

# **NAPSNet Daily Report Wednesday, February 02, 2005**

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## I. United States

- 1. [US on DPRK Nuclear Program](#)
- 2. [US on DPRK Nuclear Talks](#)
- 3. [US Policy Toward the DPRK](#)
- 4. [ROK on US Policy Toward the DPRK](#)
- 5. [US - ROK on DPRK Nuclear Issue](#)
- 6. [ROK on DPRK Military](#)
- 7. [DPRK on Relations with the US](#)
- 8. [DPRK Leadership](#)
- 9. [DPRK Defectors](#)
- 10. [DPRK Culture](#)
- 11. [Inter - Korean Economic Cooperation](#)
- 12. [ROK on Abductees](#)
- 13. [Japan on Abductees](#)
- 14. [Japan on DPRK Sanctions](#)
- 15. [Japan - DPRK World Cup Match](#)
- 16. [US - ROK Military Alliance](#)
- 17. [Sino - Japanese Energy Competition](#)
- 18. [Sino - Russian Energy Cooperation](#)
- 19. [Sino - Russian Security Cooperation](#)
- 20. [Russo - Indian Energy Cooperation](#)
- 21. [Cross Strait Relations](#)
- 22. [US on Cross Strait Relations](#)

23. [Ukraine Nuclear Capable Missile Sales](#)
24. [US on PRC Weapons Ban](#)
25. [PRC Development Projects](#)
26. [US on PRC Currency](#)

[Preceding NAPSNet Report](#)

## I. United States

### 1. US on DPRK Nuclear Program

New York Times ("TESTS SAID TO TIE DEAL ON URANIUM TO NORTH KOREA", 2005-02-02) reported that scientific tests have led US intelligence agencies and government scientists to conclude with near certainty that the DPRK sold processed uranium to Libya, bolstering earlier indications that the reclusive state exported sensitive fuel for atomic weapons, according to officials with access to the intelligence. Intelligence officials say, extensive testing conducted at the Oak Ridge National Laboratory in Tennessee over the last several months has concluded that the material did not originate in Pakistan or other suspect countries, and one official said that "with a certainty of 90 percent or better, this stuff's from North Korea." Officials cautioned that the analysis of the uranium had been hampered by the fact that the US has no sample of known DPRK uranium for comparison with the Libya material. The study was done by eliminating other possible sources of uranium, a result that is less certain than the nuclear equivalent of matching DNA samples.

[\(return to top\)](#) Washington Post ("NORTH KOREA MAY HAVE SENT LIBYA NUCLEAR MATERIAL, U.S. TELLS ALLIES", 2005-02-02) reported that the DPRK has reprocessed 8,000 spent fuel rods into weapons-grade plutonium and appears to have exported nuclear material to Libya, US officials informed Asian allies this week. The determination that the DPRK provided the uranium hexafluoride was made by a technical group within the Energy Department. It examined containers obtained from Libya -- which gave up its nuclear programs in a deal with the US and Britain -- and picked up signatures of plutonium produced at Yongbyon, where the DPRK has its nuclear facilities. The US official said that because the DPRK probably would have produced much of the uranium hexafluoride at the Yongbyon facility, this was deemed the link that connected the material in the containers to the DPRK. [\(return to top\)](#) Chosun Ilbo ("U.S. TAKING N. KOREAN NUKE SALE SERIOUSLY", 2005-02-02) reported that the US is taking seriously intelligence results suggesting the DPRK sold uranium-based nuclear materials to Libya. The US was always concerned about the DPRK's possession of nuclear weapons but declared itself even warier of the DPRK selling related technology, equipment or materials. It believes that potential buyers - terrorist groups or states that support terrorism - could use the exports to develop nuclear weapons for use against the US. The changes this latest discovery will make to Washington's DPRK policy are hard to predict. It is very likely, however, that it will strengthen Bush administration hardliners. Now that the US has already moved to "notify" the PRC and ROK that its worst case scenario has become a reality, there are fears that the US is plotting more drastic measures. [\(return to top\)](#) BBC News ("US 'TIES N KOREA TO NUCLEAR DEAL'", 2005-02-02) reported that more evidence has emerged suggesting the DPRK exported nuclear material to Libya, according to US newspapers. The IAEA, the UN's nuclear watchdog, has said Libya received nuclear material from Pakistan, but has not confirmed a link with the DPRK. The IAEA had found strong evidence of nuclear links between the two countries as a result of interviews with members of a secret nuclear network set up by Abdul Qadeer Khan, the

former head of Pakistan's main nuclear laboratory. Now, US intelligence officials have told the same paper that American scientists have concluded that the enriched uranium is likely to have come from the DPRK. Although they have no sample of DPRK enriched uranium to compare the Libyan material with, they have eliminated other possible sources, the paper said. [\(return to top\)](#)

## **2. US on DPRK Nuclear Talks**

Agence France-Presse ("US CALLS NKOREA BACK TO NUCLEAR TALKS", 2005-02-02) reported that the White House urged the DPRK to return to talks aimed at defusing a dispute over Pyongyang's nuclear programs, calling such activities "a threat to global peace." "North Korea's nuclear programs and nuclear weapons programs and its past and continuing proliferation activities are a threat to global peace and security," said spokesman Scott McClellan. "We would urge North Korea to return to the six-party talks soon," he said. McClellan reiterated that US President George W. Bush hoped "to resolve the nuclear in a peaceful and diplomatic matter.

[\(return to top\)](#) Agence France-Presse ("US SECURITY OFFICIAL VOICES HOPE FOR EARLY RESTART OF NKOREA NUCLEAR TALKS", 2005-02-02) reported that Michael Green, Asian affairs director on Bush's National Security Council, is in Seoul for talks with ROK officials. "We are here to talk about that," Green said when asked if the US would make a new proposal to resolve the nuclear standoff. Asked when he hoped the DPRK would return to dialogue, he said "as soon as possible." [\(return to top\)](#)

## **3. US Policy Toward the DPRK**

Korea Times ("BUSH TO REFRAIN FROM PROVOKING NK IN SPEECH", 2005-02-02) reported that US President George W. Bush is likely to refrain from directing provocative statements at the DPRK when he delivers his State of the Union speech, officials and experts predicted Wednesday. A senior US official said that the president will send a relatively conciliatory message to Pyongyang in the speech, stressing Washington's commitment to the stalled six-party nuclear diplomacy. Japan's Kyodo News Agency quoted the unidentified official as saying that Bush will not mention the US foreign policy of spreading democracy and ending "tyranny," a theme of last month's second-term inauguration address.

[\(return to top\)](#)

## **4. ROK on US Policy Toward the DPRK**

Joongang Ilbo ("KIM WARNS BUSH POLICIES NOT CONDUCIVE FOR NORTH", 2005-02-02) reported that former President Kim Dae-jung said yesterday that the DPRK and the US should broker a deal in which the DPRK would give up its nuclear weapons program while the US grants a multilateral security assurance. Mr. Kim said that if the DPRK has tangible proof that its relationship with the US is improving, the country would eventually give up its nuclear weapons program. Regarding stalled six-party talks, Mr. Kim said that since the US is not talking about concrete benefits the DPRK could get from scrapping its nuclear program, the DPRK continues to mistrust the US.

[\(return to top\)](#)

## **5. US - ROK on DPRK Nuclear Issue**

Korea Times ("OFFICIAL TO CONVEY BUSH'S LETTER TO ROH", 2005-02-02) reported that a

senior US security official arrived in Seoul on Wednesday with President George W. Bush's personal letter to President Roh Moo-hyun as consultations to resolve the DPRK nuclear issue between the allies are picking up speed. With Bush expected to send a message to the DPRK in his State of the Union address, Michael Green, senior director for Asian affairs at the National Security Council (NSO), will outline US policy while meeting with ROK officials before leaving the country this evening.

[\(return to top\)](#)

## **6. ROK on DPRK Military**

Arirang TV ("S. KOREA TRIMS ESTIMATED SIZE OF N. KOREAN TROOPS", 2005-02-02) reported that the ROK has trimmed the size of its estimate for the DPRK's active troops by a huge margin. A defense ministry official says the DPRK is believed to have close to 2 million active soldiers, down more than 1 million from the previous calculation made in the year 2000. It's reported that the ROK's defense ministry readjusted the number of DPRK reserve forces last year to 620,000, regrouping the remaining 1.1 million as para-military regional guards.

[\(return to top\)](#)

## **7. DPRK on Relations with the US**

Yonhap ("N. KOREAN PRIME MINISTER ACCUSES U.S. OF 'HOSTILE' INTENTIONS", 2005-02-02) reported that the DPRK reiterated its claim of being on the receiving end of a "hostile" US policy Wednesday, despite the international community's hope to resume six-way talks aimed at ending a protracted nuclear standoff. DPRK Prime Minister Pak Pong-ju said in a public speech that the US has no intention of coexisting with the DPRK and claimed the US government is "ceaselessly" pursuing hostile policies aimed at toppling the DPRK regime, the DPRK's Korea Central Broadcasting Station reported.

[\(return to top\)](#)

## **8. DPRK Leadership**

Yonhap ("N. KOREA VOWS TO SAFEGUARD KIM JONG-IL'S LEADERSHIP", 2005-02-02) reported that the DPRK held a large-scale meeting of military and civilian leaders and anti-Japanese revolutionaries Wednesday with a call for loyalty to leader Kim Jong-il and a pledge to fight against US "imperialists." The DPRK has held a small-scale meeting of military representatives at the start of a new year to swear loyalty to Kim. This year's meeting was expanded to include civilians and other non-military cadres as well as elderly anti-Japanese guerilla fighters.

[\(return to top\)](#)

## **9. DPRK Defectors**

Asia Times ("NORTH KOREANS 'EAT WORSE THAN PIGS'", 2005-02-02) reported that the slow, arduous exodus of DPRK defectors such as Ms Moon, 34, who wants to go to the ROK, is posing increasingly vexing diplomatic conundrums between the ROK and PRC, as both nations grapple with the DPRK's decay and the resulting, unwanted fallout for Beijing and Seoul. The mix of political oppression and brutal economics in the DPRK has left defectors on the wrong side of the fence in the view of the PRC government. The issue has put the ROK and PRC at loggerheads, while defectors

and activists contend humanitarian concern has been abandoned.

[\(return to top\)](#)

## **10. DPRK Culture**

The Associated Press ("NORTH KOREA DECLARES WAR ON LONG HAIR", 2005-02-02) reported that the order to shaggy-haired DPRK men couldn't be clearer: Get a trim like Kim. The DPRK is waging a hair war, telling its male population to lose the long locks, cut the coiffures and mow the mane to conform to "socialist style" - no longer than two inches. The short-hair campaign actually was launched in October, but it reached new lengths Monday when state-run Central TV began ridiculing nonconformists as unhygienic, anti-socialist fools.

[\(return to top\)](#)

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

Asia Pulse/Yonhap News ("SEOUL TO RECOGNIZE S. KOREAN FIRMS' ASSETS IN N.K. AS COLLATERAL", 2005-02-02) reported that the government said Wednesday it will recognize the assets of ROK firms in the DPRK as collateral and extend loans so those companies can invest in the DPRK's infrastructure. The move, which went into effect on Wednesday, is aimed at easing local firms' difficulties in financing and facilitating their investments in the DPRK, a Unification Ministry official said. "The move is expected to contribute to the expansion of inter-Korean economic exchanges as it facilitates economic cooperation and investments in areas other than Pyongyang and Kaesong," the official said.

[\(return to top\)](#)

## **12. ROK on Abductees**

Agence France-Presse ("PHOTO SHOWS ABDUCTED SOUTH KOREANS HELD IN N KOREA - RPT", 2005-02-02) reported that a group photograph taken in the DPRK shows 36 ROK citizens who disappeared from their homeland 30 years ago and were allegedly abducted to the DPRK, activists said Wednesday. The 36 ROK fishermen never returned home after setting out to fish in the Yellow Sea in the early 1970s. Hundreds of ROK citizens have reportedly been abducted to the DPRK over the past 50 years. The picture was allegedly taken in 1974 and carried by the JoongAng Daily in Seoul on Wednesday.

[\(return to top\)](#)

## **13. Japan on Abductees**

Kyodo ("JAPAN PREPARING FOR SCIENTIFIC REBUTTAL OF N. KOREA ON ABDUCTEE", 2005-0-02) reported that Japan is preparing to scientifically prove again that the DPRK gave it false evidence on the fate of abductee Megumi Yokota during their last bilateral talks, Foreign Minister Nobutaka Machimura said Wednesday. "We'll rebut it (the DPRK's claim) as soon as we are ready," Machimura told a House of Representatives Budget Committee session, referring to last week's denial of falsification by the DPRK.

[\(return to top\)](#)

## **14. Japan on DPRK Sanctions**

Asahi Shimbun ("A PLAN TO BAN N. KOREAN SHIPS MAY END UP TIPPING", 2005-02-02) reported that frustrated by a lack of progress on the abduction issue, the government is considering putting a virtual stop to visits by DPRK ships. Such a move would surely hurt Japanese crab and clam dealers. Under pressure from some lawmakers to impose sanctions, the government is considering strict application of a law that would require all ships making port calls in this country to be covered by Protection and Indemnity Insurance. Because most DPRK freighters are not covered by P & I insurance, they would in effect be banned from Japanese ports when an amended Law on Liability for Oil Pollution Damage goes into effect on March 1.

[\(return to top\)](#)

## **15. Japan - DPRK World Cup Match**

Kyodo News ("JAPAN TO BOOST PATROLS AT SOCCER GAME WITH NORTH KOREA", 2005-02-02) reported that Japan will increase police patrols at the upcoming soccer game between Japan and the DPRK next week in Saitama, Chief Cabinet Secretary Hiroyuki Hosoda said Wednesday. The top government spokesman also urged soccer fans, both Japanese and DPRK, who are expected to come to Japan for the game, to be level-headed and keep soccer separate from politics.

[\(return to top\)](#) Chosun Ilbo ("NORTH KOREAN SOCCER TEAM VEILED IN SECRECY AHEAD OF JAPAN MATCH", 2005-02-02) reported that tension is reaching fever pitch in Japan ahead of its qualifying match for the 2006 World Cup in Germany - even more so with paranoid DPRK as its opponent. The DPRK's national team on Tuesday moved from its training ground on the PRC's Hainan Island to Beijing for its tune-up match against Kuwait. The DPRK's team travels in disguise even in Beijing. Guards man the entrance to the practice stadium, and a six-meter tall watchtower has been built so officials can keep an eye on things. A 2.5-m wall encloses the complex, so getting near the field is impossible. Remarkably, the DPRK practice match against Kuwait will not be public.

[\(return to top\)](#)

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

Joongang Ilbo ("TALKS TO HELP DECIPHER FUTURE U.S. MILITARY ROLE", 2005-02-02) reported that ROK and US officials will hold the first Security Policy Initiative meeting today at the Defense Ministry aimed at refining the alliance and the future role of US military forces. The ROK is also forming a task force to study a possible regional role of the US military's forces stationed here, according to officials. ROK officials have been trying to decipher what the US has called the "strategic flexibility" of forces in the ROK. "This is a very sensitive issue since it deals with whether we allow the Korean Peninsula to become a strategic global military base for US forces," said a government official.

[\(return to top\)](#)

## **17. Sino - Japanese Energy Competition**

Financial Times ("JAPANESE MOVE ON ENERGY RAISES TENSION WITH CHINA", 2005-02-02) reported that Japan has raised the possibility of exploring for oil and gas around the Senkaku islands, where sovereignty is contested by Japan, PRC and Taiwan, in a move that appears aimed at raising the stakes in Tokyo's dispute with Beijing over energy resources. A government official said

Japan wanted to build the ship, which would not be finished until 2008, so it could survey the Senkaku islands, north-east of Taiwan. He said Tokyo could hire a foreign vessel to conduct tests but would be reluctant to send a non-Japanese vessel into such strongly disputed territory.

[\(return to top\)](#)

## **18. Sino - Russian Energy Cooperation**

The Associated Press ("ROSNEFT: CHINA NOT INVOLVED IN YUKOS BUY", 2005-02-02) reported that Russia's Rosneft state oil company said Wednesday it had received \$6 billion from the PRC as prepayment for future crude supplies, but denied that the money was used to buy prized assets formerly owned by the beleaguered Yukos oil giant. Rosneft said that it had signed an agreement with the PRC to deliver 48.4 million metric tons of oil, equivalent to more than 350 million barrels, through 2010. It said in a statement that the prepayment was "unrelated" to Rosneft's purchase of an obscure company that had bought Yukos' core production unit, Yuganskneftegaz, at a controversial government auction.

[\(return to top\)](#)

## **19. Sino - Russian Security Cooperation**

Reuters ("RUSSIA, CHINA TIGHTEN SECURITY LINKS", 2005-02-02) reported that Russia and the PRC took another step to bury the distrust of the Cold War on Wednesday and build on a blossoming military relationship by agreeing to set up a new body to consult more closely on security issues. Russian officials were generally reticent over the visit to Moscow by PRC State Councillor Tang Jiaxuan, a senior foreign policy official, saying the PRC had asked for minimum publicity. But Tang told President Vladimir Putin a new security "mechanism" involving Russia would be a first for Beijing. "This is the first time that China is creating a mechanism of national security consultations with another country," Tang told Putin.

[\(return to top\)](#)

## **20. Russo - Indian Energy Cooperation**

Donga Ilbo ("INDIA STEPS UP IN THE COMPETITION FOR RUSSIAN OIL", 2005-02-02) reported that India, with a population of one billion, has jumped into the development of Russian oil, the world's largest potential oil reserve, making Japan and the PRC worried. The two nations are the second and third largest oil consumers respectively in the world. India, as it steps into a period of high-speed economic growth, has increased its oil demands dramatically, and is expected to serve as a new variable in the international oil market. Last year, the PRC swept the crude oil market and caused serious troubles.

[\(return to top\)](#)

## **21. Cross Strait Relations**

Agence France-Presse ("CHEN INVITES CHINA'S TOP TAIWAN ENVOY TO VISIT, REOPEN TALKS", 2005-02-02) reported that Taiwan's President Chen Shui-bian invited the PRC's top cross-strait negotiator to visit the island, urging the two sides to reopen talks. The invitation was extended to Wang Daohan, president of China's quasi-official Association for Relations Across the Taiwan Strait (ARATS), at the memorial service of Koo Chen-fu, Wang's former Taiwan counterpart. "We welcome

Wang for a visit if his health and time permit," Chen said in his eulogy to Koo, former chairman of the Straits Exchange Foundation (SEF), who died of cancer last month aged 87.

[\(return to top\)](#)

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

Washington Post ("END TO ARMS SALE DELAY SOUGHT", 2005-02-02) reported that a bipartisan group of House members has asked Secretary of State Condoleezza Rice to break a roadblock that has held up an \$18.2 billion US arms sale to Taiwan. The legislators wrote that they were concerned "over the Department of State's failure to transmit congressional notifications for a key foreign military sales package to the Republic of China on Taiwan."

[\(return to top\)](#)

## **23. Ukraine Nuclear Capable Missile Sales**

The Associated Press ("LAWMAKER: UKRAINE SOLD IRAN, CHINA NUKES", 2005-02-02) reported that a senior lawmaker alleges that Ukraine sold nuclear-capable cruise missiles to Iran and the PRC in violation of international nonproliferation treaties and is demanding the new government launch a full investigation. The allegations were made in a letter - made available to The Associated Press on Tuesday - by lawmaker Hrihory Omelchenko and addressed to President Viktor Yushchenko, a reformist who took office last week. In the letter, Omelchenko said an investigation launched last summer "proved that some 20 air-launched Kh-55 and Kh-55M cruise missiles with nuclear capability were exported to third countries" in contravention of international treaties.

[\(return to top\)](#)

## **24. US on PRC Weapons Ban**

Reuters ("RICE SAYS EU MAY SEND WRONG SIGNAL ON CHINA ARMS", 2005-02-02) reported that Secretary of State Condoleezza Rice suggested on Tuesday that Europe could send the wrong signal on human rights in the PRC if it ended an arms embargo imposed after the 1989 Tiananmen Square crackdown. Rice said that considering the embargo was imposed "because of human rights concerns out of Tiananmen, one has to be very careful not to send the wrong signal about human rights."

[\(return to top\)](#)

## **25. PRC Development Projects**

BBC News ("CHINESE DAM FIRM 'DEFIES BEIJING'", 2005-02-02) reported that the PRC Three Gorges Project Corp is refusing to obey a government order to stop construction of one of its giant dams, the PRC state press has said. The builder of the Three Gorges Dam is continuing work on the sister Xiluodu dam, said the Beijing News. The Xiluodu dam is one of 30 such large-scale construction projects called to a halt because of a lack of proper environmental checks. So far, only 22 of the 30 construction projects targeted by China's State Environmental Protection Agency (Sepa) for having not carried out mandatory environmental impact assessments have complied with its shutdown order.

[\(return to top\)](#)



## 26. US on PRC Currency

The Associated Press ("U.S. OPTIMISTIC ON CHINA CURRENCY CHANGES", 2005-02-02) reported that the Bush administration believes the PRC is moving toward changing a currency system that US manufacturers contend gives PRC companies a huge competitive advantage in global trade. John Taylor, the Treasury Department's under secretary for international affairs, expressed optimism that the administration's campaign to get Beijing to stop linking its currency, the yuan, to the U.S. dollar is showing progress. "We've seen steps that are being taken, which are consistent with a move toward a flexible exchange rate," Taylor told a group of reporters Tuesday. "We've seen the Chinese continue to emphasize that they want to move to a flexible exchange rate."

[\(return to top\)](#)

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