NAPSNet Daily Report 28 August, 2003

Recommended Citation

"NAPSNet Daily Report 28 August, 2003", NAPSNet Daily Report, August 28, 2003, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-28-august-2003/

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I. United States

1. DPRK Multilateral Talks

Agence France-Presse ("DPRK NUCLEAR TALKS UNDERWAY IN "BIG STEP" TO RESOLUTION," 08/27/03) reported that six-nation talks on the DPRK nuclear standoff began in Beijing in what the PRC called a "big step" toward the resolution of the simmering 11-month crisis. "The six-party talks indicate a big step toward the resolution of the Korean nuclear issue," the PRC's chief delegate Wang Yi said in his opening speech to the envoys. The talks started at 9.03 am (0103 GMT) at the Diaoyutai state guest house in western Beijing, a Japanese official told AFP. At the prompting of Wang who was heard to say "shall we shake hands", smiling envoys from each country grabbed

hands outside the conference room before a symbolic photograph with all parties clasping hands together, witnesses said. US diplomat James Kelly stood next to the DPRK's chief negotiator Kim Yong-Il for the joint photograph and at one point looked directly at him, smiling before bowing slightly to the other representatives. The official greetings were to be made in alphabetic order, starting with the delegates of the PRC, and moving on to the DPRK, Japan, the ROK, Russia and the US. The speeches in which the delegations present their basic views will be made in the reverse order, beginning with the US, officials said. Agence France-Presse ("US-NKOREA FACE-OFF IN SECOND DAY OF SIX-NATION NUCLEAR TALKS," 08/28/03) reported that the second day of six-party talks on the DPRK nuclear crisis broke up with envoys splitting into smaller groups in an attempt to force a breakthrough to the 11-month stand-off. The US and the DPRK broke the ice with a face-to-face meeting Wednesday but the White House played down the encounter, insisting it did not signal a change of tack and was not considered formal. There was no word on whether US envoy James Kelly again met the North's main negotiator Kim Yong-Il although Kelly was seen leaving the talks accompanied by US ambassador to the PRC Clark Randt soon after the morning session finished. No other delegates were seen departing so quickly. ROK officials said two-way and three-way meetings were scheduled for the afternoon after the near-four hour morning talks. On the first day of talks the US reiterated its main demand, the completely dismantling of all the DPRK's nuclear programs. Reports said the DPRK indicated it would be prepared to discuss the issue in return for a non-aggression pact and economic aid. Japanese officials said Japan and the DPRK met Thursday on the sidelines in their first contact since October. Japan demanded the DPRK allow relatives of Japanese abducted by DPRK agents to go to Japan. Japanese officials also said Wednesday economic cooperation with the North depended on normalization of ties, which must be preceded by a solution to the abduction issue as well as the DPRK's missile and nuclear programs.

Reuters (Brian Rhoads and Masayuki Kitano, "CHINA SAYS N.KOREA WANTS NUCLEAR-FREE PENINSULA," Beijing, 08/28/03) reported that the PRC said on Thursday all six countries meeting in Beijing to resolve the DPRK nuclear crisis had agreed on a mutual goal of a nuclear-free Korean peninsula as they prepared to announce another round of talks. Such an agreement after the second day of negotiations in Beijing to end a 10-month stand-off would amount to a major concession by the DPRK, which has said it has the right to a nuclear deterrent to fend off what it regards as US hostility. But Japan warned that differences remained between the parties in the three-day meeting, which has been seen as just the first in a series of tough rounds of negotiation. It said no decision had been made on whether to hold another round of talks between the six negotiating countries, the two Koreas, Japan, the US, Russia and the PRC. The PRC made its announcement after the second day of talks at the exclusive Diaoyutai State Guest House closed. "The parties reiterated that denuclearization of the Korean peninsula is the common goal of all sides and the nuclear issue should be resolved peacefully through diplomatic means," the PRC Foreign Ministry stated.

Reuters ("RUSSIA SAYS N.KOREA DOESN'T WANT NUCLEAR WEAPONS," Beijing, 08/28/03) reported that the DPRK is interested in the denuclearization of the Korean peninsula and does not intend to own nuclear weapons, the PRC's Xinhua news agency cited sources as quoting Russian delegate Alexander Losyukov as saying.

2. DPRK on US Enriched Uranium Accusation

Agence France-Presse ("NORTH KOREA REJECTS US CHARGES ON ENRICHED URANIUM," 08/28/03) reported that the DPRK has denied US charges that it is running a clandestine nuclear program based on enriched uranium at multilateral talks in Beijing, ROK reports said. Yonhap news agency said the DPRK's denial was contained in a keynote speech from the DPRK's chief negotiator, Kim Yong-Il, on the first day of talks in Beijing on Wednesday aimed at working out a compromise to the 11-month nuclear standoff. "Through its keynote speech, North Korea denied it has admitted to

developing nuclear weapons based on enriched uranium, saying it was merely a US allegation," an unnamed government official in Seoul was quoted as saying on Thursday. Russia's ITAR-TASS reported that the DPRK told the meeting it had no nuclear weapons, although this was swiftly denied by both ROK and Japanese delegates. "There was no such expression indicating if it has nuclear weapons or not," Wi Sung-Lac, director general of North American affairs at the ROK foreign ministry said.

Agence France-Presse ("NKOREA SAYS HAS NO NUCLEAR WEAPONS BUT WARNS OF MORE POWERFUL DETERRENCE," Moscow, 08/27/03) reported that the DPRK has no nuclear weapons but will develop a more powerful deterrent if its demands are not met, the top negotiator for the Stalinist state said at the opening of key six-way talks in Beijing, Russia's ITAR-TASS news agency reported from the PRC capital. The DPRK "has no nuclear weapons... and has no goals of developing them," it quoted chief negotiator Kim Yong-Il as saying at the start of the talks. At the same time, if Washington does not take Pyongyang's security concerns into account, than North Korea "will create even more powerful ways of containing" the threat from the US, said the negotiator, according to ITAR-TASS.

3. DPRK ROK US Explanation Request

Agence France-Presse ("NORTH KOREA ASKS SOUTH KOREA TO EXPLAIN US POSITION," 08/28/03) reported that the DPRK held a bilateral meeting with the ROK after failing to fully understand parts of the US keynote speech to six-party talks on Pyongyang's nuclear program, an official said. "There were some parts of the US keynote speech North Korea could not understand properly," said ROK foreign ministry spokesman Shin Bongkil on Thursday. He said the DPRK asked ROK delegates to help out and they met for 30 minutes late Wednesday after a dinner hosted by PRC Foreign Minister Li Zhaoxing. "Our side explained it to North Korea and they said they understood that," said Shin, who did not go into details of exactly what the North had trouble comprehending. "Both sides (North Korea and South Korea) agreed to have more bilateral contact today if necessary while regarding the previous contact as very useful," he said.

4. ROK Role in DPRK Diplomacy

Agence France-Presse ("SOUTH KOREA IN DELICATE NUCLEAR BALANCING ACT," 08/28/03) reported that the ROK is engaged in a delicate balancing act at nuclear crisis talks, hoping to keep the DPRK sweet while working to soften the US' hard line towards the DPRK. In the bumpy road to Beijing, where six-party talks on the DPRK nulcear impasse are underway, South Korea's evolving policy towards its Stalinist neighbour has triggered friction at different times with the Pyongyang leadership and with the Bush administration. Professor Kim Yeon-Chul of the Korea University said the ROK's long-standing position laid down by President Roh Moo-Hyun is that the Korean peninsula must be free of nuclear weapons and the crisis must be settled through peaceful means. "South Korea is struggling hard to find ways to narrow the gap between North Korea and the US," he said, suggesting Seoul was playing the role of mediator in Beijing. One problem was mixed signals emerging from Washington, where hawkish officials and more conciliatory voices were clamouring for attention, he said. "The US must stop sending out mixed signals and come up with a unified voice. Conflicting voices from Washington only compound the talks," he said. Washington's official line is that the DPRK is a major threat to world peace, and it is keeping all its options open, including sanctions and military action, to cope with the potential danger. "This is one case where ROK hearts and heads are pulling them in different directions," said Scott Snyder, Seoul representative of the Asia Society. Roh's toughened stance against the DPRK, most notable since his summit meeting with US President George W. Bush in May, earned him admiration in Washington

but withering criticism from Pyongyang. However the ROK has never embraced the US position in full, and differences had to be papered over at the Roh-Bush White House summit. Since then, the ROK has been working hard behind the scenes to reduce the influence of the US hawks and produce a more flexible approach from the Bush administration. "We've seen efforts by the ROK government to induce flexibility on the part of the US. Subsequently the US has adopted a more flexible position," said Snyder.

5. DPRK-Japan Abduction Issue

The Associated Press (Yuri Kageyama, "JAPAN ASKS N. KOREA FOR CHILDREN'S RETURN," Beijing, 08/28/03) reported that when Japan conferred with the DPRK on Thursday during nuclear-weapons talks in the PRC capital, the top issue wasn't bombs. The demand was more emotional: Tell the truth about all the Japanese suspected of being held captive in the reclusive communist state. "We just focused on the kidnappings," one of the chief members of Japan's delegation said on condition of anonymity. "We will keep on talking until we get a good answer." But he said the DPRK refused to budge, and offered little more than its old view that Japan had broken its promise by not returning the five victims who had been allowed to visit Japan last year. The Japanese government has 10 people on an "official" abduction list, but experts and grass-roots groups say the number could be more than 100. The DPRK has said eight people are dead. In talks totaling 40 minutes at the PRC's guest house, Japan demanded that the five victims' seven children still stuck in Pyongyang be allowed to join their parents. The delegates also demanded a full accounting of other missing Japanese.

6. Japan Domestic Economy

USA Today (James Cox, "ECONOMIC OUTPUT, RISING EXPORTS HINT JAPAN'S ECONOMY PERKING UP," 08/28/03) reported that for the fifth time in 10 years, the stagnant Japanese economy is showing signs of life. Economic output burst ahead in the three months from April to June, growing at a 2.3% annual rate three times what forecasters expected. Exports provided another pleasant surprise by expanding 5.6% in July. Investors are buoyant. The Nikkei 225, Japan's benchmark stock average, touched a 13-month intra-day high Wednesday before closing at 10,308.99. The Nikkei has stormed back since skidding to a 20-year low in April. Adding to optimism about the world's No. 2 economy: A government-backed body set up to be a Fix-It for troubled companies is set to name its first turnaround candidate, expected to be the struggling Mitsui Mining. Is Japan on the mend at last? "Japan's economic fundamentals have finally changed for the better," setting the stage for "a shift to a permanently higher-growth trajectory," says a new report by Barclays Capital. Don't you believe it, says Stephen Roach, chief economist at Morgan Stanley. "We're in another one of these periods where the Japanese economy moves up for a while, then lacking any meaningful progress on structural reforms, there's a relapse another nine months down the road," he says. Japan has grown for six consecutive quarters. Wednesday, the International Monetary Fund raised its growth estimates for the country, while cutting forecasts for the global economy and Europe. Even so, the IMF forecast for Japan is hardly robust: 1% growth this year and again in 2004, up from previous estimates of 0.8% each year. (Forecast for the USA: 2.2% this year; 3.6% in 2004.)

7. PRC Domestic Economy

The New York Times (Keith Bradsher, "CHINA'S GROWTH CREATES A BOOM FOR CARGO SHIPS," Hong Kong, 08/28/03) reported that less than two years after many of the world's cargo ships lay

idle and were worth no more than the scrap value of their steel, shipping lines around the world are enjoying one of their most profitable booms ever, and they have the rapid expansion of the PRC economy to thank for it. The PRC has become a ship line executive's dream. It is importing huge and growing quantities of oil, iron ore, coal and other bulky raw materials from the Persian Gulf, Australia, Brazil and Canada, and exporting rising quantities of furniture, consumer electronics, toys and other finished goods to American and European markets. Shipowners and operators essentially measure their living by the tons of cargo they haul multiplied by the miles they carry it. By providing big cargoes that have to travel long distances, the PRC offers a bonanza of ton-miles, as this measure is known, keeping ships so busy around the world that for some kinds of vessels on some routes, daily charter rates have tripled in the last year. "Now is one of the best times ever seen" in the shipping industry, said K. H. Koo, chairman of the TCC Group, a big Hong Kong shipping company. "China is the main thing that is helping the shipping industry." The PRC shipping boom is driving up freight rates all over the world, not just on Pacific Ocean routes. For companies that need to ship their products by sea, the boom means higher costs. For consumers, though, there will probably not be any discernible effect on price tags in stores, because sea shipping is generally a tiny part of the cost of most goods. Still, at a time of rising trade friction between the PRC and the US, the newfound prosperity of ship lines illustrates how a big global industry can become dependent on the PRC economy in just a few years.

8. PRC on Dalai Lama US Trip

Agence France-Presse ("CHINA PROTESTS DALAI LAMA'S US TRIP," 08/28/03) reported that the PRC protested over the Dalai Lama's scheduled trip to the US next month, asking the US not to allow the Tibetan spiritual leader to go ahead with it. "The PRC side expresses grave concern over this matter," a foreign ministry spokesman said in a statement on Thursday. "We have made representation to the American side over this matter, and have requested the US government strictly abide by its promise to recognize Tibet as a part of China, to not support 'Tibet independence,' and to not allow the Dalai Lama to go to the US to engage in activities to split China." The Dalai Lama is expected to meet President George W. Bush and Secretary of State Colin Powell during his September 4-24 visit, his press secretary said Monday. The PRC was swift to condemn the plan, saying it would jeopardize moves to build bridges between the exiled leader and Beijing. "We know very well what the Dalai Lama is up to," said Jampa Phutsok, the Beijing-appointed chairman of Tibet, speaking in the Tibetan capital Lhasa earlier this week to a group of foreign reporters allowed to make a rare visit to the region. "We are strongly opposed to (President) Bush seeing the Dalai Lama under any guise, this will not be beneficial to the talks with the central government and his (the Dalai Lama's) efforts to improve relations (with China)," he said.

9. PRC Administrative Licensing Law

Asia Pulse ("PRC LEGISLATURE ADOPTS LAW ON ADMINISTRATIVE LICENSING," Beijing, 08/28/03) reported that the Standing Committee of the 10th National People's Congress (NPC), the PRC's top legislature, adopted a law essential to the country's government reforms while concluding its five-day Fourth Meeting yesterday. According to a Presidential Decree issued by President Hu Jintao, the law on administrative licensing, with 83 articles in eight chapters, will come into effect as of July 1, 2004. "This is a very important law," said Wu Bangguo, chairman of the NPC Standing Committee, after an overwhelming majority of the legislators voted in favor of passing the law. The draft law had been deliberated by the NPC Standing Committee for four times at its bimonthly meetings. Once put into force, the law is expected to play a vital role in introducing a "just and transparent, clean and efficient administrative system with standardized practice and good coordination" in the PRC, said Wu. The law will also provide a powerful legal guarantee for the

PRC's opening-up to the outside world and for the establishment and improvement of the country's socialist market economic system, he added.

10. Report: Clinton PRC False Nuclear Non-proliferation 'False

Certification'

Insight Magazine (Scott Wheeler, "CLINTON GAVE PRC 'FALSE CERTIFICATION,'" 08/25/03) carried a reported that read Senior defense-intelligence analysts have stated that the Clinton administration falsely certified the People's Republic of China (PRC) as a nuclear non-proliferator despite overwhelming evidence to the contrary. Clinton officials went so far, sources say, as threatening to fire a senior defense analyst unless he changed his analysis, which was based on the overwhelming preponderance of all available intelligence sources that Beijing was proliferating nuclear technology and materials to rogue nations. A copy of an analysis written by Jonathan Fox, arms-control specialist for the Defense Special Weapons Agency, dated Oct. 23, 1997, which states: "This assessment concludes that the proposed arrangement presents real and substantial risk to the common defense and security of both the US and allied countries." According to Pentagon sources, the analysis was ordered to determine whether President Bill Clinton could certify to the US Congress that the PRC was a non-proliferating nation, thus qualifying it for an exchange of nuclear technology with the US - an agreement that the analysis refers to as "a technology-transfer agreement swaddled in the comforting yet misleading terminology of a confidence-building measure." Defense experts state that there was at the time so large a technology gap between the US and China that the PRC had little or nothing to offer the US in such an exchange. So the agreement amounted to Washington providing a how-to treatise for Beijing's nuclear-weapons program. The ordered analysis was to assess the risk to US national security likely to result from such an arrangement with the PRC. And the analysis concluded, "It is further found that the contemplated action can result in a significant increase of the risk of nuclear-weapons-technology proliferation." A senior Department of Defense (DoD) analyst, speaking on condition of anonymity, expressed that since the Clinton administration ignored intelligence warnings and issued the "false certification" of China as a non-proliferating nation, "there has been undeniable evidence of transfers of nuclear technology from the People's Republic of China to North Korea and Iran." Some details of the incident were revealed in a June 1999 hearing of the House Government Reform Committee investigating whether the Clinton administration had allowed transfers of dual-use technologies to the PRC in exchange for campaign donations from the People's Liberation Army that were laundered into the Democratic National Committee for Clinton's 1996 re-election campaign. Fox told the committee under oath that the order falsely to certify China as a non-proliferator came from his "superior at OSD [Office of the Secretary of Defense]," Michael Johnson. "I completed my analysis recommending the non-approval of the PRC technology transfer," said Fox, who reported that he submitted his report on a Thursday evening and that by Friday morning Johnson had left several messages, finally reaching him at an "Interagency Subcommittee on Nuclear Export Controls (SNEC)." Fox described Johnson as being "quite upset," and testified that Johnson told him that the analysis was "not what was being looked for" and threatened him by saying "I would be lucky if I still had my job by the end of the day." Fox told the committee that Johnson was under political pressure. "He indicated that, the matter having been decided far above our pay grade, he wanted me to change my memorandum in order to have it a more appropriate conclusion." According to Fox's testimony, Johnson told him the analysis should "reflect that there would be no inimical impact upon national security," a statement that Fox said would be "false and dishonest."

II. Republic of Korea

1. ROK-DPRK Direct Trade

Chosun Ilbo (Gwon Dai-yeol, "ROK, DPRK Agree to Boost Direct Trade" 08/28/03) reported that ROK and DPRK agreed Thursday to increase direct inter-Korean trade and to open an office in Kaesong or Pyongyang to help ROK small and midsize companies deal with cross-border trade issues. Specific dates and locations for the plans will be discussed by letters in the future. The two sides also agreed that each would send economic delegation teams to the other's side. ROK team will be inspecting three of DPRK's food distribution centers in September. The agreements were included in the nine-point joint minutes released after the sixth inter-Korean economic cooperation meeting, which wrapped up three days of talks in Seoul on Thursday. Also, the two Koreas agreed to relink the Gyeongui and Tonghae railways and roads. ROK will be providing by October all tools and materials needed for the work. In relation to the construction of the Kaesong Industrial Complex, DPRK promised to implement and declare the regulations for the Kaesong industrial area law as soon as possible, and ROK will be examining various ways to support DPRK. The two Koreas decided to hold the seventh economic meeting in Pyongyang during mid-October.

2. DPRK Multilateral Talks

Donga Ilbo (Hwang Yoo-Sung, Kim Young-Sik, "Differences Between U.S and DPRK Lower Expectations For Beijing Nuke Talks" 08/23/03) reported that The long-awaited six-party meetings involving the two Koreas, the US, PRC, Russia, and Japan aimed at resolving DPRK`s nuclear threat opened its first session at Diao Yu Tai State Guest House at 9:00 a.m. Wednesday in Beijing, PRC. At the meeting, participating countries delivered keynote speeches unveiling their positions and proposals regarding the nuclear issue. However, political experts expected that it would be difficult for the US and DPRK to iron out their differences on granting DPRK a security guarantee and dismantling its nuclear weapons program, as the two sides made no offer of concessions on the contentious issues. During his speech, Assistant U.S Secretary of State James Kelly underscored the need for DPRK to give up its nuclear weapons program completely, irreversibly and in a verifiable manner, demanding up-front concessions from DPRK side. To this end, DPRK should immediately return to the Nuclear Non-Proliferation Treaty and accept an inspection of the International Atomic Energy Agency, James Kelly said. It is known that Kelly said if DPRK gives up its nuclear ambitions, the international community along with the U.S would provide comprehensive financial assistance to help DPRK out from its dire economic difficulties. In response, DPRK`s Vice Foreign Minister Kim Young-il repeated his position that U.S. giving up its hostile DPRK policy and DPRK abandoning its nuclear weapons program should take place at the same time, adding that DPRK feels bound to keep its nuke program as a deterrence as long as threats from U.S continue. DPRK delegation is known to have mentioned that the US forces stationed in ROK are posing a threat to the security of the Korean Peninsula, suggesting its willingness to use the withdrawal of US forces from the Korean Peninsula as a bargaining chip according to developments of the talks. During his keynote speech, ROK`s chief delegate and Deputy Foreign Minister Lee Soo-hyeok said that ROK will make a sincere effort to persuade DPRK to join international financial organizations and that large-scale economic cooperation projects are on the horizon after the nuclear issue is resolved.

3. DPRK-US Sidetalks

Joongang Ilbo (Kim Young-sae, "DPRK and U.S. confer alone : Issue of security guarantee for Pyeongyang raised" 08/27/03) reported that Breaking away from the six-party talks here, U.S. and DPRK officials met alone yesterday in a private session to exchange views on DPRK's nuclear weapons development program. Up until the meeting, the Bush administration had adamantly rejected demands from DPRK for bilateral negotiations. DPRK seeks to resolve the crisis by securing

a non-aggression pact from U.S in exchange for concessions on its arms program. On the first day of the three-day gathering here, James Kelly, U.S. Assistant Secretary of State, and Kim Yong-il, DPRK's deputy foreign minister, talked for about 30 minutes alone. Diplomats said the two sides indicated a willingness to resolve the issue through dialogue, although their positions remain far apart. In a keynote speech at the wider conference, Kelly raised the issue of DPRK's insistence on a security guarantee, but no details of how that might be addressed by U.S were disclosed. Officials with knowledge of the talks said the discussion between DPRK and U.S likely did not help narrow their difference, but the meeting reflected a symbolic gesture of a willingness by the two countries to continue dialogue for the rest of the talks.

III. Japan

1. Six-Way Talks over DPRK Nuke Issue

Asahi Shinbun (Taro Kawasaki,"JAPAN STATES ITS CASE ON N.KOREA NUKES," 08/28/03) reported that central to all participants was the need to have DPRK freeze and dismantle its nuclear development program. Delegates differed, however, on how Pyongyang might be persuaded to make that crucial concession. In the opening session, Japan's delegation said energy assistance and normalization of bilateral relations are possibilities, but only after Pyongyang resolved crucial security issues, especially the development and test-launching of missiles and DPRK's abduction of Japanese. "We cannot permit North Korea's development of nuclear weapons," Mitoji Yabunaka, the Foreign Ministry's director-general of Asian and Oceanian Affairs Bureau, said in his opening remarks. "Along with the issue of nuclear development, it is important that the issues of North Korea's missile development and abductions of Japanese also be resolved." According to a delegate member who attended the talks, the DPRK delegates made no response to Japan's mention of the abduction issue. "If DPRK takes specific steps to scrap its nuclear program, we can start discussing about extending assistance in the energy field at an appropriate time," Yabunaka said, referring to resumption of crude oil aid to the energy-strapped country. He reiterated Japan's belief that DPRK has no need for concern for its security and added that if Pyongyang agrees to scrap its nuclear program, further discussion could follow. DPRK stressed in its presentation that under the current situation, the country had no choice but to rely on "nuclear deterrence," but stopped short of stating it has nuclear weapons. All the talks, held at the Diaoyutai guest house in central Beijing, were closed to reporters. Host PRC went all-out on protocol to ensure an appropriate climate for the talks. Three delegates from each country were seated at a hexagonal table, with sofas in the four corners of the conference room screened by large potted plants. DPRK's delegates were flanked by the US delegation on their right and the Japanese on their left, thus avoiding direct eye contact. The US delegation wants a verifiable and irreversible dismantling of Pyongyang's nuclear programs without reward. The delegation is believed to have reiterated Washington's assurance it has no intention of attacking DPRK, but would not sign a nonaggression treaty, something Pyongyang is hoping for. PRC wants to ensure a nuclear-free DPRK, but wants the reclusive country to be allowed to maintain its current leadership to avoid having an overly pro-American Korea as a neighbor.

KYODO (Takeshi Stato, "6 NATIONS BOOST EFFORTS TO SOLVE N.KOREA NUKE IMPASSE," Beijing, 08/28/03) reported that delegates of the six countries -- the US, DPRK and ROK, PRC, Japan and RF -- gathered in the morning for a full session at the PRC capital's Diaoyutai Guesthouse to clarify the basic positions they presented the first day. Thursday will be "a very crucial day for the future process," a conference source said, adding that Pyongyang and Washington, the players key to any resolution of the nuke standoff, "sent signals." The source said DPRK Vice Foreign Minister Kim Yong Il, who heads the North's delegation, will spell out Pyongyang's position on calls by other participants the first day for it to completely abolish its nuclear development program. With the

DPRK side also seen as tabling a "new proposal" the first day, Japan, ROK and the US got together Thursday morning at the US Embassy in Beijing to discuss it and coordinate policy prior to the full six-nation talks. DPRK's Kim and his US counterpart, Assistant Secretary of State for East Asian and Pacific Affairs James Kelly, will meet again bilaterally Thursday for discussion on the sidelines, setting the direction for the overall six-nation dialogue process, the source said. Also expected to highlight the day's events is a bilateral meeting between DPRK and Japan. Tokyo wants to discuss specifics of Pyongyang's past abductions of Japanese nationals. Diplomatic sources said PRC is arranging with other participants to issue a joint statement on the final day, with the six countries likely to agree on it with three major points depending on the outcome of the three-day talks. The three points are that the participants frankly expressed their views, understood each other's assertions and agreed to hold another meeting, the sources said. The six-nation talks, chaired by PRC Vice Foreign Minister Wang Yi, got off to a smooth start Wednesday morning. But there was heated debate in bilateral meetings between the US and DPRK on the sidelines. During the full session Wednesday, Kim reiterated a demand for a nonaggression pact with the US in return for addressing concerns over its nuclear arms development, according to conference sources. Kelly rejected the idea, and demanded the North unconditionally abandon nuclear development, the sources said. But Kelly promised that the US has no intention to invade DPRK or seek a regime change, while urging Pyongyang to abandon its nuclear arms program in a "complete, verifiable and irreversible" way, White House spokesman Claire Buchan said in Washington. The sources said Kelly made no mention of whether the security guarantee will come in a written form. DPRK also reiterated its demand for the US and other countries to scrap their current "enemy and hostile" policies against the North. Japan, for its part, urged DPRK during the full session Wednesday to resolve the dispute over the North's abductions of Japanese nationals in the late 1970s and early 1980s. Japan proposed a bilateral meeting with the North to discuss specifics. The sources said the meeting is likely to take place Thursday afternoon. The dispute over the abduction issue is a major obstacle preventing the two countries from normalizing ties. Japan and DPRK have had no official contact since last October, when they held talks in Malaysia on normalizing diplomatic ties. The talks broke down over the abduction issue. If the bilateral meeting is realized, Tokyo is expected to call on Pyongyang to allow all the relatives of five Japanese the North abducted in 1978 and repatriated last year to go to Japan, as well as to provide information about other abductees. During the proposed bilateral meeting with North Korea, Mitoji Yabunaka, the head of Japan's delegation, is expected to propose Japan's ideas for comprehensively resolving security issues concerning the North, which were tabled on the first day of the six-nation talks. Yabunaka told reporters that he explained at the Wednesday session that it is necessary to comprehensively resolve the nuclear and missile issues as well as the abduction issue before Japan and DPRK normalize diplomatic ties. Japanese officials said their proposals also included considering energy aid for DPRK and addressing the North's security concerns if it dismantles its nuclear program. Yabunaka reiterated Japan would extend economic aid after the two countries normalize ties.

2. Japan-Iran Relations

Kyodo ("IRAN TELLS JAPAN OF WILLINGNESS TO SIGN IAEA PROTOCOL," Tokyo, 08/28/03) reported that Iran told Japan on Thursday it is willing to sign an addition protocol to a safeguards agreement it already has with the International Atomic Energy Agency (IAEA), a Japanese official said. Iranian Foreign Minister Kamal Kharrazi was quoted as telling Japanese Prime Minister Junichiro Koizumi in a meeting in Tokyo that Iran has decided to begin negotiations aimed at signing the protocol and will boost cooperation with the UN nuclear watchdog. Kharrazi will hold talks with Japanese Foreign Minister Yoriko Kawaguchi later in the day. Iran's Islamic Republic News Agency reported Tuesday that Iran is ready to sign the protocol. Under the protocol, Iran would be required to allow the IAEA to conduct enhanced inspections of its nuclear facilities. Koizumi responded it is

indispensable for Iran to work together with the IAEA, the official said. Kharrazi denied that Iran plans to develop a nuclear arsenal but said it has the right to utilize atomic energy for power generation, according to the official. Koizumi and the Iranian foreign minister also agreed on the need to help rebuild Iraq, with Kharrazi saying the UN should be more involved in reconstruction work there because the Iraqi people do not want the current occupation by US and British forces, the official said. Koizumi was quoted as saying he hopes more and more Iraqi people would become involved in work to create a government in the war-torn country.

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

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