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I. **United States**

1. **DPRK-US Multilateral Talks Collapse**

Reuters (Paul Eckert and Brian Rhoads, "TALKS END AFTER NORTH KOREA CLAIMS TO HAVE NUCLEAR BOMB," Seoul/Beijing, 04/25/03) and The Associated Press (William Foreman, "NUCLEAR TALKS END IN APPARENT IMPASSE," Beijing, 04/25/03) and the Washington Post (Glenn Kessler, "NORTH KOREA SAYS IT HAS NUCLEAR ARMS AT TALKS WITH US, PYONGYANG THREATENS 'DEMONSTRATION' OR EXPORT OF WEAPON," 04/25/03) reported that nuclear talks in Beijing ended Friday after US officials said the DPRK claimed to have nuclear weapons and might test, export or use them. The DPRK said it presented a new proposal to resolve the dispute, but it was ignored. US officials have said they are seeking the "verifiable and irreversible" elimination of the North's nuclear weapons program. Despite the apparent impasse, both sides agreed to meet again, according to the PRC's Foreign Ministry, which hosted the meeting. "Both of them expressed that the issue should be resolved in a peaceful way," the PRC's foreign minister Li Zhaoxing told

reporters while accompanying the visiting French prime minister. ROK officials said they were looking into the alleged DPRK claims about its nuclear capability. Some analysts suggested that the DPRK was bluffing. DPRK delegate Ri Gun told US Assistant Secretary of State James Kelly that North Korea had reprocessed all 8,000 spent nuclear fuel rods in its possession, a senior US official in Washington said on condition of anonymity. The official said Ri made the comments about the fuel rods at a plenary session while the other comments on its nuclear activities were made at a social gathering Wednesday after formal discussions.

2. DPRK on DPRK-US-PRC Multilateral Talks

BBC News ("NORTH KOREA BLAMES US IN NUCLEAR ROW," 04/25/03) reported that the DPRK says it put forward a "bold proposal" at talks on its nuclear program, but heard nothing new from the US. The foreign ministry in Pyongyang accused the US of avoiding essential issues - but gave no details of its own offer. The talks in Beijing ended amid mutual recriminations on Friday, after US officials said Pyongyang had admitted having nuclear weapons. President George W Bush earlier accused the DPRK of using "blackmail," after the new claims about its nuclear program emerged in Washington. US Secretary of State Colin Powell said "strong views" were expressed. A DPRK foreign ministry spokesman said the US had "repeated its old assertion that the DPRK (North Korea) should 'scrap its nuclear program before dialogue,' without advancing any new proposal". The DPRK set out a new proposal for the settlement of the nuclear issue, proceeding from its stand to avert a war on the Korean peninsula. The spokesman added that US officials had "persistently avoided the discussion on the essential issues to be discussed between both sides". DPRK did not comment on the alleged admission that it possesses nuclear weapons.

3. US on DPRK-US-PRC Multilateral Talks

The Washington File ("TRANSCRIPT: EXCERPT: US STRESSED THREE POINTS TO NORTH KOREA AT TRILATERAL TALKS," Washington, 04/25/03) reported that Secretary of State Colin Powell said in a speech April 24 that the US stressed three points at the recently concluded US-PRC-DPRK talks held in Beijing: that Pyongyang's possible possession of nuclear weapons is a multinational problem; that the country should not fear denuclearization; and that threatening behavior will not be rewarded by the international community. Despite how the DPRK government would like to portray the situation, Powell said, the confrontation concerning its acquisition of nuclear weapons "is not a US-DPRK problem." "The one thing that is absolutely clear as a result of this meeting, once again, is that there is unity within the community that we must not allow the (Korean) peninsula to become nuclear," Powell said to members of the US Asia Pacific Council Symposium in Washington, DC. "It's the strong views of the Chinese Government, of course, of the US, of Japan, of South Korea, and of Russia, Australia, and other neighbors in the region. North Korea must come to understand this," he continued. "We have also made it clear to North Korea that they have nothing to fear from denuclearization. The nations in the region stand willing to help," Powell said. Powell also stressed that the DPRK "should not leave this series of discussions that have been held in Beijing with the slightest impression that the US and its partners, and the nations in the region will be intimidated by bellicose statements, or by threats or actions they think might get them more attention, or might force us to make a concession that we would not otherwise make. They would be very ill-advised to move in that direction," he said.

For the full transcript:

<http://usinfo.state.gov/cgi-bin/washfile/display.pl?p=/products/washfile/geog/ea&f=03042501.eea&t=/products/washfile/newsitem.shtml>

BBC News (Steve Schifferes, "US WEIGHS NORTH KOREA'S THREAT," 04/25/03) reported that the failure of the first round of talks between the US and the DPRK over its nuclear weapons programs will intensify the debate in Washington over the DPRK's intentions. When President George W Bush included North Korea as one of the countries in the "axis of evil" in his 2001 State of the Union address, along with Iran and Iraq, he was suggesting that the US viewed it as a regime that both supported terrorism and was incapable of change. Since then, hardliners in the Defence Department and State Department moderates have been at loggerheads over how to deal with the DPRK regime. Even before the talks began, Defence Secretary Donald Rumsfeld sent a memo suggesting that regime change, not negotiations, was the best course forward. In contrast, the State Department believes that the DPRK can be persuaded to give up its nuclear ambitions in return for security guarantees and aid for its failing economy. In that view, the DPRK's nuclear program is a "bargaining chip" that is not intended to be used, but to be traded away in return for vital aid, as happened in 1994. But the collapse of the first round of talks between the US and the DPRK showed a high level of mistrust between the two sides. According to the US, the DPRK told the US that they already had nuclear weapons, and threatened to test them or sell them to others if a security deal was not agreed. They also said they had already reprocessed the 8,000 plutonium fuel rods, which would allow the production of further weapons. However, the US has expressed some skepticism about this claim, saying that "bluster is part of their vocabulary." That may be because any confirmation would fan the hawks' worst fears: nuclear weapons used as blackmail to force security concessions from the US. At the same time, the DPRK's claim to have made a 'bold new initiative' is a matter of debate. The DPRK appear to have suggested a deal similar to the abandoned 1994 "framework" in which the US supplied energy and aid in return for a suspension of their nuclear program. But this time, the US is insisting on "complete and verifiable disarmament" as a pre-condition to any further talks.

4. PRC and DPRK Nuclear Brinkmanship

The Associated Press (Christopher Torchia, "ANALYSTS: NORTH KOREA'S CLAIM COULD BACKFIRE," Seoul, 04/25/03) and the Washington Post (Doug Struck and Bradley Graham, "US, ASIAN ALLIES FACE TOUGH CHOICES," Seoul, 04/25/03) reported that the DPRK's reported claim that it has nuclear weapons could backfire on the DPRK by alienating the PRC, a major provider of food and fuel, some analysts say. The claim - made by a DPRK negotiator in Beijing and revealed by a US official in Washington on Thursday - means a negotiated solution to the nuclear standoff is unlikely anytime soon, and that the DPRK could face further political, and possibly economic, pressure from abroad. "They have a choice between joining the international community and getting development aid, and becoming a garrison state with nuclear weapons," said Timothy Savage, a Northeast Asia security analyst in Seoul. "Unfortunately, they seem to have chosen the latter." The pursuit of economic penalties against the DPRK would require the cooperation of the PRC, which wants a nuclear-free Korean Peninsula but has not shown any public signs of anger with the DPRK. Fears that a DPRK collapse could lead to a refugee flood across the border, as well as more US regional influence, could deter the PRC from agreeing to sanctions. "If China is frustrated enough with North Korea that it's willing to go along with a policy of strangulation, then that will put increasing pressure on North Korea," Savage said. "If the Chinese aren't willing to go along with that policy, then the policy is doomed to failure."

The New York Times (Joseph Kahn, "CHINA SEEKS TO PUT POSITIVE SPIN ON TALKS WITH NORTH KOREA," Beijing, 04/25/03) reported that the PRC sought today to put a positive face on the talks it arranged between the US and the DPRK, but diplomats and analysts argued that DPRK had alienated the PRC, its only significant ally, by declaring that it had already become a nuclear power. The talks formally ended this morning, hours earlier than expected, after Li Zhaoxing, PRC's foreign

minister, huddled with James A. Kelly, assistant secretary of State, and Li Gun, a DPRK deputy foreign minister, and extracted a promise that they would keep diplomatic channels open. Even Li, however, did not seek to disguise the fact that the talks had broken down after Li Gun asserted, apparently during a lunch break on Thursday, that the DPRK already had nuclear weapons and that the only issue at stake was whether it would begin testing or exporting them. "While discussing such an important issue, it is not strange for differences to emerge," the OPRC foreign minister said in a statement held at a state guest house in Beijing. "While paying attention to the words and statements of the other side, we must emphasize even more their deeds." PRC analysts and Asian diplomats said they were bewildered by Pyongyang's negotiating strategy, which seemed to be equal parts bluster and belligerence. They said it succeeded only in alarming its neighbors and potentially forcing the PRC, which had been trying to play a mediating role between the DPRK and the US, to take a more decisive role in pressuring the DPRK. "This is a major slap in the face to China, which had really stuck its neck out to make these talks happen," said Shi Yinhong, a leading expert on international relations at Beijing's People's University. "China will certainly consider whether it needs to take a new approach to the DPRK problem, including the possibility of stepping up the pressure."

5. ROK and Japan on DPRK Nuclear Claim

The Associated Press (Sang-Hun Choe, "EXPERTS DOUBT NORTH KOREAN NUCLEAR CLAIM," Seoul, 04/25/03) reported that ROK and Japanese nuclear experts expressed doubt Friday over the DPRK's claims about its nuclear capability, saying they could be a ruse to force concessions from the US. Kang Jungmin, a nuclear analyst, questioned the DPRK's claim that it has reprocessed all its 8,000 spent nuclear fuel rods, a key step in the production of atomic bombs. That would put it much closer to building six to eight additional weapons beyond the one or two it was believed to have. "It's a sheer lie. There is no sign whatsoever that North Korea has restarted its reprocessing facility," Kang said. "Even if it has restarted its facility, it would take them four or five months to complete the reprocessing." Kang said when the rods are reprocessed, they emit heat and a chemical element called krypton-85 - which US satellites and reconnaissance planes can easily detect. Ko Yoo-hwan, a DPRK expert at Seoul's Dongkuk University, said Pyongyang may have acquired weapons materials or bombs during the disintegration of the Soviet Union. Another possibility: the DPRK has built a few crude nuclear devices and is trying to use them as a bargaining chip, he said. "If the North admitted that it was armed with nuclear weapons, it means it is using its last card," Ko said. "It's going for its last, big deal with the US." In Japan, Toshimitsu Shigemura, professor of international relations at Takushoku University and expert on the DPRK, said he thinks the DPRK doesn't have nuclear weapons. "North Korea believes the US was able to invade Iraq because Iraq didn't have nuclear weapons, so it is saying it has nuclear weapons," he said.

6. Russia on DPRK-US Multilateral Discussion

Agence France-Presse ("RUSSIA URGES NORTH KOREA, US TO CONTINUE NON-PROLIFERATION TALKS," Moscow, 04/25/03) reported that Russia's envoy to the DPRK called on the DPRK and the US to continue the search for a peaceful settlement over non-proliferation and said that guarantees of the Stalinist state's security were the key to a solution. "We hope North Korea and the US will patiently continue the search for a negotiated settlement that will bring North Korea back into line with the non-proliferation regime while ensuring its sovereignty and economic development interest," Deputy Foreign Minister Alexander Losyukov said. Losyukov, who holds the Asian affairs brief at the foreign ministry, noted that "throughout the entire course of the DPRK crisis, (Russia) has warned of the dangers of uncontrolled escalation." Russia "believes Pyongyang must abandon its nuclear option, and this can be achieved by giving (North Korea) reliable guarantees of security and

non-interference, including possibly on a multilateral basis," he said. Losyukov said it was too early to comment on the Beijing talks. "We are not yet fully clear as to how the talks proceeded, what was discussed and whether they will be continued," he said. "It will be difficult to find a comprehensive solution due to the fact that the parties' positions are diametrically opposed," Loskyukov noted. Russia had pushed for direct talks between North Korea and the US and argued against Washington's demands for a multilateral format.

7. Japan-DPRK Relations

Reuters (Masayuki Kitano, "JAPAN WOULD AID NORTH KOREA IF NUKE EFFORTS SCRAPPED," Tokyo, 04/25/03) reported that Japan, expressing hopes for a peaceful resolution to tensions with the DPRK said on Friday it would be willing to provide the DPRK with aid for its struggling economy if it scrapped its nuclear arms program. "We want a peaceful solution," Chief Cabinet Secretary Yasuo Fukuda told private broadcaster Fuji Television in pre-recorded program to be broadcast on Sunday. "We want North Korea to become a country that does not think of having nuclear weapons or the intention to possess them or possess unfriendly weapons such as missiles," Fukuda said. "If that happens, our government is willing to give our full support on matters such as rebuilding the economy," he added. Prime Minister Junichiro Koizumi told reporters that Japan, the only country to have suffered a nuclear attack, wanted talks to continue. "What is important is to continue discussions," he said.

8. PRC International Economy

CNN News ("CHINA CLAIMS NO. 5 TRADE SPOT," Hong Kong, 04/25/03) reported that the PRC has consolidated its position as one of the world's great trading nations, vaulting past the U.K. into fifth spot. New figures from the World Trade Organization (WTO) show China's merchandise exports jumped 22 percent last year to \$325.6 billion, while imports rose an equally impressive 21 percent to \$295.2 billion. No other trading nation in the top 10 came even close to that level of growth. The world leader, the US, saw its exports fall 5 percent in 2002 from the previous year. Exports by third-ranked Japan rose 3 percent, while second-ranked Germany posted a 7 percent rise. The PRC's 's two-way trade flow totalled \$620.8 billion, behind the US with \$1806 billion, Germany \$1105.5 billion, Japan \$752.4 billion and France \$655.9 billion. Rounding out the top 10 are the U.K. with \$615.7 billion, Italy \$493.1 billion, Canada \$480.1 billion, Netherlands \$461.1 billion and Belgium \$408.9 billion. Of total world merchandise trade flows of just over \$13.1 trillion, the top 10 traders accounted for \$7.4 trillion, or 56 percent. The US share is 13.78 percent, while the PRC has 4.73 percent. The WTO sees some clouds ahead on the trade front -- sluggishness in the global economy, the conflict in Iraq and the impact of the SARS outbreak. It is projecting that global trade flows will expand this year by less than 3 percent.

9. Japan Domestic Economy

Agence France-Presse ("JAPAN'S JOBLESS RATE EDGES CLOSER TO RECORD HIGH IN MARCH," Tokyo, 04/25/03) reported that Japan's jobless rate edged closer to a record high in March due to restructuring at companies struggling to weather the global economic downturn, the government and analysts said. The jobless rate rose to 5.4 percent, just below an historic 5.5 percent high, the Ministry of Public Management, Home Affairs, Posts and Telecommunications said. The rate rose from 5.2 percent in February. For the full year to March, Japan's average jobless rate climbed to 5.4 percent, the highest for any financial year, the ministry said. "We continued to see restructuring in almost all business sectors," said Hidehiko Fujii, a senior economist at Japan Research Institute.

"While overall corporate profitability is improving, companies are not hiring workers because of uncertainty over the direction of the global economy," he said.

10. PRC SARS Virus

BBC News ("CHINA BATTLES SARS VIRUS," 04/25/03) reported that Beijing has sealed off another hospital and ordered 4,000 people to stay at home to prevent the spread of the pneumonia-like SARS virus. It also announced it would spend more than \$400m on a nationwide health network to tackle the virus, as the PRC's death toll rose to 115. Asian health officials meeting in Malaysia have proposed strict pre-travel screening at borders, and travel bans on suspected SARS sufferers. More than 260 people have died from the virus worldwide, with Hong Kong's death toll also rising to 115 on Friday. In Beijing, a second major hospital treating more than 100 SARS patients has been sealed off. A doctor inside Ditan Hospital, a major centre for the control of infectious diseases, told the BBC no-one was allowed to enter or leave the building. However, some medical staff were reported to have gone home. A Beijing health official said a further 4,000 individuals believed to have had contact with suspected SARS sufferers had been ordered to stay at home under quarantine. All migrant workers and students have been ordered to remain in Beijing, but train stations remained packed on Friday with people trying to leave. Beijing authorities have denied rumors they were planning to introduce martial law. Vice Premier Wu Yi said China would spend 3.5 billion yuan (\$420m) setting up a nationwide health network to fight SARS and other medical emergencies. Another 2 billion yuan (\$240m) would be earmarked to pay for emergency care for SARS patients who could not afford to pay for treatment, said Wu.

11. PRC G8 Invitation

BBC News ("CHINA INVITED TO G8'S TABLE," 04/25/03) reported that France has invited PRC President Hu Jintao to join the world's seven most industrialized countries and Russia at a summit in France in June. The invitation came during a visit to Beijing by French Prime Minister Jean-Pierre Raffarin - the first Western leader to visit the PRC since the outbreak of the Severe Acute Respiratory Syndrome (SARS) epidemic. Russia has participated in summits of the Group of Seven (G7) in recent years - a move motivated more by political than economic factors, correspondents say. But Raffarin said the June 1-3, 2003 summit in the French spa town of Evian would focus on development issues, "therefore we have expressed a wish that China be present". When a country is in trouble we could desert it - but I'm not a deserter Jean-Pierre Raffarin The G7 consists of the US, France, Germany, Britain, Japan, Italy and Canada. It is now known informally as the G8, as it includes Russia. He also told his PRC hosts that he wanted to express "the solidarity of the French" as the PRC struggles to contain the pneumonia-like SARS.

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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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

[Monash Asia Institute](#),
[Monash University](#), 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