

# NAPSNet Daily Report Wednesday, July 7, 2004

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# I. United States

## 1. DPRK on US Relations

Korean Central News Agency of the DPRK ("NORTH KOREAN AGENCY SAYS PROGRESS OF TALKS DEPENDS ON US ATTITUDE", 2004-07-07) reported that the US should sincerely accept the DPRK's proposal of "reward for freeze" as it is the most realistic one to break the present deadlock caused by differing stands, mutual mistrust and differences in the mode of thinking between the DPRK and the US over the nuclear issue and stop demanding the DPRK scrap its "nuclear program" first and stop opting to apply to the DPRK the same "method" it applied to other country. The overall review of the recent six-party talks showed that although various proposals and suggestions were made and the talks proceeded in a sincere atmosphere and some elements helpful to the talks' progress were found, no substantial success was made in the efforts to make a breakthrough towards the settlement of the nuclear issue as the DPRK and the US failed to wipe out the bilateral mistrust and misunderstanding, the commentary says.

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## 2. US on DPRK Nuclear Program

Yonhap ("NO DEADLINE SET FOR N KOREA RESPONSE TO US OFFER AT SIX-PARTY TALKS - SPOKESMAN", 2004-07-07) reported that the US said Tuesday it set no deadline for the DPRK's response to its proposal to end the standoff over the state's nuclear ambitions. "There was no time frame given for a more complete response," State Department spokesman Richard Boucher said during a regular press briefing. The DPRK has not given a clear-cut response to Washington's proposal yet, although it described the offer as "unrealistic" through its media outlets.

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## 3. DPRK Missile Program

Korea Herald ("N. KOREA DEPLOYS MID-RANGE MISSILES", 2004-07-07) reported that the DPRK is building and deploying intermediate-range ballistic missiles capable of hitting targets up to 4,000 kilometers away and has been testing a new main engine for its long-range ballistic missiles, the Daepodong-2, the Defense Ministry said yesterday. The DPRK has also constructed about 80

underground bases to disguise its buildup since the U.S.-led war against Iraq began in mid-March last year, the ministry said in its first confirmation of the DPRK's buildup of missiles to hit long-range targets. The DPRK's moves were outlined to the National Assembly's Defense Committee in a report that said the DPRK aimed to keep its military superiority to the ROK and foster an environment to reunify the divided peninsula based on its military power.

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## **4. DPRK Culinary Introduction**

Yonhap ("KIM JONG IL INTRODUCES HAMBURGERS TO NORTH KOREA AS 'QUALITY' FOOD", 2004-07-07) reported that DPRK leader Kim Jong Il has introduced hamburgers to his reclusive, country in a campaign to provide "quality" food to university students, media reported Wednesday. The hamburgers were introduced in 2000 and dubbed "gogigyeopbbang," Korean for "double bread with meat," according to the June 29 edition of the DPRK state-run newspaper Minju Joson. The report cites leader Kim Jong Il as saying at the time of the hamburger's introduction: "I've made up my mind to feed quality bread and french fries to university students, professors and researchers even if we are in (economic) hardship." The government then built a hamburger plant and Kim Jong Il ordered officials to pay close attention to modernizing mass production, the report was quoted as saying by Yonhap. Hamburgers from the factory were first provided only to students at the elite Kim Il Sung University in Pyongyang, but were later provided to other schools, the daily said.

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## **5. ROK - US Relations**

United Press International ("TOP S.KOREAN POLITICIAN VISITS U.S", 2004-07-05) reported that the leader of the ROK's ruling party left for the US Monday to discuss the DPRK's nuclear drive and a U.S. plan to cut troops in the ROK. During his six-day stay, Shin Ki-nam, chairman of the ruling Uri party, is scheduled to meet Secretary of State Colin Powell and Deputy National Security Advisor Steven Hadley, party officials said. Shin, a reformist lawmaker loyal to President Roh Moo-hyun, said he would use the visit to strengthen the shaky military alliance between the two nations and to seek joint efforts to stabilize Iraq. Shin is also to meet U.S. Trade Representative Robert Zoellick to discuss the proposed conclusion of a free trade agreement.

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## **6. US Experts to Travel to DPRK**

Yonhap ("U.S. EXPERTS ON KOREAN PENINSULA TO VISIT N.K. MOUNTAIN RESORT ", 2004-0-07) reported that a state-run organization on inter-Korean relations here has invited a group of conservative U.S. scholars for a seminar trip this week to the DPRK's scenic resort Mount Geumgang, officials said Wednesday. The Korea Institute for National Unification has organized the trip in a bid to publicize the ROK's reconciliation and engagement policy toward the DPRK, the officials said. The soft approach has not been popular with conservative U.S. experts studying and formulating policies on Pyongyang.

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## **7. Russian - DPRK Relations**

Donga Ilbo ("HEDGEHOG (N.K.) SCARING STRONG TIGER (U.S.) ", 2004-07-07) the DPRK showed a play on Monday that conveys a strong anti-American sentiment to the Russian delegation, led by Foreign Minister Sergey Lavrov, which is visiting Pyongyang. The play adapted a children's story written by former DPRK leader Kim Il-sung called "Hedgehog that Beats a Tiger." The story is about a hedgehog (DPRK) scaring a tiger (the U.S.) which boasts that it is the strongest in the woods. The hedgehog pricked the tiger's nose, which is its vital spot, and later the tiger became afraid of merely seeing a chestnut bur. The DPRK is known to cite this story when it explains to its people the reason for using "brinkmanship diplomacy" in dealing with the U.S. According to the DPRK, if the country fortifies the entire nation like a hedgehog and fights the U.S., the U.S. will make a concession thinking that there is no need to try to get hurt.

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## **8. Inter-Korean Relations**

Korea Times ("2ND PHASE OF PROPAGANDA FACILITY REMOVAL BEGINS", 2004-07-07) reported that the ROK and DPRK on Tuesday entered the second phase of removing high-powered propaganda loudspeakers and signboards along the demilitarized zone (DMZ) that has separating the peninsula for about half a century. Officials at the ROK Defense Ministry said all propaganda facilities in the central section of the inter-Korean land border will be dismantled during the second stage scheduled to be completed on July 20. The work was made possible by an agreement reached at an inter-Korean colonel-level military officers' talks at the DPRK border city of Kaesong on Monday, which followed up on a set of tension-reducing measures agreed on during last month's higher-level talks.

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## **9. DPRK on Anniversary of Kim Il Sung's Death**

The Associated Press ("NORTH KOREA REMEMBERS FOUNDING FATHER KIM IL SUNG ON 10-YEAR ANNIVERSARY OF HIS DEATH", 2004-07-07) reported that masses of solemn-faced DPRK citizens gathered near a 60-foot bronze statue of late President Kim Il Sung to mark the 10th anniversary of his death and pay respect to the man who forged the nation's dynasty. Kim died ten years ago Thursday, after ruling the country he founded for half a century. In the run-up to the anniversary, the hardline regime now led by Kim's son, Kim Jong Il, has organized rallies and seminars to boost the personality cult that underpins Pyongyang's rule. On Wednesday, the ROK's all-news cable channel YTN showed DPRK television footage of people clad in dark gray filing toward the Kim Il Sung statue that overlooks Pyongyang from a nearby hilltop. The DPRK footage showed soldiers and students gathering in auditoriums under red-and-white banners that said "President Kim Il Sung will be with us forever!" They vowed to remain loyal to Kim's son.

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## **10. DPRK on Leadership Qualities**

Yonhap ("N.K. PAPER COMMENTS ON QUALIFICATIONS FOR SUCCESSOR TO KIM JONG-IL ", 2004-07-07) reported that the DPRK's state-published newspaper on Wednesday suggested ideological foresight, revolutionary conviction and strong initiative as the most important qualities

for the successor to DPRK leader Kim Jong-il. The Rodong Shinmun, the official organ of the DPRK Workers' Party, said in an editorial in its July 7 issue that qualifications for the country's next leader would boil down to outstanding accomplishments in ideology and theory and a relevant initiative.

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## **11. ROK - DPRK Relations**

Joongang Ilbo ("SUMMIT TALK IS DISMISSED BY THE SOUTH ", 2004-07-07) reported that the ROK government said yesterday reports that DPRK leader Kim Jong-il might soon visit Seoul were baseless and that unless progress was made in negotiations to end the DPRK's nuclear arms program, no summit meeting was possible. "Our position remains unchanged," said Blue House spokesman Kim Jong-min. "We believe that unless the nuclear issue has made some strides, there's no reason for a summit, unless a summit can bring a meaningful advance on the nuclear issue. At present, we do not feel it has come to that." Earlier, Yonhap news agency quoted a government official as saying a North-South summit would take place before the U.S. presidential elections in November, either in Mount Geumgang or Jeju island. But the Blue House quickly dismissed the report, "We have not been notified of a return visit by North Korea's Kim Jong-il to the South through unofficial routes. Nor have we proposed this to the North."

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## **12. ROK - US Alliance**

Yonhap ("CHANGE IN S.K.-U.S. ALLIANCE LIKELY TO DESTABILIZE MARKETS", 2004-07-07) reported that any major change in the ROK's alliance with the US will destabilize the ROK's financial and foreign exchange markets and adversely affect the country's sovereign credit rating, a state-run think tank said. In a report presented to President Roh Moo-hyun Wednesday, the Korea Institute for International Economic Policy (KIEP) said, "South Korea's financial and foreign exchange markets will be greatly destabilized if any serious doubts are raised about the South Korea-U.S. alliance." In that case, the ROK's sovereign credit rating will be lowered, stock prices will fall with the exodus of foreign capital and risk premiums on ROK bonds will rise, the report said.

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## **13. ROK, Japan on DPRK Negotiations**

Yonhap ("SEOUL, TOKYO TO PUSH FOR TWO ROUNDS OF WORKING-LEVEL SIX-WAY TALKS", 2004-07-07) reported that the ROK and Japan have agreed to push for two rounds of working-level meetings prior to the fourth six-party talks on the dispute over the DPRK's nuclear program, slated for September, the Foreign Ministry said Wednesday. The two countries will jointly work to persuade other parties to the talks -- the United States, the PRC, Russia and the DPRK -- to consent to the working-level meetings prior to the main conference in September, the ministry said.

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## **14. US on ROK Troop Redeployment**

Yonhap ("U.S. WILL INFORM S.K. OF TROOP CUT SCHEDULE THIS MONTH: MINISTER", 2004-07-07) reported that the US has said it will notify ROK of a detailed schedule to cut its troops here within the month, ROK's defense minister said Wednesday. The US will make the notification "with a

specific list of its units to be relocated out of South Korea," National Defense Minister Cho Young-kil said at a meeting of a parliamentary committee.

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## **15. ROK New Capital**

Donga Ilbo ("YEONGI-GONGJU CONFIRMED AS NEW CAPITAL SITE", 2004-07-05) reported that it was decided that Yeongi-Gongju in South Chungchong Province would be the new capital site. The Presidential Committee on Administrative Capital Relocation held its fourth council at the central government complex and announced the results of the evaluation on the four candidate sites for relocation, which was worked on by the evaluation committee. The chairman of the evaluation committee, professor of Sungshin Women's University Kwon Yong-woo, announced that Yeongi-Gongju received 88.96 points, the highest grade among the four candidate sites. Gongju-Nonsan, Cheonan in South Chungchong Province and Umsong-Jincheon in North Chungchong Province followed Yeongi-Gongju by receiving 80.37, 75.02, and 66.87 points, respectively. Kwon indicated that the new capital site was actually confirmed by saying, "As the evaluation was conducted by 80 experts through reviews of data and actual surveys, the results are valid as long as no particular flaws are found."

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## **16. Vietnamese - DPRK Relations**

The Associated Press ("VIETNAM TO DONATE 1,000 TONS OF RICE TO NORTH KOREA", 2004-0-07) reported that Vietnam is shipping 1,000 tons of rice as food aid to the DPRK in the aftermath of a massive train accident in April that killed at least 161 people and injured more than 1,300, officials confirmed Wednesday. Prime Minister Phan Van Khai made the decision on June 23 to donate 1,000 tons of 20% broken rice to the DPRK, said a Foreign Ministry official under condition of anonymity. Vietnam is the world's second-largest rice exporter, behind Thailand. The National Reserves Department, which stocks key commodities such as oil, rice, and steel in cases of emergencies, along with the Ministry of Finance and the Foreign Ministry, will be responsible for the donation. Vietnamese officials have been in contact with the DPRK embassy officials to coordinate when and where the rice would be delivered, said the Foreign Ministry official.

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## **17. Japanese - DPRK Relations**

The Associated Press ("JAPAN TO WHISK ACCUSED US ARMY DESERTER OUT OF N KOREA", 2004-07-07) reported that for nearly 40 years, Charles Robert Jenkins has been a wanted man, unable to leave his adopted home of the DPRK for fear of being captured by U.S. law enforcement officials and court martialled. On Friday, that will change - at least temporarily. After months of intense negotiations, the Japanese government is sending a jet to the DPRK capital of Pyongyang to whisk the 64-year-old Jenkins away. But instead of bringing him to justice, the plane will fly Jenkins and his two daughters to Indonesia - and again out of the reach of U.S. authorities - for a reunion that all of Japan will be watching. Japan's interest isn't with Jenkins, but with his wife, who was abducted by DPRK spies in 1978 while on her way home after shopping with her mother on the tiny, wind-swept isle of Sado just off the northern coast of Japan's main island. She fell in love with Jenkins while taking English classes from him in the DPRK. Barring a pardon from Bush, Jenkins reportedly wants to stay in the DPRK. But Soga told reporters that she hoped to persuade her

husband to join her in Japan. "My biggest concern is what may come after the reunion," she said. "But I know we will eventually come back to Japan and live here."

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## **18. US - Japanese Relations**

Kyodo News ("KOIZUMI, KAWAGUCHI TO HOLD TALKS WITH U.S. SECURITY ADVISER RICE", 2004-07-07) reported that Prime Minister Junichiro Koizumi and Foreign Minister Yoriko Kawaguchi will hold talks with visiting U.S. National Security Adviser Condoleezza Rice Wednesday evening to discuss issues related to DPRK's nuclear ambitions and Iraq. Kawaguchi and Rice will meet at the Ikura guesthouse in Tokyo. Koizumi will join the meeting later, government officials said. Kawaguchi and Rice are expected to discuss how to deal with the DPRK nuclear issue following the outcome of the latest round of six-party talks last month.

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## **19. US - Japanese Relations**

Yomiuri Shimbun ("JAPAN WARY OF U.S. FORCES REVIEW ", 2004-07-07) reported that the restructuring of U.S. forces that followed the Sept. 11, 2001, terrorist attacks on the US has reached the country's troops stationed in Japan. Japan has provided the US with a base in Asia since the end of World War II, and now the questions of how the U.S. military presence in Japan will change and whether the burden on local governments hosting U.S. forces will be lightened must be answered. U.S. Ambassador to Japan Howard Baker said recently that after World War II, the United States promised to become a shield for Japan, but times had changed. The Defense Agency and the U.S. Defense Department have been discussing a review of the U.S. military presence in Japan. Talks between the agency and the Defense Department have alluded to a possibility of transferring the U.S. Army's First Corps Headquarters from Washington State to Camp Zama in Kanagawa Prefecture. Another plan reportedly under discussion is the transfer of 2,600 of about 18,000 marines based in Okinawa to Camp Fuji in Shizuoka Prefecture and Camp Zama.

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## **20. Japanese Defense Program**

Asahi Shimbun ("JAPAN DEFENSE AGENCY: JAPAN HAS NEW THREATS TO FACE", 2004-07-07) reported that the possibility of global conflagration is receding and Japan is less likely to face full-scale invasion, the Defense Agency said Tuesday in urging this nation to be on guard against new threats: the proliferation of weapons of mass destruction and terrorism. Its 2004 white paper on defense said policies adopted to cope with Cold War threats are outdated and must undergo radical change to deal with new realities, such as missile attacks and terrorist strikes. The report, presented to the Cabinet on Tuesday, urged a drastic review of equipment for the Self-Defense Forces to meet these challenges. It said the SDF must be trained to handle missions involving international cooperation, while stressing the need for Japan to "play a role commensurate to its (international) standing." The annual report stopped short of discussing specific principles in troop deployment overseas. The white paper serves as a pointer to the government's announced intention to formulate a new National Defense Program Outline by the end of this year. It will be the first review of the nation's long-term defense policy since 1995.

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## 21. Japanese Cult Arrest

The Associated Press ("FOUR JAPAN CULTISTS ARRESTED IN SHOOTING", 2004-07-06) reported that four members of a Japanese doomsday cult were arrested Wednesday in connection with the shooting of the national police chief nine years ago, authorities said. Takaji Kunimatsu was shot and seriously wounded while investigating Aum Shinrikyo, the cult later held responsible for the nerve gas attack on Japan's subway system that killed 12 people, injured thousands and crushed the country's sense of safety. He was shot 10 days after the subway attack in March 1995. Tokyo police on Wednesday arrested three cult members on allegations of attempted murder, police official Tsutomu Nagai told a news conference. The three conspired with several other unidentified attackers, who have yet to be arrested, in the attempted assassination, Nagai said. Police arrested a fourth cultist for allegedly trying to set explosives at home of one of the group's critics and for possible involvement in the shooting.

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## 22. Sino - Japanese Relations

Financial Times ("GAS PROVOKES JAPANESE CLASH: BEIJING AND TOKYO ARE IN DISPUTE OVER EAST CHINA SEA EXPLORATIONS AS BOTH SEEK TO CUT DEPENDENCE ON MIDDLE EAST OIL", 2004-07-07) reported that In Japan, energy officials openly refer to what they call the "China factor" - the increased competition over resources that has inevitably arisen between the two countries as they race to reduce their dependence on energy supplies from Middle Eastern countries. Tensions between the two countries escalated last week when the PRC issued its strongest warning yet to Japan over its planned exploration for natural gas in the East China Sea. The two countries have been at loggerheads over the PRC's plans to develop the potentially lucrative natural gas field, which lies near the border of Japan's territorial waters, or exclusive economic zone (EEZ) in the East China Sea. Last week, Japan announced that it would launch its own exploration studies on today. The two countries have argued over the exact boundary of the EEZ. Japan says it is the line equidistant from the coasts of both countries, while the PRC has said it extends to the end of the continental shelf. The gas field, in fact, is located 4km from the center line, in the PRC's EEZ.

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## 23. PRC Military Exercises

London Times ("CHINA TESTS 'D-DAY INVASION' OF TAIWAN", 2004-07-07) reported that PRC soldiers will for the first time rehearse a D-Day-style invasion of Taiwan on a densely populated island off the mainland coast this month. The 18,000-man mock landing on the beaches of Dongshan will involve amphibious assault craft, Russian-built fighter jets and submarines operating in the Taiwan Strait to ward off a simulated counter-attack by the U.S. 7th Fleet.

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## 24. US - PRC Trade Relations

The Associated Press ("SHRIMP TARIFF RULING LATE FOR FISHERMEN ", 2004-07-07) reported that the shrimp catchers of Lafitte and surrounding bayous should be happy: after years of complaining about unfair competition, the U.S. government has proposed tariffs on shrimp imports from the PRC and Vietnam. But many believe the effort is a little too late. Shrimp prices have



plummeted by more than half since about 2001, and on Tuesday the U.S. Commerce Department said it suspected why: a flood of artificially low-priced imports have damaged the domestic industry. The proposed tariffs on frozen and canned warm-water shrimp products came after shrimpers last year filed an antidumping petition against six nations that export about 70 percent of the shrimp Americans eat. The proposed tariffs on Chinese exporters range from about 8 percent to 113 percent. Vietnam exporters face duties ranging from about 12 percent to 93 percent.

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## **25. PRC Bird Flu Outbreak**

The Associated Press ("CHINA: WILD BIRDS SPARK BIRD FLU OUTBREAK", 2004-07-07) reported that the PRC said Wednesday that wild birds may have sparked a new outbreak of avian flu on a lakeside farm, while Thailand confirmed fresh outbreaks in two central provinces. The cases in Anhui province, the PRC's first reported outbreak in nearly four months, involve the same severe bird flu strain that earlier this year ravaged Asia's poultry industry and jumped to people in Vietnam and Thailand, killing 24. The PRC's Agriculture Ministry said the farm in Anhui was quarantined following confirmation of the flu on Tuesday. All poultry within two miles of the affected farm have been slaughtered and birds within three miles vaccinated, the reports said. "The local government has made necessary measures of slaughter or quarantine to prevent a spread and sent samples to the authorities. It has also isolated the area," the official Xinhua News Agency said.

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## **26. ANU Summer Program in Washington D.C.**

Australian National University announced that a series of Master Degree course options will be offered this summer in Washington DC, with a heavy focus on the Asia-Pacific-Indian Ocean region. This exciting new opportunity springs from a partnership in strategic studies between the Australian National University and the Elliott School of International Affairs at George Washington University. Those aiming to build their expertise in Asia-Pacific-Indian Ocean strategic affairs may enroll either in individual courses or in a complete Master Degree or Graduate Diploma at ANU. This program has been designed to educate and network the next generation of strategic leaders in the region spanning from the United States, across the Pacific and Indian Oceans and to East Africa and the Persian Gulf. It is already offered in Australia, Japan, Taiwan and Thailand, with other countries scheduled to join shortly. Detailed information on the program options is available at our website: <http://rspas.anu.edu.au/gssd/>.

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## **27. DPRK on Bibles, Movies**

Chosun Ilbo ("NORTH KOREA WARNS CITIZENS OF BIBLES, CAPITALIST MOVIES", 2004-07-07) reported that The Japanese daily Tokyo Shimbun quoted a DPRK internal document on Tuesday that says DPRK government has urged its people to watch each other more closely saying that bibles and films from capitalistic nations have been flowing into the country through bordering areas with PRC. This document, which was published by DPRK Workers' Party late last year, pointed out that former Eastern European communist countries collapsed because they had not recognized the harm of capitalistic culture. It emphasized the importance of learning the lessons of history. The document also said that books that propagate the Bible and religious superstitions are widespread in the border area, as are movies and CDs! that both depict life in capitalist countries and distort DPRK. It

warned that these smuggled goods are the most poisonous factor to the healthy thoughts of DPRK people and reading or watching them in curiosity once or twice will destroy the people and their families, the Japanese newspaper reported. DPRK authority signed an agreement on guarding the border region with a PRC military delegation at the end of last year. Although the agreement has yet been revealed, it seemingly aims to strengthen the border controls, the Tokyo Shimbun said.

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## 28. DPRK Economy

Joongang Ilbo ("NORTH KOREA'S ECONOMIC PLANS FALLING SHORT", 2004-07-06) reported that Ten years after the death of DPRK leader Kim Il Sung, DPRK has still not recovered from the electricity shortage that has plagued them for decades. But since DPRK introduced its capitalist-style economic reform measures on July 1, 2002, labor motivation has increased there, which has contributed somewhat to the productivity of the famine-stricken DPRK. ROK Unification Ministry said there are some 40 such new markets in Pyeongyang, 300 in all around DPRK. Unlike the past, businesses in DPRK must shut their doors if they cannot reap profits. Kim Geun-shik, a Kyungnam University research professor, said, "DPRK citizens and factory managers are quickly adapting to the market system, and it will be hard for them to go back to the state-controlled economy of the past." DPRK has implemented a five-year economic development plan since last year. It includes a three-year plan to solve the fuel and energy shortages, measures to improve DPRK's agricultural structure to increase food production, and a five-year science and technology development plan. But despite the efforts, DPRK's internal reserve resources are practically exhausted. DPRK's authorities have put in 40 billion won (\$34.6 million) worth of capital, but this wasn't enough to jump start the economy. Kim Yeong-gyeong, of the Institute of Political Education for Unification, said, "For DPRK's reforms to succeed, it needs to improve relations with U.S. and Japan, and cannot rely solely on its own resources." DPRK has tried to attract foreign investment by creating special economic zones in Sinuiju and Gaeseong, but these efforts are on hold because the issue of its nuclear programs has not been resolved.

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