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### I. United States

#### 1. Japan on Troops in Post-War Iraq

Reuters (George Nishiyama "JAPAN TAKES STEP TOWARD IRAQ TROOP DEPLOYMENT," Tokyo, 06/13/03), the Associated Press (Natalie Obiko Pearson, "JAPAN CABINET OKS TROOPS TO REBUILD IRAQ," Tokyo, 06/13/03) reported that Prime Minister Junichiro Koizumi's Cabinet approved a bill Friday that would allow Japanese troops to be sent to Iraq to assist in reconstruction. The bill was later submitted to parliament, where lawmakers will debate whether Japan will send ground troops on a peacekeeping mission for the first time. Facing considerable opposition, the Cabinet approved the proposal only after dropping provisions that would have allowed Japanese troops to participate in the disposal of any weapons of mass destruction that are found. "I'm glad they were able to see things in perspective and quickly approve the bill," a visibly pleased Koizumi told reporters after the Cabinet approval. Koizumi has been eager to steer Japan away from criticisms of "checkbook diplomacy," arising from its earlier pledges of money but not manpower to aid coalition efforts. He has pledged to President Bush to make Japan an "initiative-taking country"

in Iraq's reconstruction. But the proposed mission has drawn fire for encroaching upon Japan's pacifist constitution, which prohibits the use of force to solve disputes and restricts the military to a self-defense role. Some critics are concerned Japanese troops could be drawn into combat, as Iraq is still unstable and it could not be guaranteed they would be posted to conflict-free zones. Others fear the troops' lives could be at risk because their use of weapons is tightly restricted. But defense chief Shigeru Ishiba sought to reassure critics Friday, saying: "The government has no intention of dispatching Self Defense Forces to dangerous places without permitting them sufficient discretion to use weapons." To hurry Friday's bill into law, Koizumi is expected to call for parliament to extend its current session for a month past its scheduled close Wednesday.

## **2. Japan-US Missile Defense?**

The Japan Times (Nao Shimoyachi, "JAPAN URGED TO ADOPT US MISSILE DEFENSE," 06/13/03) reported that the chief of the US Missile Defense Agency urged Japan on Friday to introduce a US-developed missile defense system at an early date. In a meeting with Defense Agency chief Shigeru Ishiba, US Air Force Lt. Gen. Ronald Kadish was quoted by an agency official as saying Japan has a lot to benefit from introducing a "layered defense" combining the ground-based PAC-3 system and a sea-based missile defense shield. PAC-3, an updated version of the Patriot system, is designed to shoot down shorter-range missiles shortly before they hit their targets, while the sea-based system to be deployed aboard Aegis-equipped warships aims to intercept missiles before they re-enter Earth's atmosphere. Kadish, the Pentagon's top missile commander, expressed the hope of continuing to cooperate with Japan on missile defense, noting that Britain agreed in January to allow the US to use its key radar base for a missile defense project, the agency official said. Ishiba stressed the need to promote public understanding of missile defense, figuring the purchase of such a system would not come as easily as that of "buses and trucks" in terms of costs and procedures, the official said. Japan and the US have been conducting joint research on a sea-based missile defense system since 1999. However, faced with what some consider an imminent ballistic missile threat from the DPRK, Japan has recently been considering purchasing US-developed missile systems regardless of the course of the joint study. The US plans to deploy by 2005 several PAC-3 systems as well as other ground- and sea-based interceptor missiles.

## **3. Japan Iran Missile Export Charges**

The Washington Post (Doug Struck, "JAPAN ARRESTS FIVE IN IRAN MISSILE CASE," Tokyo, 06/13/03) and CNN News ("5 JAPANESE CHARGED WITH SALES TO IRAN," Tokyo, 06/13/03) reported that Tokyo police Thursday arrested the president of a Japanese manufacturing company and four employees on charges of exporting equipment to Iran that could be used for missile development, police said. Police said they believe the company, Seishin Enterprise Co., exported two sets of industrial grinders to Iran in 1999 and 2000 without a license from Japan's trade and industrial ministry. The police raided the company headquarters and several other locations Thursday. The grinders -- called "Jetmill" -- are used to pulverize material to super-fine powder and can be used to make solid fuels for missiles. Japanese law requires companies to secure government permission to export machines that can also be used for military purposes. Seishin reportedly exported the same machine to the DPRK in 1994, but Japanese authorities did not pursue the case because of the statute of limitations. Both Iran and the DPRK are suspected of having active nuclear weapons programs. President George W. Bush in his 2002 State of the Union address named Iran, the DPRK and Iraq as an "axis of evil, arming to threaten the peace of the world." That label and Bush's pledge to prevent "terrorists and regimes who seek chemical, biological or nuclear weapons from threatening the US and the world," implied a sharp detour from the diplomatic course that the US had been on with the DPRK and Iran. However, last month, White House officials said the Bush

administration would use diplomacy to resolve matters related to terrorism and nuclear weapons programs in those two nations.

#### **4. Japan DPRK Consumer Goods Inspections**

LA Times (Mark Magnier, "JAPAN SHRUGS OFF DPRK THREATS OVER INSPECTIONS," Tokyo, 06/13/03) reported that Japan says a crackdown on vessels is needed to prevent shipment of consumer goods that could be converted to military hardware. Japan on Thursday brushed off threats by the DPRK that it would torpedo relations between the two countries unless Japan eased up on maritime restrictions against DPRK vessels. "We have conducted such inspections in line with our law," Chief Cabinet Secretary Yasuo Fukuda told reporters, adding that he hoped North Korea would judge Japan's newly tightened inspection procedures against the communist state in a "reasonable and cool-headed manner." The DPRK suspended the only ferry service to Japan this week in response to the tough talk from Japan on ship inspections. Japanese officials say the crackdown is needed in part to prevent shipment of consumer goods that could be converted to military hardware. These include everything from high-end Japanese golf clubs - extracted titanium carbon fibers are used in missile housings - to off-the-shelf global positioning system hardware capable of steering missiles; to electronic fish finders that can be converted to sonar devices. Even the lenses of store surveillance cameras can find a second life as submarine periscopes, experts said, and something as mundane as high-quality shampoo can be filtered for its triethanolamine and used in making chemical weapons. "Any time they order huge amounts of anything, or buy expensive things, that should make us suspicious," said Shigeharu Aoyama, director of Japan's Independent Institute, a think tank based in Tokyo. "There are a lot of difficult judgment calls." While many of these items are widely available around the world, Japan's close geographic proximity, the ferry service between the two nations and a sizable population in Japan with ancestral ties to the DPRK means that Japan is the DPRK's shopping center of choice. Exports of more than two Sony PlayStation 2 video game players, for instance, are subject to Japanese export licenses, given their potential use in missile guidance systems. Also subject to review are airtight beer fermentation tanks of over 100 liters, given their potential use in incubating large quantities of biological hazards.

#### **5. ROK Domestic Economy**

The New York Times (Don Kirk, "TOP ROK OIL EXECUTIVE SENT TO PRISON FOR FRAUD," Seoul, 06/13/03) and BBC News ("ROK CORP CHAIRMAN IMPRISONED," 06/13/03) reported that the chairman of SK Corp, South Korea's biggest oil refiner, has been sentenced to three years in prison following revelations of the group's massive accounting fraud. Chey Tae-won was jailed for his part in the \$1.2bn (£720m) accounting fraud rocking the SK Group conglomerate, of which SK Corp is a key trading unit. SK Group chairman Son Kil-Seung was also found guilty of accounting fraud and given a three-year suspended sentence while eight other executives were given suspended sentences. The accounting scandal at SK Group's trading arm SK Global, has left the group on the brink of bankruptcy. It was discovered in March that earnings for 2001 had been inflated by \$1.2bn to hide losses. Chaebol crackdown Chey Tae-Won is the eldest son of the group's founding family and controls the conglomerate and its 58 subsidiaries, including the country's leading mobile phone group SK Telecom. He is also the son-in-law of the former ROK president Roh Tae-Woo. SK Group said it was shocked by his jail sentence and considering an appeal. The severe sentence comes as president Roh Moo-hyun stamps down on corruption in the leading conglomerates. A number of top executives from ROK businesses, including the Daewoo car group and Hanbo Steel, have already been jailed for corruption. SK Corp meanwhile is trying to extricate itself from the scandal using a bailout package worth more than \$700m. Foreign investors in SK Corp are opposed to the idea but it is now unclear whether the key board meeting will go ahead following the sentencing of the group's

chairman.

## **6. ROK Anti-US Rallies**

The Associated Press (Jae-Suk Yoo, "ROKS STAGE HUGE ANTI-US RALLIES," Seoul, 06/13/03) reported that thousands of ROKs rallied Friday to protest the US military presence on the anniversary of the deaths of two girls struck by a US military vehicle. The largest protest was in the capital, Seoul, where about 20,000 people, many holding candles gathered at a plaza near the US Embassy, chanting "Punish the murderous GIs!" and "Withdraw US troops!" At one point, several hundred students, some wearing masks and wielding plastic poles, charged toward the embassy, as thousands of other demonstrators set fire to paper US flags. Riot police used plastic shields and sprayed fire extinguishers to beat back the protesters, who threw dirt at the helmeted officers. No serious injuries were reported. Other major ROK cities held smaller candlelight vigils. Meanwhile, about 100 US soldiers held a memorial service for the girls at a base just north of Seoul. All US troop exercises were suspended for the day.

## **7. ROK-DPRK Economic Relations**

The Associated Press (Sang-Hun Choe, "SOUTH KOREA WARNS NORTH ON ECONOMIC TIES," Seoul, 06/13/03) reported that the ROK warned Friday that a further escalation of nuclear tensions by the DPRK would disrupt joint economic projects that could bring badly needed investment to the DPRK. The warning by ROK Unification Minister Jeong Se-hyun indicates a toughening of Seoul's stance toward North Korea in tandem with the US, Japan and Australia, which have been increasing pressure on the DPRK to abandon its suspected development of nuclear weapons. "If the North worsens the nuclear situation, it will inevitably affect exchanges and cooperation between South and North Korea," Jeong said in a speech Friday. Jeong said that the ROK was willing to push ahead with political reconciliation and economic cooperation with the DPRK, as agreed upon in an unprecedented inter-Korean summit three years ago Sunday. But he added that nuclear tensions should ease before such projects can gain speed. In recent weeks, Japan and Australia have tightened inspections on DPRK ships suspected of smuggling narcotics, counterfeit money and missile technology - believed to be the regime's three main sources of hard currency. Until now, the ROK has emphasized dialogue and shunned talk of pressure or sanctions against the DPRK. Meanwhile, the DPRK on Friday urged the ROK to work with Pyongyang for the peaceful reunification of the divided peninsula without "relying on outsiders."

## **8. PRC Naval Dismissals**

The Associated Press (Christopher Bodeen, "CHINA ACCIDENT PROMPTS NAVY DISMISSALS," Beijing, 06/13/03) and The Washington Post (John Pomfret, "CHINA REPLACES TOP NAVY OFFICERS OVER SUB DISASTER," Beijing, 06/13/03) reported that in a rare break with military secrecy, the PRC announced demotions and dismissals of a fleet commander and nine other navy officers Friday over a submarine accident that killed 70 sailors. The announcement came a little over a month after the government reported the accident in the Yellow Sea - the first fatal submarine accident disclosed by the PRC's military and one its deadliest known disasters. The reports have fed suggestions that Hu Jintao, who was named president in March, intends to impose greater accountability in government, while maintaining strict Communist Party control. In a brief dispatch, the official Xinhua News Agency said those demoted included Ding Yiping, the commander of the North Sea Fleet to which the ill-fated submarine belonged, and fleet political commissar Chen Xianfeng. Reference books identify both men as vice admirals. Xinhua said eight others whom it

didn't identify were demoted or dismissed. It didn't elaborate on mistakes made, but said the accident aboard submarine 361 "was caused by improper command and control." "Today, the Central Military Commission has taken the decision to carry out severe punishment against those relevant persons responsible for the submarine 361 major accident," the report said.

## **9. PRC SARS Development**

Reuters (Richard Waddington, "WHO LIFTS SARS TRAVEL ALERT FOR PARTS OF CHINA," Geneva, 06/13/03) and CNN News ("SARS WARNING REMAINS FOR BEIJING," Geneva, 06/13/03) reported that Taiwan still under watch as WHO lifts China advisories The World Health Organization has lifted SARS travel advisories for parts of China, but it is still warning against unnecessary trips to Beijing and Taiwan. The U.N. health agency also expressed new concern about Toronto after an American visitor there caught the virus. But the WHO said it had no immediate plans to issue another travel warning for Canada's largest city. In the PRC, the WHO said it dropped the travel alert for the city of Tianjin and the provinces of Shanxi, Heibi and Inner Mongolia in northern PRC. The news followed a day of intense meetings between PRC health officials and WHO's chief SARS expert, Dr. David Heymann. Heymann said Thursday he was satisfied with the PRC's efforts to stem the spread of severe acute respiratory syndrome. "We've seen that there has been a massive effort to mobilize the population both in urban and rural areas across the country, encouraging people to monitor themselves for fever and to ensure that SARS cases are quickly identified, isolated and treated," he said. Tianjin and the three provinces remain listed as "SARS-affected areas," but WHO officials said efforts to contain the disease have been efficient and the area no longer poses a significant risk to travelers. The WHO had previously lifted travel advisories for Hong Kong and the provinces of Jilin and Guangdong. The agency also removed Guangdong, Hebei, Hubei, Inner Mongolia, Jilin, Jiangsu, Shaanxi, Shanxi and Tianjin from its list of areas with new cases reported within the past 20 days -- twice the usual incubation period.

## **10. PRC Political Democratization**

The Washington Post (John Pomfret, "CHINA TO OPEN FIELD IN LOCAL ELECTIONS," Beijing, 06/13/03) reported President Hu Jintao is poised to announce limited but significant political reforms that would permit for the first time more than one candidate to compete for office in local legislatures, political sources said today. Newspaper editors have been told that Hu will announce the changes in a speech on July 1 to mark the 82nd anniversary of the Communist Party. The reforms come during a larger debate over whether the government should adopt political changes. That debate was triggered by widespread criticism of China's coverup of the SARS epidemic and the government's degree of openness. Hu and Premier Wen Jiabao, both of whom came to power on March 19, have encouraged a relative openness since Health Minister Zhang Wenkang and Beijing's mayor, Meng Xuenong, were sacked on April 20 for mishandling the response to epidemic, PRC sources said. The leaders have used the greater openness as leverage in their struggle for power with former president Jiang Zemin, the sources said, while Jiang has sought to rein in the media to keep his authority intact. Jiang retains a power base from his position as chairman of the Central Military Commission. The impending reforms will affect the way the Communist Party nominates candidates for mayor or provincial governor. Under the current process, only one candidate is nominated and is automatically approved by the local People's Congress. Under Hu's plan, more than one candidate would run for the post and delegates in the People's Congress, not just the local party committee, would be allowed to nominate candidates. "It's a small breakthrough but it's significant," said Li Fan, an independent political analyst in Beijing.

## **11. Hong Kong on PRC Trade Pact**

The New York Times (Keith Bradsher, "HONG KONG SAYS CHINA TRADE PACT WILL COMPLY WITH WTO," Hong Kong, 06/13/03) reported that a senior Hong Kong official said today that a nearly completed free trade agreement between Hong Kong and mainland China would comply with World Trade Organization rules. But he refused to rule out the possibility that some provisions might favor companies with roots in Hong Kong deeper than multinationals' subsidiaries. The US and other Western governments, together with foreign chambers of commerce here, have strongly urged Hong Kong and the PRC to avoid any deals that would end Hong Kong's long tradition of treating all businesses equally. Hong Kong has long enforced the same laws for any business incorporated here regardless of whether it is locally owned or is the subsidiary of a larger company with headquarters and owners elsewhere. The PRC, by contrast, has extensive regulations distinguishing between companies that are domestically owned as opposed to those that are partly or entirely financed from abroad. The so-called foreign-funded enterprises qualify for lower tax rates, but many are also required to export some or all of their production instead of being allowed to compete in the domestic market. Henry Tang, Hong Kong's secretary of commerce, industry and technology, said today that the agreement, the Closer Economic Partnership Arrangement, would follow W.T.O. rules, which discourage any commercial discrimination based on nationality. The W.T.O. rules are not very specific, however, and have not prevented the PRC from retaining its separate sets of regulations, although Beijing officials said last year that those rules would be studied. "We have always treated everyone fairly and therefore this agreement has to be W.T.O. consistent," Tang said today at a news conference for foreign correspondents, while adding that, "It will involve areas where there will be more conditions to it than just Hong Kong incorporation."

## **12. Japan Gender Equality Report**

Reuters ("JAPAN LAGS ON SEX EQUALITY, SAYS GOVERNMENT REPORT," Tokyo, 06/13/03) reported that Japanese women are a long way from achieving equal status with men because of entrenched stereotypes about their role in society, the government said in a report released on Friday. More than two thirds of Japanese women say they are treated unfairly at work, while Japanese husbands spend far less time on housework and childcare than their counterparts in Europe and the US, the paper said. The report compared opinions and statistics on gender equality in Japan with Britain, Germany, the Philippines, the ROK, Sweden and the US, in the first such international survey carried out by the government in 20 years. Japanese husbands in families with small children were found to spend about 48 minutes a day on housework and child care, compared with about three hours by men in Europe and the US. "Japan is still a developing country in terms of gender equality," Mariko Bando, head of the Gender Equality Bureau, was quoted as saying by Kyodo news agency. But not all Japanese women appeared to want a change in their situation. Only about 57 percent of Japanese women opposed the idea that men should work while their wives stayed at home, compared with 93 percent in Sweden.

## **13. DPRK on US "War Plan"**

The Korean Central News Agency of DPRK ("US DANGEROUS WAR PLAN UNDER FIRE," Pyongyang, 06/13/03) reported that recently the US forces command in the ROK announced a plan to massively beef up its forces in the ROK by spending 11 billion US dollars in three years to come. The plan has more than 100 proposals all of which are aimed to increase the capability to attack the DPRK to the maximum. In this regard Rodong Sinmun today says in a signed commentary: The US imperialists' plan is a blatant challenge to the desire of all the Koreans to see the US imperialist aggressors withdrawn from South Korea and achieve the independent reunification by the nation's

concerted efforts as it is the most dangerous one to boost their capability for preemptive strike at the DPRK to the maximum. The bellicose forces do not bother to let loose a spate of outbursts that the plan is to "break through the front" of somebody and "advance straight towards Pyongyang" in case of an "emergency" on the Korean Peninsula. As soon as the plan was published, it was put into practice. A wing of apache helicopters envisaged in the plan has already been deployed in South Korea. The deterrent force of the DPRK serves as a powerful weapon and an iron-wall shield to defend the peace and security on the Korean Peninsula and bring aggressors shame and death. If the US imperialists start another war on the Korean Peninsula, the people's army and people of the DPRK will give vent to the pent-up grudge and mercilessly punish the aggressors. Then the second Korean war will end in the self-destruction of the US imperialists. The US is well advised to drop war hysteria and megalomania and cancel its reckless arms buildup plan.

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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