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# NAPSNet Daily Report Tuesday, September 7, 2004

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# I. United States

## 1. ROK Nuclear Disclosure

Reuters ("SOUTH KOREAN LAB SAYS URANIUM TEST REPEATED 3 TIMES", 2004-09-04) reported that the ROK government scientists conducted unsanctioned uranium enrichment tests three times in 2000 but they were repeated procedures of a single experiment, a spokesman at the state-run atomic research center said on Sunday. The spokesman also said the average enrichment level of uranium was about 10 percent, well below the 80 percent considered necessary to be weapons grade. The ROK government has already denied the enrichment was close to weapons grade but had declined to give numbers. "It was one experiment under which the separation process was repeated three times," said Han Bong-oh, the spokesman at the Korea Atomic Energy Research Institute, by

telephone.

Kyodo News ("IAEA TO DECIDE IN NOV. IF S. KOREA VIOLATED NUKE SAFEGUARD ACCORD", 2004-09-07) reported that the International Atomic Energy Agency is highly likely to decide at a meeting in November whether the ROK violated a safeguard agreement by not notifying it of a uranium enrichment experiment in 2000, an agency official said Monday. The U.N. nuclear watchdog's board of governors is expected to make a decision regarding any violation after the inspection results are reported at a board meeting in November, the official said. The official also said that if investigation results support Seoul's explanations, further inspections would not be necessary. In such a case, the board would likely designate the unsanctioned experiment as a violation of the safeguard agreement and report it to the UN Security Council without invoking sanctions, he said.

The New York Times ("SOUTH KOREAN SCIENTIST CALLS URANIUM TEST 'ACADEMIC'", 2004-09-07) reported that the ROK's enrichment of a "minuscule" amount of uranium was a one-time "academic test" tacked on to other, unrelated laser experiments and intended to get more mileage from contaminated equipment intended for the scrap heap, the president of the ROK government's nuclear research institute, said in an interview here on Monday. "When they said they wanted to do this research, I said go ahead," said Chang In Soon, president of the Korean Atomic Energy Research Institute, part of the Ministry of Science and Technology. "But I said, do it fast and scrap it straight away afterward." "I knew there was an international agreement, but it was such a small-scale experiment, I didn't think it would be a problem," said Dr. Chang, a chemist by training. "Then, we scrapped the equipment afterward. If we had ambitions, why would we scrap the equipment?" Speaking in Korean through an interpreter, Dr. Chang blamed "the crude curiosity of the research scientists" for the enrichment.

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## **2. ROK Nuclear Disclosure and the DPRK Nuclear Talks**

Yonhap ("SEOUL'S NUKE ACKNOWLEDGEMENT PREDICTED NOT TO DERAIL 6-WAY TALKS ", 2004-09-06) reported that a well-known US expert on Korean affairs brushed off concerns Sunday that the ROK's acknowledgement of an uranium enrichment experiment may complicate efforts to resolve tensions over the DPRK's nuclear program, saying its impact on the six-party talks will be "limited." Don Oberdorfer, a professor at Johns Hopkins University, made the comment in an interview with Japan's Asahi Shimbun, the paper reported.

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## **3. ROK Nuclear Disclosure and US Troop Realignment**

Chosun Ilbo ("URANIUM EXPERIMENT ANNOUNCEMENT RESPONSE TO USFK REDUCTIONS? ", 2004-09-07) reported that analysis has arisen through the US media that the announcement of the uranium enrichment experiment by ROK scientists was a response to USFK reductions. In a Saturday article entitled "South Koreans Repeat: We Have No Atom Bomb Program," the New York Times reported that many analysts are comparing the stir over the uranium enrichment experiment with late President Park Chung-hee's secret nuclear weapons development attempts. They say there are many similarities between now and when Park started secretly developing nuclear weapons in the 1970 due to a security gap caused by the US defeat in Vietnam and former US President Jimmy Carter's decision to withdraw USFK. The NYT also mentioned the analysis of Japanese military experts who said the announcement of the uranium enrichment experiment was related to some

extent with the decision by the US Bush administration to cut US forces in Korea by a third by next spring.

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## **4. US on DPRK, ROK Nuclear Issues**

Washington ("SEOUL, OTHERS SHOULD SEND CLEAR MESSAGE ON NUKES -US", 2004-09-03) reported that the White House said on Friday that the ROK and other nations should send a "clear message" to the DPRK of their commitment to a nuclear-free peninsula after Seoul admitted government scientists had enriched uranium to nearly weapons-grade levels. "All parties should send a clear message to North Korea about a nuclear-free peninsula and the need for North Korea to abandon its nuclear ambitions," White House spokesman Scott McClellan told reporters. But a senior administration official said the White House was not singling out "We're not asking for any South Korean actions," the official said. "Nothing has changed," a senior administration official said. "South Korea and China and Japan have all stressed the importance of a nuclear-free peninsula, and that is a position that we strongly support," McClellan said.

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## **5. DPRK on Nuclear Issue**

Yonhap ("N.K. LAW STIPULATES PEACEFUL USE OF NUCLEAR POWER ", 2004-09-04) reported that the ROK's top intelligence agency has recently made public the full text of DPRK's atomic energy law, which states atomic energy must be used only for peaceful purposes. "The use of atomic energy for peaceful purposes is the DPRK's consistent principle," said Article 1 of the law, disclosed by the National Intelligence Service.

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## **6. DPRK HEU Program**

Donga Ilbo ("NORTH KOREA ONCE AGAIN DENIES DEVELOPMENT OF HEU PROGRAM ", 2004-09-06) reported that Korea Society chairman and former US Ambassador to Korea Donald Gregg said on September 5 that the DPRK once again strongly denied the US' suspicion that the DPRK has pursued nuclear weapons development by operating a Highly Enriched Uranium (HEU) program. The former ambassador visited the DPRK last month and met DPRK Vice Foreign Minister Kim Kye-kwan, who was also the DPRK senior representative at the six-party talks, three times during his stay. "Vice Minister Kim said there was no reason for North Korea to pursue a HEU program when it had enough uranium [for reprocessing] produced from Graphite-moderated Reactor (GMR)," reported the former ambassador.

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## **7. Lessons from the DPRK Nuclear Issue**

Washington ("IRAN SEES NUCLEAR LESSON IN IRAQ, N.KOREA -EXPERTS", 2004-09-02) reported that the Bush administration may think tough talk will discourage Iran's nuclear ambitions, but US policy on Iraq and the DPRK has left the Islamic state believing that only nuclear weapons can deter the possibility of US invasion, experts said on Thursday. Now, with DPRK diplomatic talks promising attractive benefits for Pyongyang, Ray Takeyh of the Council on Foreign Relations said the message

to Iran was clear. "You've got to become North Korea, or you will be Iraq," said Takeyh, the council's senior fellow for Middle Eastern studies. "Biological and chemical weapons don't deter the US military and are no guarantee of territorial integrity or sovereignty," he said. "But nuclear weapons have a bargaining utility."

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## **8. KEDO Project**

Reuters ("NORTH KOREA NUCLEAR PLANT SUSPENDED AGAIN-REPORT", 2004-09-06) reported that the US, the ROK and Japan have agreed to suspend work on the construction of nuclear reactors in the DPRK for a second year but stopped short of scrapping the project, a Japanese newspaper said on Monday. The decision, which the Yomiuri Shimbun daily said was likely to be formalized at a meeting of the Korean Peninsula Energy Development Organization (KEDO) in New York on Oct. 13, comes as Washington and its allies try to get the DPRK to hold another round of talks this month on its nuclear arms programs. Quoting unidentified Japanese government sources, the Yomiuri said the US had wanted to scrap the project entirely, but gave in to persuasion from the ROK and Japan to leave room to resume construction. The ROK and Japan have covered 90 percent of the \$1.5 billion construction costs so far.

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## **9. Missile Defense**

Los Angeles Times ("N. KOREA IS IMMUNE TO 'STAR WARS'", 2004-09-07) reported that six years ago, the DPRK leader Kim Jong Il's hard-pressed engineers attempted to send a long-range ballistic missile into space. Apart from scaring the ROK and Japan, the Taepo Dong missile test was not a huge success: Its vital third stage malfunctioned, and observers were highly skeptical that the DPRK could deploy the missile as a weapon any time soon. Yet, Donald Rumsfeld, congressional Republicans and their neoconservative academic friends found the new DPRK threat ample excuse for breathing new life into a long-troubled US antiballistic missile program. However, there is scant likelihood that Kim's Taepo Dong missile will ever be fired. It's too useful as a threat. The DPRK's leaders, for all their brutalities, are smart and calculating, they know armed conflict with the US would result in their country's destruction. The distressing alternative, which Bush, Rumsfeld and company seem intent on following, is to toss \$40 billion or so more over the next five years at an antimissile system that would have a 1-in-1,000 chance of knocking out a Taepo Dong missile that has a 1-in-1,000 chance of ever being fired.

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## **10. ROK on DPRK Nuclear Talks**

Reuters ("S.KOREA'S ROH SEES SLOW PROGRESS IN 6-PARTY TALKS", 2004-09-05) reported that the ROK President Roh Moo-hyun said on Sunday he expected only slow progress in the six-nation talks to end Pyongyang's nuclear ambitions but retained hopes for a diplomatic resolution. "We shouldn't expect major, speedy progress in the six-party talks for a while," Roh told MBC TV, according to a transcript of the interview to be aired later in the day. "The issue will proceed a bit slowly during the US presidential election. But it will be eventually solved peacefully, through dialogue." Seoul had said it was aiming for a Sept. 22 start date but analysts say the DPRK may see little incentive to budge before the US election in November. Roh said that the DPRK had come to "a point of no return" in its reform efforts and that further inter-Korean cooperation would help resolve

the long-running nuclear crisis.

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## **11. PRC on DPRK Nuclear Talks**

Kyodo News ("CHINA EYES HOLDING 6-NATION TALKS ON N. KOREA ON SEPT. 22-23", 2004-0-07) reported that the PRC has sounded out the other members of the six-nation talks on the DPRK's nuclear ambitions about holding the next round of the talks on Sept. 22-23 in Beijing, sources close to the talks said Tuesday. PRC Vice Foreign Minister Wu Dawei, who is expected to chair the fourth round of talks, will make final schedule arrangements with DPRK officials when he visits North Korea later this week, the sources said. The ROK and the US will likely accommodate the Sept. 22-23 plan, the sources said. Chief Cabinet Secretary Hiroyuki Hosoda voiced hope that the schedule for the next round would be finalized soon. "We hope we would hopefully see the schedule clearly in the second half of next week," Hosoda told a press conference.

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## **12. DPRK Delegation Visits the PRC**

Yonhap ("N. KOREAN DELEGATION MEETS CHINESE OFFICIALS: REPORT", 2004-09-07) reported that a high-level DPRK delegation visited the PRC last week and met senior PRC officials, a DPRK broadcaster said Tuesday. The delegation led by Pak Yong-sok, chairman of the Workers' Party's Central Control Commission, met He Yong, member of the secretariat of the central committee of the PRC's Communist Party in Beijing on Sunday, said the Korean Central Broadcasting Station.

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## **13. Sino - DPRK Sea Boundaries**

Yonhap ("N KOREA OPENS EAST SEA TO CHINESE FISHING BOATS ", 2004-09-07) reported that the DPRK has allowed PRC fishing boats to operate in its territorial waters off its east coast, a ROK government official said Tuesday. In June, the DPRK signed a contract with two PRC firms to let them fish off its port city of Wonsan in return for receiving electronic products and other goods worth 25 percent of the companies' catch, the official said, asking not to be named.

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## **14. Sino - DPRK Relations**

Reuters ("SENIOR CHINESE LEADER TO VISIT N.KOREA NEXT WEEK", 2004-09-04) reported that Senior PRC leader Li Changchun is to visit the DPRK next week, the Xinhua news agency reported on Saturday as the PRC tries to coax Pyongyang into fresh talks on the crisis over its nuclear ambitions. Li, number eight in the Communist Party lineup and a member of the elite Politburo Standing Committee, will lead a party delegation to the PRC's isolated neighbor from Sept. 10 to 13 at the invitation of the DPRK's Workers' Party, the agency said.

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## **15. DPRK on Terrorism**

Korean Central News Agency of the DPRK ("FOREIGN MINISTRY SPOKESMAN ON RECENT TERRORISM IN RUSSIA", 2004-09-04) reported that the terrorist acts committed in different parts of Russia recently have greatly shocked and infuriated the international community. It is the consistent and fixed stand of the DPRK government to oppose all forms of terrorism and any aid to it. Proceeding from this stand, the DPRK has actively supported the measures taken by the Russian government to cleanse Chechen terrorists and protect the security and territorial integrity of the country. The DPRK strongly denounces recent terrorism in Russia and extends full solidarity to the government and people of Russia in all their efforts to eradicate the aftermath of terrorism at an early date and ensure lasting stability and territorial integrity of the country.

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## **16. British - DPRK Relations**

Agence France-Presse ("MINISTER TO PRESS NORTH KOREA TO COME CLEAN ON NUKES: BLAIR", 2004-09-07) reported that Britain intends to send "a very clear message" to the DPRK that it must enter into serious dialogue about its nuclear program, Prime Minister Tony Blair said. Blair's remarks came as Foreign Office minister Bill Rammell will later this week become the first British minister to visit the DPRK to discuss nuclear weapons and other issues. "I think it is important to send a very clear message to North Korea about the priority we attach to North Korea getting into a proper dialogue, which means that we deal with the nuclear arms issue in relation to North Korea," Blair said during a press conference at Downing Street.

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## **17. DPRK on Inter-Korean Relations**

Donga Ilbo ("NORTH KOREA: NORTH-SOUTH DIALOGUE WILL RESUME ONLY AFTER REPEAL OF NSL ", 2004-09-05) reported that "They should make a courageous decision to repeal the National Security Law, which inhibits national reconciliation and unity, if ROK authorities genuinely want to resume the DPRK-ROK dialogue and are interested in national reunification," quoted the DPRK's state-owned Korea Central News Agency on the Committee for National Reconciliation, a DPRK front for non-governmental, civilian exchanges with the ROK, in a statement on September 4. The statement is important because it hinted that the North will link the repeal of the NSL with its resumption of inter-government talks which the DPRK suspended. "What has dimmed North-South relations recently is the existence of the NSL, which does not recognize North Korea and regards the brethren of the same blood as an enemy," said the committee in the statement. "Whether to repeal the NSL or not is not a domestic legal issue of the South. It is the crucial issue that will determine North-South relations.'

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## **18. Inter - Korean Relations**

The New York Times ("SEOUL TRIES HARD TO KEEP ITS 'SUNSHINE POLICY' FREE OF CLOUDS", 2004-09-06) reported that being able to promote an image of peace and harmony on the peninsula helps the ROK keep its bond ratings low and offers a justification for reduced military spending. So the ROK goes to great length to avoid offending the DPRK. Few ROK overtures are reciprocated.



None of these moves has been met with a wisp of a concession from the DPRK. "What is needed is a phased development program that draws the North Koreans out and opens them up," said C. Kenneth Quinones, an American aid worker who recently spent several days in the DPRK. "But South Korea is doing a hodgepodge that is not going anywhere. The North Koreans are getting everything they need, without giving anything back." The ROK Unification Ministry likes to publicize the growth in inter-Korean travel and trade. But almost all the travel is from the ROK to the DPRK. Much of the trade consists of ROK gifts of rice to the DPRK.

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## **19. DPRK on Kaesong Industrial Complex**

Yonhap ("N. KOREA ATTACKS U.S. FOR INTERVENING IN KAESONG PROJECT", 2004-09-06) reported that the DPRK on Monday denounced the US for attempting to intervene in its industrial park construction project in the inter-Korean border town of Kaesong. The Rodong Shinmun, the newspaper of the Central Committee of the DPRK's Workers Party, said Washington's move to restrict the ROK's exports of some high-tech strategic materials to Kaesong constitutes an act of intervening in the Koreas' internal affairs.

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## **20. DPRK on Sinuiji Economic Zone**

Yonhap ("GOVERNOR-DESIGNATE FOR N.K. SPECIAL ECONOMIC ZONE VISITS SEOUL ", 2004-09-06) reported that a PRC-American businesswoman reportedly designated as the next chief of a special economic zone in the DPRK came here Monday to consult on ways to attract ROK investment for the project. During her stay, Sha Rixiang, the Korean-born PRC emigrant, is expected to meet the ROK's political and business leaders and explain the development and opening of the special zone in Sinuiju near the border with the PRC.

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## **21. DPRK Exports to the US**

Yonhap ("N. KOREAN LIQUOR WINS FDA APPROVAL, TO BE SOLD IN U.S. NEXT MONTH ", 2004-09-07) reported that a DPRK distilled liquor has recently won the approval of the US Food and Drug Administration and is expected to hit the market next month, a source here said Tuesday. The source, who asked not to be named, said the first shipment of around 100,000 bottles of DPRK "soju" will arrive at New York and Los Angeles via a PRC port.

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## **22. DPRK Economic Reforms**

Reuters ("BRITON OPENS FIRST FOREIGN LAW PRACTICE IN N.KOREA", 2004-09-07) reported that the DPRK took a further tentative step on its economic reform path last month when it allowed the country's first law firm to open in a Pyongyang square. British lawyer-turned-consultant Michael Hay told four foreign reporters the firm he jointly owns with an outfit spun off from an official DPRK legal agency offered legal and accounting services and advice to potential foreign investors. "As of August 15, it's already up and running," said Hay, who has had business links with the DPRK since 1998. Hay, who said the DPRK's reform efforts were far from over, said there were about a dozen



DPRK lawyers on tap in the firm and he had a DPRK business partner. Hay is seeking a foreign accountant to work with the DPRK accounting organization affiliated to the new firm.

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## **23. EU on DPRK Economic Reforms**

Joongang Ilbo ("NORTH KOREA-EU MEETING HIGHLIGHTS MARKET REFORM", 2004-09-07) reported that "How do you avoid inflation? What are the functions of a Fair Trade Commission? And how do you set up a banking system?" Such are the bracing questions that functionaries in the DPRK are asking in seminars with international economy experts, Guy Ledoux, a European Union political counselor based in Seoul, said yesterday. At an economics conference in Pyeongyang last week that Mr. Ledoux attended along with 20 other European representatives, DPRK officials indicated a strong desire to pursue market reforms. The DPRK's Foreign Ministry officially hosted the event. The DPRK made clear what reforms they are aiming at, Mr. Ledoux said. Securing food, increasing power production and developing technology were the chief goals.

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## **24. DPRK Income Disparity**

Chosun Ilbo ("FOLLOWING ECONOMIC REFORMS, GAP BETWEEN RICH AND POOR GROWS IN N. KOREA ", 2004-09-07) reported that it has been found that the DPRK has experienced a great gulf between the rich and the poor since its July Economic Management Improvement Measure in 2002. According to the Korea Trade-Investment Promotion Agency (KOTRA) on Sunday, the Japanese weekly magazine Diamond featured a special report entitled "The Economy of Kim Jong-il" that covered how major cities in DPRK have adopted a capitalistic economy while going through rapid changes since the July Measure. The report said that the gap between urban and rural areas in wealth is so big that Pyongyang looks like a kind of "Theme Park." In addition, the magazine said that some privileged classes go to Karaoke that charges 5,000 yen for four glasses of whiskey and enjoy Internet chatting at home.

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## **25. DPRK on Defectors**

The Associated Press ("N. KOREA SAYS 'DEFECTORS' WERE KIDNAPPED", 2004-09-04) reported that the DPRK has filed a protest with the UN and the Red Cross, accusing the ROK and the US of "kidnapping" its citizens, a DPRK weekly said. The ROK airlifted 468 North Koreans from an unidentified Southeast Asian country in July, saying they fled their homeland via its border with the PRC and then traveled to the unidentified country hoping to defect to the ROK. In a letter to the U.N. High Commissioner for Refugees, the DPRK called the airlift a "terrorist act perpetrated in broad daylight." "We urge your organization to take all possible steps to stop the United States and South Korean authorities from kidnapping our people disguising them as defectors," the DPRK said in a letter to the Red Cross.

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## **26. DPRK Defectors in the ROK**

Korea Times ("NUMBER OF NK DEFECTORS IN SOUTH EXCEEDS 5,000", 2004-09-07) reported

that the total number of DPRK defectors who entered and settled in the ROK since the division of the nation reached 5,546 by August this year, according to a report released by the parliamentary Unification, Foreign Affairs and Trade Committee Monday. The report based on the data from the Unification Ministry showed that the number of defectors entering the ROK has continued to increase in recent years. Until 1989, there were only 607 DPRK citizens who defected to the ROK, but the number began to sharply increase since then, recording 148 in 1999, 583 in 2001, 1,139 in 2002, and 1,281 in 2003. This year, the number has already reached 1,399 by August, including 460 in mass defection in July.

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## **27. DPRK on Koguryo Historical Revisionism**

Yonhap ("NORTH KOREA CLAIMS KOGURYO AS KOREAN HISTORY ", 2004-09-06) reported that the DPRK broke its silence Monday on the recent controversy over the boundary of the ancient kingdom of Koguryo (37 B.C.-A.D. 668) "Koguryo maintained its independence from the onset," said the Korean Central Broadcasting Station, Pyongyang's state-run media, said in a program on history that was monitored by Yonhap News Agency. "Koguryo spurned foreign interference and pressure, while forging active diplomatic relationships with ancient Chinese kingdoms and trading with them," it added.

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## **28. ROK on Koguryo Historical Revisionism**

Korea Times ("ROH PROVOKED CHINA TO DISTORT HISTORY: JANG", 2004-09-07) reported that President Roh Moo-hyun's diplomatic ignorance and rudeness prompted the PRC to turn the dispute over the Koguryo kingdom into a full-scale diplomatic row, a former ROK legislator claimed Monday. Jang Sung-min, a former opposition lawmaker, argued that the Koguryo dispute escalated to a full-blown dispute when Roh angered high-level Beijing officials by suggesting "dual nationality" for ethnic Koreans living in the PRC's northeastern region. "When Zhao Nanqi, former vice-chairman of the National Committee of the PRC People's Political Consultative Conference, visited Seoul in June, President Roh asked him to deliver his wish to Chinese officials that ethnic Koreans in the PRC be eligible for Korean nationality as well," he said in a radio program. "Roh's remarks shocked Zhao, who was barely able to stop himself from directly retorting," he said, quoting who he called a reliable source familiar with the diplomatic issue.

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## **29. DPRK Art Gallery**

Agence France-Presse ("LITTLE-KNOWN SIDE OF NORTH KOREA ON DISPLAY IN BEIJING GALLERY", 2004-09-07) reported that a Briton has put on display a side of the DPRK rarely seen -- its artwork. Tucked away along a quiet street in east Beijing, the recently-opened Pyongyang Art Studio is a modest, one-room exhibit that tries to enlighten visitors, if not wow them with the DPRK people's artistic side. "I really hate Korean people being told 'you're warmongerers'. These are very bright, incredibly proud people and I think their art shows this," said gallery owner Nick Bonner. Almost split in half, one side of the gallery exhibits gigantic, brightly colored posters and paintings showing ruddy-cheeked, beaming workers meticulously operating heavy machinery or farmers happily driving a tractor in a field of bright yellow hay stacks. This is the closed-off country's propaganda art, said Bonner. On the other side of the gallery hang paintings with gentler colors

depicting scenes of trees turning yellow in the autumn, or silk embroidered luxurious peacocks and towering mountains with rushing waterfalls. "That's what Koreans consider art," said Bonner, who says his business has the approval of the Pyongyang regime.

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## **30. ROK on US Troop Realignment**

Chosun Ilbo ("MILITARY EXPERTS CLAIMS MASS U.S. REINFORCEMENTS IN WARTIME NO LONGER SURE THING ", 2004-09-07) reported that in accordance with new US defense policy known as "Military Transformation," changes to the existing OPLAN 5027, the operation plan that called for large-scale US reinforcements to be sent to the Korean Peninsula in an emergency, have become unavoidable, and analysis is being raised that there now exists a high possibility that the scale and timing of war-time reinforcements, now assumed to be unconditionally large, would depend on political decisions made in the US. Pak Won-gon, senior researcher at the Defense Ministry's Korea Institute for Defense Analyses, made this assertion in a thesis contributed to the Sept. 6 edition of "Weekly Defense Forum" entitled, "U.S. Military Policy: Changes, GPR and USFK." Pak said that since the US is pursuing a form of war featuring rapid deployments and destroying enemies with the least amount of support, it would seem that OPLAN 5027, which is premised on sending large-scale reinforcements to Korea in the event of a conflict, would be unavoidably changed.

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## **31. US Troop Realignment**

Yonhap ("U.S. TO LET MULTIPLE LAUNCHERS UNIT REMAIN UNTIL 2008: LAWMAKER ", 2004-09-05) reported that the US has pledged it will allow a unit of multiple launchers and a major brigade of its Second Infantry Division to remain in the ROK at least until the end of 2008, an opposition lawmaker said Sunday. Rep. Park Jin of the major opposition Grand National Party said US Defense Secretary Donald Rumsfeld told Unification Minister Chung Dong-young, who recently visited Washington, that the unit and brigade would stay.

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## **32. Asian Energy Security**

Korea Times ("REGIONAL NETWORK FOR ENERGY SECURITY PROPOSED", 2004-09-07) reported that a leading research institute Monday called for the formation of a triangular network among the ROK, Japan and PRC to secure energy in Northeast Asia as well as to ensure the balance between supply and demand and the diversification of energy resources. In a report titled "Energy Security and Cooperation in Northeast Asia", assistant professor Lee Jae-seung at the Institute of Foreign Affairs and National Security (IFANS) underscored the need to establish the network to resolve the ongoing energy problems affected by an unstable situation in the Middle East and the increase in oil importing by the PRC. "So close cooperation under a triangular framework among the three countries is important to improve market circumstances that will be beneficial to consumers," he added.

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### **33. ROK - Russian Relations**

Yonhap ("PRESIDENT TO VISIT MOSCOW FOR TALKS ON N.K., GAS IMPORTS: FM ", 2004-09-07) reported that President Roh Moo-hyun will visit Russia in late September for discussions on the DPRK's nuclear weapons ambitions and other issues of mutual concern, Foreign Minister Ban Ki-moon said Tuesday. "President Roh's visit to Russia will help create an atmosphere favorable to resolving the North Korean nuclear issue as Russia can play an important role in the issue," Ban told reporters just before attending a weekly Cabinet meeting at Cheong Wa Dae.

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### **34. ROK Space Program**

Chosun Ilbo ("KOREAN TO BE PUT IN SPACE BY 2007", 2004-09-07) reported that a ROK astronaut may be boarding a spaceship to the space station in the year 2007. Science and Technology Minister Oh Myung said Monday that, "The W15 billion plan to send a South Korean into space will be confirmed by the end of December." In his opening commemoration speech, he said, "Let's try to send a Korean to space as soon as possible... One drink of Bacchus and a click on a Samsung PDA in space will have a tremendous advertising effect and companies are rushing at the opportunity." The Ministry of Science and Technology stated that the Korean astronaut will board Russia's Soyuz heading to the International Space Station (ISS). There are three seats in the Soyuz, but only one seat will be assigned to a Korean.

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### **35. ASEAN on Free Trade**

Reuters ("SOUTHEAST ASIA, CHINA, JAPAN WORK TO BOOST TRADE", 2004-09-04) reported that Southeast Asian economic ministers met on Saturday with counterparts from powerhouses Japan and the PRC, and made progress toward liberalizing trade and boosting business, officials said. Ministers from the 10-member Association of South East Asian Nations (ASEAN) were also set to talk over the weekend with officials from the ROK, India, the European Union, Australia and New Zealand. Japan and the ASEAN ministers agreed to open negotiations on a free trade agreement in April 2005, officials from both sides said. ASEAN and the PRC have already been working on a deal that could result in the world's biggest free trade zone of nearly two billion people with a combined gross domestic product of \$2 trillion by 2010. ASEAN leaders agreed last year to transform the region into a giant EU-style free trade zone by 2020.

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### **36. PRC Leadership**

The New York Times ("CHINA EX-PRESIDENT MAY BE SET TO YIELD LAST POWERFUL POST", 2004-09-07) reported that Jiang Zemin, the PRC's military chief and senior leader, has told Communist Party officials that he plans to resign, prompting an intense and so far inconclusive struggle for control of the armed forces, two people with leadership connections say. Mr. Jiang's offer to relinquish authority as chairman of the Central Military Commission potentially gives Hu Jintao - who succeeded Mr. Jiang as head of the Communist Party and president of the PRC in 2002 and is now vice chairman of the military commission - a chance to become the country's undisputed top leader, commanding the state, the army and the ruling party. But people here who were

informed about a bargaining session under way at a government compound in western Beijing said it remained unclear whether Mr. Jiang genuinely intended to step aside, or if he would do so on terms acceptable to Mr. Hu. Mr. Jiang has long emphasized cordial working relations with the US and suppressed domestic calls to challenge the world's leading power more assertively. Mr. Hu is thought to put slightly more emphasis on developing closer ties to Europe and the PRC's immediate neighbors, but is not expected to pursue a markedly different policy toward the US.

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## **37. PRC Panel to Meet**

The Associated Press ("CHINA'S COMMUNIST PARTY PANEL TO MEET SOON", 2004-09-07) reported that the PRC's Communist Party, which has increasingly embraced capitalist economics while fortifying its authoritarian rule, will hold a four-day meeting of its Central Committee starting next week, the government said Tuesday. "China's reform has entered a critical stage, so the Communist Party should adapt to the new situation in order to push forward the process of building a well-off society," PRC Central Television said, quoting from a document to be approved at the Sept. 16-19 meeting. It also said the document targeted the party's need to "improve governance of the country and coordinate the development of material civilization."

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## **38. Cross Strait Relations**

Reuters ("CHINA CRITICIZES CHEN FOR REMARK ON TAIWAN'S NAME", 2004-09-03) reported that recent comments by President Chen Shui-bian on the sensitive issue of Taiwan's name revealed his intention to steer the island toward independence, a PRC government spokesman said. "Chen's remarks lay bare his separatist nature and his desire to promote the independence of China's Taiwan province," a spokesman for the cabinet's Taiwan Affairs Office was quoted by the official Xinhua news agency as saying late on Friday. The spokesman was referring to comments by Chen on Thursday when he suggested the island's name, Taiwan, was synonymous with its official name, the PRC.

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## **39. US on Cross Strait Relations**

Reuters ("POWELL, TAIWAN MINISTER HAD BRIEF PANAMA ENCOUNTER", 2004-09-03) reported that Secretary of State Colin Powell exchanged brief greetings with Taiwan's foreign minister when the two attended the inauguration of Panama's President Martin Torrijos this week, a gesture that might trouble the PRC. "There was, I think, a pass-by encounter of some sort with the foreign minister as they were going out of the hall," State Department spokesman Richard Boucher told reporters of Powell's brief exchange with Taiwanese Foreign Minister Mark Chen in Panama City on Wednesday. The PRC reiterated its opposition to any official contact between Taiwan and the US last year after Powell shook hands with Taiwan President Chen Shui-bian during a November 2003 visit to Panama.

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## 40. Pro-Democracy Movement in the PRC

The New York Times ("PRO-DEMOCRACY FORCES FALTER IN HONG KONG", 2004-09-06) reported that as the legislative election campaign here entered its final week on Monday, a series of sexual and financial controversies involving democracy advocates is making it look less and less likely that the democrats can win a majority. A weak showing for the democrats here in the election on Sunday could have broad implications for the PRC, political analysts say. Preventing big gains for the democrats could vindicate hard-liners in Beijing who have aggressively criticized pro-democracy politicians here and have ruled out universal suffrage in Hong Kong for at least the next eight years. Democracy supporters contend that their setbacks, embarrassments and surprises here in recent weeks seem to be happening too quickly to be a coincidence. But they also acknowledge that they have not documented what if any role the government in Beijing may have played.

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## 41. PRC on HK Elections

Agence France-Presse ("CHINA STIRS NATIONAL PRIDE OVER OLYMPIC HAUL AHEAD OF HONG KONG VOTE", 2004-09-07) reported that Hong Kong will become the focus of the PRC's Olympic euphoria when its athletes visit to parade their haul of medals, with critics accusing the PRC of trying to stir up nationalist pride ahead of weekend elections in the southern PRC territory. The three days of chest-thumping have been denounced by PRC-watchers as one of a series of political stunts aimed at winning over voters in next week's legislative elections at the expense of pro-democracy candidates seen as hostile to the PRC's leadership. "China has been keen to guide a city it feels is weak on patriotism and weak on nationalist spirit," said Anthony Cheung, political analyst at Hong Kong's City University. "I don't think this is about the elections in itself, but it helps; it helps that they are doing it at a time when democrats are in the ascendant."

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## 42. PRC Pirated Goods

Washington Post ("PIRATED GOODS SWAMP CHINA OFFICIAL CRACKDOWN HAS LITTLE EFFECT", 2004-09-07) reported that the PRC on Monday touted the impact of a recent crackdown on pirated goods, seeking to mollify criticism from the US that it has done little to curb the brazen and widespread sale of such things as illegally copied Hollywood films, fake auto parts and pharmaceuticals. Meanwhile, in a scene familiar in every PRC city, sidewalk merchants at one of Shanghai's most prominent intersections openly hawked CDs from artists such as Norah Jones and Bob Dylan for less than \$1. The disconnect between the official word from the capital and the actuality of the street highlights the entrenched nature of one of the most nettlesome trade conflicts between Washington and Beijing. Though the PRC is in the midst of one of a series of periodic crackdowns, experts said the continued blatant sales illustrate that the government is more interested in managing the politics of the problem than curbing the reality.

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## 43. PRC Economy

Reuters ("CHINA TO DECIDE CURBS AFTER AUGUST DATA", 2004-09-06) reported that the PRC's central bank said it was considering further measures to rein in growth in the world's seventh-



largest economy, but would take a hard look at August economic data before making any decisions. In exclusive comments to Reuters, central bank chief Zhou Xiaochuan said the first hike in interest rates in 9 years was a possibility. "Right now, it's a little early to wrap up our deliberations on whether to hike interest rates or impose further measures to slow the economy," Zhou said on Monday on the sidelines of a forum in Shanghai, the PRC's commercial center. "The central bank will have to wait and see the August data before making its decision," he said. The PRC has announced various measures since last year to clamp down on overheated sectors of the economy.

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## **44. Sino - Vietnamese Relations**

Asia Pulse ("VIETNAM, CHINA TO OPEN ECONOMIC CORRIDORS", 2004-09-07) reported that Vietnam and the PRC are planning to establish economic corridors connecting various cities and provinces of the two countries to fully tap economic potential and boost co-operation. Leaders of the two countries held talks to discuss the economic corridor to raise regional growth in Hanoi on Sept. 3. Deputy Prime Minister Nguyen Tan Dung and Chairmen of the People's Committees of Hanoi, Hai Phong port city, north-western province of Lao Cai and the north-eastern province of Quang Ninh, and Yunnan's Mayor were present at the meeting. Speaking on the occasion, the Deputy PM hailed the ever growing economic ties between Vietnam and the PRC in the recent years. He emphasised the importance of establishing the economic corridor connecting cities and provinces of the two countries which, he said, would help in realising the economic potential of the two countries and build multilateral co-operation in the coming years.

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## **45. PRC Flooding**

Beijing ("CHINA'S THREE GORGES ON ALERT AFTER FLOODS KILL 76", 2004-09-06) reported that the PRC has put the Three Gorges Dam, the world's largest hydro-electric project, on flood alert, Xinhua news agency said on Tuesday after rain and mudslides killed 76 in areas to the west. Water levels at hydrological stations were above "warning levels" and rising and navigation on the giant reservoir above the dam had been halted for the first ever, it said. Hundreds of thousands of people have been relocated from the area around the reservoir, which has swallowed villages, cities, factories and hospitals as well as some archaeological treasures. According to the latest figures released by local flood control offices, the death toll from floods in Sichuan and Chongqing is at least 76 with 27 missing. More than 130,000 people had been evacuated from their homes.

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## **46. PRC Gender Imbalance**

Agence France-Presse ("CHINA TO CRACKDOWN ON HUMAN TRAFFICKING AMID GROWING GENDER IMBALANCE", 2004-09-07) reported that the PRC police have intensified a crackdown on trafficking of women and children as increasing numbers of females are sold into marriage in areas where gender imbalances are growing, state press said. Yunnan Provincial Public Security Bureau vice director Xian Yanming called for the stepped up measures after a "large number" of recent abductions, the China Daily reported Tuesday. Southwest Yunnan province is one of the worst affected areas. Some 85 abducted women and children were rescued by police between April and July this year, although it was not clear how many had been reported missing. "The trafficked women are usually sold to men in areas such as Henan province, where there is a gender imbalance



and many men find it difficult to find a wife," the paper said.

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## **47. DPRK Nuclear Test**

Chosun Ilbo ("N. KOREA TO CONDUCT NUKE TEST IN OCTOBER?", " , 2004-09-04) reported that Grand National Party Lawmaker Park Jin, who is currently attending the US Republic Party national convention, said Thursday that DPRK may conduct a nuclear experiment in October, and this intelligence was quietly making its way around Washington political circles. Moreover, a high-ranking US government official recently met with a DPRK diplomatic official in New York and official conveyed concerns over this intelligence, Park said. While he was visiting the headquarters of the New York-based Wall Street Journal on Thursday, too, Park was asked by a high-ranking member of the paper's editorial staff whether he knew of the "October Surprise." The editor said that talk of a DPRK nuclear test in October was going around Washington political circles and high-ranking government officials, and such talk had even made it to the New York media. Park said that through inquiries to high-ranking US Defense Department officials and White House beat reporters from major media companies, he was able to reconfirm that such talk was, in fact, going around.

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## **48. US - ROK Relations**

Chosun Ilbo ("GOV'T, EXPERTS ANALYZE FALLOUT OF BUSH'S 'KOREA OMISSION'", 2004-09-07) reported that the government and political circle are talking about the gravity of the incident where US President George Bush failed to mention the ROK while listing the names of its allies in his address to accept his nomination as the Republican candidate for the next presidential election. Given that the ROK sent 3,600 soldiers to Iraq, the third largest number following the US and Britain, his failure to mention the ROK has raised suspicion that Bush may not consider Korea an ally. As a result, some experts say that the incident would affect the future relationship between the two countries. In particular, the incident is more disturbing because it happened following his discriminate definition of Japan as a key ally and Korea as a democratic partner in the Republican Party's policy platform. The government is regarding this incident as a mere "mishap." Its excuse has been that, "Bush's public relations team made the speech outline without consulting directly with the US Department of State."

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

Chosun Ilbo ("KAESONG MORE COMPETITIVE THAN CHINA?", 2004-09-04) reported that Political issues aside, ROK & DPRK are working to build a joint industrial complex in DPRK city of Kaesong by 2007. The project is in the early stages of construction and there has been heated interest especially among modest-size companies here in ROK. Though larger companies have been rather reluctant to invest, they are optimistic that Kaesong has the potential to be more competitive than similar sites in PRC. The majority of large ROK firms believe that the Kaesong Industrial Complex in DPRK will be a success though they have no plans to set up their factories there yet. According to the Federation of ROK Industries, a big business lobby group, nearly 76 percent or 404 firms out of the top 600 companies surveyed said that they expect the industrial complex situated just north of the Demilitarized Zone to be successful. In fact, about the same number of companies expected Kaesong to be more competitive than similar industrial sites in PRC in light of cheap labor as well as

land in DPRK.

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## 50. Resolution to Nullify the Gando Agreement Submitted

Donga Ilbo ("RESOLUTION TO NULLIFY THE GANDO AGREEMENT SUBMITTED", 2004-09-04) reported that On Friday, 59 lawmakers from the ruling and opposition parties, including Rep. Kim Won-woong of the Uri Party, submitted a resolution to nullify the Gando Agreement. In this resolution, they insisted that the Gando Agreement signed by PRC and Japan in 1909 is one of the Japanese government's continental invasion policies. Japan gave Gando to Cheong, the name of PRC kingdom at that time, in order to receive other benefits, including the rights to build railroads in Manchuria. The agreement is invalid since the terrain Japan gave to Cheong was not Japan's. Also, the Eulsa Treaty that the Gando Agreement was based on is invalid; therefore, the Gando Agreement is basically invalid from its roots. The resolution also discloses that Japan gave Gando to Cheong without ROK's consent. The Eulsa Treaty, the base that colonial Japan used to exercise diplomatic rights on behalf of the ROK, is fundamentally invalid according to the international law since the treaty was signed by force.

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## 51. CanKor

CANADA-KOREA ELECTRONIC INFORMATION SERVICE ("CanKor # 178", 2004-09-03) Canada supports the six-party process to solve the DPRK nuclear dispute, says Canada's new Ambassador to the ROK, Marius Grinius. The US Defense Department announces deployment of 15 Aegis destroyers in the Pacific theatre, two of them permanently stationed in the Sea of Japan (a.k.a. Sea of Korea) to counter North Korean missiles. The DPRK has agreed to human rights talks with the UK in a landmark September visit by UK Foreign Office Minister Bill Rammell, accompanied by the UK's chief human rights expert. North Korea will become more open and responsible because cooperation between the two Koreas is now irreversible, says ROK Foreign Minister Ban Ki-moon during a visit to Australia. Han Sung-joo, ROK ambassador to the USA, expresses optimism that the next round of six-party talks will take place in September, although "substantial progress" is unlikely before US presidential elections in November. Alleged deserter Charles Jenkins breaks his silence about four decades in the DPRK, recounting a life of fear and censorship. The Geneva-based World Council of Churches (WCC) appeals to the international community to help lift sanctions against the DPRK, to restore humanitarian aid, and to support the six-party peace process. The WCC statement is also critical of the DPRK, expressing concern over reports of human rights violations and denial of access to human rights organizations. Critics of the DPRK claim that religion has been totally eliminated by the atheist regime. North Korean officials claim that religious freedom is guaranteed. The reality may be somewhat more involved than both these positions. This week's INSIDE DPRK highlights some of the complex issues surrounding the place of Christianity in the DPRK. [www.cankor.ca](http://www.cankor.ca)

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