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#### I. United States

#### 1. DPRK-US Relations

Agence France-Presse ("US ENVOY JAMES KELLY TO GO TO NORTH KOREA ON OCTOBER 3," 09/27/02) reported that the ROK welcomed the US decision to send a top envoy to the DPRK next week to resume a dialogue that has been stalled for nearly two years. "We welcome the resumption of dialogue between the North and the United States," presidential spokeswoman Park Sun-Sook told reporters here Friday. "We expect the two sides to resolve various pending bilateral issues through dialogue. "We expect the dialogue will help promote peace and stability on the Korean peninsula and in the North East Asian region." The White House announced Thursday that assistant

secretary of state for East Asian and Pacific affairs James Kelly would visit Pyongyang from October 3-5 to resume talks stalled since President George W. Bush took office in January 2001. Kelly will visit Seoul and Tokyo on his way to Pyongyang and on his return from the North Korea capital, officials said here. "The government will again convey our wish to see an early improvement in North Korea-US ties, through consultation with Mr. Kelly," a government official said. "On his way home, Mr Kelly will visit Korea and Japan to brief on the outcome of his meetings with the North Koreans." Kelly's visit will mark the first prolonged, high-level dialogue between DPRK leader Kim Jong-Il and the Bush administration. The decision to send Kelly follows a visit to Pyongyang last week by Japanese Prime Minister Junichiro Koizumi, who urged Bush to reopen a negotiating track. ROK President Kim Dae-Jung has also pushed for Washington's reengagement with the DPRK as essential to his "Sunshine Policy." European leaders have also pressured the US to reengage with the DPRK in a political declaration adopted early this week at a meeting with Asian leaders in Copenhagen. The White House said in a statement that Kelly's brief was to "explain US policy and seek progress on a range of issues of long-standing concern to the United States and the international community."

# 2. ROK on DPRK Secret Money Deal

Reuters ("PRESIDENT KIM DENIES SECRET MONEY DEAL WITH NORTH KOREA," Seoul, 09/27/02) reported that the ROK government denied Friday that President Kim Dae-jung's aides secretly sent US\$400 million to DPRK leader Kim Jong II to ease the way for their historic summit meeting in 2000. ROK Presidential spokeswoman Park Sun-sook accused the opposition of spreading rumors for election-time gains. "It's too much. ... We know why they're making these absurd and groundless allegations," Park said. "We have nothing to hide about our North Korea policy." For days, opposition legislators have said the government-owned Korea Development Bank gave Hyundai Merchant Marine Co. US\$400 million shortly before the June 2000 summit, and that the money was secretly funneled to North Korea. "President Kim himself should clarify it because he is at the center of this plot to buy a summit with North Korea," said Lee Hoi-chang, presidential candidate of the opposition Grand National Party, on Friday. The opposition legislators have failed to substantiate their claim, and Hyundai Merchant Marine says it spent the money to pay debts and rents for ships. Eum Nak-yong, former president of Korea Development Bank, testified during a parliamentary hearing earlier this week that the president of Hyundai Merchant Marine had once told him that his company would not repay the loan because it was "used by the government." The Hyundai executive, Kim Choong-shik, has since left the company and is now reportedly in the United States.

## 3. DPRK-US Diplomatic Meeting

The Associated Press (George Gedda, "NORTH KOREA EXPECTED TO RAISE ECONOMIC AND SECURITY ISSUES WITH U.S.," Washington, 09/26/02) reported that the DPRK is expected to seek economic aid as well as security assurances from the USwhen bilateral talks resume on October 3 in Pyongyang, US officials said. The White House announced Thursday that Assistant Secretary of State James Kelly will head the US delegation for the discussions, the first in almost two years with the DPRK. It is not clear how the negotiating process will unfold. The two sides have not discussed what will happen after the conclusion of Kelly's three-day visit. No one is expecting early agreement on any of the long list of issues confronting the two countries. The officials said they are encouraged by signs of new thinking in the DPRK on both domestic and international issues. US officials, who asked not to be identified, said Kim is likely to see the US as playing a key role in his economic revival plan. There have been almost no trade or financial ties between the two countries in more than half century. According to the officials, Kim is also expected to seek pledges of US nonaggression against his country. They said there is little doubt that the DPRK took note of the

statement on US strategic priorities that Bush made clear last week in which he stressed the need to win the fights against terrorism and weapons of mass destruction.

# 4. Japan-DPRK Abduction Issues

The Associated Press (Eric Talmadge, "JAPAN SEEKS TO IDENTIFY ABDUCTEES," Tokyo, 09/27/02) reported that a Japanese fact-finding mission left for the DPRK on Friday to try to confirm the identities of more than a dozen people abducted by spies decades ago. The DPRK warned against "overreaction" by Japan on the issue. Japan Prime Minister Junichiro Koizumi also met the families of the kidnap victims to reassure them all is being done to reunite them with the four abductees said to still be alive and to confirm how the others died. Before leaving Tokyo, members of the government's fact-finding team met relatives to collect information that might be used in confirming the abductees' identities. Shigeru Yokota, whose daughter was abducted when she was 13, said he provided the officials with a clipping of her hair. Japan has said it wants to use DNA to prove whether the abductees are who the DPRK claims they are. Other families brought old photographs, letters or family trees. During the hourlong meeting Friday, Koizumi promised to consider the families' requests. "We will respect the families feelings when we discuss formalizing ties with North Korea." Also Friday, Chief Cabinet Secretary Yasuo Fukuda said the government will provide support to make it easier for the kidnapped to return, if they choose to do so. "First of all, I think it is important to respect the families' feelings," he said. "The government should respect their feelings."

Reuters ("JAPAN PUTS FORMER NORTH KOREAN SPY ON INTERNATIONAL WANTED LIST," Tokyo, 09/27/02) reported that Japanese police are seeking Interpol's help to arrest a former DPRK spy suspected of abducting a Japanese man 22 years ago, an official said Friday. It is the first time Japan has requested foreign assistance over suspected abductions of Japanese nationals by the DPRK, a National Police Agency official said on condition of anonymity. Shin Kwang Su, 73, is suspected of kidnapping Tadaaki Hara in 1980. Hara was 43 when he disappeared from the coast of Aoshima, a beach resort in southern Japan. In 1985, Shin testified in an ROK court that he and other DPRK agents abducted Hara. At the time, Shin was detained in the ROK after traveling on a forged Japanese passport that bore Hara's name. Shin was convicted of spying and sentenced to die, but his sentence was commuted to life imprisonment in 1989. When the two Koreas had their historic first summit in 2000, he was granted amnesty and repatriated to the DPRK.

# 5. PRC "Information Warfare" Development

Reuters ("CHINA BOOSTS 'INFORMATION WARFARE' DEVELOPMENT WITH VAST RESEARCH CENTERS," Beijing, 09/27/02) reported that the PRC military is boosting the development of its "information warfare" capabilities with a set of new research institutes that employ thousands of specialists, the official Xinhua News Agency reported Friday. The five "science and technology innovation work stations" combine information technology, language, civil engineering and other research bodies into powerful centers for developing new technologies and techniques, Xinhua said. The newest, located in the northern city of Zhengzhou, was established Friday, Xinhua said. Others are in key military centers including Beijing, Xi'an, and Nanjing. Those work stations' specialist researchers work at tens of thousands of advanced machines in hundreds of labs, Xinhua said. "They have become 'technology aircraft carriers' with the power to handle heavy duty science and research tasks," Xinhua said. PRC Military leaders hope to overcome their weaknesses by developing "asymmetric warfare" - exploiting weak spots in a technologically superior foe with computer attacks, electronic interference and other information warfare techniques.

## 6. PRC-Taiwan on Falun Gong

Reuters ("TAIWAN ASKS CHINA TO AVOID "MISCALCULATION" OVER FALUN GONG," Taipei, 09/27/02) reported that Taiwan urged the PRC on Friday to resume stalled dialogue to avoid "miscalculation" over PRC accusations of satellite interference by Falun Gong followers based in Taiwan. The Taiwan cabinet's Mainland Affairs Council denied an assertion by its PRC counterpart that the PRC had informed Taiwan about Falun Gong followers hacking into PRC state satellite television signals from the island three months ago. The council urged the PRC to seek Taiwan's assistance through a resumption of dialogue between Taipei's semi-official Straits Exchange Foundation and its PRC counterpart, the Association for Relations Across the Taiwan Strait. "Truly, abandoning this short cut is not a wise move," the council said in a statement. It made no mention of Falun Gong. The PRC said on Tuesday followers of Falun Gong hijacked Chinese television broadcasts via the state-run SINOSAT satellite twice this month. The PRC has demanded that Taiwan stop the interference, warning that bilateral ties could suffer. But a Taiwan telecommunications official has dismissed the accusation as "far-fetched." The council, which formulates policy towards the PRC, urged the PRC, to provide the island with accurate information about the accusations "to avoid miscalculation and misunderstanding." It said Taiwan telecommunications authorities had investigated the PRC's claims, but found nothing illegal.

#### 7. ROK US Protest

Reuters ("FIREBOMBS THROWN AT U.S. MILITARY BASE IN SOUTH KOREA; 12 STUDENTS DETAINED AT ANTI-U.S. PROTEST," Seoul, 09/27/02) and Agence France-Presse ("SOUTH KOREAN STUDENTS HELD OVER ANTI-US PROTEST," 09/27/02) reported that the ROK government expressed regret Friday after activists hurled several firebombs into a US military base north of Seoul. Several unidentified men threw at least nine firebombs over the wall of Camp Red Cloud at Eujongbu, north of Seoul, said ROK police. They suspected that the attackers were students protesting the deaths of two ROK teenage girls struck and killed by a US military vehicle in June. No property damage was reported, said Stephen Oertwig, a spokesman of the US military command in Seoul. "We are disappointed by this kind of violent demonstrations," Oertwig said. The ROK government told the US Embassy it regretted the incident, said Kim Chang-beom, an official at the Foreign Ministry's North American Bureau. "We expressed regret over the incident. We will do what we can to find out who threw the firebombs and deal sternly with them according to the law and to prevent similar unfortunate incidents from happening again," Kim said. Later Friday, police detained a dozen students after they rallied at the US Embassy in central Seoul to demand an official apology for the teenagers' deaths. The students shouted slogans that called on US President George W. Bush to apologize for the deaths of the 14-year-old teenage girls killed on June 13 when they were run over by a US armored vehicle on a training mission. Riot police surrounded the protesters, holding their arms and legs and carrying them onto a police bus. A small number of activists have protested over incidents such as the June accident to voice wider demands for the withdrawal of US troops from the country.

# 8. Japan Cabinet Reshuffle

The Associated Press (Natalie Obiko, "JAPAN PM CONFIRMS CABINET RESHUFFLE," Tokyo, 09/27/02) reported that Japan Prime Minister Junichiro Koizumi will announce a Cabinet reshuffle Monday amid reports he may remove his financial services minister for opposing aggressive steps to fix Japan's chronic bad loans problem. A spokesperson for the premier, Misako Kaji, announced the plans for a reshuffle but would not confirm any details of the changes to be made. Japanese media have speculated Koizumi might replace Financial Services Minister Hakuo Yanagisawa, though

negotiations were still reportedly going on behind the scene. On Friday, Yanagisawa stood by his opposition to Koizumi's plans to inject public funds into Japan's bad loan-riddled banks - a stance that has attracted criticism. "My thinking on this issue is unchanged," he said. "There's no need to inject public funds into banks." Japan's largest daily, the Yomiuri Shimbun, said Koizumi would seek pro-reform candidates for the posts rather than simply accepting party recommendations, breaking with tradition. The reshuffle would be Koizumi's first since taking office in April 2001 and was expected to be minor. Two other ministers reportedly being considered for replacement were Transport Minister Chikage Ogi and Home Affairs Minister Toranosuke Katayama.

## 9. PRC RF Espionage

Reuters ("RUSSIAN SCIENTIST ACCUSED OF SPYING FOR CHINA RELEASED CONDITIONALLY FROM DETENTION," Moscow, 09/27/02) reported that a Russian scientist who has been charged with spying for the PRC was released from detention Friday after agreeing not to leave his Siberian city, a defense lawyer said. Valentin Danilov, a professor at Krasnoyarsk Technical University, has been jailed since February 2001 on charges of selling state secrets to a PRC company and of misappropriating money. Danilov has insisted that the information he provided was no longer classified and had been published in scientific journals. He also rejected the financial charges. Danilov's lawyer, Yelena Yevmenova, said the scientist was freed Friday but warned not to leave Krasnoyarsk. However, he is in danger of being returned to the pretrial detention center since the regional prosecutor has appealed the court decision to release him, Yevmenova said. The court must decide on the appeal motion within 10 days. Danilov's case is one of a series of espionage trials in recent years against Russian researchers who cooperate with foreigners - cases that are particularly difficult for the defense since the charges, and supporting investigative materials, are secret.

# II. Japan

## 1. Japanese Logistical Support for US

The Japan Times (Yosuke Naito, "U.S. SEEKS JAPAN SUPPORT ON IRAQ, COME WHAT MAY," 09/19/02) reported that Richard Fairbanks, counselor at the Center for Strategic and International Studies, said in a recent interview in Tokyo that the US will seek Japan's continued support for its actions, including a possible military strike on Iraq, as well as its diplomatic backing at the UN. "This is the first stage of a play, not the conclusion," said Fairbanks, who was chief US negotiator for the Middle East peace process in the 1980s in the administration of President Ronald Reagan. "I think it is not surprising," Fairbanks said regarding Iraq's first acceptance of UN weapons inspections since late 1998. "All of the Arab world, many European countries . . . everyone was urging Iraq to do this." On Japanese support for US, Fairbanks said, "We will certainly not ask (for) or expect direct military assistance from Japan. We all know what the circumstances in this country are," referring to Japan's constitutional constraints on the Self-Defense Forces. "But I think we would look for logistical support, and perhaps supplies and medical assistance." Fairbanks added that help in the form of money from Japan and other countries would be greatly welcomed, noting that financial support from many nations was of crucial importance in the 1991 Persian Gulf War.

# 2. Japanese Military Emergency Bill

The Japan Times ("WAR BILLS HEADED FOR BACK BURNER," 09/23/02) reported that a majority of lawmakers in the ruling coalition want to postpone debate on the war contingency bills until next

year. "The extraordinary Diet session should put the most importance on economic and deflation measures that concern people the most," former Prime Minister Yoshiro Mori, an LDP member of the House of Representatives, recently said. Other key figures such as Mikio Aoki, the LDP's House of Councilors caucus leader, and New Conservative Party leader Takeshi Noda stress that the next Diet session should prioritize economic issues. The upcoming session, to be convened in October, is likely to focus on several contentious issues, such as North Korea's abductions of Japanese, the normalization talks with Pyongyang, and a possible US military attack on Irag.

## 3. Nuclear Energy Development

The Japan Times ("TEN COUNTRIES AGREE TO DEVELOP NUCLEAR SYSTEMS," 09/21/02) reported that the US, Japan and eight other countries have agreed to jointly develop a series of new nuclear energy systems by 2030, US Secretary of Energy Spencer Abraham said in Tokyo. The agreement was reached at a policy-group meeting of the Generation IV International Forum. The pact calls for commercializing fourth-generation nuclear energy systems after the current decade but before 2030, Abraham said in a statement. "Generation-four nuclear energy systems will be able to recycle the most troublesome constituents of spent nuclear fuel, thereby vastly reducing the quantity of highly radioactive waste to be disposed of," Abraham said. The member states of the conference are Argentina, Brazil, Britain, Canada, France, Japan, South Africa, South Korea, Switzerland and the US.

# 4. Japan Nuclear Industry Scandal

The Japan Times ("MORE UTILITIES ADMIT REACTOR COVERUPS," 09/21/02) reported that Tohoku Electric Power Co. admitted they failed to report structural faults in their nuclear plants to the government. Four minor cracks in pipes carrying primary cooling water were found at Tohoku Electric's Onagawa Unit 1 plant in Miyagi Prefecture during regular checks in 1998 and 2001, officials at the utility said. They failed to report the cracks because they thought they were not problematic, they said. The officials said they do not believe they violated the law. Similar cracks were found at Chubu Electric's Hamaoka Unit 1 and Unit 3 plants in Shizuoka Prefecture, a top official of the utility said. Chubu Electric Vice President Ko Terasawa offered an apology for raising concerns among residents in the town of Hamaoka. "We are very sorry, but we thought the cracks are minor ones that will not affect safety," Terasawa said, adding the firm had no intention of hiding the cracks.

The Japan Times ("GOVERNMENT INSPECTORS COMPLETE REACTOR PROBES," 09/23/02) reported that the Japanese government inspectors completed a two-day probe into the inspection records of nuclear power plants operated by three utilities embroiled in cover-up scandals. The inspectors from the Nuclear and Industrial Safety Agency began the on-site investigations, examining the records of Tokyo Electric Power Co., Chubu Electric Power Co. and Tohoku Electric Power Co. The inspectors will compare the records with those to be submitted by Toshiba Corp. and Hitachi Ltd., which have been commissioned by the utilities to conduct voluntary in-house inspections. A inspector in charge of Tohoku Electric Power's Onagawa plant in Miyagi Prefecture said, "We have no impression so far that there were clear wrongdoings."

# 5. DPJ's Leader Election

The Japan Times ("HATOYAMA WINS DPJ RACE IN RUNOFF," 09/24/02) reported that Yukio Hatoyama was re-elected to his third term as president of the Democratic Party of Japan (DPJ) after

a close runoff with longtime partner and rival Naoto Kan, the DPJ's secretary general. Hatoyama won with 254 votes, or 51 percent of the total, compared with Kan's 242 in a blistering runoff. Although Kan, 55, gathered slightly more votes from Diet members and authorized candidates for the next Lower House election, Hatoyama, 55, gained twice as many votes from lay supporters and local assembly members, propelling him to another two-year term. The two other candidates, former DPJ Vice President Takahiro Yokomichi and Yoshihiko Noda, who represents a group of young lawmakers, washed out in the first round of voting. Hatoyama's victory apparently shows that party members and supporters want a leader who puts more emphasis on party harmony than someone strong enough to confront Prime Minister Junichiro Koizumi. "My biggest task is to create a new Hatoyama organization" in which all party members will obey the party's decision on key policies, Hatoyama told a news conference. "The election results show that the DPJ must change under Hatoyama's leadership."

# 6. Voting Rights For Foreigners

The Japan Times ("Limited voting rights for foreigners," 09/26/02) reported that foreigners with permanent resident status will get to vote in a plebiscite approved Wednesday by the Takaishi Municipal Assembly in Osaka Prefecture on whether the municipality should merge with the neighboring city of Sakai. The city assembly passed a proposed ordinance initiated by Mayor Tamezo Terada to assess Takaishi residents' views about the plan to merge with Sakai by March 2005. The assembly's committee in charge of general and educational affairs revised the proposal to allow resident foreigners to take part in the merger referendum. There are some 300 foreigners in Takaishi who meet the eligibility requirements of being 20 or over and having lived in the city for at least three months, according to municipal officials. Foreign residents are not allowed to participate in national or local elections.

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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