NAPSNet Daily Report 21 May, 2002

Recommended Citation

"NAPSNet Daily Report 21 May, 2002", NAPSNet Daily Report, May 21, 2002, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-21-may-2002/

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I. United States

1. PRC-Japan DPRK Defectors

Reuters (Jeremy Page, "CHINA SAYS NORTH KOREANS IN GOOD CONDITION IN SHENYANG," Beijing, 05/21/02) reported that the PRC said on Tuesday that the five DPRK asylum seekers were still in the northeastern city and were in good condition. They were the PRC's first public comments on the whereabouts and welfare of the five defectors, including a three-year-old girl, since they entered the consulate on May 8. Foreign Ministry spokesperson Kong Quan said police were still investigating their identities and insisted the PRC would handle the matter on its own terms, urging Japan to withdraw "unreasonable" demands for their return and an apology. "They are in Shenyang undergoing verification of their identities and relevant situations," he told a news conference. "They are in good condition."

Agence France-Presse ("JAPAN SEEKS HUMANITARIAN SETTLEMENT FOR NORTH KOREAN ASYLUM SEEKERS," 05/20/02) reported that Japan said it wanted an early settlement for humanitarian reasons of the fate of five DPRK asylum-seekers. The five, still being held by PRC authorities, were still in good health, Chief Cabinet Secretary Yasuo Fukuda added Monday. "It is not really good enough that the settlement for the five people has been delayed while the people who rushed into the embassies of other nations have been solved," he told a regular press conference. "The humanitarian issues are growing bigger as time passes," he said. The PRC has ignored repeated Japanese demands to hand over the asylum-seekers, who briefly entered the Japanese consulate in the northeastern Chinese city of Shenyang on May 8.

2. Japan-Taiwan Water Assistance

Agence France-Presse ("JAPAN OFFERS FREE WATER TO DROUGHT-STRICKEN TAIWAN," 05/18/02) reported that Japan's southernmost province of Okinawa has offered Taiwan tonnes of free water as it suffers its worst drought in years, the foreign ministry said here. Taiwan is considering the offer but wants to monitor water supply levels and rainfall this month before deciding whether to accept, a ministry spokeswoman Chang Siao-yueh stated. Authorities in Okinawa, the closest Japanese province to Taiwan, said Tuesday they could provide 3,000 tonnes (3,300 short tons) of water daily to Taiwan for two months, Chang said. "We appreciate Japan's warm-hearted and generous offer," Chang said. Some rain fell throughout the island from Wednesday to Friday but it was insufficient to ease water shortages, especially serious in northern part of the island, officials said. Anti-drought and water rationing measures have been imposed in some areas of Taiwan, including the greater Taipei area, northern Taoyuan county and southern Chiayi county. Weather forecasters expect more rainfall next week which could ease the situation.

3. ROK Domestic Politics

Agence France-Presse ("SOUTH KOREAN PRESIDENT VOWS TO STAY DESPITE SON'S ARREST," 05/19/02) reported that ROK President Kim Dae-Jung vowed to see out his term in office despite the detention of his third son on accusations of taking more than US\$1.2 million dollars in bribes. The 76-year-old leader expressed his shame at seeing his son Kim Hong-Gul formally arrested and detained on Saturday night. Presidential spokeswoman Park Sun-Sook said in a statement: "It's very regrettable." "Now the court will judge all issues and President Kim will devote himself to state affairs without being swayed." A court issued a warrant on Saturday night to send Kim Hong-Gul to a detention center south of Seoul. He faces a jail term of up to five years if found guilty at trial. A verdict is expected before a presidential election is held in December. Prison authorities said the president's son was reading books after being put in solitary confinement for security reasons. Kim Hong-Gul has been charged with receiving cash and shares in Tiger Pools International (TPI) worth 1.5 billion won (US\$1.2 million dollars) as a bribe to help the firm win a sports gambling licenee issued last year. He was also given 48,000 shares in a Tiger subsidiary with face value of 500 won per share. The value now is not known.

4. Cross-Straits Relations

Reuters (Benjanmin Kang Lim, "TAIWAN SHIPPING TYCOON TO SHUN PRESIDENT AND WOO

CHINA," Taipei, 05/21/02) reported that Taiwan shipping tycoon Chang Yung-fa, wants to step down as an adviser to President Chen Shui-bian, apparently to curry favor with the PRC. Chen announced on Sunday the reappointment of Chang, chairman of the giant Evergreen shipping group, as one of his senior advisers, but group spokesman Nieh Kuo-wei said on Tuesday that Chang has no plans to continue in that position. "He hopes to turn it down because he's extremely busy with the group's business and has no time to spare to attend to the senior adviser job," Nieh said. Taiwan media said Chang's close ties to President Chen of the pro-independence Democratic Progressive Party (DPP) has been more of liability than an asset for doing business in the PRC. "He is shaking off his political colors to help his advance on the mainland market," Taiwan's China Times said.

5. Cross-Straits Economic Relations

Reuters ("TAIWAN APPROVES \$166 MILLION OF INVESTMENTS IN CHINA," Taipei, 05/20/02) reported that Taiwan said that on Monday it had approved US\$166.6 million of investments in the PRC by local companies. The Investment Commission said in a statement that the latest round of approvals included a plan by electronic component maker Hon Hai Precision to invest an additional US\$23.8 million in its Beijing unit and US\$33.8 million in setting up a new company in Suzhou to make components and connectors. The commission also approved a project by Formosa Plastics, the island's largest private industrial conglomerate, to invest \$43 million in a new company to produce and market plastics products in China. Taiwan investors have invested US\$60 billion into the PRC since the late 1980s.

6. East Asia Oil Import Outlook

Reuters ("REPORT SAYS E.ASIA TO BE NET OIL PRODUCT IMPORTER IN '05," Tokyo, 05/21/02) reported that the East Asian region excluding Japan is expected to be in a net importing position of about 410,000 barrels per day for oil products in 2005, a Japanese energy think tank said in a report released on Monday. The forecast in the report released by the Institute of Energy Economics Japan (IEEJ) is based on a scenario that the East Asian region will post annual average growth of 4.9 percent between 2000 and 2005. The East Asian region comprises the PRC, the ROK, Taiwan, Hong Kong, Singapore, Brunei, Indonesia, Malaysia, the Philippines, Thailand and Vietnam. The study takes into account East Asia's refining capacity and trade in oil and oil products among others. Looking further ahead, the IEEJ said it expects East Asian oil demand to remain firm between 2005 and 2010. However, refinery capacity is unlikely to rise, and the region is likely to be in a net oil product importing position of 1.34 million bpd in 2010.

7. Russia-US Nuclear Agreement

The Associated Press ("RUSSIA TO PRESERVE GROUND, AIR AND SEA NUCLEAR WEAPONS DESPITE ARMS CUTS AGREED," Moscow, 05/18/02) reported that Russia will maintain the three ground, air and sea components of its nuclear arsenal despite planned arms cuts under a new agreement with the US, a top military official said Saturday. "The nuclear triad will be maintained with the parameters that correspond to the national interests of the country," first deputy chief of staff Colonel General Yuri Baluyevsky said. Baluyevsky said US-Russian negotiators would continue to settle details of implementing the treaty after it is signed at a summit next week in Russia between President Vladimir Putin and US President George W. Bush. "We are bound to move together with the United States regardless of disagreements that we have had, have and will have," Baluyevsky said. He said the final text of the agreement had nearly been finalized and is "result of compromise that suits both parties."

8. Russia-DPRK Relations

The Associated Press (Anatoly Medetsky, "RUSSIAN FOREIGN MINISTER PRAISES WARMING TIES WITH NORTH KOREA," Moscow, 05/21/02) reported that Russian Foreign Minister Igor Ivanov told his DPRK counterpart Tuesday that Moscow is pleased that its relations with the DPRK have been developing "dynamically." The meeting with DPRK Foreign Minister Paek Nam Sun came two days before US President George W. Bush is due to arrive in Moscow. In Tuesday's talks, the ministers said that their countries are ready to fight international terrorism in accordance with UN declarations and solve international problems through diplomacy, a statement from the Russian Foreign Ministry said. The talks also focused on relations between the DPRK and the ROK, and Russia welcomed a planned visit by a US envoy to the DPRK to discuss the issue. Paek invited his Russian counterpart to visit North Korea, and the invitation was accepted, the Foreign Ministry statement said.

9. DPRK-ROK Relations

The Associated Press (Yoo Jae-suk, "NORTH KOREAN NUCLEAR, AIRPORT OFFICIALS ON STUDY TOUR OF SOUTH KOREA," Seoul, 05/19/02) reported that 10 DPRK nuclear and airport officials arrived in the ROK on Sunday for a six-day study tour, an ROK official said. The visit is part of a program under which a US-led international consortium is building two safer, substitute nuclear reactors in the DPRK, said the official, speaking on condition of anonymity. The official, who works for the Korean Peninsula Energy Development Organization consortium, said the DPRK officials will visit nuclear power plants and airports during their stay. The DPRK visit comes two weeks after the DPRK canceled planned economic talks with the ROK. The DPRK delegation this week will visit Ulchin on the ROK's east coast, where four French-built nuclear reactors are in operation, said the consortium official. The delegation was also expected to visit two ROK airports. The DPRK, the official said, is interested in the ROK's proposal that the DPRK's airline, Air Koryo, open direct but irregular flights to the two ROK airports to transport equipment and personnel for the reactor project. The project is only 15 percent complete and is unlikely to be finished by its original target date in 2003 because of funding and other problems, consortium officials said.

10. ROK-Taiwan Flights

The Associated Press ("FIRST TAIWANESE FLIGHT FLIES TO SOUTH KOREA AHEAD OF WORLD CUP," Taipei, 05/21/02) reported that a Taiwanese charter flight carrying dozens of World Cup soccer fans flew to the ROK on Tuesday - the first flight of its kind since diplomatic relations and air links were cut a decade ago. The chartered Boeing 757 left Taipei on the 2 1/2-hour flight to Seoul, its organizer, Far Eastern Air Transport Corp. said in a statement. Many of the 172 passengers aboard were wearing soccer jerseys. It was the first of three flights that the Taiwanese company is to make during the World Cup, which runs from May 31 to June 30. Originally, the two sides wanted to permit more flights, but later failed to reach an agreement on a proposed twice-weekly service. Far Eastern said Tuesday that it still hopes a deal will be worked out so that flights can be offered twice weekly during the World Cup. Air links between Taipei and Seoul were cut when the ROK broke diplomatic ties with Taiwan in 1992.

11. PRC Space Program

The Associated (Joe McDonald, "BEHIND A VEIL OF SECRECY, CHINA REACHES FOR THE STARS," Beijing, 05/21/02) reported that training in secret, a dozen fighter pilots are getting ready

to make history as the PRC's first astronauts. Two attended Russia's cosmonaut school. Little else is known about any of them. The PRC hasn't announced their names or a launch date. But with confidence growing after three test launches of empty spacecraft, foreign experts say the PRC's astronauts could carry its gold-starred red flag into space as early as this year. "The day that we achieve our dream of space flight is not far off," program director Su Shuangning said in a rare interview with the state newspaper People's Liberation Army Daily. A manned launch would make the PRC only the third nation to send a human into space, after Russia and the US.

II. Republic of Korea

1. Different Approach to Asylum Seekers

Joongang Ilbo (Oh Young-hwan, "SEOUL MULLS NEW TACTICS TO ADDRESS ASYLUM BIDS," Seoul, 05/21/02) reported that US politicians and the Japanese government are taking different approaches to the issue of DPRK asylum seekers using foreign missions in PRC. Japan's policy is to only grant refugee status to DPRK asylum seekers who were once Japanese residents, Japan's Kyodo News reported Sunday, quoting a Japanese government source. In contrast, last Tuesday the US Senate Committee on the Judiciary sent a letter to Yang Jiechi, PRC Ambassador to the US. In the letter, the senators urged PRC not to repatriate the five DPRK defectors in Chinese custody. The senators demanded that the PRC allow the United Nations High Commissioner for Refugees access to investigate the DPRK defectors' asylum request.

2. ROK's F-X Project

Joongang Ilbo (Ser Myo-ja, "DISCOUNTS DROP BOEING JET PRICE TO \$4.23 BILLION," Seoul, 05/21/02) reported that ROK has bargained down the final price of its "F-X" project, the purchase of next-generation fighter jets, to US\$4.23 billion, getting a US\$239 million discount from the US aerospace company Boeing, the National Defense Ministry announced Monday. Boeing, selected on April 19 to build 40 F-15ks for ROK's procurement program, agreed to give US\$203 million in price cuts and shaved another US\$36 million in the adjustment of contract items with ROK's Air Force, the ministry said. With the price cut and additional work to be performed by local subcontractors, the offset trade package will be worth US\$3.56 billion, or 84 percent of the procurement price. Boeing also agreed to guarantee a continuing supply of replacement components, since the service life of the US Air Force's F-15Es, the base unit of ROK's F-15Ks, will end by 2030.

3. PRC-ROK Fishing Boat Incident

Joongang Ilbo ("PROTEST SET IN ATTACK BY CHINA FISHERMEN," Seoul, 05/21/02) reported that ROK government will officially complain to PRC over an attack by Chinese fishermen against the ROK's maritime police. The Ministry of Foreign Affairs and Trade will summon the PRC Consul General in Seoul on Tuesday and demand strict punishment of the offenders and prevention of future similar incidents. The National Maritime Police Agency tried to inspect two PRC fishing boats, illegally operating in the ROK waters west of the peninsula on Saturday. Three maritime policemen boarded each ship, but the crews on both boats resisted the police violently. Four more policemen rushed to the rescue, but the two ships fled, threatening the ROK police with weapons.

4. DPRK Health and Food Survey

Joongang Ilbo ("UN BODIES TO LAUNCH NUTRITION SURVEY OF NK CHILDREN IN SEPTEMBER," Seoul, 05/21/02) reported that UNICEF and the World Food Program are working with the DPRK government to conduct a joint nutrition survey of children slated for September, the UN Office for the Coordination of Humanitarian Affairs said in its April Situation Bulletin. According to the UN report, the most common ailments found among children in the DPRK are pneumonia, diarrhea and radical infections of the respiratory system. Midterm malnutrition stage is most prevalent, while it is also not rare to see extreme cases, and most people cannot afford any medical treatment. UNICEF plans to visit 12 hospitals in 4 provinces and other public facilities such as medical centers, orphanages, day care centers, kindergartens and other institutions responsible for child treatment within this month. Meanwhile, the World Food Program issued an emergency report Friday that it is scaling down operations in DPRK this month due to pipeline shortages, especially for grains.

5. Korean American Detained

Joongang Ilbo ("KOREAN AMERICAN PASTOR DETAINED IN CHINA WITH 14 NK CHILDREN," Seoul, 05/21/02) reported that a Korean American pastor, Joseph Choi, has been detained by PRC authorities in Yanbian for protecting 14 DPRK children who defected, a human rights organization spokesman said Sunday. Choi was operating a small orphanage where he took care of 38 children from DPRK, Suh Byung-son, chairman of the organization to protect human rights of DPRK defectors said. "We'll be submitting a written petition over the matter to the State Department and President George W. Bush and coalesce with other human rights group within the States." "What frightens us even more is the fate of those 14 children that got caught altogether," he said. "We plan on doing everything we can to prevent them from being repatriated back home at the very least."

III. Japan

1. Japanese Domestic Politics

The Asahi Shimbun ("LESS THAN 40% BACK KOIZUMI," Tokyo, 05/20/02) reported that approval of the Japanese Prime Minister Junichiro Koizumi's administration fell to 37 percent, dipping below the 40-percent mark for the first time since its inauguration in April 2001, a nationwide survey by The Asahi Shimbun shows. Support for the Koizumi Cabinet was down 5 points from the April 14-15 survey. . Respondents disapproving of the Cabinet rose to 48 percent in the latest poll, from 40 percent in the previous survey. Asked to cite what they saw as the Cabinet's weak points, 24 percent chose diplomacy and defense, sharply higher from 9 percent in the previous poll and coming close to the top answer--the economy and unemployment--at 37 percent.

2. US Bases in Okinawa

Kyodo ("KOIZUMI PLEDGES TO EASE OKINAWANS' U.S. MILITARY BURDEN," Naha, 05/20/02) reported that the Japanese Prime Minister Junichiro Koizumi on Sunday pledged to ease the burden on the people of Okinawa Prefecture of hosting US military bases. Koizumi made the pledge in a speech during a ceremony to mark the 30th anniversary of the reversion of Okinawa to Japan. "While the US military facilities in Okinawa are greatly contributing to the security of not only Japan but also the Asia-Pacific region, I am also fully aware that the heavy concentration is a big burden for the local people," Koizumi said in the speech. Addressing the crowd, Okinawa Governor Keiichi Inamine urged the government to make the Okinawa base issue a national priority and to reduce the

heavy concentration of US military bases.

3. US Bases in Japan

The Japan Times ("TALLY OF VISITING U.S. SUBS PUT AT 28," Tokyo, 05/21/02) reported that twenty-eight US nuclear-powered submarines have made calls at navy bases in Yokosuka, Sasebo, and in Okinawa since local governments in September stopped announcing the stopovers in advance. Information on the submarines, including the name and time of call, is usually communicated to the local governments and the Japan Coast Guard 24 hours in advance. The Japanese Transport Ministry, however, asked the three local governments on September 21 not to publicize the information. The US said submarines may become terrorist targets if their port calls are known in advance. The three local governments agreed. Sasebo Mayor Akira Mitsutake, however, asked the Japanese Foreign Ministry in February to lift the ban on advance announcements. The Yokosuka Municipal Government asked the ministry in March whether it should be continued. The ministry told them it should be. "We understand the (local governments') requests. But we believe it (the ban) is still necessary," a ministry official said. The Okinawa government has not sought an end to the ban, although some officials say there is now less reason for the information not to be made public. Masahiko Goto, a lawyer who coheads a citizens' group opposing the stopovers, said he fears that maintaining the ban indefinitely could undermine the advance-notification agreement itself.

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.

Produced by the Nautilus Institute for Security and Sustainable Development in partnership with:

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