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I. United States

1. US on DPRK Nuclear Program

Washington Post Foreign Service (Doug Struck, "U.S. FOCUSES ON N. KOREA'S HIDDEN ARMS: NUCLEAR 'BUNKER-BUSTERS' COULD DAMAGE DETERRENCE, SOME SAY," 06/23/03) reported that some politicians and analysts in the ROK and the US say that a new nuclear weapon that the Bush administration is taking steps toward developing could upset that equilibrium between the ROK and the DPRK. The Bush administration persuaded Congress last month to lift a 10-year-old research ban on nuclear "bunker busters" that could knock out the buried DPRK armaments along the DMZ between the DPRK and the ROK. "The U.S. has been considering the possibility of a preemptive attack against North Korea" to destroy the state's nuclear program, said a joint statement of 18 ROK lawmakers last month. Steps to study nuclear bunker bombs will "further arouse the hawks of North Korea" and aggravate a dangerous crisis, they said. "Many people in South Korea are concerned, rightly or wrongly, about a U.S. military strike against North Korea," said Paik Jin Hyun, a professor of international studies at Seoul National University. "They see this decision of Congress as the first step." Ever since the DPRK's capital, Pyongyang, was devastated by US bombardment in the 1950-53 Korean War, the DPRK has been digging with diligence. Some tunnels would channel invasion troops, military analysts say. The ROK has discovered four tunnels under the DMZ and suspect they will discover others -- concrete-reinforced and capable of transporting thousands of troops quickly into the ROK. The Pentagon's public war plan for Korea estimates that the DPRK has 12,000 artillery pieces, including 500 long-range weapons, many near the DMZ hidden deep in mountain tunnels. They could roll out on rails and fire "several thousand" shells per hour toward the ROK, top Pentagon officers have told Congress. Unless those guns could be hit while still underground or sealed in their hiding places -- a task beyond the reach of a conventional attack -- the death toll in Seoul could guickly reach 40,000, according to a 1994 Pentagon estimate; other estimates put the likely death toll at 1 million. In the ROK, many fear that any US talk of developing a new, more usable, nuclear weapon will only accelerate the DPRK's drive toward building its own nuclear armaments. The DPRK government fears attack by the US, and has said it must develop such weapons for its defense. "If I am North Korea, and the other side has said they want to destroy my system and kill me, I have no choice but to arm," said Assemblyman Song Young Gil, a member of the ROK's ruling Millennium Democratic Party.

2. US on DPRK Energy Policy

Agence France-Presse ("NORTH KOREAN NUCLEAR REACTOR CONSTRUCTION MAY BE HALTED: REPORT," 06/23/03) reported that a group in charge of the construction of light-water reactors in DPRK under a deal intended to halt its development of nuclear weapons may suspend the project in August due to US opposition. The US says it is difficult to supply the parts needed to build the main sections of the nuclear reactors because the DPRK has not signed a protocol agreeing to compensate for losses from any accidents, the Yomiuri newspaper said Monday. The mass-circulation daily attributed the report to anonymous government sources. Construction of the reactors started in August under a 1994 agreement between the DPRK and the US designed to halt the DPRK's nuclear weapons program. The Korean Peninsula Energy Development Organization (KEDO) -- which includes the US, ROK, Japan and the European Union -- was created to undertake the construction of a five-billion-dollar plant containing the two 1,000 megawatt light-water reactors. The reactors would produce significantly less weapons-grade nuclear material than an old nuclear plant constructed during the Soviet era. The Yomiuri said the ROK has urged the US to continue with the project. But Japan is also inclined to suspend the project temporarily unless the DPRK agrees to sign the protocol and shows a willingness to resolve in multilateral talks a crisis arising from its nuclear

3. DPRK on UN Involvement

The Associated Press (Sang-Hun Choe "N. KOREA WARNS U.S ON DISCUSSING NUKES," Seoul, 06/20/03) reported that the DPRK warned Friday it will take a "strong emergency measure" if the US takes the dispute over the communist state's nuclear weapons programs to the U.N. Security Council. The US is seeking a council statement to condemn the DPRK's nuclear programs and demand that they be immediately dismantled "in a verifiable and irreversible manner." "If the U.S. brings the DPRK's issue up for U.N. debate, it will react to it with a strong emergency measure," said the DPRK's newspaper Rodong Sinmun in a commentary carried by official DPRK news agency KCNA. The ROK's foreign minister said the US should give the DPRK more time to respond to US proposals for multilateral talks to settle the nuclear dispute. To build up international pressure, the US wants the Security Council to condemn the DPRK's "breach of its international obligations" under the Nuclear Nonproliferation Treaty, according to a US draft statement. Rodong said the US's insistence on multilateral talks was designed to secure a justification to ignite another Korean War." "Such moves of the U.S. compel the DPRK to discard any expectation for the multilateral talks proposed by Washington," it said "The DPRK has no alternative but to build up a powerful war deterrent force as long as the U.S. pursues the policy to stifle it."

4. ROK-DPRK Relations

Reuters ("S.KOREAN VETERANS PROTEST, URGE SANCTIONS ON NORTH," Seoul, 06/23/03) reported that tens of thousands of ROK citizens including many army veterans protested in central Seoul on Saturday against the DPRK's suspected nuclear program, calling for tough economic sanctions on the DPRK. The demonstrators burned the red, blue and white flag of the DPRK and a big portrait of its leader, Kim Jong-il. Many carried small ROK and US flags. "Remember the Korean War, down with Kim Jong-il," read one placard at the demonstration, organized ahead of the June 25 anniversary of the outbreak of the 1950-53 Korean conflict. Half a century after the fighting stopped, the peninsula remains bitterly divided with no sign of a lasting peace. A Reuters photographer said 40,000 demonstrators took part in the rally, while Seoul police put the crowd at 110,000. There were no reports of clashes or injuries. "Dictator Kim Jong-il rejects multilateral talks and seeks a nuclear program," Park Chan-sung, head of a civic group to stop the DPRK's nuclear ambitions, told Reuters. "We are here to urge the international community and the United Nations to impose strong economic sanctions on North Korea to force it to drop the nuclear plan."

5. Japan-DPRK Relations

Agence France-Presse ("JAPAN TO DEPLOY MISSILE DEFENSE SYSTEM AGAINST N. KOREAN THREAT," 06/22/03) reported that Japan plans to deploy advanced interceptor missiles to beef up its defense system amid fears that the DPRK has up to 170 medium-range missile units targeting the country, according to a news report. The Security Council of Japan and the cabinet will adopt a plan to allocate funds for two types of missile systems -- Standard Missile-3 (SM-3) and Patriot Advanced Capability-3 (PAC-3) -- in late July, the Yomiuri Shimbun said Sunday, quoting government sources. The government intends to begin the 200-billion-yen (1.7-billion-dollar) defense program as early as April 2007, the mass-circulation newspaper said. The plan came after the government unofficially learned that the DPRK had 160 to 170 medium-range Rodong missile units targeting Japan and that the DPRK might have acquired technology to reduce the size of nuclear weapons so they can be mounted on ballistic missiles, the report said. The SM-3 to be mounted on Aegis-equipped destroyers

intercepts ballistic missiles in outer space. The state-of-the-art PAC-3 is designed to intercept missiles closer to the earth's surface during their descend prior to impact. Some US troops have already fielded the system. All the missiles, however, are designed to be antiaircraft and are incapable of intercepting ballistic missiles, which travel at a much greater speed. SM-3s and PAC-3s are the newest versions of drastically improved SM-2s and PAC-2s developed by the US.

6. DPRK on Japanese-DPRK Relations

Agence France-Presse ("NORTH KOREA ACCUSES JAPAN OF IMPOSING SANCTIONS," 06/23/03) reported that the DPRK has accused Japan of imposing economic sanctions, an act it would regard as a declaration of war. "As a sign of Japan's loyalty to its master the US, Japan has gone into the lengths of checking the sale of commodities, talking about the 'possible use of goods for a civilian purpose for military purpose'," the official Korean Central News Agency (KCNA) said in a statement released Saturday. "These facts suffice to prove that the 'economic sanctions' publicized by the Japanese reactionaries have reached the phase of implementation. "The DPRK has already clarified its stand that it would regard any economic sanctions as a declaration of war." KCNA complained DPRK ships had been barred from Japanese ports, and condemned calls for Japan to restrict the sale of goods to its neighbor. "Recently it has barred the calls of DPRK-flagged ships at Japanese ports including cargo-passenger ship Man Gyong Bong, which has plied between Wonsan and Niigata, groundlessly charging it with 'illegal remittance', 'spy mission' and 'transportation of nuclear and missile parts'," the statement said.

7. US-Japanese Relations

The Associated Press ("OKINAWA GOV. DEMANDS U.S. TROOPS LEAVE," Tokyo, 06/23/03) reported that Okinawa's governor demanded US forces leave the southern island, as residents marked the 58th anniversary Monday of the final land battle of World War II between US and Japanese forces. "We ask that the United States and Japan boost efforts to relocate US bases from Okinawa and revise the US-Japan security pact," Keiichi Inamine said in a speech. Nearly half of the 53,000 US military personnel stationed in Japan are on Okinawa, and Inamine said their presence remains a huge burden for residents. Inamine has repeatedly called for US troop reductions there and made it a central part of his re-election campaign last year. Although US bases give a major economic boost to Okinawa's struggling economy, crimes and accidents involving US military personnel in recent years have intensified demands for US forces to leave or be relocated to other parts of the country. Prime Minister Junichiro Koizumi, who did not attend Monday's ceremony, has said he is studying a response to the Okinawans' demands.

8. Sino-Japanese Relations

Agence France-Presse ("JAPANESE GUNBOATS, AIRCRAFT HEAD OFF CHINESE ACTIVISTS IN ISLAND DISPUTE," 06/23/03) reported that Japanese gunboats and aircraft on headed off a boatload of PRC activists trying to land on a group of disputed islands in the East China Sea, officials said. The Japanese coastguard Monday dispatched nine patrol boats and five aircraft near the uninhabited islands, known as Senkaku in Japanese and Diaoyutai in Chinese, as a boat carrying 10-20 activists approached one of them. The small boat, which looked like a fishing vessel, entered Japanese waters at around 9:45 am (0045 GMT) on Monday, flying PRC and Hong Kong flags, a coastguard official said. "The protesters read a statement from the vessel to our patrol boat that disputed Japan's ownership claim of the island. But by 2:04 pm (0504 GMT), the ship left the water," the official said. "We continued to chase the ship in case it returned to the territory," the official

noted, adding there was neither a clash nor cross-fire between the two sides during the incident. Japan, the PRC and Taiwan all claim sovereignty over the islands, which are 500 kilometers (310 miles) from Japan's Okinawa Island and 140 kilometers (87 miles) from Taiwan. Chairman of the Action Committee to Defend the Diaoyutai Islands, David Ko, said in Hong Kong that the protesters had vowed to attempt to land on the islands every year to protest Japanese rule.

9. PRC-Indian Relations

Reuters (Sanjeev Miglani "INDIA SAYS MUTUAL SUSPICIONS WITH CHINA THING OF PAST," Beijing, 06/23/03) reported that Indian Prime Minister Atal Behari Vajpayee declared an era of mutual suspicion with the PRC dead on Monday as the two giant neighbors signed a series of agreements laying out their vision of a new, closer relationship. "We should focus on the simple truth that there is no objective reason for discord between us and neither of us is a threat to the other," Vajpayee said on the first visit by an Indian leader to the PRC for a decade. Vajpayee and his PRC counterpart Wen Jiabao signed a joint declaration which one Indian official said spelt out goals and rules that would guide cooperation between the two countries. But it was not clear whether the declaration set out ways to tackle the territorial dispute, deemed central to ties between the world's two most populous nations. "We know where we have come from. Let us understand each other better as we are today and comprehend where we can go together in the future," Vajpayee told a university audience. "The better we understand each other, the more we can do together," he said after the two countries signed agreements which included easier visa rules and a PRC promise of \$500 million for India's infrastructure. The two sides, both keen to assert their independence from growing American influence, also stressed the need to enhance bilateral trade, which has started to grow but is still only worth \$5 billion a year -- India rivals Belgium in the PRC's list of trading partners.

10. PRC Domestic Reforms

The Associated Press (Christopher Bodeen "CHINA ATTEMPTS MIGRANT DETENTION REFORM," Beijing, 06/23/03) reported that the PRC has banned torture, extortion and other abuses in holding centers for unregistered migrants in its strongest attempt in 20 years to reform its detention system. The rules, published in government newspapers Monday, shift responsibility for managing the centers from the police to civil affairs bureaus that are better equipped to provide shelter and support. They forbid detainees from being held indefinitely or forced to work or pay for their detention. Although millions of people in the PRC now move around the country in search of work, the government still requires them to apply for permission to live in a new location. Those caught without residency papers are detained and sent home. The system is reported to be rife with abuses by detention center staff who are rarely held to account. Some detainees have been sold to factories, farms and brothels. New regulations, approved by the PRC's cabinet, the State Council, require centers to provide detainees with food, shelter and basic medical care, to contact relatives or employers and provide transport home for those without funds. Staff are prohibited from beating or torturing detainees, cheating or extorting from them or confiscating their property or documents. Training must be improved and staff will be punished for violations. The new regulations take effect August 1.

11. PRC SARS Outbreak

The Associated Press (Margaret Wong, "WHO REMOVES HONG KONG FROM SARS LIST," Hong Kong, 06/23/03) reported that the World Health Organization removed Hong Kong from its list of

SARS-infected areas Monday, but warned the territory to keep up its guard against future outbreaks that might put it back on the list. WHO officials urged Hong Kong to avoid a repeat of what happened in Toronto, where a new outbreak was discovered after Canada's largest city was taken off the WHO's list. Two people died of SARS on Sunday in Toronto. Hong Kong Chief Executive Tung Chee-hwa said the territory was "of course happy" about the WHO announcement, but he expressed sadness over nearly 300 deaths from the disease and cautioned, "this could come again." Only Beijing, Taiwan and Toronto remain on the list following the ebbing worldwide of the SARS crisis since its peak in March and April. The PRC said Monday it had recorded no new SARS cases for 12 days and Taiwan said it has had no new cases for six days - while neither had any new SARS deaths. WHO has credited old-fashioned guarantines with breaking the back of the outbreak. Still, street parties and minor events were planned to mark the occasion. Bars in the popular Lan Kwai Fong district planned to serve free champagne. Women in colorful carnival costumes danced on the waterfront. But in general, celebrations were muted. Top officials reportedly felt that anything elaborate would be inappropriate given the toll the disease has taken on Hong Kong's people and its economy. Tung marked the occasion by visiting Amoy Gardens, a crowded housing estate where more than 300 people fell sick with SARS before strict quarantines brought an outbreak there under control. "Every time I think about those who passed away or sacrificed because of SARS I feel a great deal of sorrow," Tung said. "Hong Kong has suffered in a way that nowhere else has. The disease was in the hospitals and in the community almost before we knew what it was," he said. "But we take our hats off to the effort that the Department of Health has made in Hong Kong."

12. US-Taiwanese Relations

Agence France-Presse, ("TAIWAN VOWS TO PUSH FOR RIGHTS OF PLEBISCITE DESPITE US WARNING," 06/23/03) reported that Taiwan President Chen Shui-bian has pledged to press for Taiwan's rights to hold an unprecedented referendum on nuclear power policy despite US warnings that doing so could escalate tensions across the Taiwan Strait. "Direct democratic rights, including referenda, are part of our fundamental human rights," Chen said in a speech in the southern city of Kaohsiung. "I believe those rights could never be opposed, stripped or opposed by any individual, government or country." Concerns were raised following press reports that Chen proposed the plebiscite to coincide with next March's presidential elections. He also wants to seek public opinion on efforts to rejoin the World Health Organization (WHO), which ousted Taipei in 1972 under the PRC's pressure. Chen's remarks Sunday came after Douglas Paal, director of the American Institute in Taiwan (AIT) -- the de facto US embassy here -- said the US opposed the referenda. "They (the US) are concerned about this because they fear it will cause unrest and tensions in the Taiwan Strait," presidential secretary-general Chiou I-jen said referring to Taiwan's rival the PRC. Chiou stressed, however, that the referenda were not designed to irritate the PRC. "The stance of the (Taiwan) government is very clear: neither the issue of nuclear policy nor WHO membership has anything to do with reunification or independence," he said. Nonetheless, the United Daily News said that the PRC had been rattled by the proposal. It claimed the PRC had requested the US take the moves seriously, suggesting the planned referenda would be part of a "gradual effort to move towards independence".

13. ROK on Accusations of Corruption

Agence France-Presse (ROH KILLS OFF BRIBE PROBE INTO INTER-KOREAN SUMMIT, 06/23/03) reported that ROK President Roh Moo-Hyun killed off an investigation into allegations that the DPRK received a hefty bribe to host the historic inter-Korean summit in 2000. Roh rejected a special counsel's request for a one month extension of the investigation which concludes this week, the president's office said Monday. The investigation has focused on the secret transfer of 500 million

dollars to the DPRK by the ROK's Hyundai Group, which is involved in projects in the DPRK such as tourism and the construction of an industrial zone. Critics say the transfer was part of a scheme masterminded by the administration of former president Kim Dae-Jung to buy his summit with DPRK leader Kim Jong-II. "The investigation has almost been completed," Roh told aides, according to his office. Roh, who has borrowed heavily from his predecessor's policy on the DPRK, authorized the probe when he took office in February. Independent counsel Song Doo-Hwan has detained the expresident's top associates, including Park Jie-Won who brokered the summit. Park was accused of having received 15 billion won (12.6 million dollars) in bribes from Hyundai and peddling influence to arrange illegal state-bank loans for the conglomerate. Opposition parties have demanded an investigation of Kim Dae-Jung, 78, who recently had heart surgery, while loyalists of the ex-president see the probe as a political witch hunt aimed at discrediting the Nobel Peace Prize winner.

14. ROK Bank Privatization

The Associated Press ("WORKERS END STRIKE AT S. KOREAN BANK," Seoul, 06/21/03) reported that thousands of workers at the ROK's oldest bank ended a five-day strike Sunday by agreeing to a deal that guarantees wage hikes and job security. Some 6,000 of Chohung Bank's 8,100 workers went on strike over the government's decision to sell its 80-percent stake in the bank to Shinhan Financial Group Co. for \$2.81 billion. The walkout forced the nation's fourth-largest lender to close nearly half of its 560 branches. Chohung employees feared the sale would result in mass layoffs and claimed the government was selling the bank for too low a price. After overnight negotiations with union leaders, government officials and executives from Chohung and Shinhan came up with an agreement promising there would be no layoffs, said Hur Sun-kyong, a spokeswoman for Chohung Bank's labor union. Union members voted in favor of the plan, which also pledged pay rises and a delay in the merger of Chohung Bank with Shinhan Financial's Shinhan Bank for at least three years. The deal did not address workers' concerns that the bank was being undersold. President Roh Moohyun's administration came under pressure to end the standoff over Chohung's sale, which many people saw as a test of the government's determination to privatize banks. The government now wants to sell its stakes, recoup its investments and counter criticism from foreign investors that it is influencing the banks' lending policy - a charge the government denies. On Saturday, the government had hinted that it would use riot police to end the strike.

II. Japan

1. US Bases in Japan

The Japan Times (Sachiko Hirao, "ISHIHARA JOINS INAMINE IN DRIVE TO AMEND SOFA," 06/14/03) reported that the governors of Tokyo and Okinawa Prefecture agreed to push for an amendment to the Japan-US Status of Forces Agreement (SOFA) to reduce the burden shouldered by local communities hosting US military bases. During a 10-minute meeting in Tokyo, Okinawa Gov. Keiichi Inamine asked Tokyo Gov. Shintaro Ishihara to work with him toward an amendment of the accord, which prescribes the rights of US military personnel stationed in Japan. Okinawa has been calling for an amendment that would require the US to hand over personnel suspected of serious offenses to Japanese authorities before they are indicted. Ishihara said he will cooperate with Okinawa, noting that Tokyo also hosts US military facilities, though on a much smaller scale than Okinawa. "Various organizations already show support (for the revision)," Inamine told a news conference after the meeting with Ishihara. As examples of such support, Inamine cited resolutions to call for the re-examination of the bilateral agreement by the Committee on Foreign Affairs of the Lower House in 2001 and the Japan Federation of Bar Associations in August last year. The meeting

with Ishihara was part of Inamine's efforts to enhance cooperation among the 13 prefectures hosting US military facilities by visiting the governors and local assembly heads.

2. Japan's Role in Iraq Reconstruction

The Japan Times ("LDP MAY BE FLEXIBLE IN SDF DISPATCH BILL TALKS," 06/16/03) reported that officials of the ruling Liberal Democratic Party (LDP) hinted at a flexible stance on discussions with the opposition over a bill which, if passed, will allow the dispatch of Self-Defense Forces (SDF) troops to help rebuild Iraq. Meanwhile, members of the Democratic Party of Japan (DPJ), the largest opposition force, expressed its plans to push for revisions to the bill, such as requiring Diet approval prior to any such dispatch. DPJ policy chief Yukio Edano said the Diet's prior approval on any SDF dispatch "will be a decisive factor" in revision discussions, but added it would not be the only point. The DPJ remained vague on whether it supports the bill, though it showed a positive stance toward Japan being involved in the reconstruction of Iraq. DPJ Secretary General Katsuya Okada asked if there was any specific need to utilize the SDF in the rebuilding operations, while Edano said the party cannot easily say whether it supports the bill "because we have not heard from the government any clear explanation regarding the bill itself." Other opposition parties said they were against such a deployment, citing that Iraq is currently under military rule and that the bill supports the US and British occupation of the country.

3. Japan Constitutional Revision

The Asahi Shimbun ("INTERVIEW/SETSUZO KOHSAKA: ARTICLE 9 CANNOT PROTECT JAPAN'S INTERESTS," 06/14/03) reported that Japan should revise Article 9, the war-renouncing clause in its Constitution, to allow it to exercise its right of collective self-defense, says Setsuzo Kohsaka, chairman of the Research Group on Constitutional Issues of the Japan Association of Corporate Executives (Keizai Doyukai). Kohsaka took the lead in putting together a proposal calling for constitutional revision in April. It was the first proposal to the effect by a business organization. Kohsaka said in an interview with the Asahi Shimbun, "As a country poor in natural resources and surrounded by the seas, Japan must not invite criticism that it is seeking single-country pacifism to satisfy itself. Now it has become the world's second largest economy, its posture as a nation is being tested. [...] A survey of Keizai Doyukai members also showed more than 80 percent think Article 9 does not meet the actual situation, and more than 90 percent support constitutional amendment. This is how people like ourselves who do business overseas actually feel." Asked if Japan should also play the role of one of the world's policemen to protect the interests of Japanese businesses overseas, Kohsaka answered, "That is also a factor. Globalization means Japan's capital and personnel spread worldwide; some means is needed to protect them. That is why we cooperate with the US. But to be able to speak out when we have to, we must have areas for which we alone can be responsible." On the question whether he supports the US-led war on Iraq because doing so meets Japan's national interests, he said, "Exactly. Critics may say we are seeking shelter under the US umbrella to protect ourselves. But Japan cannot protect itself independently. Japan should have clarified the use of its right to collective self-defense before a problem such as this presented itself. Japan has dispatched Aegis destroyers to the Indian Ocean. It cannot be helped that such behavior causes others to think Japan is already exercising its right to collective self-defense. Japan has kept Article 9 intact while repeatedly applying broader interpretations. As a result, Japan brought upon itself the dishonor of being labeled a country with 'a culture of lies.' That is the most serious problem."

4. Al-Qaeda Group in Japan

The Japan Times ("AL-QAEDA OPERATIVE IN JAPAN IN '01," 06/15/03) reported that a senior member of the al-Qaeda terrorist group may have been in Japan from 2000 to shortly before the Sept. 11, 2001, terrorist attacks in the US, according to an investigation by Japanese and US public security authorities. According to sources close to the case, this senior member of the group -- who was not identified -- is believed to have played a role in the attacks. On the basis of the information, the two countries believe there may still be al-Qaeda sympathizers in Japan and have stepped up cooperation to track the movements of radical Islamic elements here, the sources said.

The Japan Times ("9-11 SUSPECT VISITED JAPAN ON TRAINING MISSION IN '87," 06/17/03) reported that a key figure behind the terrorist attacks in the US on Sept. 11, 2001, came to Japan around 1987 as a company trainee, Japanese security sources said Monday. Khalid Shaikh Mohammed, believed to be the al-Qaeda terrorist network's No. 3 man, was trained as a rock drill operator by a construction machinery maker in Shizuoka Prefecture during his three-month stay, the sources said. Mohammed is believed to have been involved at the time in Afghan guerrilla activities against the Soviet Union and is suspected of using his Japanese training to dig cave complexes. When Mohammed was receiving training in Japan, the US was aiding Afghan guerrillas. Its relationship with al-Qaeda, set up in 1988, turned hostile in 1990. Mohammed was arrested in Pakistan in March.

5. Japan Nuclear Energy

Kyodo ("TEPCO GIVES NIIGATA LEGISLATORS BEER COUPONS," Kashiwazaki, Niigata Pref., 06/15/03) reported that Tokyo Electric Power Co. (TEPCO) has admitted giving beer gift coupons to local and prefectural assembly members sympathetic to the construction and operation of nuclear plants. The utility defended the gifts, saying the company was simply following the local custom of giving gifts to people who "one owes favors." Critics say the practice smacks of collusion between big business and politicians. The provision of the gifts came to light at a town meeting in Kashiwazaki on June 13, when TEPCO President Tsunehisa Katsumata apologized to the residents of Kashiwazaki and Kariwa for covering up safety inspection data.

Kyodo ("KAGOSHIMA CITY MAY TAX NUCLEAR FUEL STORED AT PLANT," Kagoshima, 06/17/03) reported that the city of Sendai, Kagoshima Prefecture, will deliberate on a bill to tax spent nuclear fuel stored at an atomic plant in the city. The bill was presented to the municipal assembly on June 16. If approved, the city will be the second local government to tax such fuel, following Kashiwazaki, Niigata Prefecture, which endorsed a similar ordinance in March. Revenue from the tax will be used to step up disaster preparedness measures and publicity campaigns for nuclear power, according to city assembly members. Kashiwazaki, despite passing its ordinance, has not gained cooperation from the designated taxpayer, Tokyo Electric Power Co., which runs the Kashiwazaki-Kariwa nuclear plant. Sendai, however, has already gained Kyushu Electric's consent on the tax.

6. Korean Residents Festival in Japan

Kyodo ("JAPAN, KOREA PEACE FESTIVAL HELD IN OSAKA," Osaka, 06/16/03) reported that about 2,000 children from local Japanese and Korean schools gathered on June 15 in Osaka to mark the third anniversary of the inter-Korean declaration, as well as to promote exchanges between Koreans and Japanese and the reunification of Korea. The event was sponsored by an organizing committee made up of representatives from the Osaka chapters of the pro-Seoul Korean Residents Union in Japan (Mindan) and the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun).

7. Japan-ROK Lawsuit on Forced Labour

Mainichi Daily News ("30 S. KOREANS SUE JAPAN OVER WWII LABOR IN SIBERIA," 06/12/03) reported that a group of 30 South Koreans, who were conscripted by Japanese forces during World War II and forced into labor in Siberia after Japan's defeat, and the bereaved family of another, sued the Japanese government for their unpaid wages. The plaintiffs filed the suit with the Tokyo District Court, demanding a combined 300 million yen in damages -- or an average of 10 million yen per person. This is the first collective damages suit by South Koreans over their forced labor in Siberia after the war. They base their lawsuit on international custom and the Geneva Convention for the Protection of War Victims. In August and September 1945, after Japan was defeated in World War II, the 31 were detained by Russian forces in former Manchuria in northeastern China, and were taken to a labor camp in Siberia, according to the suit. At the camp, they claim they were forced to work for three to four years, but did not get paid for their labor. They launched the suit along with a group of 133 South Koreans who separately sued the Japanese government demanding that the remains of their relatives -- who died in the war after being conscripted by the Japanese military -- be returned and that their enshrinement at the controversial Yasukuni Shrine in Tokyo be rescinded. The damages the two groups comprising 164 plaintiffs are demanding from the Japanese amount to about 1.75 billion yen.

III. People's Republic of China

1. PRC-ASEAN Relations

China Daily ("FM: ASEAN MEETINGS ACCOMPLISHING RESULTS", Phnom Penh, 06/21-22/03, P1) reported that ASEAN meetings have achieved important results, PRC Foreign Minister Li Zhaoxing said on June 20. The sessions have discussed the DPRK nuclear issue, and the DPRK and the US made clear their respective positions on the issue, the foreign minister said in an interview with the Xinhua News Agency. "My feeling is that both the DPRK and the United States hope for a peaceful solution to the issue, so do all the other participants who hope the process of the Beijing talks can go on", he said. On June 19, while meeting the Russian Foreign Minister Igor Ivanov, Li said that during PRC President Hu Jintao's recent visit to Russia, leaders of the two countries stressed the need to stick to the principles of developing long-term good neighborhood relations and mutual beneficial co-operation, creating a new level of Sino-Russian relations. Ivanov said the Russian Government has highlighted Hu's visit, believing the common view reached by the leaders is of great significance to deepening bilateral relations. Li also met ROK Foreign Minister Yoon Young-kwan and they spoke highly of the development of bilateral relations between the two nations.

People's Daily (Lei Bosong and Xia Wenhui, "ASEAN+3 FMS' MEETING HELD", Phnom Penh, 06/18/03, P3) reported that the ASEAN+3 Foreign Ministers' Meeting was held on June 17 in Phnom Penh, foreign ministers exchanged vies on regional and global issues concerned and stressed the importance of deepening cooperation of the 10+3 mechanism. PRC Foreign Minister Li Zhaoxing addressed the meeting, saying that facts prove that the 10+3 mechanism has blazed a solid and steady trail of cooperation and created a new model for common progress among neighboring countries. Li explained PRC's policy on East Asian regional cooperation in the new period. He said that PRC will continue to take 10+3 cooperation as the main channel for regional cooperation and that PRC supports the phasing-in of an improved trade and investment framework in the region, eventually leading to the free flow of materials, personnel, technology and information. PRC also supports the simultaneous development of Asia's multi-tier cooperation mechanism, encourages and promotes East Asian regional cooperation, the minister said. Li also raised some suggestions on how to reinforce 10+3 cooperation.

China Daily ("GREATER CO-OPERATION STRESSED", Phnom Penh, 06/20/03, P2) reported that PRC Foreign Minister Li Zhaoxing hailed deepening co-operation and efforts to ensure common security and development at the 10th ASEAN Regional Forum (ARF) on June 18. "However, some traditional and non-traditional security issues are still unresolved," he said. Another formidable task was the elimination of threats from terrorist and religious extremist forces, he said. Talking about relations between PRC and the forum, Li said: "China attaches great importance to the role of this forum and has been its active participant and promoter." Advocating for countries to enhance mutual trust through dialogue, settle peacefully disputes through negotiations and promote common security through co-operation, he suggested the forum increase participation by defense officials, said the report.

2. Sino-US Relations

China Daily ("FMS MEET TO TALK ABOUT SINO-US RELATIONSHIP", Phnom Penh, 06/19/03, P1) reported that PRC Foreign Minister Li Zhaoxing met his US counterpart Colin Powell on June 18 on the sidelines of the ASEAN meetings. Li said President Hu Jintao and President George W. Bush had a fruitful meeting in Evian of France, laying a good foundation for the future development of Sino-US relations. He said he hoped the two sides would do a good job in carrying out the common understanding reached by the two leaders, adding that the Taiwan question remains the most important and sensitive issue in Sino-US relations. He expressed his hope that the US side would keep to the one-China policy and its own promises and take practical actions to safeguard relations. Powell said the current US-PRC relationship is satisfying, and the two sides have similar views on many important regional and international issues, and have co-operated well. The US will continue to uphold the one-China policy, abide by the three US-PRC joint communiqués and oppose "Taiwan independence." The two ministers also exchanged views on the nuclear issue of the DPRK and issues of Iraq, the Middle East, South Asia, terrorism and disease prevention.

3. DPRK-US Relations on Nuclear Issue

China Daily ("DPRK VOWS RETALIATION IF CENSURED BY UN", Seoul, 06/21-22/03, P8) reported that the DPRK vowed on June 20 to take "strong emergency measures" to retaliate if the US succeeds in taking the DPRK's nuclear programs to the UN Security Council. A draft statement circulated by US would call on DPRK "to immediately and completely dismantle its nuclear weapons program in a verifiable and irreversible manner" and fully comply with international nuclear safeguard requirements, according to a copy of the text. "In the event the United States takes the nuclear issue to the United Nations, we will respond with powerful emergency measures," said the DPRK's ruling party newspaper. The Rodong Sinmun did not specify how it would respond if the nuclear crisis was taken up by the council - a US goal it described as "an attempt to legitimize an international pressure campaign against us and provoke a second Korean War." In the Cambodian capital on June 20, ROK Foreign Minister Yoon Young-kwan told reporters that the ROK wants more time to allow a DPRK response to proposals for multilateral talks on the eight-month-old nuclear crisis. Japan's government said the same day that it has no firm evidence to confirm a newspaper report that the DPRK has several nuclear warheads for ballistic missiles capable of hitting Japan.

4. DPRK's Defense Mechanism

China Daily ("FM: DPRK TO ENHANCE SELF-DEFENSE MECHANISM", Pyongyang, 06/19/03, P12) reported that the DPRK will enhance its nuclear deterrent force for its self-defense, a spokesman for the DPRK Foreign Ministry said on June 18. "We make clear once more that the DPRK reserves the

right of retaliation against the physical and hostile acts which are regarded as a violation of the Armistice Agreement and a declaration of war," he said. The DPRK does not have expectations over the multilateral talks as the US is deteriorating the situation unilaterally, the spokesman added. Asia-Pacific foreign ministers urged a peaceful resolution to the DPRK nuclear issue on June 18, said the report.

5. PRC-Japanese Relations

China Daily ("FM SPOKESMAN URGES KOIZUMI TO TAKE ACTION TO PROMOTE RELATIONS", Beijing, 06/21-22/03, P8) reported that Japanese Prime Minister Junichiro Koizumi said on June 19 he will continue to visit the Yasukuni Shrine, where World War II war criminals including Hideki Tojo were worshipped. A Kyodo News report quoted Koizumi as saying he did not think his worshipping tour to the shrine will harm Sino-Japanese relations. A PRC Foreign Ministry spokesman on June 20 urged Japan to take more action to promote friendship with PRC, particularly in a year that marks the 25th anniversary of the Sino-Japanese Treaty of Peace and Friendship. "Sino-Japanese ties can develop steadily only when (the Japanese side) acknowledges history," said the spokesman.

6. US-Japanese Relations

China Daily ("US AGREES TO HAND OVER MARINE IN JAPAN RAPE CASE", Naha, 06/19/03, P11) reported that Japan and the US avoided a damaging diplomatic feud on June 18 when US authorities agreed to hand over a Marine suspected of raping a 19-year-old Japanese woman on the southern island of Okinawa. The incident had threatened to fray US-Japan ties at a time when US is considering a dramatic realignment of its forces in Asia and the rest of the world. "We have avoided a situation where a prolonged debate on the issue could adversely affect the relationship between the US forces in Okinawa and the people of Okinawa and US-Japan relations," Sadaaki Numata, Japan's ambassador in charge of Okinawan affairs, said in Okinawa's capital of Naha. Under the Status of Forces Agreement (SOFA) governing the conduct of US military personnel in Japan, the US need not hand over suspects until they are charged by Japanese prosecutors, but US has agreed to give favorable consideration to pre-indictment transfers in cases of suspected rape, murder, and other "heinous" crimes. Okinawa - Japan's poorest prefecture and home to about half the US military presence in Japan - has long resented bearing what many see as an unfair burden for maintaining the US-Japan security alliance, the pillar of Tokyo's post-war diplomacy, said the report.

7. Relations Across Taiwan Straits

China Daily (Hu Xiao, "MAINLAND ON ALERT IN TAIWAN PASSPORT ROW", 06/18/03, P2) reported that the PRC Foreign Ministry on June 17 criticized the decision by Taiwan authorities to add the word "Taiwan" to the cover of its passports from September, which was an action of "gradual Taiwan independence," as Foreign Ministry spokesman Liu Jianchao told a press conference. Liu stressed there is only one China in the world and both the PRC and Taiwan belong to the PRC. Taiwan "foreign minister" Eugene Chien said last Thursday the new passports would clear up confusion for both travelers and customs officials on "the Republic of China" and "the People's Republic of China." "China's sovereignty and territory integrity allows for no separation," Liu said, adding Taiwan's attempt to seek separation and "Taiwan independence" will never succeed. Liu said the PRC hopes the international community respects the RPC's national sovereignty and territorial integrity and remains alert to Taiwan's attempts to split the PRC.

8. Russian-US Relations

China Daily ("RUSSIA, US TO HOLD JOINT EXERCISE", Moscow, 06/18/03, P11) reported that Russia plans to host a joint missile defense exercise with the US next year, a senior Russian Russian military official said on June 17. Colonel-General Yuri Baluyevsky, the first deputy chief of the General Staff of the Russian armed forces, said the maneuvers are scheduled for early next year at an unspecified location in Russia, the Interfax-Military News Agency reported. The exercise will involve computer simulation rather than live fire, said Baluyevsky. "The exercise will test the compatibility of the Russian and US missile defense systems and will also provide practice for solving administrative problems," he said in the report.

9. PRC-ROK Relations

China Daily ("CLOSER PARTY TIES", Beijing, 06/21-22/03, P2) reported that PRC President Hu Jintao said here on June 20 the Communist Party of China (CPC) was ready to join with all political parties of the ROK to promote regional and global peace, stability, development and prosperity. Hu, also general secretary of the CPC Central Committee, made the remarks during a meeting with a delegation of the ROK Millennium Democratic Party headed by its supreme council Chairman Chyung Dai-chul, said the report.

10. ROK Defense Policy

People's Daily (Xu Baokang, "ROH PROPOSES SELF-DEFENSE POLICY", Seoul, 06/22/03, P3) reported that ROK President Roh Moo-hyun proposed on June 21 a kind of self-defense policy, under with ROK's military expenditure will be raised to 3.2 percent of its GDP. Roh said that self-defense policy is the only way for ROK to pursue recognitions from the international community, and it means to find its right place, rather than unifying the DPRK or owning nuclear weapons. Rights to command in battles should be retrieved from the hands of US army, Roh said. Roh also mentioned that in order to realize peace in Northeast Asia, the first task is to maintain stability on the peninsula, said the report.

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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Ilmin Internationl Relations Institute

BK21 The Education and Research Corps for East Asian Studies

Department of Political Science, Korea University, Seoul, Republic of Korea

Center for American Studies, Fudan University, Shanghai, People's Republic of China

International Peace Research Institute (PRIME), Meiji Gakuin University, Tokyo, Japan

<u>Monash Asia Institute</u>, <u>Monash University</u>, Clayton, Australia

Brandon Yu: napsnet@nautilus.org Berkeley, California, United States

Timothy L. Savage: napsnet@nautilus.org

Berkeley, California, United States

Kim Young-soo: yskim328@hotmail.com

Seoul, Republic of Korea

Hibiki Yamaguchi: hibikiy84@hotmail.com

Tokyo, Japan

Saiko Iwata: saiko@akira.ne.jp

Tokyo, Japan

Hiroya Takagi: hiroya takagi@hotmail.com

Tokyo, Japan

Peter Razvin: icipu@online.ru
Moscow, Russian Federation

Wu Chunsi: cswu@fudan.ac.cn

Shanghai, People's Republic of China

Dingli Shen: dlshen@fudan.ac.cn
Shanghai, People's Republic of China

John McKay: John.McKay@adm.monash.edu.au

Clayton, Australia

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Nautilus Institute 608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org