

# NAPSNet Daily Report 03 December, 2003

---

## Recommended Citation

"NAPSNet Daily Report 03 December, 2003", NAPSNet Daily Report, December 03, 2003,  
<https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-03-december-2003/>

---

## CONTENTS

### I. [United States](#)

1. [US on DPRK Multilateral Talks](#)
2. [ROK on DPRK Multilateral Talks](#)
3. [PRC on Non-Proliferation Regime](#)
4. [Cross-Straits Relations](#)
5. [PRC-Hong Kong Relations](#)
6. [ROK Domestic Politics](#)
7. [Japan Iraq Troop Dispatch](#)
8. [Japan-ASEAN Anti-Terror Conference](#)
9. [DPRK Economic Liberalization](#)

### I. **United States**

#### 1. **US on DPRK Multilateral Talks**

Agence France-Presse ("US 'READY TO GO' ON NORTH KOREA TALKS, DESPITE POSSIBLE DELAY," Washington, 12/03/03) reported that the US is "ready to go" for six-nation talks on North Korea's nuclear crisis, despite signs that a hoped-for December meeting may be pushed back to early next year, a senior US official said. A day after the first hint of a hitch in the complicated diplomatic drive led by the PRC to convene new talks, US officials insisted Pyongyang had yet to agree on a date to meet. Earlier, Japan's Kyodo news service quoted sources as saying Japan, the ROK and the US could be responsible for a delay after rejecting a PRC proposal for a joint statement on the talks. The draft statement would allow a security guarantee for the DPRK in exchange for Pyongyang declaring it will abandon its nuclear development program before actual implementation is confirmed, Kyodo reported the sources as saying. The three found the PRC-sponsored draft too favorable to the DPRK, Kyodo reported. US officials were keen to play down the idea that the talks had hit a roadblock. There is "no deadlock in the talks. The talks will take place," Secretary of State Colin Powell told reporters at the end of a visit to Morocco. "They haven't been postponed because

they haven't been scheduled to begin with." A senior State Department official added, "We're ready to go, it's the North Koreans that haven't agreed yet."

Agence France-Presse ("US WARNS NORTH KOREA NOT TO DELAY CRISIS TALKS OVER JAPAN ABDUCTIONS," 12/03/03) reported that the US warned the DPRK not to delay or postpone six-nation nuclear crisis talks, after Pyongyang balked at Japan's bid to keep the Stalinist state's abduction of its nationals on the agenda. John Bolton, a top State Department official, said though Washington hoped to make progress on ending the 13 month-old crisis, it was determined that North Korea would win no reward for "bad behavior." "Attempts to delay or postpone the six-party talks simply because one or more of the parties wishes to raise issues of vital concern should be rejected," Bolton said. "Japan for example feels strongly that it should have the right at least to raise the issue of DPRK abductions of Japanese citizens over the years," said Bolton, under secretary of state for arms control and international security. "For Japan, this is a fundamental issue, and Japan's desire to raise it should be respected. Japan's participation in the six-party talks is essential." Bolton's remarks followed a warning by the DPRK that Japan was not qualified to take part in the six-nation talks because it wanted to raise the abductions, an issue of prime political importance in Tokyo. Several parties in the discussions have indicated that the talks could take place in Beijing around December 17 or 19.

## **2. ROK on DPRK Multilateral Talks**

Agence France-Presse ("ROK ENVOY HEADS TO US AMID SETBACK FOR NUCLEAR CRISIS TALKS," 12/03/03) reported that the ROK's top envoy on nuclear crisis talks headed for Washington acknowledging that a new round of talks to end the year-long impasse could be delayed. The ROK's Deputy Foreign Minister Lee Soo-Hyuck will meet with top diplomats from the US and Japan on Thursday to fine-tune preparations for the talks originally expected to take place later this month. However, US officials warned that the DPRK may be stalling over key conditions for resolving the crisis and talks could be pushed back until early next year. Lee said in a departure statement that negotiators from the PRC, Japan, the ROK, Russia and the US were still hoping to meet with North Korea in the third week of December. "It is not certain, however, whether the talks can actually be held as we plan," Lee said.

## **3. PRC on Non-Proliferation Regime**

Agence France-Presse ("CHINA TO SUPPORT 'NON-DISCRIMINATORY' NON-PROLIFERATION REGIME," 12/03/03) reported that the PRC voiced strong support for the establishment of an effective international mechanism to curb the proliferation of weapons of mass destruction (WMD), but remained non-committal on whether it was ready to join a US-backed plan. A government position paper was issued a day after the US urged beefed up measures to ban nuclear, chemical and biological weapons on the high seas or in international airspace. "China maintains that a universal participation of the international community is essential for progress in non-proliferation," the State Council, or cabinet, white paper on "China's Non-proliferation Policy and Measures" said. "Unilateralism and double standards must be abandoned, and great importance should be attached and full play given to the role of the United Nations. "It is highly important to ensure a fair, rational and non-discriminatory non-proliferation regime." While maintaining the right of developing countries to use and benefit from dual-use technology, or technologies that can be used for both military and civilian purposes, the paper said their spread should be balanced with "non-proliferation goals". "It is also necessary to prevent any country from engaging in proliferation under the pretext of peaceful utilization," it said. "China does not support, encourage or assist any country to develop WMD and their means of delivery." The paper was published a day after Washington announced the

addition of four new countries to the 11 nations already signed up to a "proliferation security initiative" (PSI), which aims to implement widespread powers to seize suspected proliferators in international waters and airspace.

#### **4. Cross-Straits Relations**

Agence France-Presse ("PRC MILITARY READY FOR 'NECESSARY' CASUALTIES OVER TAIWAN," 12/03/03) reported that senior PRC military officers warned Taiwan it was staring into the abyss of war and the mainland was ready for "necessary" casualties if the island pursued its independence drive. The comments in the state-run Outlook Weekly magazine, carried by the Xinhua news agency and major websites, followed Taiwan President Chen Shui-bian's plan to hold a referendum on the island's future. Two People's Liberation Army (PLA) officers quoted by the magazine said Chen would be held responsible if war breaks out and said separatists "will be treated the same way war criminals are dealt with elsewhere in the world". "Chen has touched on the mainland's bottom line on the Taiwan question," said Luo Yuan, a senior colonel with the PRC Academy of Military Sciences. "He is actually playing with fire. It is very dangerous -- and immoral as well -- for Chen and his predecessor Lee Teng-hui to take the restraints and tolerance of the mainland as signs of weakness. "If they refuse to come to their senses and continue to use referenda as an excuse to seek Taiwan independence, they will push Taiwan compatriots into the abyss of war," he said. Premier Wen Jiabao has indicated that the PRC was willing to "pay any price" to deter Taiwan independence, and these prices were outlined by Major General Peng Guangqian, also with the Academy. They include boycotts of the 2008 Beijing Olympic Games, decreasing foreign investment, worsening foreign relations, economic recession, and "necessary" casualties of the PLA, he said in the magazine. "All these prices are bearable when compared with the Taiwan issue, which is of the highest interest for the PRC nation," he said. "If Taiwan separatists want to gamble on it (by pushing for independence), they will pay a heavy price and be defeated with shame. We will definitely intervene."

Agence France-Presse ("SOVEREIGNTY REFERENDUM UNRELATED TO INDEPENDENCE: TAIWAN PREMIER," 12/02/03) reported that Taiwan Premier Yu Shyi-kun has attempted to dampen down the simmering row with the PRC and denied a proposed "sovereignty" referendum was part of an independence drive. President Chen Shui-bian raised the political temperature over the weekend by saying he would stage a poll on March 20 next year, the same day as the presidential ballot, in a move that angered Beijing. But the premier told parliament that Taiwan would not go back on five pledges made by Chen at his 2000 inaugural speech including not to declare independence, change Taiwan's name or promote a referendum to change the status quo. "We don't want to contradict the 'five nos' commitment of the president by touching on the independence issue in any referendum," Yu told parliament. The promises were made with the precondition that "China has no intention to use military force against Taiwan," Yu said. "Basically we need to set different agenda for referendums depending on the extent of the threat China is imposing on us. "If China launches a military invasion against us, we will then hold a referendum on independence."

#### **5. PRC-Hong Kong Relations**

Agence France-Presse ("CHINA GOVERNMENT "CARES DEEPLY" ABOUT HONG KONG SITUATION: HU," 12/03/03) reported that PRC president Hu Jintao told Hong Kong leader Tung Chee-hwa Wednesday that Beijing "cares deeply" about the territory, two weeks after the main pro-Beijing party suffered heavy losses at local polls. Speaking after a meeting at the Great Hall of the People in Beijing, where Tung is on a three-day duty visit, Hu said: "The central government cares deeply about the situation in Hong Kong ... including the tourism sector, stock markets, property market and whether society is stable." Hong Kong is a special administrative region of China ruled

by its own largely autonomous government and where limited suffrage allows elections to lower office. In local television broadcasts, Tung said that since the SARS crisis, which battered business and confidence in the territory in the spring, measures introduced by Beijing had helped "Hong Kong's economy improve noticeably while the social atmosphere had also improved". He noted Hong Kong's economy had recorded better-than-expected growth of 4.0 percent in the third quarter and added that the current 8.0 percent unemployment rate was also expected to fall further. However, Hu did not comment on the sensitive issue of setting a timetable for political reforms to allow for direct election of the chief executive. Nor did he mention the main pro-Beijing party's disastrous performance at local polls. The district elections saw voters turn on the pro-Beijing Democratic Alliance for the Betterment of Hong Kong (DAB), giving a sharp rebuke to the unpopular government and a major boost to the pro-democracy camp. The party's worst ever election performance prompted DAB chairman Tsang Yok-sing to resign. Tung will meet with PRC premier Wen Jiabao later Wednesday.

## **6. ROK Domestic Politics**

Agence France-Presse ("ROK OPPOSITION AGREES TO END LEGISLATIVE BOYCOTT," 12/03/03) reported that the ROK's main opposition party agreed to end a legislative boycott that has paralyzed parliament for eight days. The Grand National Party (GNP) said it would return to parliament Thursday to work on urgent business including the 2004 budget and the government's plan to send troops to Iraq. The 117 trillion won (97 billion US dollar) budget has been in limbo and deliberations have yet to take place on the sensitive US request for thousands of combat troops to be sent to Iraq, an issue that has split ROK opinion. The boycott began last week after President Roh Moo-Hyun vetoed a GNP-backed bill for an independent probe into allegations of corruption in campaign funding for last year's presidential elections. However, Choe Byung-Yul, chairman of the GNP, continued his hunger strike to protest the veto, entering the eighth day of his fast Wednesday. The GNP's agreement came after other parties promised to vote on a motion to override Roh's veto. "We agreed to put parliamentary work back on track on condition that the motion should be endorsed as we want," GNP floor leader Hong Sa-Duck told reporters. It is uncertain, however, whether the GNP can muster enough votes to override the veto, although the former ruling group, Millennium Democratic Party, promised to support the GNP.

## **7. Japan Iraq Troop Dispatch**

Agence France-Presse ("JAPAN'S KOIZUMI APPROVES DISPATCH OF 1,100 TROOPS TO IRAQ: REPORT," 12/04/03) reported that Japanese Prime Minister Junichiro Koizumi has approved the dispatch of around 1,100 troops to Iraq after hearing a report from his defense chief, a report said. The prime minister concluded that a certain level of safety could be ensured around Samawa in southern Iraq, where Japanese ground troops are to be sent, the top-selling Yomiuri Shimbun said, quoting sources close to the government. An advance unit of Air Self-Defense Forces troops will be sent before the end of the year, followed by transport units early next year, it said. The Mainichi Shimbun said the government is preparing to send the advance air team to Kuwait and other countries surrounding Iraq before year-end, with the main unit to start flights into Iraq in January. The government may still dispatch ground troops before the end of the year, but a final decision has not been taken, the Yomiuri said. The basic plan on the dispatch of troops to assist with humanitarian needs and logistic support to US and British troops is expected to be approved by the cabinet on Monday at the earliest, the paper said.

## **8. Japan-ASEAN Anti-Terror Conference**

Agence France-Presse ("JAPAN, ASEAN HOLD ANTI-TERROR CONFERENCE," 12/03/03) reported that Japan and ASEAN nations began a two-day meeting here to discuss joint measures against terrorism in the region, a government official said. Participants in the annual consultation are expected to discuss threats from international terrorism networks, cooperation to fight terrorism in the region and other issues, according to the foreign ministry. The closed-door meeting is attended by government officials from Japan and the Association of Southeast Asian Nations (ASEAN) -- which groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Prime Minister Junichiro Koizumi told editors of Asian newspapers Tuesday that the fight against terrorism is becoming a serious issue, the English-language Daily Yomiuri said.

## **9. DPRK Economic Liberalization**

Reuters (Hans Greimel, "N.: NORTH KOREA'S EXPERIMENT FAILING," 12/03/03) reported that by dabbling with capitalism, the DPRK is creating a new class of urban poor that is worsening its hunger problem, a top U.N. official said Wednesday. About 1 million urban workers have fallen victim as once centrally controlled industries have to cut costs and jobs amid free-market pressures, said Masood Hyder, the U.N. humanitarian coordinator in the DPRK. Hunger and health woes, traditionally a rural plight in the DPRK, are an increasingly urban phenomenon that is likely to worsen, Hyder said. A key cause of the new problem is corporate-belt tightening, common in industrialized countries, but largely unknown until now in the DPRK, he said. "We have just started to discover and realize the magnitude of the problem," Hyder told reporters in Seoul. "It's more than a momentary blip." The reforms were launched July 1, 2002, when Pyongyang boosted pay and loosened price controls - seen as significant moves because they included elements of a market-based economy in one of the world's most tightly controlled countries. But the reforms have a darker side, said Hyder, who arrived in the isolated country a month after they began. "Those industries, those factories that are no longer capable of standing on their own feet have had to cut back, have had to redeploy staff," he said, with managers under increased pressure to match supply with demand and trim expenses. As a result, more workers are having their pay cut or hours slashed, making it harder to buy food as overall prices see a general increase, Hyder said. "A million people fall into this new category of underemployed beneficiaries, underemployed urban workers who need assistance," he said citing World Food Program estimates. As evidence of the reforms he has witnessed, Hyder cited a blossoming of small enterprises, new stores, mobile phone usage, consumers' markets and price increases. The advent of marketplaces where people are allowed to haggle and sell what they want has helped boost prices that were once held down by dictate.

The Guardian (Jonathan Watts ("HOW NORTH KOREA IS EMBRACING CAPITALISM," 12/03/03) wrote an analytic piece that read: There is a capitalist pig in Ri Dok-sun's garden. There are also two capitalist dogs and a brood of capitalist chicks. But even though Ms Ri, a 72-year-old DPRK, lives in the world's last Orwellian state, this is no animal farm. The beasts are the product of the growing free market pressure on a government that claims to be the last truly socialist country on earth. Although Ms Ri and her family live in Chonsan - a model cooperative farm - the bacon from their pig will be sold on the open market. The dog is there to guard their private property. And their chicks - kept in a box in the cosy, brightly decorated living room - are being raised for individual gain rather than the good of the collective. It is a form of private enterprise - one of the innumerable microfarms that have sprung up in gardens, and even on balconies, particularly since the late 1990s. Initially, they were just for survival, a source of food in a country that has been devastated by famine in the past decade. But increasingly, they are also a means of pursuing profit as the government ventures further into capitalist waters. Although its military is locked in a nuclear standoff with the US, the world's last cold war holdout has cautiously pursued economic reforms that are already making an impact in the countryside and on the streets of Pyongyang. Over the past year, far more cars have

appeared on the formerly deserted roads - even the occasional six-vehicle tailback. Building sites dot the city, a new culture museum is under construction and the skyline has a new feature: more than a dozen giant cranes. Nobody here dares to call it capitalism, but that is the direction the DPRK is headed. Last year the government liberalised prices, gave private enterprises more independence and encouraged farmers to pursue profits. "We are still building our socialist system, but we have taken measures to expand the open market," said So Chol, a spokesman for the foreign ministry. "They are only the first steps and we shouldn't expect too much yet, but they are already showing positive results." It is impossible to say whether the reforms are really a success. But harvests are believed to have improved. Compared with a year ago, there appear to be many more tractors in the countryside, and huge quantities of foreign aid have eased malnutrition. But the improvements are from a very low base. Continued shortages mean the UN world food program still has to support more than 3 million children, mothers and elderly. Aid workers believe the market liberalization may have worsened the situation for those stuck in run-down industrial towns where wages are said to be as low as pounds 1 a month. "We're seeing a growing disparity of income and access to food," said Rick Corsino, head of the WFP's operation in North Korea. "Some people are now having to spend all of their income on food and that's for a diet that is totally inadequate." The full social implications of the reforms are still to be seen. Several Pyongyang watchers said they were amazed at the transformation in the past year and concerned about the implications. "The extremes of poverty and wealth are growing as market relations increasingly define the economy," said Hazel Smith of the United Nations University in Tokyo. "Now there is no socialist economy, but also no rule of law for the market. That is the basis of corruption."

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 International 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: [napsnet@nautilus.org](mailto:napsnet@nautilus.org)

Berkeley, California, United States

Timothy L. Savage: [napsnet@nautilus.org](mailto:napsnet@nautilus.org)

Berkeley, California, United States

Kim Young-soo: [yskim328@hotmail.com](mailto:yskim328@hotmail.com)  
Seoul, Republic of Korea

Hibiki Yamaguchi: [hibikiy84@hotmail.com](mailto:hibikiy84@hotmail.com)  
Tokyo, Japan

Saiko Iwata: [saiko@akira.ne.jp](mailto:saiko@akira.ne.jp)  
Tokyo, Japan

Hiroya Takagi: [hiroya\\_takagi@hotmail.com](mailto:hiroya_takagi@hotmail.com)  
Tokyo, Japan

Peter Razvin: [icipu@online.ru](mailto:icipu@online.ru)  
Moscow, Russian Federation

Wu Chunsi: [cswu@fudan.ac.cn](mailto:cswu@fudan.ac.cn)  
Shanghai, People's Republic of China

Dingli Shen: [dlshen@fudan.ac.cn](mailto:dlshen@fudan.ac.cn)  
Shanghai, People's Republic of China

John McKay: [John.McKay@adm.monash.edu.au](mailto:John.McKay@adm.monash.edu.au)  
Clayton, Australia

---

View this online at: <https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-03-december-2003/>

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