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I. NAPSNet

1. DPRK Nuclear Program

Chosun Ilbo ("CHINA SHOULD HOLD N.KOREA'S PLUTONIUM - NY TIMES", 2007/10/10) reported that experts have proposed that the PRC take physical custody of the DPRK's weapons-grade plutonium in order to help denuclearize the peninsula. This was the suggestion in a column published in the New York Times on Tuesday entitled "Kim Jong-il's Last Card." The column was written by James Laney, former U.S. ambassador to South Korea from 1993 to 1997, and Jason Shaplen, a former policy adviser at the Korean Peninsula Energy Development Organization from 1995 to 1999. "The (February) nuclear accord is ambiguous on one issue that threatens to derail it: the question of what will happen to North Korea's existing stockpile of fissile material," they wrote. "To break the impasse, we propose that China, North Korea's closest remaining ally, assume physical custody in North Korea of the fissile material."

JoongAng Ilbo (Brian Lee , "HILL: NORTH MUST GIVE UP PLUTONIUM", 2007/10/10) reported that the US will not normalize ties with the DPRK until the country gives up all of the plutonium it has produced, US Undersecretary of State Christopher Hill said. "We are not going to get to normalized, full diplomatic relations until North Korea gives up all of its nuclear ambitions and that last 50 kilos [110 pounds] of material that they've already got," Hill stated. Privately, ROK officials have suggested storing the plutonium in a third country, such as Russia.

The Associated Press ("US ATOMIC EXPERTS IN BEIJING AHEAD OF NKOREA DISABLEMENT", Beijing, 2007/10/10) reported that a team of US experts arrived in Beijing en route to the DPRK, where they will begin disabling the state's nuclear facilities. The eight experts, led by the head of the State Department's Korea desk, Sung Kim, are due to launch the process of disabling the DPRK's reactor at Yongbyon, which produces bomb-grade plutonium, US officials said. The team will stay in the DPRK for about a week before another team takes over in a "baton pass," State Department spokesman Sean McCormack said.

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2. DPRK Missile Program

JoongAng Ilbo (Kim Min-seok and Brian Lee, "NORTH KOREA DEVELOPS NEW MISSILE",) reported that the DPRK has developed a short-range missile that runs on solid fuel, can carry a chemical warhead and is capable of reaching Gyeonggi Province, a Grand National Party lawmaker said. The missile, which is called a KN-2, has a range of 120 kilometers (75 miles), Kim Hak-song, a member of the National Assembly's Defense Committee, said after analyzing intelligence data

provided by the Joint Chiefs of Staff. The KN-2 runs on solid fuel, making it easier to stockpile than liquid-fuel powered weapons. They can also be fired more quickly. According to the Joint Chiefs of Staff, Kim said, the DPRK test-launched the KN-2 in June. Reportedly, the missile can carry a payload of 500 kilograms (1,100 pounds).

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3. PRC on Peace Treaty

Chosun Ilbo ("CHINA INSISTS ON ROLE IN KOREA PEACE PROCESS", 2007/10/10) reported that the PRC has made it clear that it is entitled to a role in any summit on replacing the armistice that still halts hostilities on the Korean Peninsula with a permanent peace framework. The PRC also reiterated a permanent peace mechanism can only come once the DPRK completes the denuclearization process. "China, as an important nation in Northeast Asia and also a contracting party to an armistice agreement of the Korean War, will go on playing an active role in the process," PRC Foreign Ministry spokesman Liu Jianchao told reporters. "Establishing a peace mechanism serves the interests of the people of the Korean Peninsula and the peace, stability and development of the region. China is supportive of the establishment of such a peace mechanism."

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4. Inter-Korean Economic Cooperation

Busan (Anna Fifield , "S KOREAN PORT EYES INVESTMENT IN NORTH", The Financial Times, 2007/10/10) reported that Busan Port Authority, the ROK's biggest shipping terminal, is looking to invest in the DPRK port of Rajin amid hopes that last week's historic Korean summit would help the group boost its efforts to become Asia's largest trans-shipping base. "There is currently no direct channel between North and South, but now we are positively reviewing investing in North Korea," Lee Gap-sook, Busan Port Authority president, told the Financial Times. "We have great interest in shipping containers through Rajin." While the DPRK port would not be a base for import and export business, Rajin could become a strategic part of Busan's feeder network, Lee said.

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5. Inter-Korean Environmental Cooperation

Korea Herald (Kim Ji-hyun , "ROH PROPOSES PARK IN DMZ", 2007/10/10) reported that President Roh Moo-hyun said the two Koreas will cooperate to build an eco-friendly community, with the first steps being the restoration of a long range of mountains running down the peninsula, and the development of an eco-themed park in the heavily fortified Demilitarized Zone. "The newly renewed inter-Korean ties are likely to be a great help to restoring the peninsula's eco system," the president said in a speech in Incheon where he celebrated the opening of the country's second national ecological resource center.

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6. ROK on DPRK Defectors in Beijing

Yonhap ("SEOUL SUMMONS CHINESE DIPLOMAT OVER DETENTION OF N. KOREAN DEFECTORS", Seoul, 2007/10/10) reported that PRC police arrested four DPRK defectors who entered a ROK international school in the Beijing. Four ROK diplomats were dispatched to the scene, and two were briefly physically restrained by the police while trying to stop the arrest, a ministry official said. The ministry called in a PRC embassy official, whose identity was not released, to demand the release of the DPRK defectors while filing complaint over the use of force against ROK diplomats.

Reuters ("CHINA CRITICIZES SOUTH KOREA OVER NORTH DEFECTORS ", Beijing, 2007/10/11) reported that PRC Foreign Ministry spokesman Liu Jianchao on Thursday blamed ROK diplomats for the confrontation with PRC police over DPRK defectors. "At that time, South Korean consular officials disregarded international law and their own status and obstructed the Chinese police from doing their job. China expresses its dissatisfaction at this," Liu stated. "To protect the safety of the students and the school's normal operations, the Chinese police sent officers to the scene. Related departments will deal with the issue properly and in accordance with the law," he added.

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7. ROK Trade Relations

Joongang Ilbo ("KOREA WILL SWEETEN EU TRADE OFFER", 2007/10/10) reported that in an effort to give new impetus to free trade negotiations with the European Union, the ROK plans to improve its tariff concessions, the Commerce Ministry said. The ROK and the 27-nation EU have held three rounds of free trade talks since May aimed at reaching a deal to lower tariffs and open their markets wider. The first three rounds made slow progress, however, because of differences in such sensitive areas such as automobiles and pharmaceuticals, casting a dark cloud on the goal of forging a deal this year. The two sides are scheduled to hold their fourth round of negotiations in Seoul next week.

Korea Times (Ryu Jin, "\$1 TRILLION IN TRADE POSSIBLE IN 5 YEARS", 2007/10/10) reported that the ROK's total trade with other countries is expected to top \$700 billion (641.5 trillion won) this year. Trade exceeded \$524.5 billion for a surplus of \$12.6 billion for the first nine months of 2007, according to the Ministry of Commerce, Industry and Energy and the Korea International Trade Association (KITA). ``We expect trade to surpass \$700 billion in late December if the current pace continues," a ministry official said.

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8. Japan SDF Indian Ocean Mission

Agence France-Presse (Kyoko Hasegawa, "JAPAN OPPOSITION REFUSES TO BUDGE ON AFGHAN MISSION", Tokyo, 2007/10/10) reported that Japan's main opposition leader refused to budge in his bid to end a controversial naval mission supporting US-led troops in Afghanistan, saying Tokyo should not simply follow Washington. Ichiro Ozawa, president of the Democratic Party of Japan which took control of one house of parliament in July elections, said his party may propose alternative plans on troop deployments overseas. "Joining a military operation just because the United States tells us, that's not a consensus of the international community nor a consensus of the Japanese people," he said.

The Asahi Shimbun ("U.S. DENIES DIVERTING JAPANESE FUEL FOR IRAQ OPERATIONS", 2007/10/10) reported that Washington has denied suspicions it diverted Japanese fuel intended for anti-terrorism activities in Afghanistan for use in operations in the Iraq war, Japanese government sources said. But Tokyo is not convinced, and has asked the U.S. government for additional information to verify its claim. The U.S. response to Japanese government inquiries about the suspected use of fuel for warships involved in the Iraq war came on Friday, the sources said.

Kyodo News ("ISHIBA DENIES ALLEGED DIVERSION OF JAPAN-PROVIDED FUEL", 2007/10/10) reported that Defense Minister Shigeru Ishiba denied allegations that a Japanese vessel providing refueling support in the Indian Ocean for the US-led anti terrorism mission in and around Afghanistan helped US operations in Iraq by indirectly providing fuel prior to the start of the war on Iraq in March 2003. Responding to questions from main opposition Democratic Party of Japan Acting President Naoto Kan in a parliamentary session, Ishiba said, "We've analyzed things (information) provided from the United States...the fuel was not used except for Operation Enduring Freedom," referring to the US-led anti terrorism operation.

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9. Cross-Strait Relations

Agence France-Presse ("TAIWAN UNVEILS MISSILES AT NATIONAL DAY PARADE", Taipei, 2007/10/10) reported that Taiwan flexed its military muscles Wednesday, showing off two home-developed missiles in a rare parade seen as a reminder to the PRC that it has the weaponry to defend itself. In a televised National Day address, President Chen Shui-bian said the PRC's own military build-up posed a threat to world peace, and urged it to withdraw nearly 1,000 ballistic and cruise missiles aimed at the island.

International Herald Tribune ("CHINA AND TAIWAN FLEX MILITARY MUSCLES", 2007/10/10) reported that the PRC has blanketed its territory with air defense radar, state media reported. A senior officer from the PRC Air Force headquarters, Fang Lei, said a seamless network of all-weather air defense radars had been installed to cover all the PRC airspace, according to a report on the Web site of the official military newspaper, the Liberation Army Daily. The network's detection and surveillance capability was "very close" to those deployed in developed countries and could also assist PRC forces in offensive operations, the report quoted Fang as saying.

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10. Hong Kong Leadership

Agence France-Presse (Guy Newey , "HONG KONG LEADER SAYS GROWTH COMES FIRST ", Hong Kong, 2007/10/10) reported that Hong Kong leader Donald Tsang insisted that economic development would remain the city's top priority in an annual address that skirted the thorny issues of pollution and democracy. In his first policy address since winning re-election in March, the chief executive said improving the city's environment or maintaining its heritage -- another campaign popular among activists -- had to take a back seat. "I will insist on promoting economic development as our primary goal," he told legislators.

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11. US-PRC Trade Relations

Reuters (Chris Buckley , "U.S. CHIDES CHINA FOR 'WORRISOME' INDUSTRIAL POLICY", Beijing, 2007/10/10) reported that a senior US official took aim at a clutch of the PRC's industrial policies, saying they could give domestic firms an unfair advantage and spell a retreat from open markets. The warning by Acting Under-Secretary of Commerce Christopher Padilla reflects growing U.S. frustration over America's trade deficit with the PRC, which is set to surpass last year's record \$233 billion. Beijing recently announced an anti-monopoly law which could work with rules on technology standards, procurement, taxes and patent transfer requirements to give PRC firms an unfair boost over foreign competitors, including US companies, Padilla told reporters in Beijing.

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12. PRC Internet Control

The Associated Press (Alexa Olesen, "CHINA IS URGED TO LOOSEN WEB CONTROLS", Beijing, 2007/10/10) reported that an international media rights group called on the PRC to loosen controls on Internet news and personal expression, calling the country's system of censorship an insult to the spirit of online freedom. Reporters Without Borders released an investigative report about the PRC's Internet controls that it said was written by a PRC technician who wished to remain anonymous. The technician lists 12 examples of government directives to Web portals from May and June last year ordering them to purge specific news items or topics from their sites or telling them to post government-approved content.

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II. ROK Report

13. Kaesong Industrial Zone

Donga Ilbo (Jung-min Dong, "NO BIG DIFFICULTIES IN BRINGING STRATEGIC MATERIALS TO KAESONG", Seoul, 2007/10/11) reported that although export of strategic materials to the Kaesong Industrial Zone is restricted because they could be used for the development and manufacture of weapons of mass destruction, the Ministry of National Unification, which is in charge approving exports, allows most requests for them. The Ministry has a hard time in deciding whether they should permit the exports or not. It is sandwiched between the complaints of companies that are trying to make a profit and the pressure of international society, which has struggled against weapon proliferation.

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14. DPRK Gifts to ROK

Chosun Ilbo (editorial, "ABOUT THE PINE MUSHROOMS FROM NORTH KOREA", Seoul, 2007/10/11) reported that DPRK leader Kim Jong-Il gave ROK President Roh Moo-hyun lots of pine

mushrooms as a gift in the second inter-Korean summit. Chong Wa Dae has distributed them to many people. However, according to a reporter who escaped from the DPRK, many DPRK citizens were forced to harvest the pine mushrooms. They even slept in valleys and started to go around to find them at dawn. Even if they worked more than 10 hours in a day, they had to buy the pine mushrooms themselves if they could not fill the quota. We should remember the pine mushrooms are not just mushrooms but the tears of DPRK people.

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15. PRC Role in Peace Regime

Pressian (Nam-ju Lee, "'THREE OR FOUR PARTY TALKS' ALREADY ACKNOWLEDGES PRC'S ROLE", Seoul, 2007/10/11) reported that attention is being paid to the reaction of PRC to the expression "3-party talks or 4-party talks" in the joint declaration of the second inter-Korean summit. This phrase might make PRC feel uncomfortable, and what is more, DPRK Leader Kim Jong-il proposed it. But more important is how we make the forum to discuss the eternal peace regime on the Korean Peninsula rather than who will participate in the last declaration. Since there is no given model for it, the ROK has to pursue the desirable form that necessarily includes the US and the PRC. To reach the ideal conclusion, we must remember that we need their creative roles.

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