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## I. United States

### 1. DPRK US Food, Energy Aid?

The Associated Press (Ron Fournier, "BUSH SAYS FOOD, ENERGY AID POSSIBLE IF NORTH KOREA DISARMS," Washington, 01/14/03) reported that President George W. Bush said Tuesday he would consider reviving his plan to give the DPRK energy and food aid if the DPRK stops developing nuclear weapons. The offer came even as Bush said he won't negotiate with the DPRK or reward the country for "bad behavior." It is a departure from the administration's policy against linking food aid to political developments. Bush hopes to mollify allies such as the ROK and defuse an accelerating showdown at a time when the Pentagon is preparing for potential war with Iraq, White House officials said. "I view this as an opportunity to bind together nations in the neighborhood and around the world to make it clear to the DPRK that we expect this issue to be resolved peacefully and we expect them to disarm - we expect them not to develop nuclear weapons," Bush said before a

meeting with Polish President Aleksander Kwasniewski. "If they so choose to do so - their choice - then I will reconsider whether or not I we'll start the bold initiative that I talked to Secretary (Colin) Powell about," he said. Earlier in the session with reporters, Bush said his initiative included talks about food and energy aid because the United States cares "about the suffering of the North Korean people." Since last June, the policy has been to tie food deliveries to the DPRK's willingness to provide access to U.N. World Food Program monitors to ensure that the food reaches the intended recipients.

The Washington Post (Glenn Kessler, "US SAYS NO NEW TACK ON NORTH KOREA, ENVOY'S REMARK ON AID CAUSES STIR," 01/14/03) reported that the Bush administration yesterday played down comments by a top US envoy that the US would consider offering energy aid to the DPRK if it abandons its nuclear weapons development programs. The comments, made by Assistant Secretary of State James A. Kelly in Seoul, were widely interpreted as a new sign that the administration was willing to negotiate a settlement to the escalating crisis on the Korean Peninsula. But White House and State Department spokesmen, speaking only hours after Kelly's remarks, insisted that they did not represent a shift in the administration's strategy of refusing to negotiate a deal with the DPRK. "I don't think you have anything new here," said White House spokesman Ari Fleischer. He said that "the ball remains in North Korea's court. They know what they need to do [verifiably dismantle weapons programs], and they need to take that action." Tensions remain high within the administration over how to resolve the standoff with North Korea, and the rush to clarify Kelly's statements reflects the divisions within the US government. Under pressure from allies, especially the ROK, the administration said last week that it would talk -- but not negotiate -- with the DPRK over how they can come into compliance again with its international agreements to freeze a plutonium facility and not pursue nuclear weapons.

**2. Powell on New DPRK Agreed Framework?**

Reuters ("POWELL: US WANTS STRONGER RULES ON NORTH KOREA," Washington, 01/14/03) reported that US Secretary of State Colin Powell said the US will need "a new arrangement" to assure the DPRK was not producing nuclear weapons if the current crisis is defused, The Wall Street Journal reported on Tuesday. Powell said a 1994 framework among the United States, allies and the DPRK to constrain Pyongyang's nuclear work "did not succeed in capping production" of fissile material. "I think, therefore, that we need a new arrangement and not just go back to the existing framework," Powell said in an interview with the newspaper. Incoming chairman of the Senate Foreign Relations Committee, Indiana Republican Richard Lugar, said US allies support the 1994 framework but "would also support what Secretary Powell is suggesting, and that is there really has to be a better look-see by the rest of the world" at the DPRK's weapons work. "No one knows," Lugar said on CNN of the validity of the DPRK statements that it was not developing nuclear weapons. The secretive communist country has expelled international monitors, said it was reactivating its nuclear energy program and withdrawn from the nuclear Non-Proliferation Treaty. Powell said the United States had made no decision whether it would support resumption of the construction of two light-water nuclear reactors, which were pledged under the 1994 framework as an alternative source of energy, if the DPRK agreed to abandon all weapons activities. "Are the reactors the best way to give them the kind of energy capacity they need? These are kind of open questions," Powell said. "It might be reactors, it might be some other form of energy."

**3. DPRK Nuclear Situation**

The Associated Press (Joseph Coleman, "NORTH KOREA THREATENS TO EXERCISE 'OPTIONS,'" Seoul, 01/14/03) reported that the PRC offered Tuesday to host talks between the US and the DPRK

in a bid to end their standoff, and the DPRK warned it was running out of patience with the US, threatening to exercise undefined "options." A vaguely worded statement from the DPRK did not specify what options it was considering, but suggested the DPRK was prepared to escalate the crisis over its drive to develop nuclear weapons. The US welcomed the PRC's offer but stopped short of calling the development a breakthrough. Asked whether the PRC's overture was a step toward a solution, spokesman Ari Fleisher said, "That's up to North Korea. We'll find out. We hope so." President Bush said Tuesday that nations in the region should "bind together" and tell the DPRK that "we expect them to disarm - we expect them not to develop nuclear weapons." If the DPRK does so, then the US would consider new talks about food and energy aid to the impoverished nation. Possible further next steps for the DPRK would include suspending its moratorium on missile tests - as it has threatened - or go ahead with a test. A more extreme option would be to begin developing weapons-grade plutonium at a reprocessing plant that they say is ready for operation. In a push for diplomacy, the PRC Foreign Ministry said it would be willing to negotiate talks in Beijing between the US and the DPRK.

### 4. DPRK New Missile Development

The Associated Press (Christopher Torchia, "ANALYSTS: NORTH KOREA DEVELOPING NEW MISSILE," Seoul, 01/14/03) reported that the DPRK, which says it might resume missile tests, could be ready to test a two-stage rocket capable of reaching Alaska or Hawaii with a nuclear weapon-sized payload, according to US defense analysts. US officials say the DPRK is the world's No. 1 proliferator of missile technology, and the threat it poses is one reason why Washington plans to build a limited missile defense system by the end of 2004. US defense expert say the DPRK has one or two nuclear bombs, as well as chemical and biological weapons that can be deployed in warheads. A statement by Ambassador Choe Jin Su followed the DPRK's withdrawal a day earlier from the Nuclear Nonproliferation Treaty read, "Because all agreements have been nullified by the United States side, we believe we cannot go along with the self-imposed missile moratorium any longer," Choe said. DPRK technicians are believed to be working on the more advanced Taepodong-2. US defense experts believe that the missile, if deployed, could deliver a payload of several hundred pounds as far as Alaska or Hawaii, and a lighter payload to the western half of the continental United States. Technical difficulties and economic hardship have hampered the DPRK's missile programs in recent years, and it is unclear whether the Taepodong-2 is ready for testing. If so, it could be done with relatively little warning.

### 5. Russia DPRK Diplomacy

The Associated Press (Vladimir Isachenkov, "PUTIN TO SEND SPECIAL ENVOY TO TRAVEL TO NORTH KOREA, CHINA AND UNITED STATES," Moscow, 01/14/03) reported that Russian President Vladimir Putin is sending a special envoy to Beijing, Pyongyang and Washington to help mediate the crisis over the DPRK's nuclear program, Russia's defense minister said Tuesday. Deputy Foreign Minister Alexander Losyukov will travel shortly to the PRC, the DPRK and the US as part of international efforts to negotiate a diplomatic solution to the conflict, Defense Minister Sergei Ivanov told reporters after talks with Japan's defense chief Shigeru Ishiba. Ivanov wouldn't give exact dates for Losyukov's tour or elaborate on his mission. "During the last few days, there have been encouraging statements that mean that the situation could be returned to as it was the before North Korea withdrew from the Nuclear Nonproliferation Treaty and the status quo could be restored," Ivanov said. He reaffirmed Russia's condemnation of the DPRK's withdrawal from the landmark treaty barring the spread of nuclear weapons, saying the move was "deplorable." However, he said that DPRK should not be threatened. "The problem should be solved by political means without dictating to and pressuring North Korea," Ivanov said.

### 6. Russia-US Missile Defense Cooperation?

The Associated Press ("RUSSIAN DEFENSE MINISTER SAYS MOSCOW MIGHT COOPERATE WITH US ON MISSILE DEFENSE," Moscow, 01/14/03) reported that Russia's Defense Minister Sergei Ivanov on Tuesday reaffirmed Russia's criticism of the prospective US missile shield, but added that Russia might cooperate with the US in building its components. Repeating last year's statement by Russian President Vladimir Putin, Ivanov said that the US withdrawal from the 1972 Anti-Ballistic Missile Treaty banning such defenses was a "mistake" but not a threat to Russia's national security. "We don't exclude the possibility of cooperation with the United States on some elements of such system if it will be created," Ivanov told reporters after talks with visiting Japan's defense chief Shigeru Ishiba. "Our possible participation is linked to certain conditions - primarily our national security and economic interests," Ivanov said. In an interview published last week, the US Ambassador to Moscow, Alexander Vershbow, said the two countries have good prospects for cooperating on development of such systems and are trying to define areas of possible joint work. But Vershbow later said in Washington that the Russian military was resisting US-Russian cooperation. Col.-Gen. Yuri Baluyevsky, the first deputy chief of the General Staff of the Russian armed forces, said in a newspaper interview last week that the United States wants to obtain some Russian military technologies but remains reluctant to accept Russian proposals of joint research. In contrast with the Kremlin's calm attitude to the US missile defense plans, Baluyevsky called them a potential threat to Russia's security.

### 7. Koizumi Yasukuni Shrine Visit

BBC News ("ANGER AT JAPAN PM'S SHRINE VISIT," 01/14/03) reported that Japanese Prime Minister Junichiro Koizumi visited Tokyo's Yasukuni shrine on Tuesday for the third consecutive year. The PRC said the visit could "seriously damage" relations with Japan. The shrine is dedicated to Japan's 2.5 million war dead, including wartime Prime Minister Hideki Tojo, who was hanged for war crimes in 1948. Just hours after Koizumi's visit, the PRC's foreign ministry summoned Japan's ambassador in Beijing and issued an angry protest. "The Chinese Government and people express strong dissatisfaction and indignation," Chinese foreign ministry spokeswoman Zhang Qiyue told reporters. "It has also hurt the feelings of Asian victims, including Chinese," she said, referring to the tens of millions of Chinese killed during the 1937-45 war with Japan. The ROK expressed "deep regret" at Koizumi's visit. "We feel anger and disappointment about the visit to Yasukuni Shrine," its foreign ministry said in a statement. Koizumi said he went to the shrine "to meditate on peace with a clear mind and [Japan] never again causing a war". Last year, hoping to lessen the controversy, he made an unannounced visit in April. But he was again roundly criticized as having renewed painful memories of Japan's wartime conquest of its Asian neighbors. Last October, then PRC President, Jiang Zemin, forcefully Koizumi never to visit the shrine again.

BBC News ("RUSSIA PREPARES NORTH KOREA MISSION," 01/14/03) reported that Russia is to send an envoy to Pyongyang to push for a peaceful resolution to the DPRK's nuclear stand-off with the United States. Pressure for a diplomatic solution is growing, with negotiators from the DPRK's allies and opponents converging on the region. The PRC is also urging direct talks between the US and the DPRK. The US stopped fuel aid after it said the DPRK admitted having a nuclear weapons program. Russia believes it can play a key role, given its historic ties with the DPRK. Defense Minister Sergei Ivanov said there was some optimism for a peaceful outcome to the row. Ivanov stated, "In the last few days, certain hopeful steps and statements have emerged which I would say look to return the situation to what it was before the current crisis." Ivanov cautioned that the DPRK should not be threatened. "The problem should be solved by political means without dictate and pressure on North Korea."

### 8. PRC Domestic Economy

BBC News ("CHINA ATTRACTS RECORD INVESTMENT," 01/14/03) reported that the PRC attracted a record $52.7bn (£32.9bn) in foreign direct investment in 2002, but investment growth has slowed down from the previous year. Investment in the world's most populous country slowed to 12.5%, from 14.9% in 2001, after tailing off at the end of the year, the ministry of foreign trade said. The PRC government has made it easier for foreign companies to expand in the PRC and entry into the World Trade Organisation (WTO) in 2001 has resulted in liberalization in some industries. The cheap labor market, which demands wages less than 5% of those in the US, also helped attracted foreign manufacturers. Contracted foreign investment, an indicator of future investment, rose 19.6% in 2002, outpacing the previous year's 10.4% gain. The capital influx has fuelled a strong growth in the manufacturing sector, helping the PRC's economic growth reach 8% last year. A United Nations report has indicated the PRC will become the top recipient of foreign director investment (FDI), overtaking the US. The state media reported that China expected to attract about US$100bn in FDI a year between 2006 to 2010.

## II. Republic of Korea

### 1. Asking EU and Russia to Cooperate

The Korea Herald ("CHOI PHONES EU FOREIGN CHIEF ON NUCLEAR ISSUE," Seoul, 01/14/03) reported that foreign Minister Choi Sung-hong called European Union's foreign policy chief, Javier Solana, Monday to seek European countries' support in persuading DPRK to abandon its nuclear threats, Choi's aides said. The aides said Choi emphasized that DPRK's nuclear issue should be resolved through diplomatic and peaceful means based on close cooperation among relevant countries, including EU countries and Russia. On Saturday, Choi called his Russian counterpart Igor Ivanov to ask for Moscow's assistance in settling the nuclear tension.

### 2. DPRK's Two Pronged policy

The Korea Herald (Shin Yong-bae, "NK TAKING DOUBLE APPROACH TOWARD US." Seoul, 01/14/03) reported that DPRK recently announced that it was withdrawing from the Nuclear Nonproliferation Treaty (NPT) and threatened to resume missile testing. The DPRK also warned US it could be turned into a "sea of fire." Yet despite these threats, DPRK also proposed holding a ministerial meeting with the ROK, and North Korean envoys held informal talks with a US governor to discuss ways to resolve the nuclear standoff. DPRK's top diplomats have also voiced the need for talks between the two countries. According to ROK officials and analysts, this two-pronged policy is typical; DPRK raises the stakes while leaving open the possibility of settling pending issues through dialogue. "The North has taken hard-line steps in hope of jockeying for position in talks. In other words, it has a strong desire to have discussions with the United States," said ROK senior government official. He said that although DPRK is playing a game of nuclear brinkmanship, what it wants is not to develop nuclear weapons, but US's "formal guarantee" of its security, or a written statement ensuring there will be no strikes on DPRK. "To attain this goal, North Korea is mobilizing all its political resources," said the official, who once devised strategies for inter-Korean talks. He was referring to the meeting between US New Mexico Gov. Bill Richardson and DPRK's Deputy Ambassador to the United Nations Han Song-ryol over the weekend on the nuclear issue. After three days of talks, the US governor said the Bush administration should open talks with DPRK aimed at negotiating a nonaggression pact to defuse the current tensions. Han reiterated that DPRK has no intention of making nuclear bombs and requested preliminary talks between DPRK and US at the

United Nations.

### 3. ROK Resident Elect Meeting with US Assistant Secretary

The Korea Herald (Kim Young-sae, "ROH REASSURES KELLY ON ALLIANCE," Seoul, 01/14/03) reported that it is 'Absolutely unacceptable' for DPRK to possess nuclear capability, he says. President-elect Roh Moo-hyun said Monday that DPRK with nuclear capabilities was "absolutely unacceptable." Speaking with US Assistant Secretary of State James Kelly at the presidential transition team office, Roh also said there was still room for the international community to resolve the escalating tension through "dialogue and negotiations." The alliance between ROK and US "was important in the past, it is important now and it will be important in the future," Roh told Mr. Kelly. Anti-American sentiment in ROK is limited "to a very small group of people," he said, according to his spokesman, Lee Nak-yon. Roh said that even the candlelight vigils by young Koreans assume the continued presence of US soldiers in ROK, since they ask only for a revision of the Status of Forces Agreement. He told Kelly that he would meet with USFK before taking office. Kelly reiterated that US has no intention or plan to attack DPRK and that US would continue to consult with ROK on DPRK, the spokesman said.

### 4. Anti and Pro US Rallies

Joongang Ilbo (Min Seong-jae, "RALLIES GROW MORE DIVERSE ON U.S. ISSUE," Seoul, 01/14/03) reported that "Oh God, thank you for the presence of the US Army here," chanted about 30,000 Protestants in a prayer meeting that almost looked like a pro-American rally Saturday afternoon in front of City Hall. "We reject those anti-American bands." Instead of the anti-US protesters' candlelight, they held green balloons, on which such words as "peace, penitence, and reconciliation" were written. A couple of hours later, a small number of candlelight protesters gathered around the Kyobo building, 100 meters away from City Hall. They protested the deaths of the girls killed by a U.S. armored vehicle and demanded that the US forces in the ROK leave the country. Protests about the US military presence in ROK are growing diversified. Often they directly oppose one after another. The candlelight protests recently have diverged into two groups. The Pan National Committee leads rallies with a stronger anti-US cast. Another group, complaining that those rallies stifled diverse voices, organized their own gatherings geared more toward peace and human-rights awareness, not necessarily anti-US.

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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