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I. NAPSNet

1. DPRK on Sanctions, Nuclear Test

Washington Post ("N. KOREA WANTS U.S. TO END 'HOSTILE ATTITUDE'", 2006-10-11) reported that the DPRK's Foreign Minister, Kim Yong Nam, indicated that the Pyongyang government would carry out further nuclear tests if the United States does not change what he described as Washington's "hostile attitude" toward Pyongyang. In an interview with Japan's Kyodo News Service, Kim also dismissed the impact that any U.N. Security Council economic sanctions would have. Kim's words marked the first public comment from a high ranking DPRK official following the alleged nuclear test. Given the comparatively small size of the explosion, analysts have questioned whether the test had partially failed or whether it was even nuclear in nature. Some have suggested that a disappointing result may prompt Pyongyang to attempt another test. "The issue of future nuclear tests is linked to U.S. policy toward our country," said Kim.

(return to top) New York Times ("NORTH KOREA WARNS U.S.; JAPAN CUTS TIES", 2006-10-11) reported that in a statement carried by the official DPRK news agency, the country's foreign ministry declared today that "if the U.S. keeps pestering us and increases the pressure, we will regard it as a declaration of war and will take a series of physical corresponding measures." (return to top)

2. Question About Success of Nuclear Test

Washington Post ("U.S. WAITS FOR FIRM INFORMATION ON NATURE AND SUCCESS OF DEVICE", 2006-10-11) reported that the White House is playing down the DPRK's nuclear capability as government scientists and intelligence analysts wait for additional data to confirm whether Pyongyang had conducted a successful nuclear test. Sources cautioned that it could take several days before winds push radioactive particles toward an area where they can be clearly detected. Nuclear experts said there was little possibility that the explosion could have been the result of a chemical blast or a radioactive "dirty" bomb masked as a nuclear explosion. Charles D. Ferguson, a nuclear expert at the Council on Foreign Relations agreed that the most likely reason the DPRK blast was relatively small was that only a fraction of the plutonium detonated during the test. Officials believe the low yield probably resulted from the poor design of the device.

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3. Sanctions Against the DPRK

New York Times ("RICE ASSERTS U.S. PLANS NO ATTACK ON NORTH KOREA", 2006-10-10) reported that US Secretary of State Condoleezza Rice said the United States does not intend to invade or attack the DPRK, but warned that the country now risks sanctions "unlike anything that they have faced before." The PRC agreed that tough measures are in order, though its representatives said the punishments might not necessarily be the harsh ones that Washington was proposing. "For China, we need to have a firm, constructive, appropriate, but prudent, response," said Wang Guangya, the PRC's ambassador to the United Nations. The United States, Britain and France all want a resolution drafted under Chapter VII of the United Nations Charter, which makes sanctions mandatory and poses the possibility of military enforcement. While both the PRC and Russia have spoken of the importance of taking serious action, they are traditionally against invoking Chapter VII and have not indicated whether they would end their opposition. Sanctions sought by the United States include international inspections of all cargo moving in and out of the DPRK to detect weapons-related material. But that might prove difficult for China and Russia to accept, in part because their coastlines and borders would be affected.

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4. Varied Reactions to DPRK Sanctions

Washington Post ("CHINA SAYS IT WILL BACK SANCTIONS ON N. KOREA", 2006-10-11) reported varied responses to the nuclear test emerged as the Bush administration put forth a draft resolution calling for imposing stringent financial penalties on the DPRK and providing broad powers to foreign governments to inspect all trucks, trains, vessels and planes traveling in and out of the country. The United States supports a resolution under Chapter 7 of the U.N. Charter, which can be enforced by sanctions or military action. Foreign counterparts worry that the tough strategy may cause hardship for the DPRK's impoverished population or topple the government. France, for instance, voiced concern that a Japanese proposal to ban all DPRK exports could fuel a humanitarian crisis. The PRC expressed a rare willingness to support U.N. sanctions against the DPRK, but it opposes any deadlines or trade restrictions that would undercut the DPRK's struggling economy. It also insists that any resolution must exclude the possibility, however remote, that force could be used.

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5. Inter-Korean Relations

Chosun Ilbo ("SEOUL MULLING SPECIAL ENVOY, SUMMIT WITH PYONGYANG", 2006-10-11) reported that the ROK is considering whether to dispatch a special envoy to the DPRK or hold an inter-Korean summit as a way to break through the deadlock in inter-Korean dialogue. Presidential spokesman Yoon Tae-young also said the government is reviewing all its options in the changed circumstances. He said an inter-Korean summit did not depend on the ROK alone. But at the moment, the only thing Seoul can do is to wait for the UN resolution, and an envoy could not be dispatched without the DPRK's agreement even if the ROK proposes it, he added.

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6. Inter-Korean Economic Projects

Yonhap News Agency ("SEOUL DELAYS SALE OF LAND IN N. KOREAN PARK ON NUKE SHOCK", 2006-10-11) reported that the sale of factory sites in Kaesong has been indefinitely postponed. The ROK has been under intense pressure to discontinue its economic projects with the DPRK after the nuclear test on Monday. Currently, only 15 ROK companies are operating at the industrial park, but the government hopes to host about 3,000 factories by 2024, when the project is completed. U.S. ambassador to the ROK Alexander Vershbow, told reporters that all economic aid programs for the DPRK should be reconsidered, pending possible sanctions against Pyongyang's nuclear test to be adopted by the United Nations Security Council.

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7. Humanitarian Aid for the DPRK

Yonhap News Agency ("U.N. AGENCY MULLS HALTING FOOD AID TO N. KOREA DUE TO FINANCIAL CONSTRAINTS", 2006-10-10) reported that the World Food Program (WFP) said Tuesday it may have to suspend its food aid to the DPRK from January unless member countries make further contributions. Stressing the difficulty of providing food to the poverty-stricken country, WFP spokeswoman Christiane Berthiaume said the UN agency aims to provide food to 1.9 million DPR Korean citizens but currently only manages half of that figure due to "financial constraints." In June, the WFP started a two-year project to raise US$102 million to help the starving, but sources

say it has so far received less than 10 percent of its target.

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8. ROK on PSI

Joongang Ilbo ("SEOUL RETHINKS JOINING PROLIFERATION PACT", 2006-10-11) reported that Seoul is weighing whether to increase its participation in a multinational program to curb international trade in mass weapons and missile components. "It is inevitable to broaden our participation in the Proliferation Security Initiative. I think we have to be more active," a ROK official said, refusing to be quoted by name.

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9. ROK Military

The Associated Press ("S.KOREA MAY BOLSTER CONVENTIONAL ARSENAL", 2006-10-11) reported that the ROK's defense minister said that Seoul could enlarge its conventional arsenal to deal with a potentially nuclear-armed DPRK. "If North Korea really has the (nuclear) capabilities, we will improve and enlarge the number of conventional weapons as long as it doesn't violate the principle of denuclearization," Defense Minister Yoon Kwang-ung told parliament.

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10. Japan on Missile Defense System

Kyodo ("JAPAN SHOULD EXPEDITE SETTING UP MISSILE DEFENSE SYSTEM: LDP EXEC", 2006-10-11) reported that Liberal Democratic Party Secretary General Hidenao Nakagawa said that Japan should expedite efforts to set up a missile defense system in connection with the DPRK's announcement that it conducted an underground nuclear test. "I believe that concentrating Japan's strategy and resources on building a missile defense system that could hit (an approaching) nuclear missile every time and disable it would lead to realistic benefits for our people," Nakagawa said.

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11. PRC CCP Plenary

Agence France-Presse ("CHINA'S COMMUNIST ELITE PLEDGES TO CREATE "SOCIAL HARMONY"", 2006-10-11) reported that the PRC's ruling Communist Party pledged to bring "social harmony" back to the nation following years of rampant economic growth that has created a massive wealth gap. While the central task remained economic development, it was the first time the party had placed social issues alongside politics and the economy, the official Xinhua news agency said in announcing the outcome of the plenary.

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12. PRC Foreign Bank Regulations

Agence France-Presse ("CHINA LIKELY TO INSIST ON STRICT RULES FOR FOREIGN BANKS' YUAN BUSINESS", 2006-10-11) reported that complaints from foreign banks that new rules on their local-currency operations in the PRC are too strict are likely to have fallen on deaf ears, state media

reports. The final regulations will probably keep a draft requirement that foreign banks cannot take any deposit smaller than one million yuan (125,000 dollars), the China Daily said, citing the China Banking Regulatory Commission (CBRC).

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13. PRC Rich List

Agence France-Presse ("WOMAN ON TOP IN CHINA'S RICH LIST", 2006-10-11) reported that a female scrap paper merchant worth 3.4 billion dollars has been named PRC's wealthiest person, the first time a woman has topped the annual rich list. Zhang Yin, 49, leapt to the number one spot from 36 last year after her company, Nine Dragons Paper, was listed in Hong Kong in March, according to the Hurun rich list compiled by Shanghai-based accountant Rupert Hoogewerf and released Wednesday.

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14. Hong Kong Leadership

Agence France-Presse ("HONG KONG LEADER AVOIDS CONTROVERSY IN POLICY ADDRESS", 2006-10-11) reported that Hong Kong leader Donald Tsang avoided controversial issues such as setting a timetable for full democracy in his policy address as he laid out his political blueprint for the coming year. Tsang, who is expected to make a bid for another term as chief executive of the former British colony next year, instead focused on soft topics such as pre-school education and lifestyle matters. He also tiptoed around environmental protection, saying he was committed to reducing the city's worsening air pollution but offering no new clean-air initiatives.

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