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### I. United States

#### 1. PRC Japan Germ Warfare Case

Reuters ("CHINA URGES JAPAN TO CONFESS TO GERM WARFARE," Beijing, 08/28/02) reported that the PRC has demanded Japan acknowledge it conducted germ warfare in the PRC during World War Two after a Tokyo court rejected the calls of relatives of victims for compensation. The court recognized on Tuesday for the first time that Japan had conducted biological warfare in the PRC, but rejected a lawsuit for damages filed against the Japanese government by Chinese relatives of victims. PRC spokesman Kong Quan said the invading Japanese army had used bacteria and chemical weapons which cruelly injured or killed Chinese people. "The Japanese side should adopt a responsible attitude towards history and reality and correctly acknowledge and treat this episode in history." The 180 Chinese plaintiffs had demanded Japan pay them compensation of 10 million yen (\$83,430) each and apologize for the activities of biological warfare units such as the infamous Unit 731. The court dismissed the suit, saying international law did not recognize the right of individuals

to seek compensation from a state for damages suffered during war.

## **2. US on DPRK Weapons Proliferation**

The Associated Press (Choe Sang-hung, "TOP U.S. ARMS NEGOTIATOR SAYS DEAL WITH NORTH KOREA MUST STOP SELLING MISSILE TECHNOLOGY ABROAD," Seoul, 08/29/02) and Agence France-Presse ("US SLAMS 'EVIL' NORTH KOREA'S WEAPONS PROLIFERATION," 08/29/02) reported that a top US arms control official lambasted the DPRK as the world's key missile proliferator that repeatedly ignored US warnings to stop spreading weapons of mass destruction. John Bolton, US undersecretary of state for arms control and international security, also warned Thursday that the DPRK's refusals to cooperate with nuclear inspectors put a landmark US-DPRK deal at risk. In a speech in Seoul, Bolton defended President George W. Bush's branding of the DPRK, along with Iran and Iraq, as part of an "axis of evil" bent on spreading weapons of mass destruction around the world. "It was factually correct," Bolton said of the term Bush first used in January. "There is a hard connection between these regimes -- an 'axis' along which flow dangerous weapons and dangerous technology," he said, adding that the DPRK had provided Iran with missiles and their technology for years. He denounced the DPRK as "an evil regime that is armed to the teeth including with weapons of mass destruction and ballistic missiles." "North Korea also is the world's foremost peddler of ballistic missile-related equipment, components, materials and technical expertise," Bolton said. "It is a regime that has just a few miles from Seoul the most massive concentration of tubed artillery and rocketry on earth."

## **3. DPRK Light Water Reactor Project**

Agence France-Presse ("US OFFICIAL WARNS OF DELAY IN NUCLEAR PROJECT FOR NORTH KOREA," 08/29/02) reported that a senior US arms control official warned that a project to build a nuclear power plant in the DPRK could be delayed further if they continue to balk at verification. US undersecretary of state for arms control and international security John Bolton told a seminar in Seoul that the nuclear project could not be completed by 2005, a deadline which has been already pushed back two years from the original target. "The problem is that key nuclear components to power the reactors cannot and will not be delivered until the IAEA effectively accounts for North Korea's activities -- past and perhaps present," Bolton said. The United States and the International Atomic Energy Agency (IAEA) have demanded that the DPRK allow special inspections into its nuclear facilities.

## **4. DPRK Market Reform**

Agence France-Presse ("NORTH KOREA REFORM WILL WIDEN RICH-POOR DIVIDE: OBSERVERS," 08/29/02) reported that the DPRK devalued its currency in early August, slashing the value of the won to 150 against the dollar from a theoretical rate of 2.15, according to North Korean government officials. The devaluation, together with the partial abolition of rationing, is seen by foreign diplomats and analysts as part of landmark, market-based reforms aimed at breathing life into the state-planned economy. Wages, fixed for decades, surged more than 20-fold this month in line with the reform, but prices at shops also shot up in proportion. At the capital's Ok Lyu Guan restaurant, the price of a bowl of what is reputed to be the nation's best cold "ryong myong" noodles rose to between 150 and 230 won from 15 won last month. The wide range of food, clothes and electronics at the well-stocked Dae Song Department Store in suburban Pyongyang were all newly tagged with the marked-up prices, but the dimly lit, steamy store was quiet, even at the weekend. Experts on the Korean peninsula warned that DPRK leader Kim Jong-Il seemed to be embarking on a

high-risk strategy to salvage the troubled economy. "It is good for North Korea to introduce the market-oriented system, which sets prices according to supply and demand, not the government," said a South Korean source who has visited the north a number of times. "But the system has a dangerous aspect -- inflation," said the source, who asked not to be identified. "Also, those who are already rich can take advantage of the system, which allows them to sell things when prices are high and buy back when prices are low," the source said. "In other words, the rich will be richer, and the poor will be poorer, this is our major concern."

## **5. DPRK-ROK Relations**

Reuters (Kim Miyoung, "DIFFERENCES DELAY NORTH-SOUTH KOREA TALKS," Seoul, 08/29/02) reported that the ROK said on Thursday talks with the DPRK about reconnecting railways and roads through their fortified border have been delayed because of differences but delegates were working behind the scenes to narrow the gap. "The two sides will hold the official meeting if or when the two sides manage to fine-tune differences," ROK spokesman Cho Myoung-gyun told reporters. "We are not certain whether we can hold official talks today or not," he said. Another official from the ROK's unification ministry said formal talks are not likely to take place on Thursday but the delegations would dine together before the DPRK officials left for Pyongyang on Friday. Cho declined to elaborate on the differences. The meeting marks the first detailed talks on economic cooperation between the two Koreas in two years.

## **6. US-Russia Disarmament**

The Associated Press (Mara D. Bellaby, "U.S. SENATOR RICHARD LUGAR DISCUSSES DISARMAMENT WITH RUSSIAN DEFENSE MINISTER IVANOV," Moscow, 08/29/02) reported that US Senator Richard Lugar, one of the architects of the decade-old US campaign to safeguard the former Soviet Union's arsenal, appealed Thursday for Russian and US officials not to get bogged down by bureaucracy in their bid to reduce the threat of weapons of mass destruction. In a meeting with Russian Defense Minister Sergei Ivanov, Lugar acknowledged that "in both of our countries sometimes we have problems with bureaucracy," but he expressed confidence such problems could be overcome to keep disarmament programs on track. Cash-strapped Russia has sought help from the United States and other Western countries to safeguard and destroy some of its arsenal of nuclear, biological and chemical weapons. But some US funding for weapons destruction projects in Russia have been suspended over uncertainty about Russia's own financial contribution. Meanwhile, some lawmakers in the US Congress have questioned the Kremlin's commitment to carrying out its obligations under chemical and biological weapons treaties. One of the hang-ups between the countries has been over Russia's promise to share a bioengineered strain of anthrax with the US. Lugar said he had been told Russia's export control act - originally put in place under US pressure - was the main obstruction to delivering the virus. But the senator said he "emphasized we are in a war against terrorism together" and assured proper security procedures would be followed in bringing the strain to the United States. "We expect the contract to be honored," he said.

## **7. Japanese Pearl Harbor Submarine Discovery**

The Associated Press (Natalie Obiko, "JAPAN REACTS TO SUBMARINE DISCOVERY," Tokyo, 08/29/02) reported that Takehiko Shibata, a historian at the Defense Agency's research institute, announced that a sunken Japanese submarine discovered a few miles from Pearl Harbor is proof the US, not Japan, started the war between the two nations, a government historian said Thursday. The 78-foot submarine was sunk by a Navy destroyer the morning Japanese forces attacked Pearl

Harbor, marking the US entrance into World War II. The wreckage lies in 1,200 feet of water a few miles from Pearl Harbor. It was discovered Wednesday during practice dives by submersibles from the Hawaii Undersea Research Laboratory. The discovery backs up the assertion by the US military that it fired first against Japan and inflicted the first casualties. The remains of two Japanese crewmen are believed to be still inside. "The finding provides evidence that it was the Americans who made the first shot, which means the war had already started even before Japan's air attack on Pearl Harbor," said Shibata. "It's been our understanding of how World War II started. Now we have the proof." Historians say the submarine led four other Japanese mini-sub to Pearl Harbor to take part in the assault on December 7, 1941.

## **II. Republic of Korea**

### **1. Inter Korean Economic Relations**

Joongang Ilbo (Kim Chang-woo, "NORTH'S ENVOYS ARRIVE FOR 3 DAY TALKS," Seoul, 08/28/02) reported that DPRK delegates arrived in Seoul on Tuesday to resume economic talks focusing on reconnecting the railway and road across the Demilitarized Zone. The delegation consisted of 30 members, including the five negotiators, along with assistants and journalists. It was led by Park Chang-ryon, first deputy chief of the National Planning Committee. The three-day talks are expected to cover several topics in addition to reconnecting the railway. These include building an industrial complex in DPRK and flood prevention measures on the Imjin River that flows through both countries. The ROK's delegation is led by the deputy minister of finance and economy, Yoon Jin-sik. He is expected to press the ROK for practical steps, especially on the railroad connection, on which DPRK has failed so far to fulfill commitments undertaken at the inter-Korean summit in 2000. ROK will seek a specific date for breaking ground next month so that the relinking can be completed by the end of the year.

### **2. DPRK-Japan Relations**

Joongang Ilbo ("NORTH ASKS JAPAN FOR HELP WITH US," Seoul, 08/28/02) reported that DPRK has asked for Japan's cooperation in resuming stalled talks with the US, Reuters reported Monday. DPRK's first deputy foreign minister, Kang Sok-ju, delivered the message to the Japanese foreign minister, Hitoshi Tanaka, at a banquet held in DPRK after the two countries ended two days of talks, the news agency said. "It is our stance that we want to resolve problems through dialogue," Kang said, adding, "When Japan holds talks with the United States, we would like you to explain our position." Japan reportedly will deliver the message to the US when the two countries, along with ROK, hold their Trilateral Coordination and Oversight Group meeting Sept. 7.

### **3. Security Forum in North East Asia**

The Korea Herald (Shin Yong-bae, "SOUTH KOREA WELCOMES JAPAN'S PROPOSAL FOR SIX-WAY SECURITY TALKS ON N.E. ASIA," Seoul, 08/28/02) reported that ROK welcomed Tuesday Japan's proposal to establish a six-way security forum on Northeast Asia, which would include DPRK, US, PRC and Russia. Japan reportedly proposed the six-party forum during its first high-level meeting with DPRK in two years, which ended Monday in Pyongyang. It was the first time that Japan has put forth the proposal to DPRK. DPRK did not respond to the Japanese overture during the Pyongyang talks, officials in the ROK said. ROK officials said the DPRK's opposition to the concept is the biggest stumbling block to starting discussions among the concerned parties on the opening of six-way talks.

Other obstacles include the ambiguous stances of the US and PRC on building a security forum in Northeast Asia, and the US security alliances with ROK and Japan, experts said.

#### **4. 7 DPRK Defectors in PRC**

Chosun Ilbo (Kwon Kyung-bok, "GOVERNMENT OPPOSES DEFECTORS REPATRIATION," Seoul, 08/28/02) reported that ROK government official said Tuesday that it would oppose the forced repatriation of seven DPRK defectors who were arrested attempting to get into PRC's Ministry of Foreign Affairs building. The seven delivered letters demanding PRC recognize them as refugees in line with international agreements it has ratified. He said if it ascertains the seven are DPRK defectors the government will call for principled humanitarian treatment. Despite their appeals for recognition as refugees fleeing famine and repression, PRC has insisted they were economic migrants, not political refugees.

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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