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### I. **United States**

#### 1. **Inter-Korean Ministerial Talks**

Korea Times ("NK ASKS SEOUL TO SPEED UP ECONOMIC PROJECTS," 02/06/04) reported that the ROK and DPRK are trying to find solutions to the DPRK nuclear problem and stalled economic cooperation projects at the 13th ministers meeting in Seoul. Negotiators from the two sides are to wrap up three days of talks on Friday, with the North Koreans led by Kim Ryong-song, a senior cabinet councilor, to fly out of Seoul in the morning. Kim and his ROK counterpart Jeong Se-hyun talked for two hours at the Shilla Hotel on Thursday morning, in the first contact between the head delegates at these talks. Jeong said that if the DPRK really thinks it can freeze its nuclear activities on condition that it will dismantle it later, then it should sell that idea more actively at the next six-party talks. "In addition, head delegate Jeong again called for the need to alleviate military tensions

by holding high-level military meetings, said Shin Eon-sang, Seoul's spokesman for the talks. Particularly, Jeong reproached the DPRK for threatening to end the Mt. Kumgang tourism project in a statement made from Pyongyang Wednesday evening in which the DPRK accused the ROK of kowtowing to the US.

The Associated Press (Sang-hun Choe, "NORTH KOREA, SOUTH KOREA WRANGLE OVER NUCLEAR CRISIS," Seoul, 02/04/04) reported that the ROK and DPRK argued Wednesday over how to end the crisis over the DPRK's atomic weapons programs, a day after the DPRK agreed to resume six-nation talks on the nuclear standoff. During a Cabinet-level inter-Korean meeting in Seoul, ROK Unification Minister Jeong Se-hyun urged the DPRK to commit to a complete dismantling of its nuclear programs during a six-nation meeting scheduled to begin Feb. 25 in Beijing. Unless nuclear tensions ease significantly, Jeong said, the ROK cannot push ahead with tourism and industrial projects that would bring badly needed investment to the DPRK. Jeong's DPRK counterpart, Kim Rayon Song, blustered at Jeong's overture, accusing the ROK of succumbing to US pressure to regulate economic exchanges between the two Koreas according to progress in nuclear negotiations. "The two sides could hold 100 rounds of talks but would resolve nothing for the nation, as long as the South subjects matters between the two Koreas to interference and pressure from outside forces," said Kim, according to ROK pool reports. ROK Foreign Minister Ban Ki-moon also said the government hopes the six-nation talks will generate an outcome in which North Korea "publicly declares" it will dismantle its nuclear programs in a "complete, verifiable and irreversible" way. Ban added that the ROK and Japan share the US view that the DPRK has a secret uranium-based weapons program in addition to a plutonium-based one.

## **2. Inter-Korean Tourism Project Suspension**

Asia Pulse ("N. KOREA THREATENS TO SUSPEND INTER-KOREAN TOURISM PROJECT," Seoul, 02/05/04) reported that the DPRK threatened Wednesday to suspend a prominent inter-Korean tour project, complaining that an increasingly smaller number of tourists is joining it. The ROK Hyundai Group launched a cross-border sightseeing tour to Mount Geumgang, a scenic mountain resort in North Korea's east coast in 1998. It so far has attracted 600,000 travelers, far short of turning a profit. "We will be forced to have a different choice if the Mount Geumgang tour repeats the current sluggish conditions," said the DPRK's Asia-Pacific Peace Committee, Hyundai's DPRK business partner. In a statement carried by the KCNA, an unidentified committee spokesman said that the ROK and the US should be held responsible if the tour is suspended. ROK officials were not immediately available for comment. "In the past year, there was virtually no inter-Korean cooperation," fumed the DPRK's chief delegate, Kim Ryong-song, in a statement read at the start of the Seoul talks on Wednesday. Unification Minister Jeong Se-hyun, the chief ROK delegate, said inter-Korean relations have been moving ahead, although some projects have been stalled due to the "passive" DPRK attitude. He did not elaborate. The ROK maintains that inter-Korean cooperation projects would pick up speed if the 15-month standoff over the DPRK's nuclear weapons program is resolved.

## **3. ROK on DPRK Atomic Freeze Offer**

Reuters ("N.KOREA ATOMIC FREEZE ALONE NOT ENOUGH-SOUTH'S FM," Seoul, 02/04/04) reported that the DPRK's offer to freeze its nuclear arms programs would be acceptable to the ROK and its allies only if it were an initial step toward dismantling all atomic facilities, the ROK's foreign minister said on Thursday. Ban Ki-moon said South Korea, the US and other parties to the nuclear talks set to resume this month would reciprocate with "corresponding measures" if the DPRK made clear that its proposed freeze was a short-term measure. "A freeze itself is not enough," Ban said,

referring to a proposal made by North Korea in December. "But if we can confirm that North Korea will pledge that the freeze is the short term measure in the process of ultimately dismantling the nuclear programs, and if that can be verified, then I believe that there will be corresponding measures," he stated.

#### **4. PRC-Japan Bi-lateral Talks on DPRK**

Reuters ("CHINA, JAPAN TO DISCUSS N.KOREA BEFORE 6-WAY TALKS," Tokyo, 02/05/04) reported that the PRC and Japan hope to discuss the DPRK's nuclear program before six-way talks on the issue take place on February 25, a Japanese foreign ministry official said Thursday. The bilateral security talks would be held in Tokyo, possibly as soon as Tuesday, Japan's Kyodo news agency reported. "It would be desirable to hold the meeting before the six-way talks," the official said, declining to specify a date. The PRC will be represented by Vice Foreign Minister Wang Yi, who chaired an inconclusive first round of six-nation talks on North Korea last August in Beijing, the official said.

#### **5. DPRK Working Group**

Korea Times ("NATIONS PUSHING FOR WORKING GROUP ON NK," 02/05/03) reported that participating nations in the six-way talks to resolve the DPRK nuclear crisis are considering setting up a working group composed of deputy chiefs of their delegation to facilitate the protracted security talks. Officials expressed hope that establishing the working group will regularize the six-party talks, as the relevant nations will be able to have negotiations in between main sessions. "The participants can also engage in in-depth negotiations on details of the crucial talks and accelerate the settlement of the lingering nuclear standoff, said a Foreign Affairs-Trade Ministry official. The delegates to the second round of the six-party talks to be held in Beijing from Feb. 25 will discuss details regarding the working group. "We have yet to have more talks on the issue, but views among the related nations have not diverged, the official said. He said the participating nations in the security talks had been considering a working group since the first round of the nuclear talks in August last year. The PRC first suggested the working group, but failed to get support, as other participating nations were engrossed in efforts to realize the second round of the nuclear negotiation. But the idea again has begun to gain impetus ahead of the planned second round of security talks.

#### **6. Japan-DPRK Abduction Secret Trip**

Asahi Shimbun ("ABDUCTION AIDE MADE SECRET TRIP TO NORTH," Tokyo, 02/05/04) reported that in utmost secrecy, a Japanese Cabinet Secretariat official in charge of the abduction issue visited Pyongyang in mid-January in a bid to break the impasse in stalled bilateral negotiations, according to sources. The visit was "aimed at pressing (Pyongyang) to agree to government-t-government negotiations," a source said. In December, a senior DPRK official informally proposed a solution to the vexing issue of reuniting family members of five abductees back in Japan. The official told a visiting parliamentary group that the family members could leave DPRK if the five returnees flew to Pyongyang to pick them up. Japan, however, insists on government-level talks. The bureaucrat who secretly visited Pyongyang also assists in a department set up for abductees and their families. The sources said the official is close to Kyoko Nakayama, special adviser to the secretariat for abductee affairs. The official had also served Shinzo Abe, now secretary-general of the Liberal Democratic Party, when Abe was deputy chief Cabinet secretary. The official was in Pyongyang around the same time that four Foreign Ministry officials visited to meet with a Japanese

man detained on suspicion of drug smuggling. During their Jan. 13-17 visit, the four officials met with their counterparts in charge of Japanese affairs and called for government-level negotiations, the sources said.

## **7. Malaysia-Pakistan Nuclear Link**

BBC News ("MALAYSIA PM'S SON IN NUCLEAR LINK," 02/05/04) reported that a firm controlled by the son of Malaysia's prime minister is being investigated for allegedly supplying Libya's nuclear weapons programme. Police say foreign intelligence warned them that Malaysian centrifuge parts were on a Libyan-bound ship last year. The parts were reportedly in boxes with the name Scope, a subsidiary of Scomi Group, controlled by Kamaluddin Abdullah, son of PM Abdullah Badawi. Scomi said it had won a contract to ship parts to a customer in Dubai. The Malaysian Government has denied that the country in any way contributed to the spread of nuclear technology.

## **8. Pakistan Nuclear Secrets Leak**

Agence France-Presse ("US, BRITISH SPIES BUSTED PAKISTANI SCIENTIST'S NUCLEAR LEAKS," 02/06/04) reported that US and British spies exposed Pakistan's Abdul Qadeer Khan after penetrating his covert nuclear smuggling ring stretching across three continents, CIA Director George Tenet said. Tenet publicly revealed how US intelligence shamed the man who gave Pakistan the bomb, and is accused of leaking nuclear secrets to Libya, the DPRK and Iran. "Our spies penetrated the network through a series of daring operations over several years," said Tenet in a speech at Georgetown University designed to defend the Central Intelligence Agency's data used to justify the Iraq war. "Through this unrelenting effort, we confirmed the network was delivering such things as illicit uranium centrifuges." Tenet spoke at Georgetown University hours after Pakistani President Pervez Musharraf pardoned Khan, who begged for forgiveness in a sensational television interview. The father of Pakistan's nuclear program was "shaving years off the nuclear weapons development timelines of several states, including Libya," Tenet said. "Khan and his network have been dealt a crushing blow and several of his senior officers are in custody," said Tenet. "Malaysian authorities have shut down one of the network's largest plants. His network is now answering to the world for years of nuclear profiteering." CIA agents, working with British spies pieced together a picture of the network revealing subsidiaries, scientists, companies, agencies and manufacturing plants on three continents, he said. Musharraf on Thursday called Khan a "national hero" for developing Pakistan's nuclear bomb, but said he had made "mistakes." He said "money" was the motivation for Khan's actions, and those of five other nuclear scientists arrested following a probe into the nuclear leaks and promised that "no military or government official was involved" in the leaks.

## **9. ROK Political Fund Law**

Asia Pulse ("CHAEBOL LOBBY CALLS FOR TOUGHER POLITICAL FUND LAW," Seoul, 02/05/04) reported that the ROK's powerful lobby for conglomerates called on the nation's parliament Thursday to legislate a tougher political fund law to stamp out illegal fundraising. The demand by the Federation of Korean Industries (FKI) came as the National Assembly is moving to revise the country's political fund law in the midst of a nation-rocking illegal fundraising scandal. The widening scandal has already ensnared several conglomerates, including LG Group, which were found to have donated billions of won to political parties before the 2002 presidential election. After a monthly chairmen meeting, Hyun Myung-kwan, an FKI vice chairman, said punishments against violators of the law should be strengthened. "Violators of the law should be punished with prison terms of three

years to 10 years to make the law more effective," Hyun said. The National Assembly's political reform committee has proposed jail terms of two to five years for violators. Hyun stressed that politicians who demand cash donations from businesspeople should be punished even if they don't actually receive money.

## **10. ROK Political Corruption**

Agence France-Presse ("ROK PROSECUTORS QUIZ FORMER DICTATOR'S SON," 02/05/04) reported that ROK prosecutors have questioned the son of the ROK's former military dictator Chun Doo-Hwan, convicted of amassing millions of dollars in illicit wealth while in office. Chun Jae-Yong, Chun's second son, was being quizzed over suspicions he helped hide money for his father who has been ordered by a court to pay it back. The son returned home Sunday from a prolonged trip abroad. The move followed years of efforts by prosecutors to trace and confiscate Chun Doo-Hwan's hidden assets. Newspapers here say Chun junior had kept some 13 billion won (11 million dollars) in bonds and bills under others' names. In October last year, prosecutors seized from the son's office 4.7 billion won worth of checks and promissory notes. He said the money was business funds owned by his Internet venture firm. Prosecutors suspect the confiscated checks and promissory notes were part of 10 billion won the father had collected from businessmen before he stepped down as president in 1988.

## **11. US Presidential Elections**

Agence France-Presse ("KERRY WOULD SEEK DIRECT TALKS WITH NORTH KOREA, IRAN: ADVISER," Washington, 02/05/04) reported that Democratic presidential hopeful John Kerry will seek direct talks with North Korea and Iran but stay tough with both countries if he wins the White House, his foreign policy chief said. Rand Beers, national security issues coordinator for the Massachusetts senator, was critical of President George W. Bush for shunning direct dialogue with the two countries after branding them members of an "axis of evil." Speaking to a foreign policy forum, Beers said the question of nuclear non-proliferation was one of the most significant issues facing the world and Washington should press harder to advance negotiations. "John Kerry believes that the US should be prepared to talk directly to North Korea," he told the gathering at the Hudson Institute. Beers stressed that this did not exclude a multilateral approach to persuade the DPRK to scrap its nuclear ambitions. But he added, "It involves a verifiable regime to make absolutely clear that what the North Koreans agree to is in fact what the North Koreans do. We're not talking about a piece of paper."

## **12. US on PRC WTO Commitments**

Agence France-Presse ("US STILL NOT SATISFIED ON CHINA'S WTO COMMITMENTS," Washington, 02/04/04) reported that the US is still not satisfied that the PRC is meeting commitments demanded by its entry into the World Trade Organisation, a senior US official said. Randall Schriver, Deputy Assistant Secretary for East Asian and Pacific Affairs said Beijing had made some progress, but the US government had "serious concerns" about WTO compliance in some areas, including agriculture, intellectual property and transparency. "We are determined to do all within our power to ensure that China does more to implement its WTO accession commitments, and to implement them on time," Schriver told the US-China Economic and Security Commission. "China has clearly made progress in implementing its WTO commitments but we are not satisfied."

## **13. ROK Bird Flu Outbreak**

Agence France-Presse ("SOUTH KOREA REPORTS NEW BIRD FLU CASES," Seoul, 02/05/04) reported that the ROK was hit by a new bird flu outbreak prompting mass culling and vaccinations. Ducks at two farms in Asan, 90 kilometers (54 miles) south of Seoul, were confirmed to have been infected, the agriculture ministry said Thursday. The latest outbreak, the first in 10 days, brought to 18 the number of ROK farm villages hit by the virus. The ROK has already culled more than two million poultry since the highly contagious disease was first detected on December 15. Health authorities say they believe the strain is a weaker variant of the H5N1 virus that has proved fatal in Vietnam and elsewhere and poses no harm to humans. The ROK has tested blood samples of 1,600 people who might have been exposed to avian influenza. All have tested negative.

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.

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