NAPSNet Daily Report 07 March, 2003

Recommended Citation

"NAPSNet Daily Report 07 March, 2003", NAPSNet Daily Report, March 07, 2003, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-07-march-2003/

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I. United States

1. DPRK New Missile Tests?

The Associated Press ("US MONITORING NORTH KOREAN ANNOUNCEMENT THAT COULD SIGNAL A MISSILE TEST," Washington, 03/07/03) and BBC News ("NORTH KOREA 'SET TO TEST MISSILE,'" 03/07/03) reported that the US says the DPRK has declared a maritime exclusion zone off its coast in the Sea of Japan in a move which may indicate an imminent missile test. The DPRK issued the warning for March 8-11, 2003 to cover virtually the same area in which an anti-ship missile was tested on February 25, 2003, a Pentagon spokesman said. "We are certainly aware that they have filed a notice of exclusion - that is typically a precursor to a missile test," Navy Lieutenant Commander Jeff Davis stated. Tension has been mounting in the region over the DPRK's recent moves to restart its nuclear program. But the Pentagon spokesman said on Friday that the US States was "not overly concerned."

2. US on DPRK Diplomacy

The Los Angeles Times (Sonni Efron, "EXPERTS CALL FOR NORTH KOREA DIALOGUE," Washington, 03/07/03) and BBC News (Geraldine Carroll, "BUSH'S STRUGGLE OVER NORTH KOREAN THREAT," Washington, 03/07/03) reported that the Bush administration should immediately hold bilateral talks with the DPRK -- even though such talks may fail to dissuade the DPRK from making nuclear weapons -- because the alternatives are worse and time is running out, experts told a Senate committee Thursday. Three floors below the room where the experts were testifying, Secretary of State Colin L. Powell complained to a different Senate panel that every time he picks up the morning newspaper it suggests that a quick solution is at hand if only he would "just call [the North Koreans] up and go talk to them." Powell gave senators his much-repeated argument that bilateral talks with the DPRK had failed in the past and would probably fail now. He reassured them that "we have a number of diplomatic initiatives underway, some of them very, very quietly underway, to see if we cannot get a multilateral dialogue started. And we are looking for a peaceful solution to this problem, and we are committed to a nonnuclear Korean peninsula." The dueling testimonies were symptomatic of an emerging political problem for President Bush: On the eve of a possible war with Iraq, he is under fierce attack at home for a DPRK policy that has failed to persuade the DPRK to change course. The Bush administration, critics charge, is "paralyzed" by infighting at a critical moment. A leading critic, Sen. Joseph R. Biden Jr. (D.-Del.), said a "San Andreas fault" divides officials who seek the ouster of DPRK President Kim Jong Il from those who have reluctantly concluded that the US must at least try to strike a deal with the dictator -- but that it must be more sweeping and more verifiable than the one reached under the Clinton administration. Over the past two days, many security experts in the US have laid out for the Senate frightening scenarios of what might happen if the DPRK begins to reprocess plutonium at its plant in Yongbyon, where the US said there has recently been heightened activity. The administration could try to isolate a nuclear DPRK and await its collapse. But the experts agreed that no US "containment" strategy could prevent the nation from smuggling out a lump of plutonium the size of a baseball for sale to the highest bidder. Moreover, even if Kim decided not to export spare plutonium, his regime could collapse and his "loose nukes could fall into the hands of warlords or factions," warned Ashton B. Carter, a former assistant defense secretary now at Harvard University.

3. ROK on DPRK Missile Launch

The Associated Press (Sang-Hun Choe, "SOUTH KOREA'S DEFENSE CHIEF: NORTH KOREAN MISSILE LAUNCH WAS A FAILURE," Seoul, 03/07/03) reported that the rocket the DPRK fired off the Korean Peninsula's east coast last week was a new anti-ship cruise missile, but it appeared to have exploded in midair because of defects, the ROK's defense minister said Friday. Cho Young-kil told a parliamentary hearing that DPRK test-fired the missile with an estimated range of up to 160 kilometers (100 miles) on Feb. 24, but that it failed to hit its target. "North Korea usually tests its missiles between March and November. We understand that the North tested its missile early this year because of the current situation," Cho told the National Assembly's Committee of National Defense. Earlier Friday, Seoul's Defense Ministry urged the DPRK's military to "act in a more prudent and responsible manner."

4. ROK on US Troop Presence

The New York Times (Don Kirk, "SOUTH KOREA, IN SURPRISE, DEMANDS US FORCES STAY IN PLACE," Seoul, 03/07/03) and the Associated Press ("SOUTH KOREA OPPOSES EARLY RELOCATION OF US TROOPS," Seoul, 03/07/03) and the Associated Press (Soo-Jeong Lee, "NORTH KOREA ACCUSES BUSH OF PLANNING PRE-EMPTIVE STRIKE, SOUTH URGES WASHINGTON NOT TO WITHDRAW TROOPS," Seoul, 03/07/03) reported that the DPRK accused the US president of planning a pre-emptive strike on the DPRK while the ROK's defense minister urged the US not to

withdraw its troops from the North-South border until the current nuclear crisis is over. Defense Minister Cho Young-kil was responding to comments by US Defense Secretary Donald H. Rumsfeld, who indicated Thursday that he wants US troops stationed on the border Demilitarized Zone to be pulled back. He said the soldiers could be shifted further south of the border, moved to other countries in the region or brought home. Cho said any withdrawal must only take place after the nuclear standoff is resolved. Rumsfeld said the ROK's military is now capable of defending the border itself.

5. DPRK on DPRK Nuclear Stand-off

The Associated Press (Christopher Torchia, "THOUGH A DICTATOR, NORTH KOREA'S KIM JONG IL HAS TO PLEASE HIS POWER BASE IN NUCLEAR STANDOFF," Seoul, 03/07/03) reported that the DPRK's interception of a US reconnaissance plane was an attempt to grab the attention of the world's only superpower, analysts believe. But it may also have been a means of stirring tension and patriotic fervor at home. The second theory underscores the possibility that dictator Kim Jong Il is playing as much to a home audience in the standoff over his nation's suspected efforts to develop nuclear weapons. In this scenario, Kim is more apt to take a hawkish approach to boost the prestige of the military - the pillar of his rule - as well as distract attention from the DPRK's economic debacle by raising fears of war with the US. "By keeping the level of hostility high, he can focus the attention of his officer corps on this outside threat rather than the fact that he's destroying the country," said Ivan Oelrich, an analyst at the Federation of American Scientists, a research center in Washington D.C. US and ROK officials believe North Korea has embarked on a campaign of risky military stunts in order to pressure Washington to give it economic aid and formal security assurances. "It's part of North Korea's brinksmanship tactics to bring the US to direct dialogue, but we also interpret that as an attempt to heighten anti-American sentiments and build up the atmosphere of tension among the domestic population," ROK Defense Minister Cho Young-kil told a parliamentary hearing Friday.

6. Senator Lugar on US-DPRK Bilateral Talks

The Washington File ("SENATOR LUGAR BACKS RESUMPTION OF BILATERAL TALKS WITH NORTH KOREA," Washington, 03/14/03) reported that Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, called on the Bush administration March 6 to resume a bilateral dialogue with the DPRK in order to manage "the potential for miscalculation that could lead to a deadly incident or broader conflict." "We must be creative and persistent in addressing an extraordinarily grave threat to national security," Lugar (Republican from Indiana) said at a committee hearing concerning the DPRK's revived nuclear weapons program. Lugar said the North Korean violation of the 1994 Agreed Framework has made it necessary for the US to develop a new approach in order to defuse the present "volatile and unpredictable" situation. Lugar dismissed some analysts' claim that any dialogue with the DPRK would be seen as a reward for nuclear blackmail. "I do not believe we have the luxury to be this absolute," he countered. The March 6 hearing included presentations from a number of experts from the US research and academic worlds.

For Senator Lugar's full statement:

http://usinfo.state.gov/cgi-bin/washfile/display.pl?p=/products/washfile/latest&f=03030602.elt&t=/products/washfile/newsitem.shtml

7. PRC Military Spending

CNN News (Willy Wo-Lap Lam, "BUDGET SURPRISE FOR CHINA'S ARMY," Hong Kong/Beijing,

03/07/03) reported that the PRC has announced its lowest military spending hike in 13 years, recommending a budget increase of 9.6 percent for the People's Liberation Army (PLA). The hike will lift the spending power of the PLA to 185.3 billion yuan ($22.4 billion), down eight percent from last year, but still 5 percent higher than the overall growth of government expenditure for this year. While addressing the second day of the National People's Congress on Thursday, Finance Minister Xiang Huaicheng said the outlay for the PLA was determined with a view to "raising the combat effectiveness of the armed forces in fighting wars to defend the country with the use of high technology." The PLA has enjoyed an annual budget increase in double digits for the past 12 years. Military analysts in Beijing said while this year's expenditure increase was much lower than the 17.6 percent awarded for 2002 and 2001, the publicized budget only represented about one third of actual outlays. For example, funds for the research and development of weapons, including procurement of hardware from Russia, are not covered by the regular budget. Moreover, the expenditures for the semi-military People's Armed Police have never been made known to the public.

8. PRC National People's Congress

The Associated Press (Ted Anthony, "CHINA'S JIANG, RETIRING, BASKS IN PRAISE AT THE CONGRESS THAT WILL ANOINT HIS SUCCESSOR," Beijing, 03/07/03) reported that days from retirement, President Jiang Zemin made the rounds Friday at the legislature that will officially elevate his successor and basked in the praise of the PRC's politically faithful as he worked to cement the legacy he has cultivated for so long. Jiang took center stage at a meeting of a delegation from Guangdong province. "Economic development is the most important thing. We have to focus on it," Jiang said. He has spent much of his 10-year term as president as the poster boy of China's push for foreign investment. In one week, the legislature - the National People's Congress - officially picks Jiang's successor, all but certain to be Vice President Hu Jintao, who was chosen in November as general secretary of the Communist Party - where the country's real power lies. In a sign of Hu's rising status, his photo appeared directly below Jiang's on front pages of major newspapers. He was shown surrounded by congress delegates gazing at him adoringly.

9. Japan Iraq Embassy Closure

The Associated Press ("JAPAN SHUTS IRAQ EMBASSY IN RESPONSE TO 'HEIGHTENED TENSIONS,'" Tokyo, 03/07/03) reported that Japan is closing its embassy in Baghdad in response to "heightened tensions" in Iraq, the foreign ministry said Friday. Two diplomats have left Baghdad and are on their way to Amman, Jordan, said Yushi Suzuki, an official at the Foreign Ministry. Another two will soon depart the city, he added. The decision came just after US President George Bush called on skeptical allies to stand ready to use force to disarm Iraq but also said the US was prepared to act on its own. A handful of Iraqi staff will remain at the embassy to handle the affairs of Japanese citizens remaining in Iraq, but the mission will otherwise effectively shut down Friday, Suzuki said. Despite a foreign ministry order issued February 14, 2003 for Japanese to leave the country, 48 Japanese citizens, mostly media personnel, remain in Iraq. Another seven activists, acting as "human shields" to prevent military strikes, are camped out at possible attack targets, Suzuki said. Japan officially closed its embassy in Baghdad in 1991, but two staffers have been assigned there on a rotating basis for the past year.

10. Japan Domestic Economy

CNN News (Geoff Hiscock, "TOKYO PLUNGES TO 20-YEAR LOW," Tokyo, 03/07/03) reported that Japan's stock market plunged to a fresh 20-year low Friday after US President George W. Bush

indicated that war in Iraq may be imminent. The key Nikkei 225 average tumbled 2.7 percent to finish at 8144.12, its lowest close since March 1983. Other Asian markets also skidded on war nerves. War would disrupt trade for Asia's export-driven economies, and higher oil prices would weigh on economic growth. As well, a weaker US dollar hurts profits for big Japanese exporters such as Honda and Sony, which make a large part of their sales in the US market. They bore the brunt of Friday's sell-down, with the big Japanese banks also falling sharply as the end of the financial year on March 31 approaches. Japan and other Asian markets reacted sharply to Bush's remarks, with every index in the region closing down. Japan had the heaviest percentage losses, with the broad Topix falling 2.46 percent to finish at 796.17. That was its lowest close since August 1984.

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:

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