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I. United States

1. Powell on DPRK Regional Threat

The Associated Press (George Gedda, "POWELL SAYS NORTH KOREA POSES GREATER DANGER TO NEIGHBORS THAN TO UNITED STATES," Washington, 11/08/02) reported that US Secretary of State Colin Powell, ruling out a dialogue with the DPRK, is defending the decisions of Japan and the ROK to maintain contacts with the DPRK because both have "greater concern" about the DPRK's military activities than the US. Powell said that the US has no plans for discussions with the DPRK beyond the two days of talks conducted a month ago in Pyongyang, at which US officials were told that a uranium enrichment project was under way as part of a secret nuclear weapons development program. In addition to the ROK and Japan, Powell said the PRC and Russia also are engaged with the DPRK. "All of those nations should have a greater concern about this than we do," Powell said. "They are the neighbors. They are within range."

2. DPRK on Agreed Framework

Reuters (Paul Eckert, "N KOREA STILL RECOGNIZES '94 PACT WITH US, EX-ENVOY SAYS," Seoul, 11/07/02) reported that the DPRK says its 1994 nuclear pact with the US is "hanging by a thread" but that the agreement is still in effect despite its disclosure that it has a new arms program, a former US envoy to Seoul said today. The DPRK admitted to the US last month that it was enriching uranium to support a nuclear weapons program, a breach of the 1994 Agreed Framework that had defused an earlier nuclear crisis. The DPRK had sown confusion about the status of the pact, leading the US to say it believed the DPRK's assertions that the agreement was void. But the United States said it was interested in retaining some elements of the accord while it worked to avert a crisis. Donald Gregg, the former U.S. envoy, told reporters in Seoul that during a private trip to Pyongyang his entourage asked DPRK deputy foreign minister, Kang Sok Ju, how the DPRK's admission that it has a nuclear program had affected the Agreed Framework. "Kang's response was it is hanging by a thread, meaning that it was in a very tenuous state, but that the North Koreans were still supporting it," Gregg said at a news conference.

3. DPRK Japan Missile Tests

Washington Post (Doug Struck, "N KOREA HINTS AT MISSILE TEST THREAT AIMED AT JUMP STARTING TALKS WITH JAPAN," Tokyo, 11/06/02) reported that the DPRK has warned that it may end its freeze on missile tests, raising the ante in the standoff over US demands that it end its program to make fuel for a nuclear weapon. The warning, carried by the official DPRK news agency, was directed at Japan, which is under pressure by the US to halt recent diplomatic progress toward normalizing ties and extending economic aid to the DPRK. If those negotiations stall over the nuclear issue, DPRK officials are "of the view that [North Korea] should reconsider the moratorium on missile test firings," the Korean Central News Agency said, quoting a Foreign Ministry spokesman.

4. DPRK on Non-Aggression Treaty

Korean Central News Agency ("DPRK PROPOSAL FOR CONCLUSION OF NON-AGGRESSION TREATY SUPPORTED," Pyongyang, 11/07/02) carried an article that read the DPRK clarified its will to have talks with the united states for a peaceful solution to the nuclear issue if the latter recognizes the sovereignty of the DPRK, assures it of non-aggression and does not hinder its economic development and proposed to conclude a non-aggression treaty with Washington. Martin Lotscher, chairman of the Swiss Committee for Supporting Korea's Reunification, said this in his statement on October 31, adding that this is a key to finding a solution to the nuclear issue on the Korean Peninsula. He noted that his committee supported the DPRK's peace proposal and urged the united states to drop its arrogant attitude and have talks with DPRK.

5. DPRK on DPRK-Japan Normalization

The Associated Press ("NORTH KOREA ACCUSES JAPAN OF SABOTAGING EFFORTS TO NORMALIZE TIES," Tokyo, 11/08/02) reported that the DPRK on Friday accused Japan of sabotaging efforts to establish diplomatic ties between the two countries by demanding the resolution of two key issues - the DPRK's abduction of Japanese citizens and its nuclear weapons program. Calling Japan's concerns "an artificial obstacle" to normalizing bilateral ties, the DPRK blamed stalled negotiations on the "sinister political intention" of hard-line Japanese collaborating with the United States, said the state-run Korean Central News Agency in an editorial. KCNA was monitored from Tokyo. Japan and the DPRK resumed normalization talks last week for the first time in two years, but

they ended bitterly. Japan says the DPRK must halt its nuclear development program and resolve the fate of five Japanese abducted decades ago by communist spies and their families in the DPRK. A DPRK delegate called the abduction issue "settled." But Tokyo said the issue would remain unresolved until the five abductees' fates were secured. On Friday, KCNA again said the abduction issue was "already settled" and accused Japan of provoking the kidnappings. "If Japan had redeemed its past ... and established good-neighborly relations with (North Korea), such a regrettable thing as the issue of kidnapping would have not cropped up." The statement also dismissed the nuclear issue, saying it was a matter between the DPRK and the US.

6. US on DPRK Missile Threat

Reuters (Teruaki Ueno, "US WARNS JAPAN OF MISSILE THREAT FROM N KOREA," Tokyo, 11/08/02) and Reuters ("US WANTS JAPAN TO CONSIDER MISSILE SHIELD," Tokyo, 11/07/02) reported that senior US defense official said Friday that Japan faced the "danger" of a DPRK missile attack but that the US would not press Japan to build a missile defense shield. Visiting US Undersecretary of Defense Douglas Feith also said the DPRK should pay a "price" for pursuing a nuclear arms program in violation of the 1994 Agreed Framework. "One does not have to press Japan to recognize that Japan is facing a serious danger of a ballistic missile attack," he said. He denied a newspaper report Friday that the US would urge Japan to take the next step toward building a missile defense shield in response to any threat posed by DPRK. The Yomiuri Shimbun, quoting US defense officials in Washington, said Feith would convey the US view when he meets Defense Minister Shigeru Ishiba in Tokyo Friday. The Yomiuri said Feith would try to convince Japan to move closer to developing the system, highlighting the potential threat of the DPRK, including its deployment of around 100 ballistic missiles capable of reaching major Japanese cities. "We are not pressing Japan to do anything. It is not the way we deal with our allies," Feith told reporters in Tokyo.

7. US on DPRK Nuclear Situation

The Associated Press (Audrey McAvoy, "US STUDIES N KOREA SANCTIONS," Tokyo, 11/08/02) and the Associated Press (Audrey McAvoy, "US OFFICIAL SAYS NORTH KOREA MUST PAY PRICE FOR NUCLEAR PROGRAM," Tokyo, 11/08/02) reported that the DPRK must pay a price for developing nuclear weapons in violation of the Agreed Framework is coordinating with its allies to "impose" that price, a senior US defense official said Friday. US Undersecretary of Defense Douglas Feith said he and his Japanese counterparts discussed halting shipments of fuel oil to the isolated communist state and stopping the construction of nuclear reactors as possible ways to pressure the DPRK, but hadn't reached any decisions in a series of meetings here. "It's important that the North Koreans understand that there is a price to be paid for violating their commitments and pursuing a capability that threatens the peace and security of the region," Feith told reporters at the US Embassy in Tokyo. "The challenge is devising a way of imposing a price so that diplomacy can work." The undersecretary met with Foreign Minister Yoriko Kawaguchi, Defense Minister Shigeru Ishiba and other top officials. Feith offered few other details except to say the campaign must be with a range of countries such as Japan, the ROK, Russia, the PRC as well as the European Union.

8. Editorial on US-DPRK Diplomacy

The Washington Post ("NEGOTIATING WITH NUCLEAR NORTH KOREA," 11/06/02) carried an editorial by Anthony Lake and Robert Gallucci that poses the question why did the DPRK make its bald admission that it has a secret nuclear weapons program? The experts don't know -- or

understand well enough for us to place our policy bets on only one theory. But while the DPRK regime is as inscrutable as it is unpredictable, there is no reason that we should also misunderstand the history of US policy on the DPRK. Consequently, we must recognize that we can neither move the DPRK nor build support from the ROK, the PRC and Japan if we refuse ever to talk, directly or indirectly, with the DPRK. Instead, we should, first, persuade our allies to suspend economic and political engagement with the DPRK, except for vital food aid. Second, we should suspend our own performance under the Agreed Framework until the DPRK shows us the destruction of its uranium enrichment facilities. Third, some changes to the agreement are needed in light of the DPRK's clandestine activities: immediate initiation of full-scope inspections by the International Atomic Energy Agency; prompt shipment of the stored spent fuel out of DPRK; and agreement by the DPRK to accept any future requests from the IAEA for special inspections. In short, we should be prepared to go to the table with the DPRK, as we were in 1994, to use a combination of sanctions and rewards to stop its new nuclear weapons program.

The full article can be found:

<http://www.washingtonpost.com/wp-dyn/articles/A10405-2002Nov5.html>

9. Inter-Korean Economic Situation

The Associated Press (Paul Shin, "NUCLEAR DISPUTE DISCOURAGES SOUTH KOREA FROM EXPANDING ECONOMIC COOPERATION WITH NORTH KOREA," Seoul, 11/08/02) and the Associated Press (Paul Shin, "S KOREA WARNS NORTH ON NUCLEAR ISSUE," Seoul, 11/07/02) reported that taken aback by the DPRK's nuclear weapons program, the ROK on Friday rejected a request by the DPRK to expand joint economic projects. Delegates of the ROK and DPRK met in Pyongyang for a second straight day Friday to discuss economic cooperation, but the discussion was overshadowed by the DPRK's nuclear issue. A five-member ROK delegation, led by Vice Finance and Economy Minister Yoon Jin-sik, refused to expand inter-Korean economic cooperation beyond what has already been agreed on. The two-day meeting in Pyongyang, the third of its kind since 2000, was supposed to review ongoing inter-Korean projects and set new goals. But ROK made it clear that it can't proceed unless the DPRK promptly addresses international concerns about its nuclear program, they said. The ROK, the reports said, turned down repeated requests by the DPRK to start new joint projects in the fields of fishing and electricity.

10. PRC Domestic Politics

The Agence France-Presse ("CHINA'S JIANG CALLS FOR GROWTH AND CONTROL AS CONGRESS OPENS," 11/08/02) and Reuters ("JIANG LAYS DOWN RED CARPET FOR CAPITALISTS," Beijing, 11/08/02) reported that President Jiang Zemin opened the PRC's most important political meeting in a decade here, outlining his vision of a nation powered by private capitalism, but still under the strict control of the Communist Party. Addressing 2,114 delegates in Beijing's cavernous Great Hall of the People at the start of the party's week-long 16th Congress, Jiang said PRC's rulers must "free our minds from the shackles of outdated notions, practices and systems". In what is likely to be his last major address before retiring as party chief, Jiang urged the pursuit of market reforms, calling for a quadrupling of the PRC's economy by 2020. "Reform and opening up are ways to make China powerful," said Jiang, standing in front of a red backdrop emblazoned with a vast hammer and sickle emblem. Of particular note was Jiang's allusions to a key reform due to be approved at the meeting: his own plan for capitalists to join the party. "We should admit into the Party advanced elements of other social strata who accept the Party's program and constitution," he said. However he stressed that whatever the moves towards economic liberalisation, the party elite should remain in firm control of China's 1.3 billion people. "We must uphold leadership by the (party) and consolidate and

improve the state system, a people's democratic dictatorship," he said in his 90-minute speech. "We should never copy any models of the political system of the West," he added.

11. Cross-Straits Relations

Reuters ("TAIWAN WELCOMES CHINA TALKS BUT REBUFFS CONDITIONS," Taipei, 11/08/02) and the Agence France-Presse ("TAIWAN URGES CHINA TO FACE REALITY OF ITS INDEPENDENCE," 11/08/02) reported that Taiwan has urged PRC leaders to recognize the existence of the island as a country, asking the PRC to cease its threats of military force. "We urge mainland authorities to face the reality that the Republic of China exists," said Chen Ming-tong, vice chairman of the cabinet-level Mainland Affairs Council (MAC), using the official name of the island. Chen then asked China "not to make excuses for refusing to renounce the use of force" against Taiwan. "It does not help improve cross-strait ties."

12. Cross-Straits Direct Links

The Agence France-Presse ("CHINA'S JIANG CALLS FOR DIRECT TIES WITH TAIWAN, REPEATS FORCE THREAT," 11/08/02) and Reuters ("JIANG URGES RESTARTING TALKS WITH TAIWAN," Beijing/Taipei, 11/08/02) reported that PRC President Jiang Zemin called for direct links to be reopened with Taiwan but refused to rule out the use of force to retake the island, saying the threat was aimed at interfering "foreign forces". "Our position of never undertaking to renounce the use of force is not directed at our Taiwan compatriots," Jiang said in speech to open the Communist Party's 16th Congress on Friday morning. "It is aimed at the foreign forces' attempts to interfere in China's reunification and the Taiwan separatist forces' schemes for 'Taiwan independence,'" he said. He also called forth the opening of mutual links that have remained broken for five decades. "As the direct links of mail, air and shipping services, and trade across the Taiwan Straits serve the common interests of the compatriots on both sides, there is every reason to take practical and positive steps to promote such direct links," Jiang said.

13. PRC-Canada Relations

Reuters ("CANADA SAYS CHINA HAS APOLOGIZED FOR SECRET AGENT PLOY," Ottawa, 11/08/02) reported that the Canadian government said on Thursday that the PRC had apologized for sending secret agents to Canada under false pretences in a bid to contact alleged smuggling kingpin Lai Changxing. Lai, who is attempting to remain in Canada as a political refugee, is currently under house arrest in the Pacific Coast province of British Columbia. The PRC has accused Lai of running a smuggling ring that brought billions of dollars of goods into that country in the mid-1990s and bribed dozens of government officials to avoid paying taxes and duties. Canada's foreign ministry said it had protested to the PRC after learning that the PRC secret agents had obtained visas with the help of PRC's ministry of foreign trade. "The Canadian embassy in Beijing registered strong displeasure at the misrepresentation of facts by the ministry," said foreign ministry spokeswoman Kimberly Phillips. "The Chinese authorities have expressed regret over the incident. This can be characterized as an apology."

14. Japan Domestic Economy

The Associated Press ("JAPAN NAMES NEW ECONOMIC MINISTER," Tokyo, 11/08/02) reported that the Japanese government on Friday appointed a new minister in charge of economic revival who will set guidelines to assess which troubled companies have a shot at survival and should be bailed

out. Prime Minister Junichiro Koizumi chose lawmaker Sadakazu Tanigaki to head Japan's "industrial rebirth," a new Cabinet portfolio, the Cabinet Office said. No official job title has been announced. Japan has said it is going to get serious about wiping out the huge bad debts at the nation's banks that are stifling economic recovery. The government estimates the bad loans at about 40 trillion yen (\$330 billion), but private analysts say the figure may be three times larger. Tanigaki said in an interview with public broadcaster NHK that the challenge was to strike a balance between tough and careful approaches. "If we are too cautious, then there will be no progress," he said. Tanigaki, former head of the Science and Technology Agency, is expected to work with the economy and financial services minister, Heizo Takenaka, and other Cabinet officials to come up with details of an economic package before next month.

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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