

# NAPSNet Daily Report Monday, October 24, 2005

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# I. NAPSnet

## 1. DPRK Nuclear Program

Yonhap News ("N.K. CALLS FOR TREATMENT AS NUCLEAR POWER BEYOND NPT: RODONG", 2005-10-23) reported that the DPRK called for the US to treat it as a nuclear power which is not subjected to regulations under the Nuclear Nonproliferation Treaty (NPT). "We demand the United States apply the same treatment and measures to our country as the countries which possess nuclear weapons beyond the NPT," Rodong Shinmun said on Sunday.

[\(return to top\)](#) Chosun Ilbo ("N. KOREA ATTACHES NO STRINGS TO JOINING SIX-PARTY TALKS", 2005-10-21) reported that the DPRK will go to a fresh round of six party talks without conditions attached, US Governor Bill Richardson said on Friday. Richardson told a press conference in Tokyo that the DPRK is willing to invite Mohamed ElBaradei, the director-general of the IAEA, to discuss ways of dealing with its nuclear program. He confirmed that the DPRK operates a graphite reactor in Yongbyon, which he visited during his trip. The governor also said that Pyongyang showed itself flexible over the issue of a civilian-use light-water reactor. [\(return to top\)](#) The Associated Press ("U.S., S. KOREA HAIL NORTH'S NUCLEAR PLEDGE", 2005-10-21) reported that US Defense Secretary Donald H. Rumsfeld and his ROK counterpart on Friday hailed a promise by the DPRK to abandon its nuclear program, but they also cited "causes of significant concern" in the DPRK's continued development of long-range missiles. Rumsfeld also affirmed the US commitment to maintain a troop presence in the ROK. General Leon J. LaPorte, commander of US forces in the ROK, said that although the DPRK is hampered by a weak economy and limited fuel resources, it remains capable of launching an attack that potentially could kill large numbers in the ROK. "The North Korean threat has not changed," LaPorte said. [\(return to top\)](#) Reuters ("N. KOREA WANTS WORLD TO RUN ATOMIC PLANT: RICHARDSON", 2005-10-22) reported that the DPRK's eagerness to make progress at nuclear talks appears genuine enough to involve a specific proposal to ensure its pursuit of a civilian nuclear plan is proliferation-safe, key US figures said on Saturday. "They stated they would be prepared to have the U.S. or any of the six party talk countries participate in the fuel cycle on the front or back end," US Governor Bill Richardson told reporters. "At one point there was some talk of an American CEO running the reactor with a North Korean manager," said US energy expert A.K. Namkung. [\(return to top\)](#)

## 2. Inter-Korean Relations

The Financial Times ("SEOUL SEEKS ACTIVE ENGAGEMENT WITH N KOREA", 2005-10-23) reported that the ROK's senior official in charge of relations with the DPRK has urged active engagement as the only way to coax Pyongyang into the international community, underlining

Seoul's determination to step up economic interaction even as the nuclear issue remains unresolved. Such engagement not only nurtures trust but also gives the DPRK a taste of the benefits it stands to reap if it abandons its nuclear weapons programs, the ROK's unification minister Chung Dong-young told the Financial Times. "Therefore, what is most important at this point is to build trust between North Korea and the US, and the rest of the international community," he said, implying US engagement would help advance the nuclear negotiations.

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### **3. Inter-Korean Economic Cooperation**

Donga Ilbo ("NORTH KOREA REBUFFS HYUNDAI VISIT", 2005-10-22) reported that two executives of Hyundai Asan who were supposed to discuss a Mt. Baekdu tourism project in the DPRK were denied permission to visit Pyongyang. This action can be explained by the DPRK Asia-Pacific Peace Committee's announcement that it would revisit all of the DPRK's business ventures with Hyundai. An official from Hyundai Asan said, "One executive who wrote the purpose of visit as 'paint delivery' received an invitation, but the two executives who stated 'to discuss the Mt. Baekdu tourism project' as the trip's purpose failed to receive an invitation from the North."

[\(return to top\)](#) The Korea Herald ("NO HYUNDAI, NO N.K. PROJECTS, SAYS OUSTED VICE CHAIRMAN", 2005-10-24) reported that former Hyundai Asan vice chairman Kim Yoon-kyu said yesterday that the DPRK must realize that the success of its ROK projects hinges on relations with the Hyundai subsidiary. "There can be no North Korean business without Hyundai," said the ousted executive. The former executive's comments come days before Saturday's conference between the DPRK and Hyundai Asan for a Pyongyang tour. Kim also viewed in a positive light the DPRK's outspoken complaints about his discharge, saying it is "probably a signal that North Korea still wants to discuss and improve the situation." [\(return to top\)](#) Joongang Ilbo ("GROUP: MOST INTER-KOREAN BUSINESSES END BADLY", 2005-10-22) reported that after the DPRK threatened to cut off its business relations with Hyundai Asan, a ROK civic group claimed that most ROK companies which had established joint ventures with the DPRK have suffered perennial losses. The Forum for Inter-Korea Relations, a coalition of civic groups focusing on inter-Korean economic exchanges, said most of the 1,000 ROK companies that forged business deals with the DPRK had either declared bankruptcy or given up mid-venture. "North Korea's attitude is extremely disappointing," said Nam Sung-wook, an economics professor at Korea University. "The North has no respect for basic business ethics and, by threatening Hyundai Asan, it made a bad bet. It may see short-term gains, but in the long term, no one will want to do business with it." [\(return to top\)](#)

### **4. DPRK-PRC Economic Cooperation**

Chosun Ilbo ("CHINA, N. KOREA PLAN LARGE-SCALE RAILWAY LINK", 2005-10-23) reported that economic cooperation between the DPRK and PRC is to be given a massive shot in the arm with an agreement to open the DPRK's railroads to the PRC. Beijing has pledged to provide support with heavy industry. Under the agreement, the PRC and DPRK railway ministries and PRC railway companies will set up a joint corporation, and the DPRK has agreed to open all its railways to the corporation. It would open up new trading routes between Pyongyang and Shenyang, Chongjin, Najin and Tumen. The corporation will buy 200 used freight trains for some 30 million yuan, with another 500 to 1,000 trains to be acquired in the long-term. A significant number of PRC- and Hong Kong-based companies have reportedly signaled interest in the project.

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## 5. DPRK-Japanese Relations

Asahi Shimbun ("N. KOREA NOW READY TO DISCUSS ABDUCTION ISSUE", 2005-10-21) reported that the DPRK is ready to reopen channels with Japan to discuss the abduction issue, US Governor Bill Richardson said on Friday. Richardson told the Foreign Correspondents' Club of Japan that officials in Pyongyang appeared "willing" to be more forthcoming on the abduction issue. Richardson said the DPRK was particularly keen to discuss the disputed DNA analysis of human remains that Pyongyang said was of abductee Megumi Yokota, but which Tokyo dismissed as false.

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## 6. DPRK Economy

The Washington Times ("CAPITALIST ECONOMY RISES STEALTHILY IN NORTH KOREA", 2005-1-21) reported that, according to the ROK, the DPRK's \$18 billion economy has been expanding since 1998. Richard Ragan, head of the World Food Program in the DPRK, estimates that 150,000 to 500,000 people are working in private trade, but he voiced concern about the inadequacies of central banking, lack of venture capital and the "reagriculturization" of the economy. Trade volume is about \$2.5 billion per year, he said, with the PRC and ROK as the main players. Although RO Koreans are tightly controlled, Chinese, the main source of consumer goods, operate relatively freely. Some RO Koreans worry about the DPRK becoming an economic colony of Beijing.

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## 7. DPRK Food Aid

Reuters ("UN FOOD AID WORK IN N. KOREA TO CONTINUE: RICHARDSON", 2005-10-21) reported that the DPRK will allow UN food aid workers to remain in the country, reversing a decision to close their offices and begin taking only long-term development assistance, US Governor Bill Richardson said on Saturday. There will still be a sharp cut in the World Food Program's (WFP) operation because Pyongyang wants help building industries instead, Richardson told reporters. "What the new agreement calls for is, one, the aid workers in the World Food Program can stay, but they probably will have to stay under a renewed definition of what development aid is," said Richardson. The DPRK has agreed to allow 30 WFP workers to remain and another 30 or so with other non-governmental organizations, he said. It was not immediately clear what they would be allowed to do.

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## 8. US on DPRK Military

The Korea Times ("LAPORTE SEES BENEFITS OF SEOUL'S SUNSHINE POLICY", 2005-10-21) reported that the ROK's policy of economic and political engagement with the DPRK has noticeably reduced military tensions along their heavily fortified military border, the commander of the US Forces Korea said. General Leon J. LaPorte, said DPRK provocations along the Demilitarized Zone have dropped over the past 18 months. "(South Korea has) developed benefits from their engagement policy, and that is good," he told reporters. "Perhaps North Korea has realized that they need assistance from South Korea. They do not want to cause problems with the economic initiatives that are ongoing." LaPorte stressed, however, that this does not mean that the DPRK is no longer a military threat.

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## **9. Freedom of Press in DPRK**

BBC News ("E ASIA 'TOUGHEST FOR JOURNALISTS'", 2005-10-20) reported that according to international media watchdog Reporters Without Borders, the DPRK is a black hole for news, where private media and freedom of expression do not exist. In the DPRK, the secret police continue to hound those listening to foreign radio stations and there are reports of journalists being held in labour camps for professional errors or deviating from the official line, Reporters Without Borders says.

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## **10. DPRK Leadership**

Reuters ("N. KOREAN LEADER KIM JONG-IL'S CONFIDANT DIES", 2005-10-23) reported that the DPRK's defense official and a close confidant of leader Kim Jong-il has died, the DPRK's official media said on Sunday. Yon Hyong-muk was vice-chairman of the powerful National Defense Commission and a former premier who had served both Kim and his father, Kim Il-sung. Yon was believed to have suffered from pancreatic cancer and was rumoured to have received treatment in Russia, but he was seen in public as late as October 10 at a military parade marking the 60th anniversary of the ruling Workers' Party.

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## **11. US Deserter's DPRK Experience**

The Associated Press ("ARMY DESERTER RECALLS ABUSE IN N. KOREA", 2005-10-21) reported that a US army deserter who spent decades in the DPRK claimed that his government handlers abused him and controlled every aspect of his life, down to telling him how often to have sex. It was the worst mistake anyone ever made," Charles Jenkins said during an interview with CBS' 60 Minutes. "In words, I cannot express the feelings I have towards North Korea, the harassment I got, the hard life." Jenkins was a 24-year-old sergeant when he crossed the border into the DPRK. He stayed for 39 years, appearing in propaganda films and teaching English.

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## **12. Japan on Nuclear Fuel Program**

The Yomiuri Shimbun ("JAPAN TO JOIN INTL N-FUEL PROGRAM", 2005-10-24) reported that the government has decided to cooperate with a US-proposed program that would prevent the proliferation of nuclear-related technologies, government sources said Sunday. The Natural Resources and Energy Agency of the Economy, Trade and Industry Ministry has decided to cooperate with a program designed to provide nuclear fuel at reasonable prices from major industrialized nations to mainly less-developed countries that abandon programs for nuclear fuel development in their nuclear power generation.

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## **13. US-ROK Military Alliance**

The New York Times ("RUMSFELD AND SOUTH KOREA DEFENSE CHIEF AGREE TO KEEP STATUS QUO", 2005-10-24) reported that Defense Secretary Donald H. Rumsfeld and his ROK counterpart on Friday reaffirmed the commitment of both nations to "a solid combined defense posture," and agreed to "accelerate discussions" on whether ROK should gain command of its military forces in times of war. A statement issued after Mr. Rumsfeld's meeting with Defense Minister Yoon Kwang Ung made clear that any changes in wartime control of ROK military forces, as well as any decision on a shift in America's nuclear guarantee for the ROK, would be postponed to the future.

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## **14. ROK on Yasukuni Shrine Issue**

Agence France Presse ("S.KOREAN FM TO VISIT JAPAN THIS WEEK", 2005-10-24) reported that Japan said that ROK Foreign Minister Ban Ki-Moon will go ahead with a visit to Tokyo this week, despite diplomatic friction over Prime Minister Junichiro Koizumi's visits to a war shrine. Ban, who nearly cancelled his trip due to Koizumi's shrine visit, will make a three-day trip from Thursday to meet Koizumi and Foreign Minister Nobutaka Machimura, the foreign ministry said in a statement.

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## **15. USFJ Realignment**

Agence France Presse ("US WANTS DEAL ON MOVING JAPAN AIR BASE BEFORE BUSH VISIT ", 2005-10-24) reported that Washington hopes to complete talks over the relocation of a key US air base in Japan before President George W. Bush visits here next month, a senior US official said. The two governments want to announce their plans for a realignment of US forces in Japan after a meeting between ministers of foreign and defense affairs due to be held in Washington on October 29.

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## **16. Japan Iraq Contribution**

Reuters ("US, IRAQ URGE JAPAN TO EXTEND TROOPS' MISSION ", 2005-10-24) reported that a senior US official and an Iraqi cabinet minister called on Japan on Monday to keep its troops in Iraq beyond the end of their current mandate in December. Domestic media have said Prime Minister Junichiro Koizumi's government is likely to extend the mission at least until early next year, although an opinion poll this month showed that three quarters of Japanese voters opposed an extension.

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## **17. UNSC Reform**

Kyodo ("U.S. OFFICIAL SUGGESTS JAPAN QUIT G-4 IN U.N. SECURITY COUNCIL BID", 2005-10-24) reported that a visiting US official suggested Monday that Japan give up working in the so-called Group of Four seeking permanent seats on the UN Security Council in order to realize its goal of becoming a permanent member of the world body.

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## **18. Sino-Japanese East Sea Gas Dispute**

Washington Post ("JAPAN-CHINA OIL DISPUTE ESCALATES", 2005-10-24) reported that the PRC has completed at least one new drilling platform in the East China Sea and may already be tapping into hotly contested natural gas and oil fields, escalating a dispute with Japan over the rights to billions of dollars worth of underwater energy reserves, according to Japanese reconnaissance data. The PRC action, Japanese officials charge, has aggravated a potential flash point in East Asia even as diplomatic relations between Tokyo and Beijing languish.

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## **19. Cross Strait Relations**

Agence France Presse ("TAIWAN'S LEE SLAMS 'SLAVE STATE' CHINA, CALLS FOR ECONOMIC BOYCOTT ", 2005-10-24) reported that Taiwan's former president Lee Teng-hui has accused the PRC of being a "slave state" that uses the false promise of its booming economy to dupe the free world into appeasing its tyranny. In an explosive speech in Los Angeles on the last leg of a 13-day US tour that has infuriated Beijing, Lee called for capitalist nations to shun investment in the PRC that he likened to the 1930s appeasement policy towards Adolf Hitler and later towards Russian leader Joseph Stalin.

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## **20. PRC Bird Flu Outbreak**

Agence France Presse ("CHINESE CAPITAL STEPS UP BIRD FLU SURVEILLANCE ", 2005-10-24) reported that the PRC's capital Beijing has stepped up its efforts to combat bird flu by sending inspectors to farms, households and migratory bird sanctuaries to enforce disease prevention controls. The stepped-up veterinary checks came after the PRC reported its first outbreak of bird flu in more than two months, on a farm in its northern Inner Mongolia region, where 2,600 birds died, with 91,000 others culled.

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## **21. PRC Environment**

Agence France Presse ("CHINA WARNS OF FIVE-FOLD INCREASE IN AIR POLLUTION IN 15 YEARS ", 2005-10-24) reported that the PRC's rapid economic growth and industrialization is posing a major challenge to the environment with air pollution likely to rise five-fold in 15 years, according to official warnings. "In the future 15 years, the population of China will reach 1.46 billion and the GDP will double, the pollution load will increase four to five times according to the present resource consumption rate and pollution control level," said Zhang Lijun, vice minister of the PRC's environmental agency.

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## **22. PRC Environment**

Reuters ("CHINA DAM PROJECT TESTS NEW ENVIRONMENTAL POLICY", 2005-10-24) reported

that PRC plans to turn an untamed river into a hydro-electric hub have sparked a war of words about national priorities as the government rethinks the balance between economic growth and environmental protection. Officials and experts in Beijing debated at the weekend a plan to harness the Nu River in southwest Yunnan province with a chain of up to 13 hydro-power stations amid signs of revived official favor for the project. The whole project, which could take a decade or more to build, would generate more power than the mammoth Three Gorges Dam, and displace 50,000 farmers, say supporters.

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## **23. PRC AIDS Issue**

Reuters ("CHINA WARNS HIV CASES COULD EXCEED 10 MLN BY 2010 ", 2005-10-24) reported that the PRC, once accused of being slow to acknowledge the threat of AIDS, could have as many as 10 million HIV carriers in five years if no effective preventive measures are taken, state media said on Monday, echoing a grim UN warning. PRC says it has 840,000 HIV-AIDS cases among its 1.3 billion population, but experts say at least a million poor farmers were infected in botched blood-selling schemes in the central province of Henan alone.

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## **24. US-Mongolian Relations**

The New York Times ("A HORSE FOR RUMSFELD, BUT, WHOA, THERE'S A SNAG", 2005-10-24) reported that Mongolia has 131 soldiers in Iraq, and on Saturday it received an official American statement of gratitude from Defense Secretary Donald H. Rumsfeld. Mr. Rumsfeld came to Ulan Bator to deliver that message personally, and he was given a horse.

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## **II. CanKor**

### **25. #224**

CanKor Full-Focus Edition ("CHANGES IN DPRK FOOD MANAGEMENT AND THE DPRK FOOD AID DEBATE", 2005-10-21) This week's full-FOCUS edition of CanKor explores the facts and issues surrounding recent moves by the DPRK to bring a ten-year era of massive food assistance to a stop, while at the same time reining in the escalating price of food grains staples in open markets by re-introducing a subsidized food rationing system. Citing an excellent harvest in this "Year of Agriculture," DPRK officials outline new restrictions on foreign aid. Resident NGOs are to leave the country by year's end. Aid groups wishing to continue operations must shift from humanitarian to development aid. The largest multilateral organization, the UN World Food Programme, prepares radical reductions in its operations. But New Mexico Governor Bill Richardson, just back from a White House-sanctioned four-day visit to the DPRK, says he secured permission for the WFP and 30 of its international employees to stay. What constitutes "development aid" is now under question. Much of what the WFP has done, according to Country Director Richard Ragan, has in fact been development aid "dressed up as humanitarian aid." This was done to help ease donor discomfort over the appearance of supporting the Kim Jong Il regime. Curiously, the first WFP activities to be shut down as part of the new restructuring are the arguably development-oriented food enrichment



factories, which employ 2,100 North Koreans, largely women, manufacturing noodles, biscuits and drinks from a blend of corn and soy beans. Concurrently with ending food aid, in an apparent move to soften its transition into free-market economics, the DPRK has prohibited the sale of cereals in local markets and introduced a new food rationing system in urban areas. The most common explanation for this move is that the state seeks to narrow the increasing gap between the newly rich and newly poor, a phenomenon most extreme in urban areas, where it poses the danger of social unrest. A more intriguing perspective comes from Chinese traders speculating that the intended target may be the expanding power of the military over the economy. Last month in New York, DPRK deputy foreign minister Choe Su Hon heated up the DPRK food aid debate by highlighting the politicization of humanitarian assistance through the link being made between food aid and human rights. In our OPINION section we add further voices to the ongoing dispute. WFP Country Director Richard Ragan comments on Stephen Haggard and Marcus Noland's Op-Ed, "Hungry for Human Rights" (see CanKor #221). Yonsei University professor Moon Chung-in explains Seoul's domestic and inter-Korean choices regarding food assistance to the DPRK. Additional web links to other resources in this ongoing debate complete the current edition of CanKor.

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