution of the assistance.

The WFP will be targeting this assistance to farmers and the rural population of areas most heavily damaged during last year's floods. It is not general assistance to the North Korean Government.

Obviously, we have concerns about a broad array of problems and disagreements we have with the North Korean government. It is not our policy, however, to use the suffering of the people of North Korea to bring about a collapse or further weakening of that government.

We hope the North Korean government will respond positively to international goodwill and take steps to ease its isolation.

NORTH KOREA FOOD AID
STAFF CALLS ASSIGNMENT LIST

6/7/96

NSC: Dole, Daschle, Gingrich, Gephardt

STATE: Gilman, Hamilton, Bereuter, Berman, Kim, Richardson,
Livingston, Obey, Callahan, Wilson; Helms, Pell, Thomas, Robb,
Simon, Murkowski, McConnell, Leahy, Jeffords

USAID: Roberts, De la Garza, B. Emerson, Condit, Skeen, Durbin;
Lugar, Cochran, Bumpers

FRIDAY, June 7, 1996

Extra U.S. Food Assistance Planned for North Korea

By R. Jeffrey Smith
Washington Post Staff Writer

The Clinton administration plans to grant an additional \$6 million of food aid to North Korea to help avert a famine this summer that Washington fears might cause a massive exodus of refugees into South Korea, senior U.S. officials said yesterday.

The U.S. decision was made in the expectation—under a secret, informal arrangement worked out last month by a U.S. congressman—that North Korea will respond by making a concession regarding U.S.-backed, multilateral talks aimed at finally forging a peace treaty for the Korean War. North Korea also is expected to move up the timing of a joint operation to recover the remains of U.S. forces who perished in that war, the officials said.

The plan to assist the communist regime in North Korea, at a time when that government is under serious economic strain, represents a direct political challenge to the Republicans. The GOP's presumptive presidential nominee, Sen. Robert J. Dole (Kan.), has accused the administration of "coddling" and otherwise appeasing North Korea and said that U.S. contacts should be conditioned on North Korea starting a bilateral dialogue with the South.

But U.S. officials said the recommendation for more food aid—even in the absence of such an inter-Korean dialogue—was made unanimously by senior administration officials and is slated for approval by President Clinton soon. They added that the official announcement will be made in conjunction with similar, public pledges of additional aid to be provided by the governments of two close U.S. allies in the region, South Korea and Japan.

"It will all be done at once," a senior official said, speaking on condition he not be named. "We're not out there freelancing." He noted that South Korea and Japan, which as recently as last month had rejected the idea of providing more assistance, now share the U.S. view that the food shortage in North Korea is acute enough to warrant more emergency aid.

U.S. officials say the administra-

tion's consensus grew out of increasing worry about potential social unrest in North Korea, as well as an urgent appeal from the United Nations, released yesterday, which called on the international community to provide \$26 million in food assistance over a four-month period beginning in June.

The United Nations said in a 79-page report that the aid was needed to overcome an "increasingly desperate" situation, largely provoked by extensive flooding that destroyed a significant portion of last year's harvest.

The expected U.S. donation of 10,000 tons of food—worth around \$6.2 million—is roughly three times what Washington agreed to give in February, but only a portion of the 70,000 tons of food called for in the new U.N. appeal. China, Syria, Japan and South Korea each made larger donations of grain last winter, but South Korea suspended its deliveries after North Korea offended it by forcing one of its cargo vessels to fly a North Korean flag.

Lee Chung Ho, deputy chief of mission at the South Korean Embassy here, confirmed that "we have been informed" of Washington's intention to send additional aid. He said that "we have no objection to the policy . . . of providing humanitarian aid to the poverty-stricken inhabitants of the world."

The United States, South Korea and Japan "are coordinating very closely," Lee said, while declining to confirm that Seoul has itself decided to provide several million dollars in more aid.

According to three government sources, Rep. Bill Richardson (D-N.M.) worked out an informal deal involving U.S. food aid during his May 26-28 visit to North Korea. Kang Sok Ju, the North Korean first vice minister of foreign affairs, promised Richardson that his government would respond by agreeing to hear a joint U.S.-South Korean briefing on new peace treaty talks among China, North Korea, South Korea and the United States.

North Korea has been reluctant until now to accept South Korean participation in such a briefing, and U.S. officials said they hope the session may be instrumental in persuading North Korea eventually to participate in the four-party negotiations.

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Pg. 1

Before Richardson's visit, North Korea already had agreed with U.S. military officials to allow two joint operations aimed at recovering the remains of U.S. forces "missing in action" from the Korean War. But Kang promised Richardson that U.S. food aid would ensure that those operations took place before the end of October, or somewhat sooner than expected.

The food aid is "being done for humanitarian reasons," one senior administration official said. "But we are not unaware of the fact that it could improve the atmosphere in terms of inducing [North Korea] . . . to come to the table."

Another official said Washington's overall aim was "to prevent a precipitous collapse" of North Korea's food supply that could make refugees flood into South Korea.

WASHINGTON TIMES

June 7, 1996

Pg. 18

Burma steps up curbs on democracy leader

RANGOON, Burma — Burma's military regime stepped up its campaign against pro-democracy leader Aung San Suu Kyi yesterday, banning the weekend meetings outside her house that have grown into a rallying point for dissent.

The action will deprive Burmese of practically their only contact with Mrs. Suu Kyi, who won the 1991 Nobel Peace Prize for her nonviolent promotion of democracy. Thousands of people have braved arrest each week to hear her talk.

From wire dispatches and staff reports

WASHINGTON POST

June 7, 1996

Pg. 2

Addenda

■ Retired Navy Cmdr. Danny Palm, 52, was convicted of murder in San Diego for gunning down John Harper Jr., whom neighbors in Spring Valley, Calif., said threatened them for 2½ years, tailgating drivers, throwing rocks at them and once threatening to burn down a house. Palm, who had complained about Harper to police and other local officials in several letters, faces 25 years to life in prison at his sentencing July 8.

FRIDAY, June 7, 1996

company officials said.

Founded in 1922, USAA has 16,000 employees worldwide and more than 2.9 million customers, including about 95 percent of all active-duty officers. It competes with several much smaller military-oriented companies, such as the Alexandria-based Armed Forces Benefit Association and the Armed Services Mutual Benefit Association in Nashville.

These companies also have active-duty officers on their boards, but they are not paid, the companies said.

USAA also faces competition from Arlington-based United Services Life, a unit of Reliastar Financial Services in Minneapolis, which sells life insurance

through agents, providing the face-to-face service its says many military families want.

USAA combines low rates and prompt services with a willingness to insure military officers and their families under almost any conditions. It insures officers' children, including their teenage sons, and grandchildren. In fact, once a family is in USAA, membership is passed on from generation to generation. The company keeps its costs down and is able to offer low rates in part because military families are a lower-risk group than the general public.

USAA this year began offering auto insurance to certain enlisted personnel and hopes to expand such coverage

sharply in the next few years. Its banking and investment services also have been expanding.

Joanne Balling, an analyst at Standard & Poor's Corp., said the company has few negatives. One is a slight "erosion" of the quality of its customers as "they write a lot of children of children of children, but it's still much better than the general public."

The other is a concentration of risk in coastal areas and California "because they will not turn away a military officer, wherever he is," she said. That exposes the company to catastrophes such as hurricanes and earthquakes, but USAA is strongly capitalized and has extensive reinsurance, she said.

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Nuclear-Free Ukraine

FOUR YEARS ago, the third-ranking nuclear power, after the United States and Russia, was Ukraine, with 1,900 strategic nuclear warheads aimed mostly at North America. Last weekend Ukraine became a nonnuclear nation, having shipped the last of its weapons to Russia. This represents a major achievement for Ukraine and for U.S. foreign policy.

The breakup of the Soviet Union in late 1991 left thousands of nuclear weapons on the territories of what suddenly were four separate countries—Russia, Ukraine, Belarus and Kazakhstan. It was far from clear then that any of them would give up those nuclear arms, which many politicians in the fledgling states saw as badges of sovereignty and guarantors of being taken seriously on the world stage. It also was far from clear that the new countries had the wherewithal to keep their weapons under secure control.

A bipartisan team in the Senate, Democrat Sam Nunn of Georgia and Republican Richard Lugar of Indiana, prodded Congress and the executive branch to take the problem seriously. After a slow start, the Clinton administration did so, with Defense Secretary William Perry in particular devoting time and energy to convincing the three smaller republics that they would be better off nuclear-free. Kazakhstan became so last year, and Belarus should—if its unpredictable president does not renege on past commitments—be rid of the last of its missiles by the end of this year. Ukraine, despite anxieties about Russia pushing it around in the future, opted for the true security of integration into Europe, rather than the false security of nuclear status.

At the same time, the United States has devoted resources to speeding the dismantling of

warheads in Russia and promoting the secure storage of the resulting radioactive material. The situation of those materials remains far from ideal, and with the growing strength of nationalism in Russia, there are fears, too, for the political future of arms control. In such uncertain circumstances, the Nunn-Lugar program—for which Congress has authorized \$1.5 billion so far—becomes all the more important.

As evidence of his commitment, Mr. Perry on Tuesday paid his fourth visit to the former Soviet missile site of Pervomaisk in Ukraine. His visits have marked the stages of disarmament: witnessing a missile without its warhead, then watching the removal of a missile, then pushing a button to destroy a silo. This week, with his counterparts from Ukraine and Russia, he helped plant sunflowers on the silo site. This was corny enough to guarantee indifference on the part of those more attuned to controversies and dilemmas. But it is worth reflecting that if things had gone otherwise, the United States might well have had four nuclear heirs to the Soviet Union to worry about, and not just one.

WASHINGTON POST

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Pg. 26

Apology for Downing of U.S. Plane

■ TOKYO—A senior Japanese naval officer apologized in person to the wife of an American pilot whose warplane was accidentally shot down Monday by a Japanese destroyer. Vice Adm. Yasuki Sugiyama, commander of air forces for Japan's Maritime Self-Defense Forces, expressed his regrets to Carol Royster at Atsugi Naval Air Facility, where her husband, Lt. Cmdr. William Royster, is stationed.

—Associated Press



U.S. SENATOR FOR KANSAS

SENATE MAJORITY LEADER

Contact: Clarkson Hine
(202) 224-5358

CLINTON ADMINISTRATION TO PROVIDE MORE THAN \$6 MILLION IN AID
TO NORTH KOREA - ASIA'S MOST DANGEROUS REGIME

"There they go again. Just two weeks ago, Clinton Administration officials announced that there were no plans to provide additional U.S. taxpayers dollars to the government of North Korea. Now, the President has decided to provide more than \$6 million dollars in additional aid -- with no reciprocal action on the part of Asia's most dangerous regime.

"The hallmarks of President Clinton's foreign policy are on display in the decision to provide more aid to North Korea: inconsistency; reversal; rewarding enemies of the United States; mishandling relations with allies; misallocation of resources; and conducting foreign policy by franchise. In light of President Clinton's mismanagement of policy toward the Korean peninsula, it is not surprising that our long-time allies in South Korea are looking for new diplomatic support in China."

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THURSDAY, June 6, 1996

WASHINGTON POST

June 6, 1996

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Empty Rice Bowls in North Korea

REPORTS OF impending famine in North Korea, of entire villages scrounging for bark and roots, pose a foreign policy challenge to the United States.

There doesn't, at first glance, seem to be any reason to help this dinosaur of a Communist dictatorship. North Korea impoverished itself through excessive militarization, isolation and refusal to reform its economy—including the collectivized agricultural sector. The country is so closed that even the extent of hunger can't be reliably determined. The regime maintains a brutal, Stalinist-style gulag and allows no freedoms whatever. Why should the West do anything to prolong what many experts take to be its death throes?

The reason, according to many specialists here and in South Korea, is that a sudden collapse could be extremely dangerous, provoking civil strife, waves of refugees heading south and possibly even a second Korean war. Even short of such a calamity, the South could end up destabilizing itself if it tried to absorb the poorer North at its current level of destitution.

So South Korea and its allies are hoping for a "soft landing," meaning peaceful reunification following a period of gradual reform and economic growth in the North. Unfortunately, no one is sure this is possible. As long as it sticks to its ideology of self-reliance, North Korea's economy will continue to dwindle. But the North Korean regime likely fears that once it abandons that

ideology—once it allows the smallest opening to the world—the regime itself will be swept away.

This is the canvas on which the West must paint its policies case by case. Sen. Bob Dole, who recently accused the Clinton administration of "appeasing the North," has urged the United States to cease bilateral talks until North Korea resumes a dialogue with South Korea. This would seem a recipe for self-wounding. Talks in some areas—such as tracking the remains of U.S. soldiers missing since the Korean War four decades ago—are in the U.S. interest. There's no reason to refrain from such diplomacy if it is conducted with due caution and consultation with the South.

Providing modest amounts of food aid might likewise be in the West's interest, provided the donors maintain full control over distribution. Such aid could provide increased access to North Korea and pave the way for talks on more substantive issues.

South Korea is not ready to resume such aid, given the way the North mistreated its ships bringing rice last year; it wants a direct plea from the North for help. The United States is right not to proceed independently; North Korea must deal with the South if it expects help from the South's friends. But the U.S. ambassador to Seoul recently pointed out that South Korea is dealing from strength and that "the main challenges to stability now are North Korean weakness and despair." In such a situation, it would be foolish as well as hardhearted to let North Korea's peasants starve.

NEW YORK TIMES

June 5, 1996

Pg. 20

Ron Brown's Plane and False Economies

To the Editor:

Two months before Commerce Secretary Ronald Brown was killed in April when the plane flying him to Dubrovnik crashed in stormy weather, military transport planes based in the United States were banned from flying into the Dubrovnik airport in such weather (front page, May 31). This ban did not apply to the plane carrying Mr. Brown because that plane was based in Germany.

So, on the assumption that a safety inspection of the Dubrovnik airport by the American military command in Germany would have resulted in a similar restriction on German-based military planes—including the one carrying Mr. Brown—the Pentagon has grounded the careers of an Air Force general and two other senior commanders because they failed to order such an inspection.

Apparently, though, no one is being disciplined for the failure to distrib-

ute worldwide the results of the inspection report that led to the ban on American-based planes. This is presumably because no one in the United States was supposed to share those results with other commands, such as the one in Germany. Now that's certainly an efficient husband-

ing of resources. No wonder it's so difficult to cut the military budget.

JOEL MANDELBAUM
New York, June 2, 1996

Editor's note: The article referred to appeared in the *Current News Early Bird*, May 31, 1996. Pg. 2.

INSIDE THE PENTAGON

June 6, 1996

Pg. 27

PLANE HUMOR?

Chalk up another one for the super-sensitive Navy of the '90s. This time it's Rear Adm. Dennis McGinn, the Navy's director of aviation warfare, speaking at a June 5 Joint Strike Fighter conference in Washington, D.C. Opening his remarks, McGinn described what the Navy is looking for in a JSF: "an aircraft that is more survivable than the A-6 Intruder against Japanese ship self-defense

systems."

McGinn said he can be "light" about the subject because the U.S. pilots aboard the plane shot down by a Japanese ship earlier this week were not harmed. He said the tale was sure to be a "great sea story for their grandchildren," then noted that the United States learns a lot from such experiences. "For example," he said, "it was reported to me that the Japanese word for cease-fire is 'Whoops!'"

THURSDAY, June 6, 1996

NEW YORK TIMES

June 5, 1996

Pg. 21

The Nuclear End Run

By Paul Leventhal

The threat of nuclear terrorism is about to take a leap forward because of a deal now being worked out by Russia, France and Germany in which Russia will supply highly enriched bomb-grade uranium for use in research reactors. This is the kind of fuel used in the Hiroshima bomb.

The deal foils the goal of the recent nuclear-safety summit meeting in Moscow, held to improve controls over Russian nuclear materials. It is also a slap at the United States because it circumvents our embargo on exports of bomb-grade uranium.

The deal was prompted by Germany's decision to build a research reactor fueled with bomb-grade uranium. Since an international reactor-conversion program began in 1978, only Libya and China have broken the taboo against building such reactors. Germany is ignoring American findings

that its reactor's design can be altered to use non-weapons-grade fuel.

Germany needs more than a ton of fuel. It approached Russia but pulled back after news disclosures. Scientists at the Technical University of Munich then arranged with France and Russia to avoid public scrutiny and the American embargo. Moscow would export uranium to France, ostensibly to meet its needs but actually to free up France's fuel of American origin for Germany.

Congress imposed the embargo on exports of the weapons-grade fuel in 1992 because research reactors now can be converted to run on low-enriched uranium, replacing bomb-grade fuel, which can easily be made into arms by terrorist states or groups.

Russia and France should know the danger. In 1990, Saddam Hussein used their bomb-grade uranium, imported with "peaceful" research reactors into Iraq, to build nuclear arms. The Kuwait war intervened and the uranium was recovered. But the main lesson — the vulnerability of such exports to diversion — has been lost

on Russia and its two customers.

The deal undermines the American-led efforts aimed at eliminating commerce in bomb-grade uranium. It is also at cross-purposes with our offer to pay Russia \$12 billion to help prevent bomb-grade fuel from going elsewhere by diluting 500 tons of it into non-weapons-grade fuel for our power reactors.

The United States refuses to use its leverage with Russia because the State Department wants to avoid frictions with Russia and Europe. This undermines President Clinton's policy of eliminating commerce in bomb-grade uranium. Compared with the \$12 billion American deal, Russia's arrangement with Europe is peanuts.

If the United States fails to persuade Russia to pull back from its plans, the risks of nuclear theft in Europe will rise and less-reliable nations will be enticed to buy from Russia's stockpile. □

Paul Leventhal is president of the Nuclear Control Institute.

Suspects in Bahraini Plot Name Iran Before Cameras

Reuter

MANAMA, Bahrain, June 5—Bahrainis arrested in connection with an alleged pro-Iranian plot to topple Bahrain's government by force said in televised confessions today that they received military training in Iran and Lebanon.

One of the six suspects shown on state television said one of the Iranian officials he met told him that he directly reported to Iran's spiritual leader, Ayatollah Ali Khamenei. Another suspect said an Iranian official asked him to gather information on U.S. forces in Bahrain, base of the U.S. 5th Fleet.

Iran has denied interfering in Bahrain's internal affairs and said the accusations were instigated by the West.

"Despite the imaginary claims by Bahrain, there are no bases anywhere in Iran for the military train-

ing of foreigners," Iranian Interior Minister Ali Mohammad Besharati was quoted today by Tehran radio as saying.

Bahrain said Tuesday that it had arrested 44 Bahrainis involved in the plot, 34 of whom had already confessed before an investigating judge. The rest were still being questioned.

Bahrain said it had foiled a plot to topple the government and install an Islamic regime. It said it was recalling its ambassador in Tehran and downgrading its diplomatic post in the Iranian capital to charge d'affaires.

One of the suspects said the Bahrainis were trained by pro-Iranian Hezbollah guerrillas in Lebanon.

"A number of Lebanese militants gave us training on light, medium and heavy weapons. . . . They trained us on using explosives and techniques of making bombs," said

WASHINGTON POST

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Hussain Youssef Ibrahim Mohammed, a suspect and student at Bahrain University.

"We had training on booby-traps and explosives," he added.

Bahraini newspapers published photographs of 12 suspects who they said were leaders of a previously unknown organization called the military wing of Hezbollah-Bahrain, which the government said was behind the plot.

Bahrain's Interior Minister Mohammed bin Khalifa Khalifa told Bahrain's consultative council Tuesday that the detained suspects were recruited 18 months before disturbances erupted in Bahrain in December 1994.

At least 25 people have been killed in protests by members of Bahrain's majority Shiite Muslims seeking political and economic reforms from the Sunni Muslim-dominated government.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006a. memo	Robert Suettinger to Anthony Lake re North Korea's Food Situation (3 pages)	05/24/1996	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
kc1454

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006b. memo	Winston Lord to the Secretary of State re Emergency Food Aid (4 pages)	06/01/1996	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
William Davis (Legislative Affairs)
OA/Box Number: 959

FOLDER TITLE:

North Korea/South Korea [2]

2009-0528-F
kc1454

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

UNCLASSIFIED
NSC/RMO PROFILE

RECORD ID: 9603358
RECEIVED: 15 MAY 96 09

TO: CHRISTOPHER, W

FROM: PRESIDENT

DOC DATE: 22 MAY 96
SOURCE REF: PD 96-26

KEYWORDS: NUCLEAR ENERGY
KOREA

FOREIGN ASSISTANCE
PD

PERSONS:

SUBJECT: PD 96-26 / USE OF INTL ORGAN & PROGRAMS ACCOUNT FUNDS FOR THE US
CONTRIBUTION TO KOREAN PENINSULA ENERGY DEVELOPMENT ORGAN / KEDO

ACTION: PRESIDENT SGD PD 96-26

DUE DATE: 18 MAY 96 STATUS: C

STAFF OFFICER: SAMORE

LOGREF: 9601690

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO

BAKER
BASS
BERGER
DANVERS
KRISTOFF
LAKE
NSC CHRON
PONEMAN
SAMORE
SODERBERG

COMMENTS: _____

DISPATCHED BY APZ DATE 5-23-96 BY HAND W/ATTCH

OPENED BY: NSDRS

CLOSED BY: NSDRS

DOC 4 OF 4

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 9603358

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001	SAMORE	Z	96051509	PREPARE MEMO FOR LAKE
002	LAKE	Z	96051721	FWD TO PRESIDENT FOR SIG
003	PRESIDENT	Z	96052122	FOR SIGNATURE
004		X	96052209	PRESIDENT SGD PD 96-26

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

003	960521		VICE PRESIDENT
003	960521		WH CHIEF OF STAFF
004	960522	CHRISTOPHER, W	
004	960522	BURNS, W	
004	960522	WILLIAMS, A	
004	960522	DUSAULT, P	
004	960522	SAUNDERS, T	

UNCLASSIFIED

UNCLASSIFIED
NSC/RMO PROFILE

RECORD ID: 9603358
RECEIVED: 15 MAY 96 09

TO: SENS

FROM: BURNS, W

DOC DATE: 14 MAY 96
SOURCE REF: 9608130

KEYWORDS: NUCLEAR ENERGY
KOREA

FOREIGN ASSISTANCE
PD

PERSONS:

SUBJECT: PRES ACTION REQUIRED TO MAKE US CONTRIBUTION TO KOREAN PENINSULA
ENERGY DEVELOPMENT ORGAN / KEDO FM PD 96-21

ACTION: PREPARE MEMO FOR LAKE

DUE DATE: 18 MAY 96 STATUS: S

STAFF OFFICER: SAMORE

LOGREF: 9601690

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
SAMORE

FOR CONCURRENCE
FAIRFAX
KRECZKO
KRISTOFF
SIMON

FOR INFO
ANDREASEN
APPEL
BELL
CLARKE
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National Security Council
The White House

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THE WHITE HOUSE

WASHINGTON

May 22, 1996

Presidential Determination
No. 96-26

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Use of International Organizations and
Programs Account Funds for the U.S. Contribution
to the Korean Peninsula Energy Development
Organization (KEDO)

Pursuant to the authority vested in me by section 614(a)(1) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2364(a)(1) (the "Act"), I hereby determine that it is important to the security interests of the United States to furnish up to \$22 million in funds made available under heading "International Organizations and Programs" in title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104-107) for the United States contribution to the Korean Peninsula Energy Development Organization without regard to any provision of law within the scope of section 614(a)(1). I hereby authorize this contribution.

You are hereby authorized and directed to transmit this determination to the Congress and to arrange for its publication in the Federal Register.

William D. Clinton

Billing Code: 4710-10

MEMORANDUM OF JUSTIFICATION
UNDER SECTION 614 OF THE FOREIGN ASSISTANCE ACT
TO PROVIDE U.S. CONTRIBUTIONS TO THE KOREAN PENINSULA
ENERGY DEVELOPMENT ORGANIZATION (KEDO)

The Administration proposes that up to \$22.0 million in FY 1996 International Organizations and Programs (IO&P) funds be used for a U.S. contribution to the Korean Peninsula Energy Development Organization (KEDO), an international consortium established to implement the Agreed Framework signed between the United States and the Democratic People's Republic of Korea (DPRK) on October 21, 1994. This funding level for U.S. contributions to KEDO was specified in the Administration's congressional presentation documents for the Foreign Operations Appropriations Act, 1996 (P.L. 104-107). KEDO would be permitted to use the U.S. contribution to help cover the FY 1996 administrative and heavy fuel oil shipment expenses.

In order to make available the funds appropriated for this contribution, the President intends to exercise his authority under section 614(a)(1) of the Foreign Assistance Act of 1961, as amended, to authorize the voluntary contribution to KEDO without regard to applicable statutory restrictions within the scope of this section, including any restrictions in sections 307, 620A, 620(f), or 530 of the Foreign Assistance Act or sections 507, 516, 523, or 527A of the Foreign Operations Appropriations Act.

The Agreed Framework addresses U.S. and international concerns about the DPRK's nuclear weapons program and, if fully implemented, will lead ultimately to the complete dismantlement of North Korea's current nuclear program. Under the U.S.-DPRK Agreed Framework, the U.S. represented that it would "organize under its leadership an international consortium to finance and supply the light-water reactor (LWR) project to be provided to the DPRK." In order to meet this pledge, the U.S., South Korea (ROK) and Japan agreed on the creation of an international organization, KEDO, to implement the reactor project, the annual delivery of 500,000 metric tons of heavy fuel oil delivery to North Korea and other possible projects called for in the Agreed Framework (e.g., the transfer of spent fuel out of the DPRK for ultimate disposition). The U.S., ROK and Japan have played and will continue to play leading roles in KEDO.

KEDO's purpose is to coordinate cooperation among interested parties in the international community and to facilitate the financing and execution of projects needed to implement the Agreed Framework. KEDO members have agreed to cooperate in taking the steps necessary to implement the Agreed Framework consistent with the Charter of the United Nations, the Treaty on the Nonproliferation of Nuclear Weapons, the North-South Declaration on the Denuclearization of the Korean Peninsula, and the Statute of the International Atomic Energy Agency. Moreover, KEDO will obtain assurances that nuclear materials, equipment, or technology transferred to the DPRK in connection with projects undertaken by KEDO will be used exclusively for such projects, only for peaceful purposes, and in a manner that ensures the safe use of nuclear energy. The continued funding of KEDO is critical to the success of the specific objectives of the Agreed Framework, the general goals of international nuclear nonproliferation, and the aim of maintaining peace and security on the Korean Peninsula.

KEDO is located in New York and is directed by an Executive Board consisting of representatives of the original member countries-- the U.S., Japan, and the ROK. Other members may participate in its activities by serving on advisory committees covering the organization's projects, attending the KEDO General Conference, participating in ad hoc technical meetings relating to KEDO projects and, in some cases, sending technical experts to serve in the KEDO secretariat. The day-to-day operations of KEDO are directed by Executive Director Stephen Bosworth, former U.S. Ambassador to the Philippines, assisted by two Deputy Executive Directors (one from Japan and one from the ROK). KEDO is seeking to contract with private firms for the bulk of the legal, technical, and financial expertise required to oversee the LWR project and other projects. It will have a secretariat consisting of approximately 30 people to carry out its functions.

The U.S. contribution to KEDO will help fund: 1) KEDO's FY 1996 costs for office space, office supplies, communications, consulting costs and legal services, and employee remuneration for a staff of thirty people, including the Executive Director, the two Deputy Directors, and support personnel; and 2) a portion of the estimated \$50 million worth of heavy fuel oil due to be shipped in 1996. These funds are essential to KEDO's ability to meet the terms of the U.S.-DPRK Agreed Framework regarding the provision of heavy fuel oil. Should KEDO fail to meet these deliveries, the DPRK might renege on its Agreed Framework obligations, including possibly breaking the freeze on its nuclear program. Hence, early transfer of these funds is essential to meeting our nonproliferation objectives in the DPRK.

THE WHITE HOUSE

WASHINGTON

April 4, 1996

Presidential Determination
No. 96-21

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Determination Under the Heading "International Organizations and Programs" in Title IV of the Foreign Operations Appropriations Act for FY 1996: U.S. Contribution to the Korean Peninsula Energy Development Organization (KEDO)

Pursuant to the requirements set forth under the heading "International Organizations and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104-107), I determine and certify that:

- (a) in accordance with Section 1 of the Agreed Framework, KEDO has designated a Republic of Korea company, corporation or entity for the purpose of negotiating a prime contract to carry out construction of the light water reactors provided for in the Agreed Framework;
- (b) the Democratic People's Republic of Korea (DPRK) is maintaining the freeze on its nuclear facilities as required in the Agreed Framework; and
- (c) the United States is taking steps to assure that progress is made on (1) the North-South dialogue, including efforts to reduce barriers to trade and investment, such as removing restrictions on travel, telecommunications services and financial transactions; and (2) implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula.

You are authorized and directed to report these determinations and certifications to the Congress and to publish them in the Federal Register.

William J. Clinton

MEMORANDUM OF JUSTIFICATION
FOR DETERMINATIONS AND CERTIFICATIONS
UNDER THE HEADING "INTERNATIONAL ORGANIZATIONS AND PROGRAMS"
IN TITLE IV OF
THE FOREIGN OPERATIONS APPROPRIATIONS ACT, 1996
IN CONNECTION WITH THE U.S. CONTRIBUTION TO
THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION (KEDO)

Pursuant to the requirements set forth under the heading "International Organizations and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (P.L. 104-107), I have determined that:

(a) in accordance with Section 1 of the Agreed Framework, KEDO has designated a Republic of Korea company, corporation or entity for the purpose of negotiating a prime contract to carry out construction of the light water reactors provided for in the Agreed Framework; and

(b) the Democratic People's Republic of Korea (DPRK) is maintaining the freeze on its nuclear facilities as required in the Agreed Framework; and

(c) the United States is taking steps to assure that progress is made on (1) the North South dialogue, including efforts to reduce barriers to trade and investment, such as removing restrictions on travel, telecommunications services and financial transactions; and (2) implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula.

The justification for these determinations is set forth below.

(a) - Designation of ROK Company

In section I of the Agreed Framework between the United States of America and the Democratic People's Republic of Korea (DPRK), signed in Geneva on October 21, 1994, the two parties stated that they would cooperate in replacing the DPRK's graphite-moderated reactors and related facilities with light-water reactor (LWR) power plants. The U.S. further stated that it would undertake to make arrangements for the provision of the LWR project to the DPRK, including organizing under its leadership an international consortium to finance and supply the project. This organization, the Korean Peninsula Energy Development Organization (KEDO), was created on March 9, 1995, by agreement of the U.S., Japan, and the ROK. These parties have agreed that the ROK will assume the central role in financing and building the LWR project.

On June 13, 1995, in Kuala Lumpur, the United States and the DPRK issued a joint statement providing that KEDO will select both the LWR reactor model and the prime contractor to carry out the project. (These points were confirmed in the LWR

supply agreement between KEDO and the DPRK, signed December 15, 1995 in New York City.) On the same date as the Kuala Lumpur statement (June 13, 1995), the KEDO Executive Board decided by Board resolution that an ROK reactor model (Ulchin 3/4) would be built in the DPRK by an ROK firm. The Executive Board resolution designated the Korean Electric Power Corporation (KEPCO) as the firm with which KEDO would begin negotiating a prime contract for the light-water reactor project. These negotiations are under way.

(b) - DPRK Maintenance of the Freeze

Section I(3) of the U.S.-DPRK Agreed Framework provides for the immediate freeze and eventual dismantlement of all graphite-moderated reactors and related facilities in the DPRK. Within this context, the DPRK agreed to implement the freeze on its nuclear facilities within one month after the signing of the Agreed Framework and to allow the International Atomic Energy Agency (IAEA) to monitor the freeze on its facilities, with the full cooperation of the DPRK. In addition, the U.S and DPRK agreed to cooperate in finding a method to store safely the spent fuel from the DPRK's 5 MW(e) experimental reactor during the construction of the LWR project, and to dispose of the fuel in a safe manner that does not involve reprocessing in the DPRK.

Since November 1994, all of North Korea's graphite-moderated nuclear facilities have been frozen. Specifically, this means no refueling or operation of the 5MW research reactor; no construction on the 50 and 200 MW reactors; no reprocessing and sealing of the reprocessing facility; no operation of the fuel fabrication plant; and no construction of new graphite-moderated reactors or related facilities. The IAEA has maintained a continuous presence at the Nyongbyon nuclear facility and has continued with inspection activities related to verifying and monitoring the freeze in the DPRK according to the terms of the Agreed Framework. In addition to IAEA monitoring activities, the United States continues to monitor the freeze through National Technical Means.

With the successful conclusion of the December 15, 1995 agreement on the supply of light-water reactors (LWRs) to the DPRK, signed between the DPRK and KEDO in New York City, the IAEA will resume ad hoc and routine inspections under the DPRK's safeguards agreement with the IAEA with respect to the facilities not subject to the freeze. The IAEA and DPRK meet periodically to discuss any outstanding safeguards issues that arise, most recently on January 22, 1996. During this meeting, both sides agreed to measures for safely storing the DPRK's spent nuclear fuel from its 5 MW(e) research reactor. When the

first LWR unit is completed, the IAEA will have oversight over the dismantlement of the DPRK's nuclear facilities which will be completed when the second LWR unit is completed.

In January 1995, the U.S. and DPRK agreed on the method for safely storing the DPRK's spent nuclear fuel as an interim step before it is shipped out of the DPRK, as defined in the Agreed Framework. U.S. technical experts have been in the DPRK since July 1995 preparing the fuel for canning in a cooperative joint effort with the DPRK. Actual canning is expected to commence soon and will last approximately three months.

(c) - North-South Dialogue and the Joint Declaration

The U.S.-DPRK Agreed Framework provides that "the DPRK will engage in North-South dialogue." Since then, the U.S. has taken steps to support South Korean initiatives toward the North and to encourage the DPRK to fulfill its commitment to engage in dialogue as soon as possible. In all of our bilateral contacts with the DPRK, the U.S. has made clear that improvement in North-South relations is the key to peace and security on the Korean peninsula, and a requirement if U.S.-DPRK bilateral relations are to continue to move forward. Ambassador Robert L. Gallucci, during his tenure as Chairman of the Senior Steering Committee on Korea, had frequent occasion to raise the issue of North-South relations in his correspondence with his North Korean counterpart, First Vice Minister of Foreign Affairs Kang Sok Ju. Deputy Assistant Secretary of State Thomas Hubbard raised the North-South issue repeatedly during the May-June 1995 negotiations with the North Koreans in Kuala Lumpur on the LWR supply agreement. Most recently, Mr. Hubbard raised this issue when he met with North Korean Ambassador-at-Large Ho Jung in December 1995. Finally, working level officials have repeatedly stressed to their North Korean counterparts the importance of the DPRK improving relations with the South. Over the last year, these points have been made at all three rounds of U.S.-DPRK negotiations on the opening of liaison offices, and repeatedly in contacts with officials of the DPRK Mission to the UN.

In support of ROK initiatives, we have conveyed South Korean positions -- and U.S. support for those positions -- to the DPRK and others. At South Korea's request we have raised several particular issues with the DPRK, sometimes with positive effect. The South Korean government has expressed its appreciation for these U.S. efforts. During this period North and South Korea held a series of bilateral meetings in Beijing that produced an agreement whereby the South provided 150,000 tons of rice to the North as a grant. In December 1995, the DPRK released the crew of a South Korean fishing vessel which strayed into North Korean waters earlier in the year, a step which the ROK had been urging the DPRK to take.

On January 1, 1992, the Republic of Korea and the Democratic People's Republic of Korea issued the Joint Declaration of the Denuclearization of the Korean Peninsula. The provisions of the Joint Declaration state that the North and South:

- shall not test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons;

- shall use nuclear energy solely for peaceful purposes;

- shall not possess nuclear reprocessing and uranium enrichment facilities, and;

- in order to verify the denuclearization of the Korean Peninsula, shall conduct inspections of the objects selected by the other side and agreed upon between the two sides, in accordance with procedures and methods to be determined by the South-North Nuclear Control Commission which shall be established within one month of the effectuation of this joint declaration.

The DPRK and the ROK held a series of South-North Joint Nuclear Control Commission meetings in early 1992 as specified in the Joint Declaration, but these were discontinued as relations between the two Korean states worsened and the DPRK threatened to withdraw from the Nuclear Non-Proliferation Treaty (NPT) and refused to cooperate with the IAEA. As a result, the absence of sustained governmental talks between the ROK and DPRK has delayed further implementation of the Denuclearization Declaration.

The United States has, however, taken steps to encourage DPRK compliance with the Joint Declaration by encouraging North-South dialogue and ensuring DPRK implementation of the Agreed Framework. The Agreed Framework, as a step towards full implementation of the Denuclearization Declaration, has succeeded in illiciting positive DPRK movement on key provisions of the Declaration. Specifically, North Korea's willingness to freeze immediately and eventually dismantle its graphite-moderated nuclear reactors and related facilities has halted activities which would, had they not been stopped, given the DPRK a nuclear weapons capability. Such a capability would have been a threat to peace and security on the Korean Peninsula as well as to Northeast Asia. The DPRK agreement to forego reprocessing under the Agreed Framework and to replace its existing nuclear reactors with proliferation-resistant LWRs represents a major step toward assuring the DPRK will not test, manufacture, produce, store, deploy or possess nuclear weapons. In addition, by agreeing to allow a continuous IAEA inspector presence on the ground and to come into full compliance with its IAEA safeguards obligations, including

taking all steps that may be deemed necessary by the IAEA with regard to verifying the accuracy and completeness of the DPRK's initial report on all nuclear material in the DPRK, the DPRK has not only gone beyond its NPT and IAEA safeguards obligations but also is taking steps related to the inspection objectives set forth in the Denuclearization Declaration.



Washington, D.C. 20520

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May 14, 1996

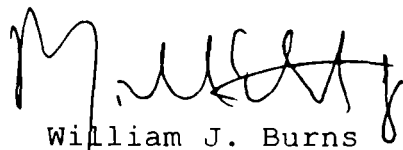
MEMORANDUM FOR ANDREW D. SENS
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

SUBJECT: Presidential Action Required to Make the U.S.
Contribution to the Korean Peninsula Energy
Development Organization (KEDO)

The President signed Presidential Determination 96-21 on April 4, 1996, pertaining to the U.S. contribution to the Korean Peninsula Energy Development Organization (KEDO). Furthermore, the President authorized the Department of State to consult with and provide a written justification to the appropriate committees of Congress in preparation for the President exercising his authority under section 614(a)(1) of the Foreign Assistance Act of 1961, as amended, ("the Act") to permit the U.S. contribution to KEDO.

The State Department has consulted the appropriate committees of Congress concerning the President's proposal to exercise his authority under section 614 of the Act to waive numerous prohibitions in the Act and in the current Foreign Operations Appropriations Act, 1996 (P.L. 104-107), to permit the U.S. contribution to KEDO. Consultations with majority and minority staff of the House International Relations Committee, the Senate Foreign Relations Committee, and the House Foreign Operations Appropriations Subcommittee have identified no opposition to this proposed action. Democratic staff of the Senate Foreign Operations Appropriations Subcommittee also support the proposed use of section 614. Republican staff of this Appropriations Subcommittee have no objection to proceeding on policy grounds but firmly believe we should have submitted a reprogramming notification for a portion of the funds. State Department officials disagree.

The Department of State has concluded these consultations and recommends that the President sign the Presidential Determination invoking his authority under section 614 to permit the U.S. contribution to KEDO.


William J. Burns
Executive Secretary

The White House
Washington, D.C.
Presidential Determination
No. _____

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Use of International Organizations and Programs
Account Funds for the U.S. Contribution to KEDO

Pursuant to the authority vested in me by section 614(a)(1) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2364(a)(1) ("the Act"), I hereby determine that it is important to the security interests of the United States to furnish up to \$22 million in funds made available under the heading "International Operations and Programs" in Title IV of the Foreign Operations Appropriations Act, 1996 (P.L. 104-107) for the United States contribution to the Korean Peninsula Energy Development Organization without regard to any provision of law within the scope of section 614(a)(1). I hereby authorize this contribution.

You are hereby authorized and directed to transmit this determination to the Congress and to arrange for its publication in the Federal Register.



H
United States Department of State

Washington, D.C. 20520 9603673

March 12, 1996

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MEMORANDUM FOR ANDREW D. SENS
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

SUBJECT: Presidential Action Required to Make the U.S.
Contribution to the Korean Peninsula Energy
Development Organization (KEDO)

This memorandum requests that the President authorize the Department of State to consult with, and provide the attached written policy justification to, relevant committees of the Congress concerning the proposed waiver of legal restrictions on providing assistance to the Democratic People's Republic of Korea (DPRK) in order to provide the U.S. contribution to the Korean Peninsula Energy Development Organization (KEDO). In addition, it recommends that the President sign the attached Presidential Determination containing determinations and certifications required by Title IV of the Foreign Operations Appropriations Act under the heading "International Organizations and Programs." Specifically, he must determine that: (a) KEDO has designated an ROK company for the purpose of negotiating the prime contract for the light-water reactor project; (b) the DPRK is maintaining the freeze on its nuclear facilities; and (c) the United States is taking steps to ensure progress on North-South dialogue and on implementation of the Joint Denuclearization Declaration.

In its Congressional presentation documents for the Foreign Operations Appropriations Act, 1996 (P.L. 104-107), the Administration stated its intention to contribute up to \$22 million to KEDO from the International Organizations and Programs (IO&P) account. The Foreign Operations Appropriations Act (FOAA) did not limit the amount of the contribution, though the Congress prohibited a U.S. contribution to KEDO's Light Water Reactor Project.

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The President must exercise his authority under section 614(a)(1) of the Foreign Assistance Act, to find that it is "important to the security interests of the United States" to make the contribution without regard to provisions of law within the scope of that section. (Potential legal restrictions on direct or indirect assistance to the DPRK include sections 307, 620A, 620(f), and 530 of the Foreign Assistance Act and sections 507, 516, 523, and 527A of the FOAA.)

Now that the FOAA has been enacted, State requests authority to initiate the section 614 process through **consultations with the appropriate congressional committees** (the House and Senate Appropriations Committees, the Senate Foreign Relations Committee, and the House International Relations Committee). Following consultations, the President may make a determination, and notify in writing the Speaker of the House and the Chairman of the Senate Foreign Relations Committee, that the furnishing of assistance under this authority "is important to the security interests of the United States."

In addition, Title IV of the FOAA specifies that the appropriated funds cannot be made available to KEDO unless the President determines and certifies in writing to the Appropriations Committees that: (a) KEDO has designated an ROK company for the purpose of negotiating the prime contract for the light-water reactor project; (b) the DPRK is maintaining the freeze on its nuclear facilities; and (c) the United States is taking steps to ensure progress on North-South dialogue and on implementation of the Joint Declaration on the Denuclearization of the Korean Peninsula. We recommend that the President sign the Presidential Determination containing these determinations and certifications (attachment 3) at the same time that he authorizes the section 614 consultations. Having the statutory certifications in hand will significantly assist the Congressional consultation process and deprive Congress of a ground for delay.

The U.S. contribution would be provided to help KEDO meet its FY 1996 administrative and heavy fuel oil (HFO) shipment expenses. (Pursuant to a prohibition inserted in the FOAA, our contribution will not be used for the LWR project.) KEDO will face a financial crisis unless we can provide rapidly the \$20 million U.S. contribution. While there have been some

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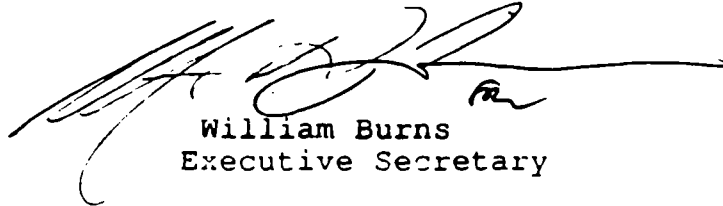
encouraging signs of international support for KEDO, there is still a shortfall. As of mid-March, KEDO has received contributions and pledges of \$11 million from non-U.S. sources for heavy fuel oil in 1996. In addition, Japan in February provided \$19 million in collateral to be used to secure suppliers credits or loans to deal with KEDO's immediate cash flow problem. Nevertheless, with a U.S. contribution of \$20 million and other pledges of \$11 million, KEDO will still need to raise \$19 million in additional funds to pay for the rest of this year's shipments, which will last until October 1996. We are continuing our efforts to secure the necessary support internationally, but it will likely take high-level involvement to ensure enough funding for KEDO to fulfill its commitments this year.

We have conducted informal consultations on the Hill with staff members to indicate that Secretary Christopher may make this recommendation to the President. Our discussions have elicited no expressions of direct opposition to moving forward with a 614 package with respect to funding up to \$13 million for administrative and heavy fuel oil costs. However, Majority staff have made clear much remains to be done to satisfy them and their members that the Agreed Framework is working well and the DPRK is in full compliance with the Agreement. Congressional concern is likely to focus on our ability to satisfy fully the determinations and certifications the President must make as mandated in the legislation. In addition, some have asserted that funding above \$13 million is subject to congressional reprogramming procedures. We believe there is no legal basis for this assertion. Since the section 614 process is time-consuming, it is essential that we initiate consultations as soon as possible so that we will be able to make the U.S. contribution promptly.

Accordingly, we recommend that the President authorize the State Department to initiate consultations with, and provide a written justification to, the appropriate committees of Congress in preparation for the President exercising his authority under section 614 to permit the U.S. contribution to KEDO. We further recommend that the President sign the Presidential Determination at attachment 3, as required under

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the FOAA, and authorize the State Department to transmit to the appropriate committees the Presidential Determination and a memorandum of justification therefor.



William Burns
Executive Secretary

Attachments:

- (1) Draft Presidential Determination under Section 614
- (2) Letters of Notification re Section 614 and transmittal of Presidential determination under FOAA
- (3) Memorandum of Justification re Section 614
- (4) Draft Presidential Determination under FOAA
- (5) Memorandum of Justification re Presidential Determination