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#### I. United States

#### 1. Inter-Korean Talk Suspensions

Reuters (Paul Eckert, "KOREA TALKS STALL AS NORTH AND SOUTH TRADE BARBS," Seoul, 05/21/03), BBC News ("KOREAN TALKS SUSPENDED," 05/21/03) reported that inter-Korean talks in Pyongyang have been suspended after the DPRK's warning that the ROK faced "unspeakable disaster" if it sided with the US in the nuclear crisis. The ROK delegation said it wanted an explanation and apology before talks continued on Wednesday. The DPRK has been angered by an apparent hardening of ROK policy towards the DPRK after a recent visit to the US by ROK President Roh Moo-hyun. The inter-Korean talks, which started on Tuesday, were due to discuss progress on joint economic problems, including reconnecting cross-border roads and railways, constructing an economic zone in the DPRK and providing rice and fertilizer aid to the DPRK. The ROK is said to have also wanted to discuss the nuclear crisis, before the controversial comments on Tuesday by the chief DPRK delegate Pak Chang-ryon. Pride at stake Chang-ryon had warned: "The South side will sustain an unspeakable disaster if it turns to confrontation. Should the South take the path of confrontation, talking about the so-called nuclear issue or 'further steps'... North-South ties would come to naught." Kim Jung-Ro, ROK Unification Ministry The head of the ROK delegation, Kim Gwang-lim, said the ROK should not respond emotionally, but added that it should not throw away its pride by clinging to the talks at all costs. He warned that the DPRK risked losing the gains from joint economic exchanges by escalating tensions in the crisis.

#### 2. DPRK ROK Warning

LA Times ("REGIME DECRIES SEOUL'S SUMMIT WITH BUSH," 05/21/03) and CNN News ("NORTH KOREA ISSUES GRIM NUKE WARNING," Seoul, 05/21/03) reported that the DPRK has condemned a recent summit between the leaders of the US and the ROK and warned of an "unspeakable disaster" if the ROK confronts the DPRK over its nuclear weapons programs. The threat, made during inter-Korean economic talks in Pyongyang, was the DPRK's first reaction to last week's meeting between US President George W. Bush and ROK President Roh Moo-hyun in Washington. Bush and Roh said last week they would "not tolerate" atomic weapons the DPRK. They said they would seek a peaceful solution to the nuclear standoff but would consider "further steps" if the DPRK escalates tensions. A senior Bush administration official has said "further steps" could mean military action as well as "a lot of things in the toolbox." The DPRK's chief negotiator, Pak Chang Ryon, criticized the summit on Tuesday, calling it "perfidious" and "an improper act of actively following (Washington's) policy to stifle the DPRK militarily and economically. The South side will sustain an unspeakable disaster if it turns to confrontation, talking about 'nuclear issue' and 'additional measures,'" he said in comments carried by KCNA, the North's official wire service.

# 3. Japan-US Relations

The Washington Post (Doug Struck, "US TIES HELP JAPAN'S LEADER WEATHER TROUBLE," Tokyo, 05/21/03) reported that Japan Prime Minister Junichiro Koizumi is expected to stand side by side with President Bush at a meeting in Texas this week to take a tough stance against the DPRK, a photo-op that Koizumi needs to deflect disappointment in his sagging record of reform at home. Koizumi came into office two years ago as a fiery populist promising to shake up Japan's clubby political system and revive the economy. While he has largely failed to deliver on those pledges, nervousness about world affairs and the DPRK's emerging nuclear threat have helped keep his popularity high. The Japanese prime minister will fly to Bush's ranch in Crawford, Tex., on Thursday evening. Officials here say the two leaders will discuss measures to tighten an economic noose around the DPRK to try to curb the communist state's pursuit of nuclear weapons. Such unity with the US -- and Koizumi's vague image as a hawk -- play well in Japan, despite his limited success in

charting an independent foreign policy and his failure to reverse the country's more than decadelong economic malaise. "The sentiment that the country has to unite to counter the North Korean threat is saving Koizumi," said Hisayuki Miyake, a political analyst in Tokyo. "There are many criticisms of his economic policies. But he was saved by [his decision to support Bush in the Iraq] war. He was saved by diplomacy he's not even good at." Koizumi's defenders counter that he is not getting proper credit for laying the foundation of change. "The reform is progressing," said his chief political aide, Isao Iijima, in an interview. But Koizumi's continuing popularity -- the latest polls give him an approval rating around 50 percent -- baffles critics looking at his record.

#### 4. DPRK Drug Smuggling

LA Times (Richard C. Paddock and Barbara Demick, "NORTH KOREA'S GROWING DRUG TRADE SEEN IN BOTCHED HEROIN DELIVERY," Wye River, Australia, 05/21/03) reported that for a day and a half last month, the people of this small tourist town watched in puzzlement as the rusty freighter Pong Su maneuvered off the coast. At times, they say, the 350-foot cargo ship came within a few hundred vards of the rugged shoreline that is famous for shipwrecks. Just after midnight April 16, the ship approached a rocky, deserted beach and launched a rubber speedboat. In it were two men and the only cargo the ship had been carrying: at least 110 pounds of high-quality heroin. The Pong Su was an unlikely drug-running vessel from an unexpected place: the DPRK. The sea was especially rough that night, and 8-foot waves swamped the little boat. The heroin and one DPRK smuggler made it to safety, but the other crewman did not. His kelp- entangled body washed up on shore. Later that day, police in a nearby town seized three men and the heroin, estimated to have a street value of \$50 million. The 4,480-ton Pong Su led Australian police vessels on a four-day chase in 30-foot swells until commandos boarded the freighter by helicopter and boat. The 29 remaining DPRK crew members were arrested and charged with aiding and abetting narcotics smuggling. The DPRK has been guietly involved in the drug trade since at least 1976, when a DPRK diplomat in Egypt was arrested with 880 pounds of hashish. Since then, there have been at least 50 arrests or drug seizures involving the DPRK in more than 20 countries, William Bach of the State Department's Bureau for International Narcotics and Law Enforcement Affairs told a Senate Governmental Affairs subcommittee Tuesday. In the past several years, most DPRK trafficking has involved methamphetamine and heroin destined for Japan, Taiwan, China and Russia, Andre D. Hollis, a Pentagon counter-narcotics official, testified at Tuesday's hearings. The DPRK government has denied allegations that it was involved in the heroin delivery and says the charges are part of a US "smear campaign" to increase international pressure on the regime to shut down its nuclear program.

# 5. DPRK Defectors on DPRK Drug Trade

The New York Times (James Dao, "NORTH KOREA IS SAID TO EXPORT DRUGS TO GET FOREIGN CURRENCY," Washington, 05/21/03) and the Los Angeles Times (Sonni Efron, "DEFECTORS TELL OF NORTH KOREAN DRUG TRADE," Washington, 05/21/03) reported that two DPRK defectors appeared before a Senate panel Tuesday and detailed how the DPRK has made the export of narcotics and missiles a state-run business. The estimated \$1 billion in hard currency generated annually by these ventures, experts told the committee, is probably subsidizing the DPRK's nuclear weapons programs. "North Korea is basically a crime syndicate with nuclear bombs," said Sen. Peter Fitzgerald (R-Ill.), who sponsored the hearings before a Senate Governmental Affairs subcommittee. "The role of a government is to protect its citizens from criminals. But, in the case of North Korea, it appears the government is the criminal." The testimony comes as debate rages within the Bush administration and among its Asian allies about how to quash the North Korean regime's nuclear ambitions. Some advocate a multilateral "quarantine" to keep North Korea from exporting its

nuclear material, weapons and drugs, in what would amount to a containment strategy. The DPRK has said it would consider such sanctions to be an act of war.

#### 6. DPRK-ROK Relations

The Associated Press (Christopher Torchia, "SOUTH KOREA TURNING TOUGH ON NORTH KOREA," Seoul, 05/21/03) reported that the ROK, an advocate of restraint since the DPRK nuclear crisis erupted in October, is running out of patience with its communist neighbor. One week after meeting President Bush, ROK leader Roh Moo-hyun still backs engagement with the DPRK and says war must be avoided at all costs. But ROK officials are now talking tougher, if not with the same vigor as their US allies. The ROK acknowledges, albeit vaguely, that means other than engagement might be needed to deal with the DPRK and its suspected development of nuclear weapons. US officials are considering economic containment as one possibility if dialogue doesn't work, and they haven't ruled out the military option. ROK frustration was apparent at economic meetings in Pyongyang Wednesday after North Korea warned of "unspeakable disaster" if the South confronts the communist state over its nuclear development. "We should not respond emotionally to North Korea's strong remarks, but we should not cling to talks with North Korea while throwing away our pride," said Kim Gwang-lim, South Korea's chief delegate. Another meeting was not scheduled following the North Korean threat Tuesday, and the South Koreans planned to head home on Thursday. Roh's policy shift bewildered some supporters who had hoped he would live up to his campaign pledge not to "kowtow" to the US. Critics speculated he was trying to win over conservative support at home ahead of parliamentary elections next year.

#### 7. Japan DPRK Missile Technology

The Japan Times ("90% OF MISSILE PARTS FROM JAPAN," Washington, 05/21/03) reported that a DPRK defector testifies to US Senate A man identified as a former DPRK missile scientist told a US Senate hearing Tuesday that more than 90 percent of the components used in the DPRK's missile program were smuggled in from Japan. The man, who has assumed the name Lee Bok Koo, said the components were smuggled out by the General Association of Korean Residents in Japan (Chongryun) aboard a passenger-cargo ship that plies between Japan and the DPRK. He also said was deeply involved in test-firing Pyongyang's missiles in Iran. "I worked for nine years as an expert in the guidance system for the North Korean missile industry, and I can tell you definitely that over 90 percent of these parts come from Japan," Lee told the Financial Management, the Budget and International Security Subcommittee of the Senate Governmental Affairs Committee. "The way they bring this in is through . . . the North Korean association inside Japan, and they bring it by ship every three months." Lee identified the ship as the Man Gyong Bong-92, which sails between the North Korean port of Wonsan and Niigata port. In Tokyo, Chongryun denied the man's allegation as groundless. Lee was one of two men identified as high-ranking DPRK defectors who spoke at the Senate session. Led into the hearing wearing black hoods, they spoke from behind a screen to conceal their identities. In Tokyo, Chongryun released a statement saying the association has never been involved in shipping missile parts. "(The testimony) is a total fabrication," the statement says. "Chongryun has never been involved in anything like that, nor is it directly engaged in any exportrelated matters. It is commonly known that the Man Gyong Bon legitimately transports export goods and humanitarian aid supplies based on Japan's laws." The association also accused the US of trying to use the testimony to step up its anti-North Korean campaign.

#### 8. Japan Domestic Economy

The New York Times (Ken Belson, "JAPAN MOVES TO AID ECONOMY AND EASE INVESTOR FEARS," Tokyo, 05/21/03) reported that Japanese policy makers stepped up their efforts on two fronts today to stiffen the sagging economy and to calm investors who were unnerved over the weekend by the first major bank bailout in four years. At its regularly scheduled policy board meeting today, the Bank of Japan decided to pump yet more money into the country's financial system because of "uncertain" economic prospects and "unstable" securities markets. Separately, financial regulators said that they would study a proposal to permit the government to inject public money into struggling banks without waiting for them to formally declare that they are short of capital. On Saturday, the country's fifth-largest banking group, Resona Holdings, said that it was technically insolvent and would apply for public funds to shore up its balance sheet. The public reaction so far has been muted, but there remains considerable worry about whether one or more of Japan's four largest banking groups, which play a much larger role in the economy than Resona, will follow suit. Today's announcements were small in scale and not unexpected, but they nonetheless signal a renewed sense of urgency in dealing with the nation's battered financial institutions.

Agence France-Presse ("JAPAN COULD FACE FINANCIAL CRISIS 'AT ANY TIME': FUKUI," Tokyo, 05/21/03) reported that Bank of Japan governor Toshihiko Fukui said the country could suffer a financial crisis "at any time" unless its near crippled financial sector is fixed, with the banks becoming more and more vulnerable to shocks. The warning came after the BoJ downgraded its assessment of the economy for the first time in six months on fears about the impact of SARS, a weak dollar and risks at home after the government decided to bail out a major bank. "If appropriate solutions to the problems of financial institutions are not carried out, we have to say Japan faces a situation where a so-called financial crisis could be triggered at any time," Fukui said Wednesday. "Financial institutions are making efforts to overcome the bad-loan issue and at the same time are seeking to create more highly profitable systems to strengthen their health," the governor told a parliamentary committee. "Against this background, we have to say that financial institutions still have difficult hurdles to overcome," Fukui noted, adding this meant their fundamentals remained weak. The government has instructed banks to halve the ratio of bad loans on their books -- cited as a root cause of Japan's economic slump -- by March 2005.

#### 9. Japan Iraq Reconstruction Bill

The Japan Times (Reiji Yoshida, "WAR-CONTINGENCY BILLS A WOBBLY FIRST STEP," 05/21/03) and the Japan Times (Junko Takahashi, "JAPAN BALKS AT DRAFTING NEW LAW TO HELP REBUILD IRAQ," 05/21/03) reported that Japan will consider drafting a new law on Irag's reconstruction only after gauging the situation in the country and a United Nations resolution backing reconstruction efforts is issued, Prime Minister Junichiro Koizumi said Wednesday. In a daily meeting with reporters, Koizumi reiterated his stance that Japan will first do what it can under current laws. "If we must make a new law, then we will consider doing so after studying the situation," he said. Possible new legislation would allow the dispatch of Self Defense Forces elements to Iraq to engage in such reconstruction work as transporting relief materials and rebuilding destroyed infrastructure. Although the government is believed to be already working on a draft bill, it is also measuring the timing of its submission to the Diet. A U.N. resolution authorizing international reconstruction efforts would be considered by the government as a prerequisite. One such resolution is currently in the works. Security concerns in Iraq are also prompting the government to hold back on the bill. Koizumi's remarks were prompted by the Wednesday morning edition of the Yomiuri Shimbun, which reported that the government plans to submit a bill on Iraq's reconstruction during the current Diet session, thereby extending the session beyond its June 18 close. Chief Cabinet Secretary Yasuo Fukuda flatly denied the report, saying, "Nothing has been decided by the government at the moment." However, Fukuda did say the course of the U.N.

resolution will be a key factor in drafting the new law.

#### 10. Japanese Military Crash

The Associated Press ("4 KILLED IN JAPANESE MILITARY PLANE CRASH," Tokyo, 05/21/03) reported that a Japanese military plane crashed during a flight exercise at a base in southern Japan, killing four crew members, officials said. The U-36A training aircraft crashed just before noon during takeoff and landing training at the Iwakuni base, about 400 miles southwest of Tokyo, according to Kazuro Yamada, a Maritime Self-Defense Force spokesman. After several rounds of "touch and go" training of continuous takeoffs and landings, the plane suddenly tilted sideways in a takeoff and crashed in an area adjacent to a US military base, another spokesman, Masaaki Kadono, said. He said the four crew were taken to a US base hospital, then moved to a Japanese state hospital where they were pronounced dead. Japan's public television NHK showed the charred nose cone of the plane lying beside the runway. The cause of the crash was being investigated.

#### 11. PRC SARS Arrest

The Associated Press (Yuri Kageyama, "BANK OF JAPAN LOWERS ECONOMIC ASSESSMENT," Tokyo, 05/21/03) and Reuters ("CHINA ARRESTS MAN FOR SPREADING SARS," Shanghai, 05/21/03) reported that the PRC has arrested a man accused of deliberately spreading the deadly SARS virus, Xinhua news agency said Wednesday, which under a new interpretation of existing laws could lead to the death penalty. The PRC's supreme court last week said jail sentences of 10 years to life or even the death penalty could be applied to people found to have deliberately spread the flulike Severe Acute Respiratory Syndrome. The man, identified as Liu Baocheng, a former SARS patient, was arrested as he left hospital in central China's Henan province, Xinhua said. Liu, a migrant worker, was infected in the Shanxi provincial capital of Taiyuan in April, it said. He escaped from hospital but was caught by police on a train heading home to Henan, and then sent back to hospital. A few days later he again escaped by breaking a window, but this time succeeded in getting home, Xinhua said. He was eventually caught by the police and once more sent to hospital, the state news agency said. The 19 people on the train and 20 people in his home town with whom he had had contact were all placed in guarantine, it added.

#### 12. Taiwan SARS Increase

The Washington Post (Tim Culpan, "TAIWAN POSTS DAILY RECORD FOR SARS CASES OPINION POLLS SHOW DROP IN SUPPORT FOR PRESIDENT AND HIS MAIN POLITICAL FOE," Taipei, Taiwan, 05/21/03) reported that Taiwan posted a record one-day increase in SARS deaths and new cases today as health authorities pushed efforts to halt the spread of the disease. The Health Department listed 12 new deaths and 39 probable cases of the respiratory disease. The government said there have been 383 probable cases of SARS and 52 deaths since the epidemic began in this island nation of 23 million people. [Early Wednesday, Taiwan reported 35 new probable cases of the disease.] SARS, severe acute respiratory syndrome, has become a crisis for the government in Taiwan, where public opinion polls show a drop in the approval rating of President Chen Shui-bian. There also has been criticism of Ma Ying-jeou, the mayor of Taipei and a potential opponent for Chen in March 2004 presidential elections. On Sunday, more than 140 medical employees across the island reportedly resigned en masse to avoid dealing with SARS patients.

#### 13. PRC Flooding and SARS

BBC News (Kate McGeown, "FLOODS: CHINA'S LATEST SARS THREAT," 05/21/03) reported that just when the PRC appeared to be over the worst of the SARS crisis, a new threat has been suggested - which, if born out, could be a further setback in its fight against the deadly virus. According to World Health Organization spokesman Bob Dietz, there is a risk that the PRC's annual summer floods could overload the country's sewage systems. If the sewage then spreads into public areas, carrying the SARS virus with it, there are fears it could transmit the disease to people living nearby. "We're not saying this is definitely going to happen," Dietz told BBC News Online. "But it is a potential threat." Scientists first suggested that SARS could be transmitted through sewage as an explanation for the large number of people infected with the virus in one Hong Kong apartment block in March. Subsequent tests showed that the virus could survive outside the body much longer than previously thought, and could remain stable for up to four days in human faeces. In most SARS cases, the virus has undoubtedly been transmitted directly from one person to another. As yet, the sewage link remains unproven, but the prospect that SARS could be spread by the PRC's vast, often antiquated, sewage system is nevertheless a cause for concern. Poor sanitation Every year, wide areas of southern, central and north-eastern PRC suffer deadly flooding. Thousands of homes are inundated by water contaminated with sewage. Bob Dietz said it was impossible to stop the floods, adding that "there is nothing that can be done to improve sewage systems at such a short order."

# II. Republic of Korea

#### 1. Inter Korean Economic Talks

Joongang Ilbo (Lee Young-jong, "BUTT OUT, NORTH ORDERS SEOUL ON NUCLEAR ISSUE," Seoul, 05/21/03) reported that a senior DPRK official Tuesday warned that "an unimaginable disaster will occur" if ROK continues to press it about the nuclear problem. "If the South drives inter-Korean relations into conflict by mentioning its measures on our nuclear problem, relations will retreat to zero," said Pak Chang-ryon, DPRK's chief delegate to inter-Korean economic talks currently being held in Pyeongyang. The blast in Pak's keynote remarks at the start of the meeting is the first official reaction from DPRK since President Roh Moo-hyun met US President George W. Bush last week and the two suggested that they had agreed to take a firmer stance against DPRK's nuclear problem. "The South says it will solve the nuclear problem peacefully, but it agreed on 'further steps,' which many interpret as a blockade and military attack on us," Pak said. Kim Gwang-lim, deputy minister of Finance and Economy and ROK's chief delegate to the talks, said, "The principles of Roh's policy toward the North have not changed. The nuclear problem should be solved peacefully." Observers expressed concern that the remarks suggested an intention on DPRK's part to cool off inter-Korean relations. But a ROK official said, "Denunciation of the South was just a part of Pak's speech. Most of the speech was about economic cooperation on the peninsula." Despite DPRK's tough words Tuesday, ROK government will support DPRK as planned. Besides the rice aid, the two Koreas will discuss such issues as building an industrial complex in Gaeseong and relinking the railroad that connects the Koreas.

#### 2. Nuclear Suppliers Group Meeting on DPRK Issue

Joongang Ilbo ("NUCLAER SUPPLY GROUP MEETS ON NORTH ISSUE," Seoul, 05/21/03) reported that the Nuclear Suppliers Group, an organization that works to control exports of nuclear-related materials, opened a weeklong meeting in Busan Monday, with DPRK on its agenda. The group will discuss ways to reinforce monitoring and control of exports that might assist in the proliferation of nuclear weapons. It maintains a "trigger list" of more than 100 materials and technologies that are not supposed to be transferred to DPRK or other nations suspected of having nuclear weapons

programs. DPRK claims to possess nuclear weapons. It quit the Nuclear Nonproliferation Treaty this year and says it has begun reprocessing spent plutonium fuel rods. The Nuclear Suppliers Group was established in 1974, and 40 nations are members. ROK joined in 1995. The meeting will end Friday.

#### 3. US Recognition of US-ROK Summit Talks

Chosun Ilbo (Kwon Kyung-bok, "US EMBASSY LAUDS ROH-BUSH TALKS," Seoul, 05/21/03) reported that a high-ranking official at the US Embassy said Tuesday that President Roh Moo-hyun's visit to US resulted in one of the most successful ROK-US summit talks ever, by tightening the relationship with President George W. Bush and producing a joint declaration. He was shocked when the South Korean press implied that the summit talks were unproductive, he said. On the "further steps" that the joint declaration stated may be considered if DPRK increases its threats, the official said that US policy was not to exclude options while the negotiations are ongoing, so the measures cannot be disclosed beforehand. After an evaluation of DPRK's suggestions during the three-nation talks in April, the official said, US found them "far short of what we would need." He added that he expected DPRK to suggest more cooperative and creative measures to induce it to abandon its nuclear aspirations through verifiable means.

#### 4. DPRK Narcotics Operation

Chosun Ilbo (Choi Heub, "NORTH'S NARCOTICS OPERATIONS DESCRIBED," Tokyo, 05/21/03) reported that DPRK earns about 60 percent of its foreign currency by running narcotics, said a former high-ranking DPRK official who defected to ROK in 1998, according to a report this week in the Japanese daily Yomiuri Simbun. Now in Washington to provide intelligence about the communist state to the US government, the defector, who was not identified, said that the founder of DPRK, Kim Il Sung, first ordered that opium poppies be grown in 1991, and the current leader Kim Jong Il had every collective farm allot 10 hectares for poppy cultivation. The mountainous Hamgyong province is the hotbed of poppy growing, the defector said. According to the article, "Room 39 at the headquarters of the North's Workers Party" is in charge of producing, processing, transporting and exporting opium, and payments are received on the open seas at times and places arranged by phone. Payments are always cash. The defector reportedly said the customers include Koreans, Japans, residents of Hong Kong, Chinese and Russians, but that Japanese buyers constitute the largest group. According to the article, Jang Song Taek, the first deputy director of the Workers Party Central Committee and the closest confidant of Kim Jong II, oversees DPRK's narcotics operations.

#### 5. More Multilateral Talks with DPRK

Chosun Ilbo (Joo Yong-jung, "US OPEN TO MORE TALKS WITH NOTRTH," Washington, 05/21/03) reported that the White House spokesman Ari Fleischer said Monday that a new round of talks with DPRK was "one of the things we are taking a look at," and that the talks would be multilateral. This is the first active statement made by the Bush administration about holding additional negotiations with DPRK and indicates an eagerness to include ROK and Japan. "We're still talking about the exact next steps to take," the press secretary said. "We have never said that there would be no additional talks." The impact of resolving DPRK nuclear crisis would be the removal of a threat that endangers millions of lives around the peninsula and in the region, Fleischer said. "A North Korean government that honors its obligations to the world can perhaps end its isolation and end the sufferings of its people from famine," he said. At the same time, PRC has expressed a wish to hold another round of

three-nation talks next month. According to the Japanese daily Yomiuri, PRC's vice minister of foreign affairs, Wang Li, in a meeting with a senior Japanese Foreign Ministry official, Hitoshi Tanaka, said that the talks should be held as soon as early June. He warned that nobody knew what DPRK might do if more time was wasted.

# III. Japan

#### 1. Japan-DPRK Clandestine Nuke-Related Devices Export

The Asahi Shimbun ("NUCLEAR CAT-AND-MOUSE: FIRM AGAIN CAUGHT IN SHADY EXPORTS," 05/10/03) reported that police on May 8 searched offices of a firm run by a Korean resident of Japan after it apparently tried for the second time in six months to skirt the law by exporting electronic devices that could be used to develop nuclear weapons, sources said. Meishin Co., an electrical equipment manufacturer, allegedly tried to export three industrial transformers to the DPRK via Bangkok and Hong Kong on April 4 without authorization from the Ministry of Economy, Trade and Industry. The firm previously tried to export the devices, worth a combined 1.95 million yen, directly to the DPRK in November. At that time, customs officials blocked the shipment of equipment, which is not on the ministry's checklist of products limited for export, under a law designed to control the export of goods that could be adapted for use in developing nuclear weapons and missiles. In the latest case, the transformers arrived in Hong Kong from Bangkok, where officials halted their export after being alerted by Japanese customs, Metropolitan Police Department investigators said. It is rare for a shipment to be seized after it has left the country but not reached its destination, sources said. The transformers were the exact same models as those blocked for export in November, police said. The transformers are usually used in the manufacture of electrical parts and metal plating. But they can also be adapted for use in producing uranium concentrate. Police are trying to determine whether the firm has links to the DPRK arms industry. "Meishin could have known in advance that the devices could be used for military purposes," a ministry official said. Meishin, a private firm established in 1990, used to be affiliated with the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun), credit agency sources said.

#### 2. Japan's Logistic Support for US

The Asahi Shimbun ("CRITICS FUEL DEBATE OVER USS KITTY HAWK, MSDF," 05/12/03) reported that some critics complain that while the Maritime Self-Defense Force (MSDF) was authorized to refuel US Navy ships assigned to the war against terror in Afghanistan, it had no business providing fuel, even indirectly, to vessels prosecuting hostilities against Iraq. Even the most quibble-prone critics acknowledge that at no time did the Kitty Hawk receive fuel from a Japanese vessel. Instead, Senior SDF officials later told reporters that the MSDF supply ship had pumped 830 kiloliters of fuel on Feb. 25 to an US tanker in the Gulf of Oman. Immediately after, the US ship refueled the Kitty Hawk to the tune of 3,030 kiloliters. MSDF officials said US military officials assured them the Kitty Hawk was involved in the anti-terrorism campaign at the time and that the fuel was used during that operation. As such, this was permitted under the special measures law that limits Japan's logistical support for the US-led forces to anti-terrorism operations in Afghanistan. Chief Cabinet Secretary Yasuo Fukuda ruled out the possibility that the fuel was used for the war against Iraq at a news conference on May 9. He said Kitty Hawk consumes 200,000 gallons of fuel a day (about 760 kiloliters), which means the portion supplied by MSDF would have lasted little more than a day. Kitty Hawk arrived in the Persian Gulf directly after it received the fuel from the MSDF, albeit indirectly.

#### 3. Japan's Role in Iraq Reconstruction

The Japan Times ("SDF ROLE NOT TIED TO IRAQ SANCTIONS END," 05/13/03) reported that the Japanese government said the lifting of UN sanctions on Iraq would not necessarily open the way for enacting new legislation to allow the dispatch of Self-Defense Forces (SDF) units to the country. "We will do what we can under current law," Prime Minister Junichiro Koizumi said at a regularly scheduled news briefing in his office, reiterating the government's policy on SDF activities to help rebuild Iraq. "We will study (the possibility of) the SDF's dispatch under the framework of the existing legislation," Chief Cabinet Secretary Yasuo Fukuda told reporters. But Fukuda indicated the government could be flexible on the issue sometime in the future.

The Japan Times (Hiroko Nakata, "JAPAN MAY AID IRAQ RECONSTRUCTION BY FREEZING DEBT REPAYMENTS," 05/14/03) reported that temporarily freezing Iraq's debt repayment is one option being considered by Japan to help rebuild the war-ravaged country, a senior Finance Ministry official said. "As far as the current situation is concerned, it is possible" to freeze repayments for a certain period, the senior official said on condition of anonymity. The comment means Japan -- one of Iraq's major creditors, with loans worth 500 billion yen -- is ready to go a step further. The government said earlier that it would agree only on debt rescheduling. The US has called for an 18-month break on such payment demands.

#### 4. Japanese Journalists on Iraq War

The Japan Times (Nao Shimoyachi, "JOURNALISTS CRITICIZE COVERAGE OF IRAQ WAR," 05/10/03) reported that four Japanese photo and video journalists who witnessed the war in Iraq tried to present the conflict through the eyes of ordinary Iraqis -- something they said was critically lacking in the mainstream media's coverage. At a packed hall in Tokyo, the four, who worked in Iraq separately and at different times in late March and April, displayed slides and video images showing how the war affected the country and its people. The four are members of the Japan Visual Journalist Association, an organization for freelance photo and video journalists established in July and headed by Ryuichi Hirokawa. "Most mass media tended to report just how many people died and where," said Hirokawa, a photojournalist who has won a variety of awards, including one for his reports of the 1982 massacres of Palestinians in Lebanon and another for his work in the aftermath of the 1986 Chernobyl nuclear disaster. "Yet when viewed from where the bombs fell, it is guite a different story," he said, showing a photo of a man who had been killed when a market was hit by a bomb. The images displayed included a picture of women and a child watching a statue of Saddam Hussein being pulled down, a father weeping over the bodies of his dead son and daughter, the remains of buildings hit by stray US missiles and a girl who lost her right eye when she was struck by broken glass during a bomb attack. Takeharu Watai, who provided video images and reports to major Japanese TV stations from Baghdad, emphasized that some journalists have to take on the task of reporting from "the other side" in wartime. "I used the word 'mass murder' and 'indiscriminate murder' in my reporting," he said. "I was wondering whether this could really be called a war when the Iragis were losing thousands of people while the Americans lost about 150." Showing pictures of a tank riddled with bullet holes, which he said indicate that depleted uranium shells were used, and of fields covered with explosives, including cluster bombs, photojournalist Naomi Toyoda said war is never over with a cease-fire.

## 5. US Bases in Japan

The Japan Times ("PLAINTIFFS WIN REDRESS OVER YOKOTA NOISE," 05/14/03) reported that the Tokyo District Court on May 13 ordered the Japanese government to pay some 160 million yen in

compensation to around 240 plaintiffs who live near the US Yokota Air Base in western Tokyo. The plaintiffs claim that the noise generated by aircraft taking off and landing at the US base disrupts their lives. But presiding Judge Toshiko Sekino rejected a plaintiffs petition aimed at suspending flights during the night and early morning, ruling that it was invalid for the plaintiffs to ask the government to halt US operations "over which the (Japanese government's) jurisdiction does not extend." She also turned down residents' demands for compensation for future disruption expected from the US military's continued use of the base. The suit was filed by 325 residents who live in the vicinity of the air base. Of these, the court determined that 242 live in an area where the Weighted Equivalent Continuous Perceived Noise Level, an international environment index used to gauge airplane noise, stands at 75 or higher. It said residents in this bracket are subjected to disruption beyond tolerable levels. On the other hand, the court turned down damages requests from plaintiffs who commute to the area in question, stating that they are exposed to the noise for only a short period of time.

## 6. Japan Military Emergency Bill

The Japan Times (Reiji Yoshida, "WAR CONTINGENCY BILLS APPROVED BY KEY DIET PANEL," 05/15/03) reported that a set of government-sponsored war contingency bills were approved by a special committee of the Lower House on May14, paying the way for their likely enactment by the Diet by the end of the current session of the legislature. Among the major political parties, only members of the Japanese Communist Party and Social Democratic Party voted against the bills. The two parties called for more time in deliberating the bills, saying that it is too early to vote on them as they had been amended only one day earlier. The amendment had been agreed between the ruling Liberal Democratic Party (LDP) and the largest opposition Democratic Party of Japan (DPJ). Meanwhile, the Liberal Party's support for the bills may work to the party's favor as it pursues a merger with the DPJ. The merger talks between the two parties remain stalled, due partly to differences on key policy issues, including the war bills. The government-sponsored bills consist of three separate bills. One revises the SDF law to allow the SDF to seize land and other property for its own operations. It also exempts the SDF from various legal procedures to expand the scope of its activities in battlefields. The Military Attack Situation bill, if enacted, would allow the central government to give orders to local governments and designated public organizations in wartime. It would also require the central government to draw up basic emergency guidelines and prepare another package of bills to protect people's lives and rights during "a military attack situation." The last of the three bills would add more members and roles to the Security Council to serve under the prime minister.

The Japan Times (Reiji Yoshida, "ATTACK-RESPONSE BILLS PASSED WITHOUT ANY TROUBLE FROM DPJ," 05/16/03) reported that the House of Representatives passed a package of three bills last Thursday outlining Japan's response to military contingencies in a plenary session during which no member of the opposition Democratic Party of Japan (DPJ) boycotted in protest of the legislation. The ruling camp, comprising the Liberal Democratic Party, New Komeito and the New Conservative Party, voted in favor of the contentious bills. The DPJ supported the package after reaching a compromise over its wording earlier in the week. DPJ leaders had been concerned that some former Socialist Party members among its ranks, led by Takahiro Yokomichi, party vice president, might boycott the vote to protest against the DPJ's leadership. Yokomichi later told reporters that while the bills have been improved by the DPJ-proposed revisions, they still only rate "52 points" out of a full 100. The bills are still problematic, he said, adding he will continue to point out their shortcomings during Upper House deliberations. The Liberal Party also endorsed the end product. The Japanese Communist Party and the Social Democratic Party meanwhile voted against the bills, saying they run counter to the spirit of the war-renouncing Constitution and will increase the possibility of Japan

becoming embroiled in a war or other military conflict. The bills were immediately sent to the House of Councilors, which is expected to pass them by the middle of next month.

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