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### I. United States

# 1. DPRK SEZ Chief Investigation

Reuters ("CHINA SAYS DUTCH FLOWER KING UNDER INVESTIGATION," Beijing, 10/08/02) reported that the PRC government confirmed on Tuesday it is investigating flower magnate Yang

Bin, the man chosen by the DPRK to head a new capitalist economic zone, for illegal business activities. In the first official comment on the issue, Foreign Ministry spokeswoman Zhang Qiyue played down a potential rift with the DPRK. The two neighbors enjoyed traditional friendly relations, she said, five days after police took Yang from his home before dawn in the northeastern city of Shenyang for questioning. He is now under house arrest. "What we have learnt from relevant departments is that Yang Bin and his enterprises in China are suspected of being involved in various illegal activities in China," Zhang told a news conference. "The public security organs in China have, according to law, put him under house supervision. They will also deal with the case according to the law," she said. PRC-born Yang has admitted to owing some 10 million yuan (US\$1.2 million) in back taxes in Shenyang, although he said the bill was unrelated to his Hong Kong-listed firm Euro-Asia Agriculture (Holdings) Co Ltd. Shares in Euro-Asia have been suspended from trade since September 30. PRC's securities regulator has said the orchid exporting firm and its affiliate may have falsified accounts ahead of its Hong Kong listing, according to a report in Hong Kong's Money Times that cites a letter from the regulator. Zhang declined to comment on the nature of the allegations against Yang -- named by Forbes magazine as the PRC's second richest entrepreneur last year -- or on whether the PRC had sent a senior official to Pyongyang to explain his detention.

Agence France-Presse ("FEW SURPRISES AS ACCESS TO NORTH KOREAN CAPITALIST ZONE DENIED," 10/08/02) reported that the credibility of detained tycoon Yang Bin's governorship of a fledgling capitalist zone in the DPRK took another battering as free access to the enclave failed to materialize as promised. Western nationals seeking to cross the river bridge into Sinuiju city from the adjoining northeastern PRC city of Dandong were brusquely turned back by PRC officials Tuesday. "You can't go there. You can only get onto the bridge if you have a letter from a travel agency," said one, outlining the existing entry policy for tourists. The move came as little surprise -- although Yang pledged just a week ago that non-Chinese would be allowed into the city from Tuesday, he was reportedly detained by PRC police for tax offences just days later. While there has been no official confirmation of his fate, it is thought the 39-year-old orchid magnate, who has Dutch nationality, is under house arrest in Shenyang, about 250 kilometres (160 miles) from Dandong.

# 2. Taiwan-US Military Intelligence

Agence France-Presse ("US TO 'CONDITIONALLY' SHARE MILITARY DATA WITH TAIWAN," 10/07/02) reported that the US has agreed to "conditionally" share its military satellite data with Taiwan according to a news report. Once linked to the US satellite system codenamed "Defense Support Project" (DSP), Taiwan would be able to allow up to seven more minutes in advance while its Patriot anti-missile weaponry prepared to intercept any incoming missiles, the United Daily News said Monday. It said the Taiwan military plans to set up ground stations over the next five years to plug the island's Patriot systems to the US military satellite system. The defense ministry was tightlipped on the reported military cooperative project, a move the PRC may interpret as a further step towards a military alliance between the United States and Taiwan. But Taiwan's defense minister Tang Yao-ming told the parliament Monday "it would be his pleasure to see the development," without providing details. The US remains Taiwan's leading arms supplier. In July, the Pentagon made public a report in which the United States questioned the PRC's commitment to a peaceful resolution of its differences with Taiwan. The report broke new ground by emphasizing that the PRC was exploring strategies that would use missile strikes, blockades and even cyberwarfare, rather than a D-Day-style invasion, to bring Taiwan to heel. It said the People's Liberation Army has deployed 350 ballistic missiles targeting Taiwan, with the number expected to increase at a rate of 50 a year. However, the PRC has repeatedly threatened to invade Taiwan if it declares independence.

# 3. Japan-US-ROK DPRK Summit

Agence France-Presse ("JAPAN AND SKOREA TO HOLD SUMMIT ON NKOREA DURING APEC," 10/07/02) reported that the US, Japan and South Korea plan to hold a summit on the DPRK on the sidelines of the Asia-Pacific leaders' forum in Mexico later this month, officials said. The leaders of the three allies are to attend the Asia-Pacific Economic Cooperation (APEC) summit in Los Cabos, October 26-27, the officials said Monday. The planned trilateral talks would focus on how to handle relations with the DPRK following US special envoy James Kelly's landmark visit to Pyongyang last week. "We are in consultation on holding the three-way summit during the APEC summit," an aide to President Kim Dae-Jung's office told AFP. "North Korea will top the agenda to be discussed by the three." He said the exact date for the summit between President Kim, Japanese Prime Minister Junichiro Koizumi and US President George W. Bush had yet to be fixed, but Seoul's cable television news YTN expected it to be on October 27.

### 4. ROK DPRK Secret Fund Allegations

The Associated Press ("SOUTH KOREAN OPPOSITION SEEKS PROBE OF ALLEGED SECRET DEAL WITH NORTH KOREA," Seoul, 10/07/02) and Reuters (Jason Neely, "S.KOREA'S KIM URGED TO RESPOND ON NORTH FUNDING," Seoul, 10/08/02) reported that the ROK's main opposition party urged President Kim Dae-jung on Tuesday to respond to allegations that his government secretly sent US\$400 million to the DPRK to spur diplomatic relations. The Grand National Party, after parliamentary testimony from a former banker, has alleged that Kim's government in effect "bought" his historic summit with the DPRK's leader in 2000. The party has stepped up pressure on the government ahead of a December presidential election in which a one-term rule bars Kim from reelection. The presidential Blue House has denied diverting loans from a state-run bank to shipping firm Hyundai Merchant Marine just prior to the summit. Hyundai has also denied the allegations. "The president should face the public's suspicion and anger," Grand National Party leader Suh Chung-won said in a speech to the National Assembly. "President Kim, who held the summit, should tell the people the truth and investigate." It was the most prominent call for action yet in National Assembly hearings that have questioned the funding for more than two weeks. "How can the government think of getting the summit by giving money under the table?" Suh asked. "Aid to North Korea should be transparent." There was no immediate word from the Blue House on the demand. The party is pressing for public hearings into whether 490 billion won (\$398 million) in loans to Hyundai were then passed on to ROK intelligence officials who conveyed the money to the DPRK.

### 5. ROK Intelligence Officer Dismissal

Agence France-Presse ("SOUTH KOREAN ARMY INTELLIGENCE CHIEF SACKED OVER ATTACK WARNING," 10/06/02) reported that an ROK army intelligence commander has been sacked over his controversial revelation that the military ignored his warning of a deadly DPRK naval attack in June, authorities said. Major General Han Chol-Yong was dismissed Saturday as commander of the 5679 Unit in charge of intelligence gathering on DPRK military communications, the defense ministry said Sunday. "Han was dismissed for improper behavior," a ministry spokesman announced, adding he was put on a list of those waiting for retirement in November. The move followed Han's remarks in a parliamentary hearing Friday that former defense minister Kim Dong-Shin ordered the rewriting of an intelligence report forecasting an inter-Korean naval clash in the Yellow Sea in June. The exminister was dismissed in an ensuing cabinet revamp over accusations by opposition lawmakers that the military failed to warn of the June 29 skirmish. The gun battle left five ROK sailors dead and 19 wounded. Han refused to take responsibility for the intelligence blunder, showing lawmakers a record of intelligence information which warned of hostile moves by DPRK navy in the Yellow Sea.

He was condemned for leaking military secrets but his testimony sparked political uproar, with the opposition Grand National Party (GNP) accusing the military of silencing the report for political reasons.

### 6. DPRK-Japan Abduction List

Reuters ("JAPAN ADDS FOUR MORE PEOPLE ON LIST OF JAPANESE CITIZENS ABDUCTED TO NORTH KOREA," Tokyo, 10/08/02) reported that Japan added four more people to the list of Japanese citizens it says were abducted by the DPRK decades ago, bringing the total to 15, officials said Tuesday. The four include a girl and her mother allegedly abducted in 1978 in northern Japan and two men taken from Spain to the DPRK two years later, a National Police Agency spokesman said on condition of anonymity. The four people added to Japan's list include Hitomi Soga and her mother Miyoshi, who disappeared in April 1978 from a small island off northern Japan. Toru Ishioka and Kaoru Matsuki, who were allegedly taken to North Korea from Spain in June 1980 at ages 22 and 26, were also added. Pyongyang has admitted to abducting all but two of the 15, including Miyoshi Soga. Of the four victims newly added to Japan's list, only Hitomi Soga, now 43, has been confirmed to be alive. She lives in Pyongyang with her husband, a former US serviceman, and their two daughters, the DPRK said.

#### 7. UN reaction on DPRK-US Talks

The Associated Press ("ANNAN WELCOMES START OF DIALOGUE BETWEEN UNITED STATES," United Nations, 10/07/02) reported that UN Secretary-General Kofi Annan urged the US and the DPRK on Monday to build on the talks that a senior U.S. diplomat had with officials in the DPRK. "The secretary-general is hopeful that this important development is the beginning of more regular exchanges by both sides with a view to resolving their differences, however serious," Annan spokesman Fred Eckhard stated. A DPRK spokesman said Kelly's visit had made it clear that Bush had not changed his tough stance against the DPRK. Although the talks did not achieve much, Eckhard said Annan hoped it helped "both sides to better understand their respective positions and concerns."

### 8. DPRK on DPRK-US Talks

The Associated Press (Lee Soo-jeong, "NORTH KOREA SAYS VISITING U.S. DIPLOMAT WAS `HIGH-HANDED AND ARROGANT,'" Seoul, 10/07/02) reported that the DPRK said that US Assistant Secretary of State James Kelly displayed a "high-handed and arrogant" attitude in demanding that it address global concerns about its nuclear and other weapons programs. In the DPRK's firts comment Monday after the three-day visit by Kelly, the DPRK also said it would maintain a high military vigilance unless the US changes its hostile policy. Kelly traveled to the DPRK as a special envoy of US President George W. He left Pyongyang on Saturday. Kelly's visit marked the first security talks with the DPRK since Bush took office. Returning from the trip, Kelly said in Seoul that he told the DPRK about "serious concerns" over its weapons programs and human rights violations. The DPRK accused Kelly of taking "a high-handed and arrogant attitude by claiming" that the DPRK's relations with Japan, the ROK and the US "would be smoothly settled only when (North Korea) first meets the US unilateral demand such as nuclear and missile and conventional armed forces and human rights issue." "After all, the special envoy's explanation made it clear that the Bush administration is pursuing not a policy of dialogue but a hardline policy of hostility to bring (North Korea) to its knees by force and high-handed practice," said a DPRK Foreign Ministry spokesman. "Such unchanged policy of the U.S. compels (North Korea) to take all necessary countermeasures, pursuant to the

army-based policy whose validity has been proven," the spokesman further expressed.

### 9. ROK Domestic Political Economy

The Associated Press (Sean Yoong, "OFFICIAL: POLITICS, NEW PRESIDENT WON'T UNDERMINE SOUTH KOREA'S ECONOMIC REFORMS," Kuala Lumpur, 10/07/02) reported that the ROK will not abandon economic reforms that have become a cornerstone of President Kim Dae-jung's policies, even after a new leader takes over next year, a senior official said Monday. "Korean citizens and the government recognize that continued reform is not a matter of choice but essential to survival amid fierce international competition," said Lee Ki-ho, one of the key economic aides to Kim, who steered the ROK out of the 1997-98 Asian financial crisis. Kim's five-year term ends in February. Lee stressed that efforts to make the ROK the "center of business, logistics and tourism in Northeast Asia" would not fade away with Kim's exit. "The reform will be continued regardless of political matters, including the upcoming presidential election," Lee said in a speech to delegates at the annual East Asia Economic Summit, organized by the World Economic Forum. "We will make Korea one of the world's best countries for foreign investors to do business and live in." Lee, senior adviser to the president for economy, welfare and labor, said the ROK's reforms since the financial crisis five years ago included closing 16 of 30 conglomerates and upgrading auditing standards. He said the government is working to bolster confidence further by introducing a legal framework to combat fraud and stock price manipulation, streamline bankruptcy-related laws and complete bank privatization efforts. Lee expressed confidence about the ROK's short-term financial outlook, saying the economy is expected to grow about 6 percent this year.

#### 10. ROK-DPRK Relations

Agence France-Presse ("TRENDY SOUTH KOREANS CRAVE 'NORTH KOREA BRAND," 10/06/02) carried a story that read one-time foes the DPRK are the new fad in the ROK thanks to the DPRK's participation in the Asian Games. The neighbors are still technically at war but that has not stopped 'North Korea' becoming the brand of choice among trendy ROK consumers. Web sites devoted to the DPRK contingent and their 280-strong cheering squad taking part in the Asiad have opened up regularly on the Web since the games began last Sunday. Members of one site exchange photos of the DPRK cheerleaders, give details of their movements in Busan and talk about the political climate between the DPRK and ROK. Ri Yu-Kyong, the 21-year-old captain of the cheerleading squad who has featured in numerous television close ups, is the darling of the netizens. Three fan clubs devoted to her have opened up in the last seven days. ROK consumers are dedicated followers of fashion and trends and the DPRK team at the Asian Games has taken over from the 'Be the Reds' craze which swept the country during the World Cup when the country's football team surged to the semi-finals. Kye Sun-Hui, the star of the DPRK judo team, is enjoying cult status similar to that of ROK World Cup star Ahn Jung-Hwan. A number of online fan clubs are devoted to Kye and supporters displayed a huge banner encouraging her at the judo arena. Even hairdressers in Busan have taken an interest in the DPRK female contingent, especially Kye who took a bronze rather than the expected gold medal. "I want to elaborate her hair, which, I hope, can console her somehow," No Chung-Hee, a stylist working at the salon in the Athletes Village told the Korea Times. Another stylist added that she wanted to give an 'artistic' touch to the hair of the DPRK women athletes and even dye it for a more Western look.

# II. Republic of Korea

# 1. Yang Bin's Arrest for Corruption

Joongang Ilbo (Lee Yang-soo, "YANG'S ARREST CALLED BEGINNING OF CHINA MOVE ON CORRUPTION," Hong Kong, 10/08/02) reported that the PRC has decided to handle the allegations involving Yang Bin in accordance with PRC domestic laws, despite Yang's Dutch citizenship and DPRK diplomatic status. PRC has communicated its decision to DPRK, reports said. Quoting sources in Beijing, Ming Pao, a Hong Kong-based newspaper, reported that the PRC government had sent a senior foreign ministry official to Pyongyang on Saturday to describe alleged illegal business activities involving Yang's company, Euro-Asia Agriculture. PRC reportedly expressed its willingness to support DPRK's Sinuiju project, and DPRK understood the message. DPRK announced its new capitalist experiment last month by designating its northwestern city of Sinuiju as a special administrative zone; Yang was appointed to govern the city with an independent legal, political and economic system. But PRC's move against Yang, who remains under house arrest, clouds the project's future. The South China Morning Post reported that Yang will be detained for months and forecasts that DPRK will have to find a new candidate for the Sinuiju governor.

### 2. DPRK Military Reduction

Joongang Ilbo (Lee Chul-hee, "NORTH WEIGHING SMALL FORCE CUT, NEWS REPORT SAYS," Seoul, 10/08/02) reported that DPRK is considering a plan to thin its military concentration along the inter-Korean border and cut back its conventional forces, the Japanese Kyodo News Agency reported Monday. "North Korea is considering easing its war readiness along the Demilitarized Zone at the 38th parallel and cutting its military forces by between 20,000 and 50,000 troops," the report said, quoting unidentified Russian government sources. "Pyongyang unofficially notified Moscow of its plan in September," Kyodo added. Although trimming 50,000 from the 1.2 million on active duty in its military forces is relatively insignificant, DPRK may insist that US reduce its forces stationed in ROK in return, the news report suggested. Before carrying out the plan, DPRK will study how its relations are developing with US and Japan, as well as other factors including ROK's presidential election in December, the report said.

# 3. DPRK Asylum Seekers

Chosun Ilbo (Yeo Shi-dong, "MORE NORTH KOREAS RUN TO BEIJING GERMANE SCHOOL," Beijing, 10/08/02) reported that three DPRK refugees broke into a German school operated by the German Embassy in Beijing on Monday afternoon, requesting asylum and passage to ROK. Three refugees are said to have scaled the wall at the school, located in the Chaoyang district, at 3:45pm local time (4:45 in Korea). The German school is the same place that fifteen Northern refugees sought asylum from in early September. The group of fifteen successfully obtained passage to ROK.

# 4. Inter-Korean Meeting on Separated Family

Chosun Ilbo (Kim In-ku, "RED CROSSES TO HOLD TALKS ON OCTOBER 19 IN KUMGANG," Seoul, 10/08/02) reported that a working level meeting between Korean National Red Cross and DPRK National Red Cross organizations will be hold at Mount Kumkang on October 16 in order to discuss the establishment and operation of a 'meeting place' for separated families it was learned Monday. In addition the two sides will address issues concerning soldiers missing during the Korean War. An official said discussions will be regarding the list of mutual agreement created by the last 4th Red Cross Meeting at the meeting between the two. He continued the KNRC expressed a preference to hold the meeting before the eighth meeting of high-ranking officials scheduled in Pyongyang for

October 19-22. The talks will address the specific date and place of construction work for a permanent meeting place in Mount Keumgang, having more family reunion events before the construction begins, confirmation of the death and the missing during the Korean War, and establishing more letter communications between displaced family members.

# III. People's Republic of China

### 1. PRC-Russia Relations

People's Daily ("CHINESE, RUSSIAN LEADERS TALK OVER PHONE," Beijing, 10/08/02, P1) reported that PRC President Jiang Zemin and Russian President Vladimir Putin discussed bilateral relations in a telephone conversation on October 7. It reported that the two leaders agreed that PRC and Russia should strengthen contact, coordination and cooperation.

People's Daily ("CHINESE, RUSSIAN FMS DISCUSS IRAQ ISSUE OVER PHONE," Beijing, 10/01/02, P2) reported that PRC Foreign Minister Tang Jiaxuan held a phone conversation on September 30 with Russian Foreign Minister Igor Ivanov on the best way of resolving the question of arms inspections in Iraq, and they had an in-depth exchange of views on the Iraq issue. In the report Ivanov stated the Russian stance and said that the issue should be solved by political means on the basis of the relevant UN Security Council resolutions, and in line with the norms of international law. The Russian side hopes to maintain close contact with PRC on the issue, Ivanov added. According to the report, Tang elaborated the position of PRC and reaffirmed that the issue should be resolved within the framework of the United Nations and the top priority at present was to enable UN weapon inspectors to return to work in Iraq at an early date. Tang said in the report that as permanent members of the U.N. Security Council, PRC and Russia shouldered a heavy responsibility to safeguard world peace and security, and PRC was willing to continue to strengthen consultation and cooperation with Russia to prompt the Iraq issue to develop in the direction of a political settlement. It also reported that PRC Vice-Foreign Minister Wang Guangya met with William Ehrman the same day on the same issue in Beijing, the special envoy of the British foreign secretary.

### 2. US-DPRK Relations

China Daily ("DPRK LEADER HOLDS TALKS WITH US SPECIAL ENVOY," Pyongyang, 10/05/02, P4) reported that president of the Presidium of the Supreme People's Assembly of DPRK Kim Yong-nam met US special envoy James Kelly and his delegation on October 4. It reported that Kelly paid a courtesy call on Kim at the Mansudae Assembly hall but gave no details of the talks. A professor of international politics at Seoul National University said there were bound to be blocks along the way and many tough demands on both sides. According to the report, US State Department spokesman Richard Boucher said it was premature to go into the substance of the talks and he did not say whether Kelly would meet DPRK leader Kim Jong-il. The report also said that Kelly's team is set to return to Seoul on September 5 after the highest-level dialogue in two years and the first such encounter under the Bush administration, apart from a brief meeting between US Secretary of State Colin Powell and DPRK Foreign Minister Paek Nam-sun in Brunei in July.

People's Daily (Zhang Jinfang, "US SPECIAL ENVOY ARRIVES IN PYONGYANG," Pyongyang, 10/04/02, P3) reported that US special envoy James Kelly arrived in Pyongyang on October 3 for talks with leaders and officials of DPRK. It reported that Kelly, assistant Secretary of State for East Asian and Pacific affairs, landed by a US military plane with a nine-member delegation. During his three-day stay here, Kelly is expected to explain to DPRK leaders US policy towards the DPRK and

the two parties will exchange views on issues of bilateral concern, the report said. It also said that Kelley's trip is the first high-level visit to the DPRK since former Secretary of State Madeleine Albright visited Pyongyang in October 2000.

# 3. PRC Commentary on US-DPRK Relations

China Daily (Kao La, "MEETING FAVORABLE FOR PENINSULA PEACE PROCESS," 10/08/02, P4) carried a commentary on US special envoy James Kelly's significant DPRK visit that was ended on October 5. The article quoted US State Department Spokesman Richard Boucher's words that Kelly's mission is "to explore comprehensive dialogue with the DPRK and, based on close co-ordination with the ROK and Japan, to explain US policy and seek progress on a range of issues of long-standing concern to the US," and commented that though it may be too early to expect breakthroughs, this high-level meeting between the two countries does bring a ray of hope for reconciliation between the two historic adversaries. The article said that Kelly's trip is largely attributed to the recent developments in the Korean Peninsula. It continued to analyze that this sensitive area has long been a US focus due to Pyongyang's military strength and its potential nuclear capability and a hostile DPRK would not be in line with US's interests in East Asia. As for the DPRK and ROK relations, the article said that the ROK President Kim Dae-jung expressed his determination to adhere to his "sunshine policy," despite pressure from domestic, somewhat hawkish politicians. The two countries made timely efforts to resume dialogue and opened a railway connection to facilitate personnel exchanges. Commenting on Japan-DPRK relations, the article said that Japanese Prime Minister Junichiro Koizumi's whirlwind tour to Pyongyang last month also helped to create a positive atmosphere for the peninsula's peace process. Since both ROK and Japan are US' two key allies in the region, their attitudes towards DPRK also have subtle implications upon that of US's. The article said that the bettering of relations with DPRK could help US to further isolate Iraq while for the DPRK' part, it needs a favorable international and neighboring environment for the country's domestic construction.

### 4. PRC-US Relations

China Daily ("CHINA OPPOSES US CONGRESS REPORT," 10/07/02, P1) reported that PRC Foreign Ministry spokeswoman Zhang Qiyue objected on October 5 to a report by the US Congress Executive Committee on PRC saying it interfered in PRC's internal affairs. Zhang said the report is full of arrogance and prejudice, and attacks PRC and interferes in its internal affairs by misrepresenting the issues of human rights, religion and the Falun Gong cult without addressing its great achievements in human rights and legislation. According to Zhang in the report, PRC expressed strong displeasure and resolute opposition to the report and has made solemn representations to the US over the issue. Zhang said in the report that PRC has always been dedicated to the promotion and protection of human rights and the freedom of its people of all nationalities. Zhang also answered questions on Nepal's King Gyanendra's announcement and said that the changes are a part of Nepal's internal affairs, said the report.

People's Daily ("FM SPOKESMAN ON US FOREIGN RELATIONS AUTHORIZATION ACT," Beijing, 10/05/02, P2) reported that PRC Foreign Ministry spokeswoman Zhang Qiyue made comments on October 4 in response to questions concerning the Authorization Act recently signed into law by US President George W. Bush. Zhang said in the report that PRC will never accept the US Foreign Relations Authorization Act Fiscal Year 2003, which contains several articles violating both the three Sino-US joint communiques and the one-China policy, policies to which the US has repeatedly claimed it adheres. Zhang added that the above-mentioned articles constitute wanton interference in PRC's internal affairs and that PRC will never accept them. "China lodged serious representations on

repeated occasions to the US, however, the Act was still signed into law,i± "we are strongly dissatisfied with that," said Zhang. Zhang also said in the report that PRC has taken note of the announcement made by President Bush during the signing to the effect that the above-mentioned articles were inappropriate, the one-China policy of the US had not changed, and that the signing of the Act did not mean that he had accepted them nor incorporated them into the country's foreign policy. "We hope the U.S. side means what it says and will not implement those articles so as to avoid any negative impact on China-US relations,i± said Zhang in the report.

### 5. US, Japan and ROK Ties with DPRK

China Daily ("US, JAPAN AND ROK TO HOLD SUMMIT ON DPRK," Seoul, 10/08/02, P11) reported that US, Japan and ROK plan to hold a summit on DPRK on the sidelines of the Asia-Pacific Economic Cooperation (APEC) summit in Mexico later this month, officials said on October 7. The report said that the planned trilateral talks would focus on how to handle relations with the DPRK following US special envoy James Kelly's landmark visit to Pyongyang last week after nearly two years of frozen US-DPRK ties. It reported that an aide to President Kim Dae-jung's office said the exact date for the summit between President Kim, Japanese Prime Minister Junichiro Koizumi and US President George W. Bush had yet to be fixed, but Seoul's cable television news YTN expected it to be on October 27.

China Daily ("US ENVOY TO DPRK STOPS IN TOKYO," Tokyo, 10/02/02, P4) reported that US assistant secretary of state for East Asian and Pacific affairs James Kelly arrived in Tokyo on October 1 en route to DPRK to open high-level talks. It reported that Kelly will meet Japanese officials before heading for Seoul and on to Pyongyang on October 2. The report said that Kelly's visit to DPRK marks a diplomatic breakthrough in ties with the DPRK, which chilled after Bush took office. It also said the Kelly's trip follows a September 17 summit between Japanese Prime Minister Junichiro Koizumi and DPRK leader Kim Jong-il, when the two sides agreed to resume talks on establishing diplomatic relations. The report said that Kelly will stop for consultations in the ROK before flying across the demilitarized zone in a small executive-style aircraft at the head of a nine-member US delegation. US wants to talk about DPRK's alleged production and export of missiles, its frozen nuclear programme and its conventional forces along the border with the ROK. According to the report, officials played down media reports that Kelly could meet Kim Jong-il, despite the disparity in rank between the two men. However, US officials have not said whom Kelly will meet, said the report.

### 6. Japan-DPRK Relations

China Daily ("NORMALIZATION TALKS TO GO ON," Tokyo, 10/08/02, P11) reported that a senior official said on October 7 that Japan will push ahead with talks to normalize relations with DPRK, despite rising anger over the latter's admission it abducted more than a dozen Japanese decades ago. The report said that the two countries agreed to restart normalization talks last month, when Prime Minister Junichiro Koizumi met DPRK leader Kim Jong-il for an unprecedented summit in Pyongyang. It reported that the chief spokesman for Koizumi's cabinet Yasuo Fukuda said Tokyo will move ahead with the talks, which are expected later this month. The report also said that the two countries have never had diplomatic ties and the most recent round of normalization talks broke down two years ago over the abduction issue.

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 <u>other NAPSNet resources</u>.

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

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