

# NAPSNet Daily Report 01 November, 2002

# **Recommended Citation**

"NAPSNet Daily Report 01 November, 2002", NAPSNet Daily Report, November 01, 2002, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-01-november-2002/

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## I. United States

## 1. DPRK Nuclear Situation

Reuters (John Ruwitch, "NORTH KOREA REMAINS DEFIANT ON NUCLEAR OPTION," Beijing, 11/01/02) reported that the DPRK defended what it said was a right to have nuclear weapons -- without saying if it actually had them -- and renewed calls on Friday for the US to sign a non-aggression pact. At a rare news conference in the DPRK's embassy in Beijing, Ambassador Choe Jin Su repeated an October 25 Foreign Ministry statement that blamed the administration of President Bush for the nuclear crisis on the Korean peninsula and said the US had violated a key 1994 agreement. "Reckless political, economic and military pressure from the Bush administration is seriously threatening our right to subsistence, creating a grave situation on the Korean peninsula," he said though a translator. "We told the special envoy of the US president that we were entitled to

possess not only nuclear weapons but any type of weapon more powerful than that in order to protect our sovereignty and right to subsistence from an ever growing U.S. nuclear threat," he said.

## 2. Japan on DPRK Normalization Talks

Agence France-Presse ("JAPANESE PRESS LAMBASTS NORTH KOREAN STANCE DURING TALKS," 10/31/01) reported that the DPRK's stance during recent normalisation talks with Japan raised doubts about the sincerity it showed at a landmark summit just a month ago, Japanese media said. "This marks the first real negotiations since Prime Minister (Junichiro) Koizumi visited North Korea, and there was plenty to indicate that choppy waters lie ahead," the Asahi Shimbun said in an editorial. "North Korea's response raises doubts about how serious it is about carrying out the content of the Pyongyang Declaration," it said, referring to a joint statement signed by Koizumi and DPRK leader Kim Jong-Il in Pyongyang last month. Two days of bureaucrat-level talks between the sides ended in discord in Kuala Lumpur on Wednesday as Pyongyang rebuffed Tokyo's requests about its nuclear weapons program and the families of Japanese citizens kidnapped to the DPRK. DPRK officials said a solution to the nuclear issue lies only in talks with the US and dismissed the kidnapping matter as "almost settled". The country meanwhile pressed for talks for reparations for Japan's wartime colonial rule of the Korean peninsula. But papers said the DPRK should realize its nuclear threat is of paramount importance to Japan and that economic aid would only come later. "With the combination of its nuclear development and its missile program, there is no greater menace to Japan," the Yomiuri Shimbun printed. "Saying it will only negotiate with the United States on this issue, North Korea will only cause the failure of talks with Japan," it said. "The Bush administration has no intention of negotiating with Pyongyang over nuclear weapons," the Asahi said. "North Korea should realise that without Japan's involvement, there will be no movement on this issue."

## 3. Japan-DPRK Relations

The Associated Press (Kozo Mizoguchi, "JAPAN MAY PROCEED WITH NORTH KOREAN TALKS WITHOUT PRECONDITIONS," Tokyo, 11/01/02) reported that in effort to restart stalled negotiations, Foreign Minister Yoriko Kawaguchi said on Friday that Japan would set no preconditions in the next round of talks with the DPRK on establishing diplomatic relations. "It is not as though we will set some requirement and, if it is not met, we will refuse to proceed," she told reporters after a morning briefing with the prime minister and Katsunari Suzuki - Japan's chief negotiator in talks to set up ties with the DPRK. Her comment effectively leaves room for Tokyo to proceed to a second round of talks without first ensuring that five Japanese abductees and their DPRK-born children are regrouped in Japan. Top officials had been indicating that a new date would not be fixed until the abductees' children, living in Pyongyang, were allowed to come to Japan. Backing her up, Katsunari confirmed that the return of the children "is not necessarily a prerequisite. Continuation of negotiations is also important."

## 4. US-Japan DPRK Policy

The Associated Press ("PENTAGON OFFICIAL TO VISIT JAPAN," Washington, 10/31/02) reported that a senior Pentagon official will visit Japan and the ROK next week to consult on various issues in the aftermath of the DPRK's admission that it has been pursuing a clandestine nuclear weapons program. Officials said the weeklong trip by Doug Feith, the undersecretary of defense for policy, reflects the Bush administration's interest in coordinating its DPRK policy with its two closest allies in the region. The US military has about 37,000 troops stationed in the ROK and an additional

47,000 in Japan, but Defense Secretary Donald H. Rumsfeld has not visited either country since he took office in January 2001.

Reuters (Jeremy Page, "CHINA'S JIANG STACKS MAIN PARTY ORGANS WITH ALLIES," Beijing, 11/01/02) reported that as President Jiang Zemin prepares to step down as head of the party at its 16th congress next week, he has tried to stack the new leadership with his allies to preserve political power and protect personal interests, PRC sources and analysts said. He has apparently succeeded in promoting at least three key allies to the new Standing Committee, they said. It is unclear whether he has a fourth to give his camp a majority. But Jiang, 76, has also engineered the elevation of allies to the seven-man Secretariat, including heads of the main party organs, the sources and analysts said. So, even if he hands his top post to Vice President Hu Jintao, 59, as expected, Jiang will maintain a vice-like grip on the levers of power, they said. "He will still be the top leader no matter how many posts he gives up," said a Chinese political scientist who spoke on condition of anonymity. "After the 16th congress, it's still the Jiang Zemin era. The Hu Jintao era has not arrived." The incumbent Secretariat includes two Standing Committee members -- Hu and party discipline chief Wei Jianxing -- while the rest are senior members of the 21-man Politburo. It has the outgoing heads of the organisation and publicity departments -- Zeng Qinghong and Ding Guangen -- as well as Wen Jiabao, who handles key economic portfolios and is a frontrunner for the premiership. And it also includes Zhang Wannian, the People's Liberation Army's top military officer, who is due for retirement. "It has the power to make decisions on a lot of smaller issues, and to decide what should go to the Standing Committee," said one Chinese source with close ties to top party officials. "Jiang may not be able to have full control over the Standing Committee, but he will control the Secretariat."

### 5. Cross-Straits Relations

The China Post ("TAIPEI MAKES ANOTHER PITCH FOR RESUMPTION OF LINK TALKS," 10/31/02) reported that Taiwan again pitched for early resumption of talks with the PRC yesterday amid mounting calls for opening of direct transport links across the Taiwan Strait. "If Beijing is sincere to open direct cross-strait shipping and air links, it should sit down to talk with us to materialize that goal," said Chen Ming-tong, vice chairman of the Mainland Affairs Council (MAC). Chen was responding to a PRC official's remarks that the PRC has made all necessary preparations for opening direct trade, mail and transport links commonly known as "three links" with Taiwan. Li Weiyi, spokesman for the Taiwan Affairs Office under the PRC's State Council or Cabinet, told a news conference earlier in the day that cross-strait commercial flights can begin without touching on the political implications of the "one China" principle, so long as the flights aren't described as "between country and country." Pressed by opposition legislators during a Legislative Yuan committee meeting, Chen said Li's statements contain "both fresh initiatives and new variables. We must do some homework or research before we can make a formal response to Li's remarks," Chen added. Basically, Chen said, the most needed work for the two sides to do to establish direct transport links is to sit down to talk. "Without face-to-face talks, many critical issues involved in direct cross-strait shipping or flight services cannot be resolved," Chen explained.

## 6. Inter-Korean Family Reunions

The Associated Press ("SOUTH KOREA PROPOSES NEW ROUND OF INTER-KOREAN FAMILY REUNIONS IN DECEMBER," Seoul, 11/01/02) reported that the ROK proposed to the DPRK on Friday that they co-sponsor another round of family reunions in December. The ROK made the proposal at the start of inter-Korean Red Cross talks, which opened Friday at the Mount Kumgang resort, and suggested that the reunions be staged from December 3-8. The DPRK preferred to

discuss building a permanent reunion center for separated family members at the DPRK's mountain resort, the reports said. The two sides' Red Cross societies agreed in August to build such a meeting place. This week's three-day talks were called chiefly to follow up on that agreement. No foreign journalists were allowed to cover the discussions. Building a permanent reunion center means that family reunions, which so far have been arranged sporadically, would become a regular event. DPRK delegates said Friday they were eager to begin building the center this year, the pool reports said. The meeting center will be built as part of a tourist complex in the DPRK's mountain resort.

## 7. ROK Corruption Scandal

Agence France-Presse ("SOUTH KOREAN PRESIDENT'S SECOND SON GETS 42 MONTHS IN JAIL," 11/01/02) reported that ROK President Kim Dae-Jung's second son, Kim Hong-Up, has been sentenced to three and a half years in prison for corruption. His lawyers said Friday Hong-Up was convicted of accepting millions of dollars from businessmen through influence peddling and avoiding tax for political donations. He was also slapped with 1.06 billion won (US\$860,000 dollars) in fines for avoiding tax. Lawyer Yoo Je-In said he would immediately appeal. "We reject all the influence peddling charges. Hong-Up did not engage in influence peddling and he did not know his associates received money by taking advantage of their acquaintance with him," Yoo stated. In handing down the jail sentence, Judge Kim Sang-Kyun said: "The accused must be sternly punished as he committed crimes by taking advantage of his special status as a son of the president." "But the court accepted it as mitigating circumstances that associates of the accused played leading roles in the crimes and the accused was not aware of details, including the amount of kickbacks involved." Hong-Up, 53, was arrested in June on charges of receiving a total 2.58 billion won (US\$2.1 million dollars) from six companies through influence peddling. He was also accused of avoiding tax after taking another 2.2 billion won (US\$1.8 million dollars) from businesses including the Hyundai and Samsung groups as political "donations."

## II. Republic of Korea

## 1. DPRK's Denouncement on US

Joongang Ilbo (Kim Young-sae, "JAPAN, NORTH SWAP BARBS, AGREE ONLY TO MEET AGAIN," Seoul, 10/31/02) reported that there were no surprises on the second and last day of meetings in Kuala Lumpur, Malaysia, intended to lay the groundwork for normal relations between DPRK and Japan. DPRK refused to budge on its nuclear weapons program. A Japanese delegate stated that for much of yesterday's meeting there was no discussion of DPRK's nuclear program or its abduction of Japanese civilians in the 1970s and the 1980s. Talks focused on a future working-level meeting on security issues. The North Koreans, for their part, called for financial compensation from Japan for the pain and suffering caused by the colonial occupation from 1910 to 1945. The fruitless meeting came against the backdrop of more verbal exchanges by DPRK and US. Secretary of State Colin Powell said in Washington that US would not "buy this program again" as it did in 1994. "No North Korean child can eat enriched uranium," Mr. Powell said, referring to the process of treating the mineral to extract weapons-grade material. DPRK's state-run Central News Agency denounced US Wednesday, saying that the concentration of nuclear arms by US forces in and around the Korean Peninsula created the possibility of a nuclear war.

## 2. DPRK-Japan Normalization Talks

Joongang Ilbo (Kim Young-sae/Kim Hee-sung, "JAPAN, NOTH FAIL TO DELIVER RESULTS, WILL MAINTAIN CONTACT," Seoul, 10/31/02) reported that DPRK as usual, justified its deployment of long-range missiles and nuclear development as a self-protection against ROK and US arms and refused to hear of Japan's urgings to dismantle itself. Instead DPRK officials accused Japan of holding on to its five Japanese-Korean "citizens." Japan too remained adamant when DPRK called for financial compensation for the pain and suffering caused by Japanese colonization of undivided Korea from 1910-1945. "Not until the North fully resolved the issue with nukes and abductees," they retorted back. Japan also didn't give any clear answer when DPRK suggested the next talks next place around November. Japanese ambassador and chief negotiator Katsunari Suzuki said the two countries will continue to practice patience toward the end to better bilateral ties despite the disappointing result.

#### 3. Taiwan Cautious on DPRK Investment

Joongang Ilbo (Choi Hyung-kyu, "TAIWAN CAUTIOUS ABOUT NORTH," Seoul, 10/31/02) reported that Taiwanese companies are interested in investing in DPRK, but reluctant to press ahead due to a lack of trust in its government, according to the chairman of the Chinese National Association of Industry and Commerce. Jeffrey L. S. Koo, who is also chairman of China Trust Financial Holding Co. and an economic adviser to Taiwanese President Chen Shuibian, was speaking at the Confederation of Asia-Pacific Chambers of Commerce and Industry's 19th conference in Seogwipo, Jeju island, Wednesday. Koo said many Taiwanese firms were afraid to invest in DPRK after it recently acknowledged abducting Japanese civilians. Koo said he was optimistic about continued economic cooperation between Taiwan and PRC. He said PRC had become the biggest importer of Taiwanese goods, recently surpassing US, and that over 50,000 Taiwanese firms had invested in the mainland. More than 100 businessmen from 22 Asia-Pacific nations attended the meeting. The confederation, founded in 1966, is based in Taipei and the Korea Chamber of Commerce and Industry is a regular member.

### 4. OPEC's Aid to DPRK

Joongang Ilbo ("OPEC WILL LEND NORTH \$10 MILLION FOR A DAM," Seoul, 10/31/02) reported that DPRK will receive a US\$10 million agricultural development loan from the Organization of the Petroleum Exporting Countries, the organization said Tuesday. The money will be used for construction of an irrigation system in North Pyongyang province, the fund said. The loan is repayable over 20 years with a five-year grace period. It is the second time that DPRK has benefited from an OPEC Fund agricultural development loan. A US\$5 million loan was given in 1999. DPRK's Agricultural Ministry plans to build a 660-meter-long dam and a 64-kilometer irrigation canal to supply waters to 100 cooperative farms.

## 5. Former US Ambassador to Pyeongyang

Chosun Ilbo ("FORMER US AMBASSADOR TO KOREA TO VISIT PYEONGYANG," Seoul, 10/31/02) reported that former US ambassador to Seoul, Donald Gregg left US, Tuesday on a five-day trip to DPRK. Gregg is scheduled to arrive in Pyongyang on Saturday through the truce village of Panmunjeom, with a delegation including Columbia University Professor Joseph Stiglitz. The trip comes at the invitation of North Korean Vice Foreign Minister Kim Kye Kwan, and was scheduled before the country's admission of its nuclear weapons program. Gregg and his delegation are widely expected to discuss the issue with DPRK officials, while all eyes are on whether he'll act as US's messenger, amid stalled dialogue between US and DPRK.

#### 6. Inter Korean Red Cross Talk

Chosun Ilbo ("INTER-KOREAN RED CROSS TALKS TO KICK OFF THURDSAY," Seoul, 10/31/02) reported that Red Cross officials from ROK and DPRK are scheduled to meet on Thursday at DPRK's Mount Keumgang to address various issues of mutual concern. The three-day gathering is expected to place emphasis on setting up a concrete blueprint for the construction of a permanent reunion center in DPRK's scenic mountain resort for separated family members across the border. Another issue on the agenda involves the alleged abductions of ROK nationals by the DPRK after the Korean War. Speaking to leaders of civic organizations representing the families of the victims, the Korean National Red Cross President Suh Young-hoon vowed the matter will be raised at the latest talks. During earlier negotiations, the subject was not addressed in face of strong objections from DPRK. Some 486 individuals are believed to have been kidnapped by DPRK with about 200 thought to be alive.

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of other NAPSNet resources.

We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

Produced by the Nautilus Institute for Security and Sustainable Development in partnership with:

Ilmin Internationl Relations Institute

BK21 The Education and Research Corps for East Asian Studies
Department of Political Science, Korea University, Seoul, Republic of Korea

Center for American Studies, Fudan University, Shanghai, People's Republic of China

International Peace Research Institute (PRIME), Meiji Gakuin University, Tokyo, Japan

Monash Asia Institute, Monash University, Clayton, Australia

Brandon Yu: <a href="mailto:napsnet@nautilus.org">napsnet@nautilus.org</a> Berkeley, California, United States

Timothy L. Savage: <a href="mailto:napsnet@nautilus.org">napsnet@nautilus.org</a>
Berkeley, California, United States

Kim Young-soo: <u>yskim328@hotmail.com</u>

Seoul, Republic of Korea

Hibiki Yamaguchi: hibikiy84@hotmail.com

Tokyo, Japan

Saiko Iwata: saiko@akira.ne.jp

Tokyo, Japan

Hiroya Takagi: hiroya takagi@hotmail.com

Tokyo, Japan

Peter Razvin: <a href="mailto:icipu@online.ru">icipu@online.ru</a>
Moscow, Russian Federation

Wu Chunsi: <a href="mailto:cswu@fudan.ac.cn">cswu@fudan.ac.cn</a>

Shanghai, People's Republic of China

Dingli Shen: <a href="mailto:dlshen@fudan.ac.cn">dlshen@fudan.ac.cn</a>
Shanghai, People's Republic of China

John McKay: <u>John.McKay@adm.monash.edu.au</u>

Clayton, Australia

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Nautilus Institute 608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org