

# NAPSNet Daily Report 27 June, 2003

# **Recommended Citation**

"NAPSNet Daily Report 27 June, 2003", NAPSNet Daily Report, June 27, 2003, <a href="https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-27-june-2003/">https://nautilus.org/napsnet/napsnet-daily-report-27-june-2003/</a>

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## I. United States

#### 1. US on DPRK Nuclear Program

Reuters ("U.S. ENVOY BAKER CALLS N.KOREA 'GRAVE THREAT'," Tokyo, 06/27/03) reported that US ambassador to Japan Howard Baker said Friday that the DPRK poses a "grave" threat to world peace and that the nation needs to take steps quickly to abandon its nuclear program. "I believe, I fear, that the threat from North Korea is grave indeed," Baker said in a speech to a gathering of business executives in Tokyo. "I hope they understand that time is not on their side. I hope they understand that the world community has been remarkably patient." Baker said that despite what he called "serial provocations" by the DPRK, the world remained determined to solve the issue by peaceful means. He said the DPRK's best path was to take steps toward abandoning its nuclear

weapons program. "It is time to agree to multilateral talks," Baker said. "It is time to agree to dismantle their nuclear facilities." Defense Secretary Donald Rumsfeld has said that the US believes the DPRK already "may have one or two" nuclear weapons. US and DPRK diplomatic sources quoted by Japanese daily Yomiuri Shimbun Friday said that during the Beijing talks the DPRK presented several conditions in exchange for abandoning its nuclear facilities. It said these were a US pledge of non-aggression, establishing diplomatic ties with the US, US guarantees of economic assistance from Japan and the ROK, and completion of light-water reactors for the DPRK that had been promised under a 1994 agreement, along with US compensation for construction delays.

## 2. KEDO Light-Water Reactor Project

The Associated Press (Gary Schaefer "JAPAN, U.S. AT ODDS ON N. KOREAN PROJECT," Tokyo, 06/27/03) reported that the US and Japan appeared at odds Friday over whether to complete an international nuclear power project in the DPRK, with the US ambassador warning it could be scrapped if the DPRK continues to pursue atomic weapons. Tokyo suggested it wants to push on, despite the deepening standoff with the DPRK. The \$4.6 billion project, backed by the US, the EU, Japan and the ROK, would build two reactors for the energy-starved DPRK. But it has been in limbo since the DPRK admitted last year it had a secret nuclear program. "My guess is that if the North Koreans do not mend their ways, if they do not decide to engage in the dismantlement of their weapons program, that it is unlikely that the United States would support the completion of those reactors beyond the commitments that we have undertaken under the framework agreement," Baker said in comments to the Research Institute of Japan. Japanese Foreign Minister Yoriko Kawaguchi told reporters earlier that more dialogue was needed and that it was too soon to pull the plug. "We are not presently thinking of putting an end to it," Kawaguchi said. Kawaguchi was to discuss the DPRK situation later Friday with Charles Kartman, executive director of the international consortium overseeing the DPRK reactor project, the Korean Peninsula Energy Development Organization, or KEDO. New York-based KEDO was founded to build two light-water reactors in DPRK as part of a 1994 agreement to keep the Korean peninsula free of nuclear weapons.

3. DPRK on US Redeployment Reuters ("N.KOREA SEES U.S. TROOP PULLBACK AS PRELUDE TO WAR," Seoul, 06/27/03) reported that a US-ROK plan to transfer US troops away from the border with the DPRK is designed to set the stage for a pre-emptive strike on the state, the DPRK's ruling party daily said Friday. On June 5, the US and the ROK unveiled a plan for removing US forces from near the Demilitarized Zone -- the stretch of no-man's land dividing the ROK from the DPRK -- and relocating them in the center of the peninsula. The US described the plan, which comes amid a deepening impasse over the DPRK's nuclear weapons ambitions, as part of a wider US redeployment worldwide to create a more flexible presence and reduce friction with local communities. But the DPRK's Rodong Sinmun, the official mouthpiece of the ruling party, said the long-term redeployment plan was "a very dangerous military move which should not be overlooked." "The U.S. imperialists are applying a war method based on high-tech with main emphasis put on missile strikes and air raids rather than land attack in carrying out their war of overseas aggression," it said. Analysts had warned that the DPRK could misinterpret the troop move either as a weakening of the 50-year-old US security commitment to the ROK or as a plan to take troops out of range of the DPRK's artillery before a pre-emptive strike on the DPRK's nuclear facilities.

#### 4. US on DPRK Nuclear Conflict

The Associated Press (Matt Kelley "ADMIRAL SAYS WAR WITH N. KOREA UNLIKELY," Washington, 06/27/03) reported that war with the DPRK is unlikely, the commander of US military forces in Asia

told Congress Thursday. Adm. Thomas Fargo, the head of US Pacific Command, reiterated the Bush administration's plans to seek a diplomatic solution. "I believe the chances of war are low, but the consequences would be very high," Fargo told a House International Relations subcommittee. He added that "we know" some of DPRK's artillery pieces aimed at the ROK are armed with shells filled with chemical weapons. Fargo and other administration officials at the hearing sought to reassure both Congress and American allies in the region that the US commitment to Asia in general and the ROK in particular is not lessening. "No ally or enemy should doubt either our military capability or our political will," said Peter Rodman, the assistant secretary of defense for international security affairs. Meanwhile, the United States may ask the U.N. Security Council to pass a resolution supporting efforts to intercept shipments of nuclear, chemical and biological weapons materials from North Korea or other countries, Rodman said.

### 5. US Policy on DPRK Refugees

Washington File ("BROWNBACK SAYS NORTH KOREANS SHOULD BE ABLE TO COME TO THE U.S.," Washington, 06/27/03) reported that Senator Sam Brownback (Republican of Kansas) introduced legislation June 25 that would, if passed by the US Congress, allow DPRK refugees to apply for refugee status or asylum in the US. "The United States must help the desperate refugee situation in North Korea," Brownback said in a press announcement released the same day. "Thousands of North Koreans have fled the brutal regime of Kim Jong Il seeking freedom, and food to survive. We must aid their efforts." The bill, S. 1336, is intended to clarify and establish that the US can and will accept DPRK refugees, according to the senator. "We must stand with those who seek to shed the bonds of tyranny for the light of liberty," Brownback said. "We will press our cause forward in the Congress and with the Administration, the Chinese government, UNHCR and the entire international community." DPRK residence who flee into neighboring PRC are regularly repatriated back to the DPRK and often face sentences to labor camps or execution. Sen. Brownback is a member of the Senate Foreign Relations Committee and is chairman of the Subcommittee on East Asian and Pacific Affairs.

#### 6. Korean Families Reunited

The Associated Press (Sang-hun Choe "KOREAN FAMILIES BRIEFLY REUNITED," Seoul, 06/27/03) reported that when American-led U.N. forces were retreating during the Korean War in January 1951, Lim Myong-shin left his home in the DPRK, fearing he would be forced to join the military if he stayed. Lim told his wife, Kim Bok Dong, that he would return in three months because the US would soon fight back. It took more than a half-century for the couple to meet again. "You told me you would be back in three months. Why did it take so long?" Kim, now 79, asked her husband, 81, as they clutched hands. Lim was among 100 elderly ROK citizens who traveled Friday to the DPRK for tearful reunions with relatives they had not seen since the 1950-53 Korean War, which ended in an armistice that sealed the Korean border. The two nations have allowed seven groups of families to meet since the reunions began following a summit in 2000. Tens of thousands, mostly in their 70s or older, wait to be selected by their governments for further temporary reunions. The ROK citizens traveled by ship for the three-day reunions at the Diamond Mountain resort on the east coast. Foreign reporters were not allowed to attend, but ROK media filed pool reports that included television footage and written descriptions of the encounters. Millions of Koreans remain separated following the division of the Korean Peninsula in 1945 and the Korean War. There is no cross-border mail, telephone service or other communication between ordinary citizens. The ROK citizens were scheduled to return home Saturday, as 475 other ROK citizens planned to travel to the Northern resort for more reunions. The two Koreas have yet to agree on whether they will hold more family reunions.

### 7. Japanese Domestic Economy

The Associated Press (Yuri Kageyama "JAPAN'S UNEMPLOYMENT RATE HOLDS STEADY," Tokyo, 06/27/03) reported that Japan's unemployment rate held steady in May at a near-record 5.4 percent, the government said Friday, unchanged from April as job growth stagnated in a deflationary economy that continues to sap profits and paychecks. Labor woes have troubled the nation for the last two years as it continues to battle the worst slowdown in half a century. For the first three months of this year, the world's second-largest economy barely expanded. The government said 3.75 million people were out of work in May, unchanged from a year ago. Japan is unique in suffering protracted deflation, a steady decline of prices that paralyzes the economy by chipping away at corporate profits and individual incomes. Deflation has dragged on although the central bank has repeatedly slashed interest rates virtually to zero in an effort to spur growth. Excess cash in the financial system has not led to dynamic private-sector investment or consumer spending, however. Both remain flat. In August 2002, Japan's unemployment rate hit 5.5 percent, the highest since the government began keeping track in 1953. After easing to 5.4 percent in September, joblessness climbed back to 5.5 percent in October. It reached that record again in January, dipped to 5.2 percent in February but edged back to 5.4 percent in March and April, according to the Labor Force Statistics Office. Some Japanese companies have reported improved profits recently on the back of cost cuts and strategy shifts. But much depends on prospects for recovery in the US. A solid US rebound this year will lift Japan's chances for exporting its way back to growth.

#### 8. US on PRC Anti-Subversion Law

The Associated Press (Jim Abrams, "HOUSE CONDEMNS HONG KONG SECURITY MEASURE," Washington, 06/27/03) reported that the US House has overwhelmingly condemned an anti-sedition proposal being considered by the Hong Kong Legislative Council, saying it threatens the liberties of Hong Kong's 7 million people. The nonbinding House resolution, passed, 426-1 Thursday, urges Hong Kong and the PRC government, which strongly backs the measure, to withdraw "Article 23" "as it would reduce the basic freedoms of the people of Hong Kong." "Hong Kong's special status, endorsed by the United States under the (1992) Hong Kong Policy Act, depends on the local authorities' protection of human and civil rights and preservation of the territory's autonomy," White House spokesman Ari Fleischer said in a statement. "The United States opposes any law that threatens the territory's unique identity, including the current version of Article 23 legislation." House Democratic leader Nancy Pelosi, D-Calif., praised the administration's stance on the proposal, which she said was "a significant threat to Hong Kong's autonomy and to the freedoms that make it a center for the exchange of information and ideas." The lone dissenting vote was Rep. Ron Paul, R-Texas.

#### 9. PRC Police Reform

Asia Times (Miao Ye "CHILD'S DEATH TURNS UP HEAT ON CHINA'S POLICE," 06/27/03) reported that now that SARS is yesterday's news, a new domestic issue is quickly garnering nationwide attention in the PRC. The controversy surrounds the unnecessary death of Li Siyi, a three-year-old girl who was the daughter of a heroin-addicted mother in Chengdu, capital of the southwestern PRC's Sichuan province. The driving force behind public anger is the perception of PRC police as abusers of authority who care little for the people they are supposed to protect. This perception had already been fueled by the March death of Sun Zhigang, a 27-year-old graphic designer at Guangzhou Daqi Garment Co in Wuhan, capital of central PRC's Hubei province. He was killed on March 20 after being detained three days before because of not carrying valid identification. Although his employer provided the relevant document within hours of his arrest, Sun was not

released from detention by police and ended up getting beaten to death by his cellmates. According to the Chengdu Shangbao newspaper last Sunday, the more recent of the two events took place in the Qingbaijiang district of Chengdu. On June 4, Li Guifang, a heroin-addicted mother of one, locked her three-year-old daughter at home and disappeared. Li had left her daughter locked up at home on June 4 and went to Jintang county, 10 kilometers outside her residential district, where she aimed to steal anything she could that was of value in order to support her heroin habit. She was caught by police and sent to a rehabilitation center on theft and drug charges. Upon her arrest, Li knelt and pleaded with police to allow her to return home to release her daughter to her relatives before being taken to the detention center. The police officers did not agree, nor did they take measures to verify her repeated claim that her toddler was home alone. They would not call the local police station on Li's street or notify any of her relatives (she has two sisters and one brother). Her daughter was therefore left at home, where she starved and died alone. Chengdu police are refusing access to information regarding the case for all local media, but the reporter who broke the story for the Chengdu Shangbao has disseminated her story via the Internet on online bulletin boards such as bbs.people.com and forum.xinhuanet.com. While attempts have been made to suppress postings related to the story, the size and speed of the Internet and its huge popularity in the PRC have rendered such efforts futile.

#### 10. PRC Domestic Dissent

The Associated Press (Christopher Bodeen "CHINESE COURT UPHOLDS LABOR CONVICTIONS," Beijing, 06/27/03) reported that a court on Friday upheld the convictions of two laid-off workers who led some of the RPC's biggest labor protests in 50 years, an official said. The provincial-level People's High Court in the northeastern city of Liaoyang rejected the appeals of Yao Fuxin, who was sentenced last month to seven years in prison, and Xiao Yunliang, who was sentenced to four years, a court clerk who identified herself only as Miss Pan said. The men were arrested last year after tens of thousands of laid-off workers demanded better benefits from bankrupt state-owned factories in protests in Liaoyang. According to state media, the men were convicted of subversion for trying to set up a Liaoyang branch of the would-be opposition China Democratic Party. The party was suppressed and its leaders arrested soon after they announced its formation in 1998. Relatives of the two men denied they had tried to set up a party branch and said they had only passing contact with the group. The charges against them did not mention the protests, though their families said that was why they were arrested. Protests by laid-off workers have grown common amid mass layoffs and closures of state industries across PRC. Authorities often dispel them by arresting organizers and offering some concessions. Labor discontent is especially strong across the northeast, the PRC's former industrial heartland where corruption is believed to be common. Shuttered factories encircle Liaoyang, about 600 miles northeast of Beijing, while their former workers eke out a living as peddlers and day laborers.

# 11. PRC Separatist Arrests

Agence France-Presse ("CHINA ARRESTS THREE TIBETANS FOR SEPARATIST ACTIVITIES: REPORT," 06/27/03) reported that three Tibetans have been arrested in the capital Lhasa for alleged separatist activities, Radio Free Asia (RFA) reported. The arrests come amid tighter curbs ahead of the July 6 birthday of Tibet's exiled spiritual leader the Dalai Lama, the report said, quoting unidentified sources. The trio, arrested on June 16, were identified as Lhasa city Chinese People's Political Consultative Conference member Yeshi Gyatso and two third-year students at Tibet University, Dawa Tashi and Buchung. According to the report, they are accused of involvement in "activities to split the motherland." As it does every year, the Lhasa city government has issued new curbs on civil liberties in the run-up to the Dalai Lama's birthday for which celebrations have long

since been outlawed. A recent circular warns residents against burning incense, hanging prayer flags, and visiting temples or monasteries, RFA said. "All these activities are now illegal," one source was quoted as saying.

#### 12. Sino-Russian Relations

Agence France-Presse ("CHINA, RUSSIA STRIKE DEAL TO SURVEY BORDER AREAS FOR OIL," 06/27/03) reported that the PRC and Russia have struck a deal to jointly survey oil and natural gas resources in their border areas amid ongoing efforts to increase cooperation, state press reported Friday. The agreement was signed by officials from the PRC's northeastern Heilongjiang province and the Primorskiy Kray of Russia. In it, they agreed scientists will conduct separate surveys within their territories some 200 kilometers (124 miles) from the Sino-Russian border, the Xinhua news agency said, citing unnamed government sources. The cooperation, the first of its kind between the two countries, is another step forward following a 25-year oil supply deal signed in May between Russia's Yukos and China National Petroleum Corporation (CNPC). That accord calls for a 2,400-kilometre (1,500-mile) pipeline from eastern Siberia to the northern PRC city of Daqing that will carry 20 million tons of crude per year for the first five years once construction is completed. The deal is estimated to be worth some 150 billion dollars over time and will see Russia pump up to 30 million tons of crude to the PRC by 2010. With 40 percent of the PRC's total oil reserves near depletion, petroleum enterprises have doubled efforts to find new oil and gas fields for an energy-hungry PRC.

## 13. PRC Encephalitis Outbreak

The Associated Press ("ENCEPHALITIS OUTBREAK KILLS 24 IN CHINA," Beijing, 06/27/03) reported that an encephalitis outbreak in southern areas of the PRC has killed at least 24 people and infected more than 300, state media and health officials said Friday. But medical experts said the outbreak was under control in hard-hit Guangdong province, which borders Hong Kong and has reported 23 deaths and 287 cases. The disease is spread by mosquitoes that breed in rice paddies in the PRC's subtropical south. "These statistics are completely normal," said a Guangdong Health Department official who would only give his surname, Gan. "There is a peak of encephalitis infections between May and July every year, but more people are paying attention this year because of SARS." Severe acute respiratory syndrome originated in Guangdong last November. The spread of encephalitis in Guangdong is "basically under control," with only a few cases reported each day, the provincial health department's deputy director, Feng Liuxiang, told state television. Encephalitis kills nearly 10,000 people each year in Asia, most of them children, and it infects 40,000. Many survivors suffer permanent nerve damage. Beijing has reported no cases, but health officials said the PRC capital had stepped up surveillance for the disease. They played down any threat to the city, which is recovering from a two-month fight against SARS.

## 14. Taiwan Vote on Nuclear Power

BBC ("TAIWAN PLEDGES NUCLEAR VOTE," 06/27/03) reported that the president of Taiwan, Chen Shui-bian, says he will go ahead with a referendum on a controversial nuclear power station - a move opposed by the PRC. President Chen said the referendum would let the people vote on the fate of the nuclear power project, which was approved by the previous government and is currently under construction, and their right to do so should not be restricted. Indicating that the vote could come before presidential elections next year, he also said that the government would hold referendums on other major public policy issues. The PRC fears that Taiwan, which it regards as a breakaway

province, may one day use a referendum to declare independence.

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of other NAPSNet resources.

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

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

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<u>BK21 The Education and Research Corps for East Asian Studies</u>

Department of Political Science, <u>Korea University</u>, 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: <a href="mailto:napsnet@nautilus.org">napsnet@nautilus.org</a> Berkeley, California, United States

Timothy L. Savage: <a href="mailto:napsnet@nautilus.org">napsnet@nautilus.org</a>
Berkeley, California, United States

Kim Young-soo: <a href="mailto:yskim328@hotmail.com">yskim328@hotmail.com</a>

Seoul, Republic of Korea

Hibiki Yamaguchi: <a href="https://hibikiy84@hotmail.com">hibikiy84@hotmail.com</a>

Tokyo, Japan

Saiko Iwata: saiko@akira.ne.jp

Tokyo, Japan

Hiroya Takagi: hiroya takagi@hotmail.com

Tokyo, Japan

Peter Razvin: <a href="mailto:icipu@online.ru">icipu@online.ru</a>
Moscow, Russian Federation

Wu Chunsi: cswu@fudan.ac.cn

Shanghai, People's Republic of China

Dingli Shen: <a href="mailto:dlshen@fudan.ac.cn">dlshen@fudan.ac.cn</a>
Shanghai, People's Republic of China

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

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