

# NAPSNet Daily Report 23 April, 2009

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#### I. NAPSNet

### 1. DPRK on UN Sanctions

Reuters ("NORTH KOREA DISMISSES STEPPED-UP SANCTIONS EFFORT AT U.N.", 2009/04/22) reported that the DPRK dismissed U.N. Security Council efforts to prepare a list of DPRK firms to be blacklisted. "We have already made ourselves clear," DPRK Deputy U.N. Ambassador Pak Tok Hun told reporters outside a closed-door meeting of the Security Council sanctions committee on the DPRK. "We don't recognize that statement, because it runs against ... international laws," he said. "We have the rights, as I told you, the rights to make peaceful use of outer space."

### 2. U.S. on DPRK Nuclear Program

Chosun Ilbo ("U.S. IN NO HURRY TO TACKLE N. KOREA", 2009/04/21) reported that the U.S. administration has nine months until it will have to get serious on DPRK issues, an American diplomat recently said in a private conversation, suggesting President Barack Obama is in no hurry to deal with the renegade country. The main reason is in domestic factors in the DPRK. Their nuclear facilities are outdated, so even if it resumes its nuclear program, it will take considerable time for it to arrive at a point where it could pose a serious threat to America. It will take more than six months to restore all the facilities it needs to produce plutonium for nuclear weapons.

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### 3. U.S. on DPRK Military

Yonhap News (Lee Youkyung and Kim Eun-jung, "U.S. COMMANDER RAISES CONCERNS OVER N. KOREAN ARTILLERY THREAT", Seoul, 2009/04/22) reported that Gen. Walter Sharp, the top U.S. commander in the ROK said Wednesday that the DPRK possesses "the world's largest artillery force" that could wreak havoc on Seoul should the communist state decide to provoke a full-fledged conflict. Speaking to a group of business leaders, Sharp disclosed in a presentation that the DPRK is believed to have 13,000 frontline artillery guns that could "rain on Seoul" and maintain 80,000 special forces. "North Korea has an old but very large military that is positioned in a very dangerous place, very close to the Republic of Korea," Sharp said.

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### 4. ROK and U.S. on DPRK Contingency Plan

Korea Times (Jung Sung-ki, "S. KOREA, US CHART CONTINGENCY PLANS ON N. KOREA", Seoul, 2009/04/22) reported that the ROK and the United States will complete their joint action plans to respond to any type of internal instability in the DPRK this month, a government source said Wednesday. The source said the plan will include specific courses of action to cope with a mass inflow of DPRK refugees, a civil war provoked by revolt or coup, ROK hostages being held in the DPRK and natural disasters, such as earthquakes and floods.

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### 5. Inter-Korean Relations

Yonhap News (Byun Duk-kun and Kim Hyun, "N. KOREA WARNED SEOUL OVER PSI CAMPAIGN AT KAESONG MEETING", Seoul, 2009/04/22) reported that the DPRK warned the ROK against joining the U.S.-led anti-proliferation regime, officials in Seoul said Wednesday. At the meeting, the DPRK delegation said ROK's joining of the Proliferation Security Initiative will lead to "confrontation" between the divided Koreas, said the officials, asking not to be identified.

Yonhap News (Kim Hyun, "N. KOREA SAYS S. KOREA MOVED BORDER MARKER IN 'SERIOUS MILITARY PROVOCATION'", 2009/04/22) reported that the DPRK claimed Wednesday that the ROK

has arbitrarily moved a military demarcation line marker in a "serious military provocation" violating the armistice of the Korean War. The DPRK's official Korean Central News Agency said ROK's army "recently moved Marker No. 0768 of the Military Demarcation Line" dozens of meters closer to DPRK's side in the east. The report also said, "Should it do not accept the just demand of the DPRK, the latter will take a measure for self-defense and the South Korean warmongers will be held entirely accountable for all the ensuing consequences."

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### 6. Inter-Korean Economic Cooperation

Joong-Ang Ilbo ("NORTH WANTS NEW KAESONG TALKS 'AS SOON AS POSSIBLE'", 2009/04/22) reported that the ROK government said that it would consider holding further talks with the DPRK on the Kaesong Industrial Complex but was still reviewing demands the DPRK made during a short meeting the day before. According to a Blue House source, the DPRK said late Tuesday that it wanted to meet with the ROK again within a week. The DPRK told the ROK delegation that it will require Seoul to start paying fees for use of DPRK land in 2010, four years earlier than stipulated in the waiver clause in the current contract. Also, the DPRK asked that the ROK raise wages for DPRK workers "to a realistic level."

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#### 7. DPRK Telecommunications

Institute for Far Eastern Studies ("DPRK CELL PHONE SUBSCRIBERS TOP 20,000- COSTS, SERVICES DETAILED", 2009/04/22) reported that since 3G cellular phones were first offered in the DPRK last December, more than 20,000 customers have signed up for service. Mobile phones are available to anyone who submits required information on an application to a service center, along with an application fee of 50 Yuan, or approximately one Euro, or 130 Yen. Currently, telephones are selling for between 110 Euros for basic handsets, to as much as 240 Euros for phones with cameras and other functions.

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### 8. EU on DPRK Missile Program

Kyodo News ("EUROPEAN AMBASSADORS BOYCOTT PYONGYANG EVENTS AFTER ROCKET LAUNCH", Beijing, 2009/04/22) reported that European ambassadors to Pyongyang stayed away from last week's commemoration of the anniversary of the late DPRK founder's birthday to protest the country's recent rocket launch, diplomatic sources said Wednesday. The European Union countries with embassies in North Korea are Britain, Bulgaria, the Czech Republic, Germany, Poland, Romania and Sweden. When European Union ambassadors staged a similar boycott after the DPRK test-fired missiles in July 2006, Pyongyang retaliated by cutting off contact with the European diplomatic community for weeks.

#### 9. Russia-PRC-DPRK Rail Link

RIA Novosti ("RUSSIA, CHINA COULD OPEN RAIL LINK VIA N. KOREA THIS YEAR", Vladivostok, 2009/04/22) reported that a new international rail transport corridor linking Russia and the PRC via the DPRK could open in 2009, a regional issue of the popular Russian business daily Kommersant said. The rail line is expected to link the Russian settlement of Khasan, the DPRK border town of Tumangang and the PRC's Tumen. "The Chinese side has already delivered fuel, a locomotive and variable gauge wheel sets, so that Russian rail carriages can travel along the narrower North Korean track," the newspaper said, citing a spokesman from the Russian company.

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### 10. US-ROK Security Alliance

Korea Hearld ("U.S. TO KEEP 'NUCLEAR UMBRELLA' AFTER 2012", 2009/04/22) reported that the commander of the US troops stressed that Washington will continue to offer the ROK protection under its nuclear umbrella after the 2012 transfer of wartime operational control. "The Mutual Defense Treaty will remain effective," said Gen. Walter Sharp, who also heads the Combined Forces Command over the two allied militaries. He was speaking at a forum on the future role of the U.S. troops and the direction of the US-ROK alliance. The commander stressed that the US and ROK militaries, although separated after the April 2012 transfer, will continue to operate according to one military operation plan, and not two.

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### 11. US-ROK Free Trade

Reuters (Jack Kim, "S. KOREA-U.S. TRADE PACT CLEARS CRUCIAL HURDLE", Seoul, 2009/04/22) reported that the ROK parliament's foreign affairs committee approved on Wednesday a free trade deal with the United States signed two years ago, paving the way for the entire assembly to vote on the pact this month. Amid a rowdy scene in which ruling conservative Grand National Party members physically fought off opposition lawmakers trying to stop the proceedings, the committee passed the deal. The scene was reminiscent of a melee over the trade pact in parliament late last year, when sledgehammer-swinging opposition MPs tried to break through a barricade of office furniture and fire extinguisher-spraying ruling party legislative aides.

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### 12. ROK Renewable Energy

Reuters (Angela Moon, "S. KOREA WINS \$170M IN RENEWABLE ENERGY INVESTMENT", Seoul, 2009/04/21) reported that the ROK has won \$170 million in investment from foreign companies for renewable energy development, the Energy Ministry said on Tuesday. The ROK signed a memorandum of understanding with European firms for a total investment of \$200 million, of which \$170 would be spent on renewable energy development, it said. Agreements have been reached with Denmark's Vestas, Austria's SSf, Swiss Gudel, and Germany's Solvay SA.

### 13. Japan Missile Defense

Reuters ("JAPAN MULLS SATELLITE FOR MISSILE LAUNCH DETECTION", Tokyo, 2009/04/22) reported that Japan is mulling an early warning satellite that can detect missile launches, a government official said Wednesday, amid worries about the DPRK's missile power. Asked whether Japan is considering an early warning satellite, Kei Oguro, an official at the government's Strategic Headquarters for Space Policy, said: "I think there certainly are views like that." But he was unable to confirm whether the idea will be included in the draft of the government's first comprehensive space strategy.

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### 14. Japan SDF Anti-Piracy Operations

Kyodo News ("ANTIPIRACY LEGISLATION TALKS BREAK DOWN BETWEEN RULING BLOC, DPJ", 2009/04/22) reported that t alks on amending an antipiracy bill between the ruling parliamentary bloc and the main opposition party broke down Wednesday, leading the governing coalition to plan its passage through a House of Representatives panel on Thursday. After the deliberations in which Prime Minister Taro Aso will take part, the lower house's special committee on antipiracy operations will vote on the government-sponsored bill without an amendment, ruling bloc lawmakers said.

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#### 15. Yasukuni Shrine Issue

Agence France-Presse ("JAPAN LAWMAKERS VISIT WAR SHRINE", Tokyo, 2009/04/22) reported that nearly 90 Japanese politicians visited a controversial Tokyo shrine. Escorted by a Shinto priest, 87 ruling and opposition lawmakers, mostly from Aso's Liberal Democratic Party, sipped sake, or Japanese rice wine, at the Yasukuni shrine's traditional start of the spring festival. The politicians included three vice-ministers and their number was up from 62 last year despite Tokyo's effort to improve ties with Asian countries angered by Japanese crimes in World War II.

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## 16. Japanese Green Stimulus

Asahi Shimbun ("GREEN CREDIT SYSTEM STARTS MAY 15", Tokyo, 2009/04/22) reported that in Japan, a system to reward purchases of eco-friendly appliances will begin May 15, the government said Tuesday. The program aims to spur "green" spending by consumers hanging onto their cash amid the recession. Consumers will be awarded "eco-action points" on purchases of energy-efficient refrigerators, air conditioners and TVs that meet environmental standards. The points can go toward purchases of other products.

### 17. Japan Nuclear Power

The Yomiuri Shimbun ("MONJU N-REACTOR KEY TO ENERGY SECURITY", 2009/04/22) reported that setting clear goals is important when developing new technologies. But what is the case regarding the Monju fast-breeder reactor? Capable of highly effective utilization of uranium resources and an important potential contributor to the nuclear fuel cycle, the development of fast-breeder reactors has been promoted by both the public and private sectors. But it has proven difficult to clearly state when operations at the Monju reactor will resume following a series of problems.

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#### 18. Cross Strait Relations

Kyodo News ("TAIWAN'S MA CALLS FOR U.S. TO RESIST WAVERING ON ARMS SALES", 2009/04/22) reported that Taiwanese President Ma Ying-jeou, in a rare teleconference with a U.S. think tank, urged the United States "to not hesitate" on sensitive arms sales to the island . "We need high-performance jet fighters to replace our aging F-5s and other less sophisticated arms," Ma said, referring Taipei's repeated requests for F-16C/Ds from Washington, which has balked at kick- starting the procurement process for the aircraft because of pressure from the PRC \_

Agence France-Presse ("TAIWAN PRESIDENT DEFENDS DIPLOMATIC CHINA TRUCE - REPORT", 2009/04/22) reported that Taiwan's President Ma Ying-jeou on Wednesday defended his push for a truce to end a decades-old diplomatic battle with the PRC, saying he believes Beijing has reacted positively to his overtures. He said that under the policy, "Taipei did not take active steps to cultivate Beijing's allies, and Beijing must have felt our goodwill and have started to respond positively." "Without the truce, Taiwan may have lost two or three allies," he added.

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### 19. PRC Navy

Xinhua ("CHINA URGES WORLD NAVIES TO TEAM UP", Qingdao, China, 2009/04/22) reported that the world's navies must work together to combat threats such as terrorism and piracy, Wu Shengli, commander admiral of the PRC navy, said yesterday. It is the obligation of the naval forces of all countries to work together to ensure safety of the oceans and to crack down on these threats, Wu said. Exchanges and cooperation between naval forces of different countries will enhance mutual trust and development, he added.

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#### 20. PRC Tibet Issue

Agence France-Presse ("CHINA 'ACTING LIKE A CHILD' ON RIGHTS: DALAI LAMA", Tokyo,

2009/04/22) reported that the Dalai Lama accused the PRC of "acting like a child" in cracking down on Tibetans and other minorities. The Tibetan spiritual leader told reporters in Japan that while the PRC could boast military, economic and population muscle, it feared even small signs of dissent. He said "Now the fourth condition to becoming a superpower is moral authority," he said. "That is lacking. Moral authority is very, very essential. Trust is key. State secrets destroy trust. That is the greatest obstacle to authority."

Xinhua (Wang Linyan, "DALAI'S VISIT LIKELY TO THREATEN SINO-U.S. RELATIONS", Beijing, 2009/04/22) reported that U.S. president Barack Obama risks damaging relations with the PRC if he meets the Dalai Lama in October, Chinese experts warn. "China would definitely be against the U.S. leader meeting the Dalai Lama as it would be a severe interference in China's internal affairs," said Fu Mengzi, a scholar on American studies at the China Institute of Contemporary International Relations. However, analysts said it's hard to conclude if Obama will meet the Dalai Lama.

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#### 21. PRC Rural Government

Time ("MORE AND MORE, RURAL CHINA IS GOING TO THE POLLS", 2009/04/22) reported that despite the inclement weather on a recent Wednesday morning, a steady stream of villagers appeared at the doors of the Communist Party headquarters in this community of some 3000 located just outside the northern port city of Tianjin, patiently waiting for their chance to cast a vote in triennial elections for the village's chief administrator and his two assistants. The PRC has been experimenting with various forms of direct elections at the village level for decades. Although the village elections are still dismissed by some critics as an attempt by the Party to be able to show direct democracy in action in the PRC without conceding any real power, they have received the growing endorsement of one key electorate: the villagers themselves.

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### 22. PRC Economy

Bloomberg News (Paul Panckhurst, "CHINA TO EXPAND OIL, GAS, MINERAL EXPLORATION ABROAD", 2009/04/22) reported that the PRC, the world's fastest-growing major economy, plans to expand overseas exploration for oil, natural gas and minerals, taking advantage of the foreign need for funds amid the global credit shortage to secure resources. "The financial crisis has offered us a rare opportunity to expand outbound investments," Wang Chao, an assistant commerce minister, said today at a forum in Beijing. "Chinese companies should actively and prudently tackle the crisis while seizing opportunities to invest abroad."

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### 23. PRC Environment

Xinhua News ("REPORT TELLS LEGISLATURE CHINA'S AIR POLLUTION SITUATION STILL "GRAVE" ", 2009/04/22) reported that the PRC is in a "grave" situation in the fight against air pollution, since coal remains the dominant energy source, according to a report submitted

Wednesday to the 11th National People's Congress (NPC) Standing Committee for review. "As the economy develops fast and energy consumption keeps rising, China has seen a complicated environmental situation in the past 20 to 30 years, which in many developed countries took hundreds of years" to become evident, said the report. "Our prevention and treatment of air pollution has made progress, but we are still in a grave situation, and the task is still arduous," said Zhou Shengxian, Minister of Environmental Protection.

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### 24. PRC Renewable Energy

China Economic Review ("VESTAS TO EXPAND IN CHINA", Beijing, 2009/04/22) reported that Denmark's Vestas Wind Systems has opened a facility in Inner Mongolia to capture more of the PRC's alternative energy market, the *Wall Street Journal* reported. The company plans to build a turbine with bigger blades tailored for Chinese conditions and will produce 800 turbines a year, said Lars Andersen, president of Vestas China operations. Vestas is ramping up production in the PRC at a time Beijing is promoting alternative energy to deal with worsening pollution. The PRC's windpower sector is on track to generate 100 gigawatts by 2020, more than triple the original target, said Fang Junshi, an official with the National Energy Administration.

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### 25. PRC Climate Change

Xinhua News ("CHINA CALLS FOR A "LOW CARBON" LIFESTYLE NATIONWIDE ", 2009/04/22) reported that a one-year carbon emission reduction program proposed by the PRC's Ministry of Environmental Protection (MEP) was started in Beijing on Wednesday, World Earth Day, to encourage citizens nationwide to adjust their lifestyle and live a "low-carbon" lifestyle. "We want to raise the nation's awareness of energy saving and emission reduction, through a 'carbon-audit' program," said Zeng Hongying, a MEP senior official.

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### 26. PRC Demographics

New York Times (Dune Lawrence, "CHINA BEGINS TO ADDRESS A COMING WAVE OF ELDERLY", Beijing, 2009/04/22) reported that retirement homes in the PRC are becoming increasingly economically viable. The world's third-largest economy is aging so rapidly that by 2050, there may be only two working-age people for every senior citizen, compared with 13 to one now. That increases the urgency of the government's pledge to expand the PRC social safety net and make retirement benefits and health care accessible to as many of its 1.3 billion residents as possible. PRC's graying also requires a cultural shift as the tradition of families caring for aging relatives at home becomes more difficult.

### II. PRC Report

### 27. PRC Energy Supply

Shanghai Securities (Chen Qiyu, "CHINA AND KAZAKSTAN EXPECTED TO SIGN MORE ENERGY AGREEMENTS", 2009/04/21) reported that China and Kazakstan signed a "loans-for-oil" agreement of 10 billion U.S. dollars last week. On the Boao Forum for Asia held last weekend, one senior official of Kazakstan government said that the two countries will sign more agreements in fields of energy and others, including the cooperation on uranium.

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#### 28. PRC Environment

Xinhua Net ("HONG KONG AND GUANGDONG JOINTLY FIGHT AGAINST ILLEGAL FISHING", 2009/04/21) reported that Firefighters Recruitment and Development Division of Hong Kang, Agriculture Fisheries and Conservation Department and Guangdong provincial Municipal Oceanic and Fishery Administration have jointly fought against illegal fishing activities yesterday, to protect marine ecology and environment. During the action, 20 fishing boats were found to have breached related rules.

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### 29. PRC Civil Society

China NGO Interactive Forum ("SICHUAN RECONSTRUCTION FOCUS ON TOURISM", 2009/04/21) reported that tourism is always one of the pillar industries in Sichuan province. After the 512 earthquake last year, the whole industrial china of tourism is damaged seriously. Many tourist guides, employees in hotels and restaurants, workers in souvenir production enterprises have lost their jobs as a result. So the rehabilitation of tourism is quite important to the economic restoration of Sichuan. Therefore, NGOs such like One Foundation call for the public to go to Sichuan for tour, which will become the most actual help to Sichuan people.

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### III. ROK Report

### 30. DPRK Economy

Goodfriends ("THE MARKET SHOULD NOT BE CLOSED", 2009/04/21) reported that it seemed that DPRK markets are being under more tightened control after the People's Assembly election in March. The merchants kept complaining. The controllers seemed to have succeeded in closing the market thoroughly. However, residents' positions are different. More people want to sell things

secretly rather than paying taxes periodically. Currently, the DPRK authorities are having a hard time conveying their policy to the people. Nobody actually listens to them.

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### 31. DPRK Human Rights

PSPD ("GNP OBSESSED WITH ESTABLISING LAW UPON DPRK HUMAN RIGHTS", 2009/04/21) said in a column that the ROK Grand National Party (GNP) stated that they would establish a law on DPRK human rights during the extraordinary session of the National Assembly in April. However, their obsession toward the establishment, which seems to be highly ineffective in improving the human rights of the DPRK people, is difficult to understand. Rather, they should focus more on how to activate 'the law upon the development of inter-Korean relationship' which was also established by them to soothe the tension between the two nations.

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#### 32. U.S and Inter-Korean Relations

Pressian (Seo Jae-jung, "OBAMA STOOD ON ALLY'S SIDE AND TURNED TO DIRECT CONVERSATION WITH DPRK", ) wrote that during his presidential race, Barack Obama always said that he would pay more attention to the opinion of US's allies. However, such a statement weakened his position when the DPRK fired a rocket missile. His decision to consider his allies more than any other parties despite several risky factors may change if the result of it is only worse. It is known that the US is still maintaining the conversation channel with the DPRK through the New York channel. However, the Japan, PRC, and Russia also seem to do a similar thing. Though the newly created tension in the Korean Peninsula may seem a temporary and limited phenomenon, it seems to be deepening unfortunately.

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### 33. PRC-ROK Trade Relations

Future Strategy Institution (Han Suk-hee, "IMPLICATION OF ROK'S FTA IN TERMS OF INTERNATIONAL POLITICS", 2009/04/21) said in a column that concerning the conclusion of the ROK's FTAs, domestic experts emphasize that further studies and analyses are necessary to minimize political and economical impact of an ROK-PRC FTA from a long-term point of view. In this sense, the conclusion should be considered from three different dimensions. First, the ROK should seek to develop both the relations with the U.S. and the PRC. Second, an ROK-PRC FTA should be considered in terms of institutionalizing the economical relationship between the two nations. Third, it should be considered after the ROK-U.S. FTA is concluded.

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## **34. PRC Trade Policy**

Future Strategy Institute ("FTA IS POLITICAL STRATEGY TO PRC", 2009/04/21) said in a column

that there are reasons why the PRC concludes FTAs with several nations. From an economic point of view, they decided to keep pace with globalization after they joined WTO in 2002 and noticed the tendency in that direction. From a socio-cultural perspective, on the other hand, they are seeking to realize the renaissance of the PRC. Also, as a political strategy, FTAs will function as a means to restrain the U.S.'s domination around the area.

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Nautilus Institute 608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org