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I. United States

1. DPRK-US Multilateral Talks

The Associated Press (Christopher Torchia, "DPRK SUSPICIONS MAY CLOUD US TALKS," Seoul, 04/22/03) and BBC News ("US, NORTH KOREA PREPARE FOR TALKS," 04/22/03) reported that the Bush administration says it will seek a diplomatic solution to the standoff over the DPRK's suspected nuclear weapons programs. But DPRK leaders routinely accuse the US of plotting their downfall. That apparent conflict creates a backdrop of suspicion as officials from the US, the DPRK, and the PRC prepare to hold talks Wednesday in Beijing. "The US is getting frantic with its nuclear racket to isolate and stifle" the DPRK, the official Rodong Sinmun newspaper said in a commentary Tuesday. A change of leadership in the DPRK is not official US policy, and the ROK, would strongly oppose such

a goal because it could risk social upheaval and military conflict. Adding to the debate over US intentions, The New York Times reported this week on a Pentagon memorandum recommending that the US join with the PRC to press diplomatically for the ouster of the DPRK's leadership. Speaking on condition of anonymity, a ROK official said he was concerned that the memo report could undermine the talks in Beijing on the DPRK's suspected nuclear weapons programs. "It could have a negative impact," the official said. "Leaking such a serious comment on the DPRK regime will threaten the meeting."

2. DPRK Domestic Economy

BBC News (Marcus Noland, "ECONOMY'S ILLS SHAPE DPRK CRISIS," 04/22/03) carried an analytical piece that argued while the DPRK nuclear stand-off has grabbed the headlines, one underappreciated aspect is the role of the DPRK's economic woes, both in contributing to the nuclear crisis - and in its potential resolution. The DPRK's economy has been in the doldrums for more than a decade. Perhaps as many as a million people perished in a famine during the 1990s, and the food situation inside the country remains precarious today. There are two hypotheses about why a country facing such problems has pursued nuclear weapons. The first is that its nuclear program is merely a bargaining chip to be traded away to extract political and economic concessions from the US - a kind of atomic "trick or treat". The other possibility, of course, is that the DPRK's regard nuclear weapons as an end in themselves - a military deterrent and the ultimate guarantor of the regime's survival. The DPRK's foreign ministry said as much on April 18, 2003. It declared: "The Iragi war teaches a lesson that in order to prevent war and defend the security of a country and the sovereignty of a nation, it is necessary to have a powerful deterrent force only." Yet even from this perspective, there is an intriguing economic angle. If a nuclear DPRK were to foreswear aggression toward the ROK, then its huge conventional forces would be redundant. Its million-man army, an albatross around the economy's neck, could be demobilised. In fact, before the nuclear crisis erupted last October, the DPRK floated trial balloons regarding the possibility of such a demobilisation. In all likelihood, the Beijing talks will merely be the first step in a protracted, difficult process. But if the DPRK's army is to be demobilised, those troops have to have jobs to go to. Last July, the government announced a package of policy changes designed to revitalize the economy. These included marketization, the promotion of special economic zones, and a diplomatic opening toward Japan, which the DPRK hoped would pay billions of dollars in post-colonial claims and aid. However, the rapprochement with Japan has stalled, and the expected capital infusion has not materialized. The consensus of outside observers is that, so far, the reforms have largely failed to deliver. Indeed, some of the policy changes, such as the creation of massive inflation and the demand that DPRKs surrender their holdings of dollars, could be interpreted as an attempt to re-assert state influence rather than reform the system. Last month, Pyongyang introduced a new financial instrument it called a bond, though it is more like a lottery ticket. A mass campaign encouraging citizens to purchase these bonds suggests that politics, not personal finance, is the main selling point. A mixture of factors pushed North Korea towards the negotiating table. They included economic difficulty, diplomatic pressure and the recognition that the outcome of a confrontation with the US might be worse than imagined, while participation in multilateral talks might secure lifelines from its neighbours. That said, the complexity of the forthcoming negotiations in Beijing cannot be overemphasised. It will be enormously difficult to construct sufficiently reassuring multilateral security guarantees to induce the DPRKs to surrender their nuclear programme. At the same time, having been burned once before, the US will demand a verification regime of exceedingly high rigour. In all likelihood, the Beijing talks will merely be the first step in a protracted, difficult process.

3. ROK on DPRK-US Multilateral Talks

The Washington Post (Joohee Cho and Doug Struck, "ROK LEADER ASSAILED FOR EXCLUSION FROM TALKS," Seoul, 04/22/03) reported that the exclusion of the ROK from talks later this week on the DPRK nuclear problem has caused an uproar in Seoul, with much of the criticism directed at the newly inaugurated president, Roh Moo Hyun, who had promised that his government would not take a back seat on key issues of the Korean Peninsula. News that the US, the DPRK, and the PRC would meet alone in Beijing on Wednesday brought protests from editorial writers and a wide spectrum of politicians. Critics say the ROK is being relegated to its traditional role of subservience to the US. Roh acknowledged that the ROK's absence, a condition imposed by the DPRK, brought "disappointment and wounded pride" to his citizenry. But he argued that the outcome of the talks was more important than the form. As the talks draw near, US officials have hastened to assure the ROK and Japan, which also was excluded from the talks, that they would be brought in before any deal is signed. This weekend, the DPRK reached out to the ROK, offering to reschedule cabinet-level talks that had been canceled last week. The discussions, now set for April 27-29, will deal with contact between the two Koreas. Officials in Seoul accepted the offer, but that did little to quiet critics for their failure to get a seat in Beijing. The ROK's opposition Grand National Party has called the exclusion from the Beijing meeting a miserable defeat for ROK foreign policy and demanded that Roh apologize for shaming the nation. "Roh's government is shivering like a mouse facing a cat in front of [DPRK leader] Kim Jong II," said Cho Woong Kyu, an opposition member of Korea's parliament. Politicians within Roh's ruling party also were critical of the format. "For national interest, we must swallow it, but emotionally, this is humiliating," said Cho Soon Sung, chairman of the party's special committee on the DPRK nuclear issue.

4. US DPRK Strike?

Agence France-Presse ("US DRAWS UP PLAN TO BOMB NORTH KOREA'S NUCLEAR PLANT," Sydney, Australia, 04/22/03) reported that the Pentagon has produced detailed plans to bomb the DPRK's nuclear plant at Yongbyon if the DPRK goes ahead with reprocessing of spent nuclear fuel rods, an Australian report said. Citing "well-informed sources close to US thinking", The Australian newspaper said the plan also included a US strike against DPRK heavy artillery in the hills above the border with the ROK. The artillery directly threatens Seoul as well as US troops stationed south of the Demilitarised Zone. The Pentagon hardliners said to be behind the plan reportedly believe the precision strikes envisaged in it would not lead to the DPRK initiating a general war it would be certain to lose. This is because Washington would inform the DPRK that the bombing was not aimed at destroying the regime of Kim Jong-il, but merely at destroying its nuclear weapons capacity. The Australian report coincides with reports from Washington of an alternative US plan which envisages the US teaming up with the PRC to press for the removal of the DPRK's leadership. The second plan, contained in a classified memo reportedly circulated by Defense Secretary Donald Rumsfeld, argues that Washington's goal should be the collapse of Kim Jong-il's regime. President George W. Bush's US Adminstration has repeatedly said it believed the standoff would be resolved through diplomacy. The reports come as confusion prevails over the ambiguous statements issued by Pyongyang last week about whether it has begun reprocessing 8,000 spent fuel rods or merely completed preparations to do so.

5. US on DPRK Multilateral Talks

The Washington File ("TALKS WITH NORTH KOREA BEGIN APRIL 23, BOUCHER SAYS," Washington, 04/22/03) reported that representatives of the US, the PRC, and the DPRK will hold talks in Beijing April 23 to 25 on North Korea's nuclear weapons program, says Richard Boucher, the State Department spokesman. At the April 21, 2003 daily State Department briefing, Boucher said the US intends "to conduct serious talks on the situation created by North Korea's pursuit of nuclear

weapons." The US interagency delegation for those talks has already departed Washington and is on its way to Beijing, he said. The delegation is being headed by Assistant Secretary of State for East Asian and Pacific Affairs James Kelly. Deputy Director General Li Gun from the American Affairs Bureau of the Ministry of Foreign Affairs will head the DPRK delegation, Boucher said, and Director General for Asian Affairs in the Ministry of Foreign Affairs Fu Ying will head the PRC delegation. "North Korea's pursuit of nuclear weapons is a matter of a great concern to the entire international community," Boucher said, "and especially to countries in the region, all of whom are interested in participating directly in the talks. We believe that inclusion of others in multilateral talks -- South Korea and Japan, above all -- would be essential for reaching agreement on substantive issues." Boucher expressed US appreciation for the PRC's efforts "to achieve the international community's shared goal of a peaceful and stable Korean peninsula free of nuclear weapons."

For the full transcript:

http://usinfo.state.gov/cgi-bin/washfile/display.pl?p=/products/washfile/geog/ea&f=03042101.eea&t=/products/washfile/newsitem.shtml

6. Taiwan Domestic Politics

The New York Times (Keith Bradsher, "OPPOSITION FIGURES TEAM UP TO TAKE ON TAIWAN PRESIDENT," Taipei, Taiwan, 04/22/03) reported that the leaders of Taiwan's two main opposition parties, which together have outpolled the current party in power in recent elections, have agreed to run together on a single ticket in next year's presidential election. The agreement, between Lien Chan of the Nationalist Party and James Soong of the People First Party, comes after years of personal rivalry. The decision by Soong to seek the vice presidency as Lien's running mate, instead of running again for the presidency, gives the two men a strong chance of beating President Chen Shui-bian when he seeks re-election in March, political analysts here said. Polls by Taiwanese newspapers over the last three days have shown Lien and Soong ahead of President Chen by 17 to 25 percentage points. The People First Party and the Nationalist Party favor closer relations with the PRC and oppose a declaration of independence. If they were to take power, relations across the Taiwan Strait could improve, something widely favored by the island's business community.

7. Japan Role in Post-War Iraq Reconstruction

The Japan Times (Kanako Takahara, "SHIOKAWA PUSHES IDEA OF IRAQ FUND POOL FOR RECONSTRUCTION AID WOULD ALLOW JAPAN TO USE ODA MORE EASILY," 04/22/03) reported that Japan should urge other countries and international organizations to set up a fund to handle reconstruction aid for Iraq, Finance Minister Masajuro Shiokawa said Tuesday. "It is a good (idea) for such a fund to coordinate (aid efforts among the international community)," Shiokawa told reporters. "The government has had this idea for some time." Shiokawa said Japan, together with the international community, should lend a helping hand to Iraq until it has recovered enough to use its resources for reconstruction purposes. The finance chief was referring to media reports that Japan is considering urging the US and the United Nations to establish a fund under the World Bank or the U.N. Development Program. However, in an indication of inconsistencies among Cabinet members, Chief Cabinet Secretary Yasuo Fukuda and Foreign Minister Yoriko Kawaguchi said separately they are not aware of such a plan. "It is the first time I have heard of the plan," added a senior Foreign Ministry official who asked not to be named. "I think it is more important to first restore (the spirit of) international coordination" that has been damaged by confrontations prior to the launch of the US-led attack on Irag. The fund would allow Japan to use its official development assistance for Irag, because ODA can only be given to individual countries or international organizations. It is difficult

for Japan to provide ODA to Iraq because the regime of President Saddam Hussein has been toppled, government sources said, adding that the same could be said about the US Office of Reconstruction and Humanitarian Assistance, which is tasked with rebuilding the country, since it is a US body.

8. PRC SARS Status

Reuters (Maggie Fox, "CHINA HAS CHANCE TO LIMIT SARS, WHO OFFICIAL SAYS," Washington, 04/22/03) reported that the PRC has a chance to contain the epidemic of the SARS virus through more aggressive screening and treatment, but it must act quickly, a World Health Organization official said on Tuesday. The WHO is worried about an explosion of Severe Acute Respiratory Syndrome in the PRC, where there are now 2,158 reported cases of the incurable viral disease. The organization also said the mortality rate from SARS was worsening -- from about 4 percent of cases to about 5 percent -- but noted the numbers were all approximate until a good diagnostic test was being used widely. "For a long time we felt that the case fatality rate was about 4 percent," Henk Bekedam, the WHO's chief representative in Beijing, told reporters in a telephone briefing. "Now we have readjusted and we think it is about 5 percent." He said that was true both globally and for the PRC. Once a diagnostic test for the virus is in wide use, doctors will know if many people are perhaps infected but not ill -- which would mean the mortality rate is lower than current estimates. Right now, doctors stress they are not sure how many people are infected. Bekedam said there was a good chance mortality would fall with good hospital care. "It is important to quite early have aggressive treatment," he said. With good treatment and if the PRC deployed enough trained health workers to screen and treat patients, it could control the epidemic, Bekedam said. "It is still possible from what we know from other countries to get a grip on it," he said. "If you put all the (right) measures in place, it gives you guite a bit of hope that you can contain it. On the other hand, I am concerned that it takes only a handful of cases to get an explosion."

BBC News ("SARS VIRUS 'MUTATING RAPIDLY," 04/22/03) reported that the virus thought to cause SARS is constantly changing form, say scientists - which will make developing a vaccine difficult. The Beijing Genomics Institute reported that the virus is "expected to mutate very fast and very easily". Other experts have warned that, once established, it could be particularly hard to stop the SARS virus causing problems. SARS appears to be caused by a new strain of a coronavirus which may have "jumped" from animals to humans in Guangdong. So far the strain has killed more than 200 people, mainly in the PRC, Hong Kong, Canada and Singapore. The number of new cases in the PRC continues to rise, with the authorities admitting over the weekend that the virus is more widespread than previously acknowledged. Teams of inspectors are now being sent into remote regions to aid prevention efforts. PRC authorities are installing thermal imaging equipment to check the temperatures of travellers moving across the southern border between Shenzhen and Hong Kong. Officials have also announced plans to crackdown on profiteering in areas hit by the virus. It follows reports of sharp rises in the price of medical drugs and equipment, herbal remedies and basic foods in some regions. Scientific teams are racing to produce a vaccine against the new strain, but have warned that this may take years. Experts say that a vaccine may only offer limited - and temporary protection. Other strains of coronavirus can cause "common cold"-like infections in humans.

9. PRC SARS Tourism

Agence France-Presse ("CHINA TOURISM SET TO LOSE BILLIONS AS SARS CRISIS DEEPENS," Shanghai, 04/22/03) reported that billions of dollars could be at stake for the PRC's economy with revenues from its powerful tourism industry expected to plummet due to the deepening SARS crisis, analysts say. "The negative impact of SARS on the tourism industry will grow over the coming

months and could see tourist income fall at least 40 percent this year," said Zhao Mei, a tourism industry analyst at Xiangcai Securities. The PRC's tourism industry, which last year generated 555.6 billion yuan (67 billion dollars), brought in 20.4 billion dollars in foreign currency. Since the outbreak of Severe Acute Respiratory Syndrome, in Beijing alone, more than 1,440 tour groups made up of 40 people or more have postponed tours, according to Beijing tourism authorities. Hotels catering to foreigners in the capital are reporting occupancy levels as low as 20 to 30 percent, compared with the usual 80 to 90 percent at this time of year. Aiming to minimise the spread of the virus, the government dealt a further blow to the already crippled industry, cancelling the week-long May Day holiday due to begin on the first of the month, the so-called "golden week" for PRC tourism. "The cancellation of the week-long holiday, usually the busiest time for the tourism industry, will deal a heavy blow to domestic tourism firms as most of them are already suffering from falling numbers," an Oriental Securities analyst said. During last year's holiday, more than 87 million tourists traveled across the country, up 18 percent from 2001, spending an estimated 33.1 billion yuan, according to the China National Tourism Administration (CNTA).

10. DPRK Anti-SARS Measures

The Korean Central News Agency of DPRK ("ANTI-SARS MEASURES IN DPRK," Pyongyang, 04/22/03) reported that a campaign is brisk in the DPRK to prevent SARS widespread in the world. National and local hygiene guiding committees at different levels have been reorganized as headquarters for emergency prevention to start their work. The headquarters make effective monitoring and information service to prevent even a single SARS-infected person from entering the country or even a single case from breaking out in the country. A strict quarantine is going on at railway stations near borders, airports and trade ports. More medical workers are posted there and more equipment and appliances are also sent there. Suspected foreigners are sent back or isolated and hospitalized for treatment. Persons on an official tour overseas are guarantined for medical observation for necessary days together with their families. Hygienic propaganda against SARS is also brisk. The Ministry of Public Health, in cooperation with the ministry of education and working people's organizations, is conducting a propaganda work about the cause of the disease and preventive measures. The president of the State Hygienic Examination Center and other permanent members of the national headquarters are also carrying on field propaganda in various ways and methods. Medical check-up is done at any time. The section doctor system is further strengthened to detect any slight symptom and take measures in time. The state has turned the campaign against SARS into the work of people themselves, therefore, all the people willingly participate in the work for living and personal hygiene and increased resistance. News media give a full account of the symptoms, infection and danger of SARS, measures for prevention and world trend.

II. Republic of Korea

1. ROK's Role in Talks on DPRK

The Korea Herald (Seo Hyun-jin, "SOUTH SEEKS CHAIR AT BEIJING TABLE," Seoul, 04/22/03) reported that ROK is stepping up its diplomatic efforts in an attempt to integrate itself into crucial nuclear talks among US, DPRK and PRC, which begin in Beijing Wednesday for a three-day run. ROK government dispatches Lee Jeong-kwan, the director of North American Division I at the Foreign Ministry, to PRC to discuss with US officials the latest developments and receive debriefings by the US side on how the talks are proceeding. ROK, US and Japan are expected to forge close consultations on the sidelines of the nuclear talks as Japan is also sending its officials to the meeting venue. ROK is determined to carve a place for itself in the nuclear talks at an early date to air its

ideas on how the DPRK nuclear problem should be resolved. ROK believes the early inclusion of ROK and Japan in the talks will top the agenda for PRC talks, as US has already avowed. US Assistant Secretary of State for East Asian and Pacific Affairs James Kelly leads US delegation, which comprises officials from the State Department, Pentagon and National Security Council. Ri Gun, deputy director general of the American Affairs Bureau of Pyongyang's Foreign Ministry, will lead DPRK representatives to the three-way talks while the Chinese side is led by Fu Ying, director general of the Asian American Bureau at the Foreign Ministry.

2. ROK-US Military Consultation

Joongang Ilbo ("KROEA, U.S., TO DISCUSS MILITARY ALLIANCE FUTURE," Seoul, 04/22/03) reported that Defense officials from ROK and US will meet May 6 and 7 in Hawaii to continue consultations on the future of the two countries' military alliance, the ROK Defense Ministry said Monday. The talks will also coordinate topics that the two countries' presidents will discuss during their meeting the following week, when President Roh Moo-hyun visits US. ROK's assistant minister of defense for policy, Cha Young-koo, and US deputy assistant secretary of defense, Richard Lawless, will try to set up a framework for the two national leaders to discuss, the defense officials here said. Early this month, the two sides agreed in principle to transfer responsibility for selected missions to ROK military and to move US military headquarters out of central Seoul.

3. US Internal Conflict in Dealing with DPRK

Chosun Ilbo (Kim Jae-ho, "PENTAGON TALKING REGIME CHANGE," New York, 04/22/03) reported that US Defense Secretary Donald H. Rumsfeld recently sent a memo to top officials at the Pentagon suggesting that US, with PRC's help, should try to oust the DPRK leader Kim Jong-il from power, the New York Times reported Sunday. That is in contrast with US's official policy objective - to disarm DPRK of its weapons of mass destruction. The report quoted US government officials as saying that Mr. Rumsfeld's team was not proposing a military solution to depose Kim, but diplomatic pressure. But the classified memo, drawn up by officials opposed to opening talks that could eventually end up benefiting DPRK economically, shows how the handling of the crisis has become the newest subject of internal struggle over how to pursue US President George W. Bush's determination to stop the spread of unconventional weapons.

4. DPRK's Remarks on Nuclear Reprocessing

Chosun Ilbo (Kim Min-cheol, "NORTH REWORDS REPROCESSING REPORT," Seoul, 04/22/03) reported that the English website of the DPRK Central News Agency, DPRK's government mouthpiece, has reworded its English article containing the controversial statement on the reprocessing of spent fuel rods. The statement was given last week by the spokesman at the DPRK Foreign Ministry. The article on April 18 read, "We are successfully reprocessing more than 8,000 spent fuel rods at the final phase." The quote remained in that form until Sunday. But on Monday a revision was made, and now the quote reads, "We are successfully going forward to reprocess work more than 8,000 spent fuel rods at the final phase." This indicates that DPRK is not yet at the reprocessing stage, but is close to it. DPRK defectors who are former diplomats said it was "unprecedented" for DPRK to change its English announcements, and conjectured that strong opposition from US against the reprocessing of spent fuel rods influenced the decision.

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 <u>other NAPSNet resources</u>.

We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

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