# NAPSNet Daily Report Monday, February 13, 2006

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#### I. NAPSNet

#### 1. US on Six Party Talks

Associated Press ("OFFICIAL: N. KOREA SHOULD GIVE UP NUKES", 2006-02-13) reported that the US ambassador to the ROK urged the DPRK to abandon its nuclear program, saying Tuesday that shedding the program would benefit the nation and boost global security. Ambassador Alexander Vershbow also said he hopes that six party talks will resume soon, though he did not offer a timeframe. "It's in the interests of all countries and peoples, but most especially it's in the interests of the North Koreans themselves that the DPRK shed the albatross of its nuclear program and join the international community," Vershbow said in a speech sponsored by an economic institute in Seoul.

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#### 2. Sanctions Against DPRK

Chosun Ilbo ("KIM JONG-IL FEARS U.S. SANCTIONS COULD TOPPLE REGIME", 2006-02-12) reported that DPRK leader Kim Jong-il is worried that prolonged US financial sanctions on the country could lead to the regime's collapse, Japan's Kyodo News agency reported on Saturday. It said Kim expressed his concern during his meeting with PRC President Hu Jintao in Beijing last month. He was responding to a call from Hu to drop threats to stay away from six party talks unless the US lifts the sanctions, the Japanese news agency said.

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#### 3. DPRK on Sanctions Against DPRK

Reuters ("NORTH KOREA ENVOY WARNS JAPAN AGAINST PRESSURE - KYODO", 2006-02-11) reported that a DPRK envoy warned Japan on Saturday against bringing pressure on Pyongyang in an effort to resolve the disputes between the two countries, Kyodo news agency said. Song Il Ho, DPRK's ambassador in charge of diplomatic normalization talks with Japan, was speaking to reporters in Beijing. "Pressure would drive the two countries apart," Kyodo quoted him as telling reporters before leaving for Pyongyang.

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#### 4. Japan on Sanctions Against DPRK

RIA Novosti ("KOIZUMI DOUBTS PURPOSE OF UNILATERAL SANCTIONS AGAINST N.KOREA", 2006-02-13) reported that Japan's prime minister cautioned against imposing sanctions on the DPRK, saying that taking up this position against the country was fraught with unpredictable consequences. Answering a question on whether Japan should take tougher measures against the DPRK to break the deadlock in the stalled six party talks over the controversial nuclear programs, Junichiro Koizumi said: "Sanctions could have a certain influence, but also could not."

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#### 5. DPRK Counterfeiting

The Korea Times ("N. KOREA SEEN WILLING TO RESOLVE COUNTERFEITING ISSUE: LAWMAKERS", 2006-02-12) reported that RO Korean lawmakers who visited Pyongyang last week said that the DPRK indicated it would make sincere efforts to resolve the dispute over its alleged counterfeiting activities. Headed by Lim Chae-jung of the ruling Uri Party, four lawmakers flew to Pyongyang last Tuesday for a five-day visit to meet the DPRK's high-ranking officials. "(As for its alleged counterfeiting issues,) I've received the impression that the North is also willing to deal with the issue sincerely," Lim told the reporters as he arrived at Incheon Airport on Saturday.

(return to top) The Korea Times ("CHINA WAITS FOR US REPORT ON NK MONEY-LAUNDERING", 2006-02-13) reported that the PRC is waiting for the results of the US's investigation of a Macau bank's alleged involvement in DPRK's financial illegalities, including counterfeiting of US bills, Kim Ha-joong, RO Korean ambassador to the PRC, said in Seoul on Monday. Kim also said that he hopes PRC President Hu Jintao's visit to the US in April could make a breakthrough in the six party talks. (return to top) Chosun Ilbo ("SEOUL 'CONCEALED U.S. INFORMATION ON N.K. DOLLAR FAKES'", 2006-02-12) reported that the RO Korean government concealed the fact that US investigators told it US\$140,000 in counterfeit dollars found in Seoul's Namdaemun market last April was made in the DPRK. Police at the time arrested three people who tried to exchange 1,400 so-called supernotes at a local money changer. They allegedly bought the supernotes from a broker in Shenyang, PRC. (return to top)

# 6. DPRK Policy Shift

The Korea Times ("NK SENDING POSITIVE SIGNALS TO OUTSIDE WORLD", 2006-02-13) reported that the DPRK has been sending some positive signals to the outside world, which some experts view as a possible policy shift that might lead to a breakthrough in its standoff with the US. In recent months, the DPRK has shown several forward-looking signs in its relations with neighbours. Besides its agreement on general-level military talks with the South next month and its consent to the Hyundai Asan CEO's entry, which it had previously rejected, the DPRK even resumed negotiations to normalize ties with Japan after a three-year hiatus.

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### 7. Inter-Korean Sports

Reuters ("NORTH KOREA INVITED TO FRIENDLY TOURNAMENT IN SOUTH KOREA", 2006-02-13) reported that the DPRK has been invited to participate in a four-team North Asian tournament in late May involving Hong Kong and club sides from Japan and the ROK, organizers said on Monday. The friendly tournament, which is due to be held May 25-28 in Inchon, will include local K-League club Inchon United and Japan's Shimizu S-Pulse. "Invitations were sent to all the teams and we got replies from all apart from North Korea. We hope to get a positive answer soon," said Un Jae-hong, a city official from Inchon.

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#### 8. Kim Dae-jung's Trip to DPRK

The Korea Times ("UNIFICATION CHIEF VISITS KIM DAE-JUNG", 2006-02-12) reported that the ROK's Unification Minister Lee Jong-seok on Saturday made a visit to former President Kim Dae-

jung, apparently for discussions on the latter's planned train trip to the DPRK in April, ministry officials said. Lee and Kim, while meeting at Kim's residence in western Seoul, exchanged views on pending inter-Korean issues, including the former president's second trip to the DPRK this spring, the officials said. "Former President Kim has yet to receive the DPRK's response on his desire to travel across the border by train. Thus they failed to engage in in-depth discussions on the issue," a ministry official said.

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#### 9. DPRK-Japan Trade

The Korea Times ("TRADE BETWEEN NORTH KOREA, JAPAN DROPS TO RECORD LOW IN 2005", 2006-02-13) reported that trade between the DPRK and Japan dropped to a record low last year, marking the fourth consecutive year-on-year decline, a RO Korean trade promoter reported Sunday.

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#### 10. ROK on US-ROK Alliance

Chosun Ilbo ("SEOUL'S ENVOY TO CHINA HAILS KOREA-U.S. ALLIANCE", 2006-02-13) reported that the ROK's Ambassador to the PRC Kim Ha-joong, the country's longest-serving envoy there, has stressed the importance of the ROK-US alliance as Beijing is increasingly regarded as a more important partner. Kim said, "Even though I am an ambassador to China, I would say that it is certain that Korea and the US are allies, and as such the bilateral relationship is far stronger than other relationships, which allows us to agree on strategic flexibility."

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## 11. USFJ Base Realignment

Kyodo ("JAPAN, U.S. OFFICIALS TO MEET THIS WEEK OVER REALIGNMENT", 2006-02-13) reported that senior officials of Japan and the US plan to hold an unofficial meeting in Tokyo from Friday over the realignment of US forces in Japan, government sources said Monday. Japan is expected to ask the US for a further breakdown of the \$8 billion figure reportedly presented by the US for relocating the US Marine Corps command and some 6,000 Marines from Okinawa to Guam.

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# 12. US-Japan Missile Defense Cooperation

Stars and Stripes ("U.S., JAPAN OPENING A NEW ERA OF MISSILE DEFENSE", 2006-02-13) reported that among sweeping changes called for in an interim US-Japan military realignment report, the two countries are on a trajectory to place a massive new missile detection radar system in Japan. The new Forward-Based X-Band radar will form part of a web of surveillance designed to find and help destroy an enemy incoming ballistic missile. It also intricately aligns the two nations and nudges them toward closer cooperation, information-sharing and potentially a joint ballistic defense system, officials say.

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### 13. Japanese Military

Agence France-Presse ("KOIZUMI SHELVES PLANS TO GIVE JAPAN DEFENSE MINISTRY", 2006-02-13) reported that Prime Minister Junichiro Koizumi says he will shelve plans to give Japan its first full-fledged defense ministry since World War II after a military bid-rigging scandal. "I want people to take time to deliberate on the bill to upgrade the agency," Koizumi told reporters.

(return to top) Kyodo ("SDP DECLARES JAPAN'S DEFENSE FORCES ARE UNCONSTITUTIONAL", 2006-02-13) reported that the Social Democratic Party declared Saturday at a party convention that the existence of the Self-Defense Forces violates Japan's pacifist Constitution, reversing the party's 12-year-old stance on the legality of the nation's defense forces. (return to top)

## 14. Sino-Japanese Relations

Agence France-Presse ("JAPAN, CHINA WRAP UP HIGH-LEVEL TALKS ON STRAINED TIES", 2006-02-13) reported that Japan and the PRC wrapped up two days of high-level talks aimed at easing strained bilateral ties. The PRC's vice foreign minister Dai Bingguo and his Japanese counterpart Shotaro Yachi concluded the 10-hour talks in a hot spring resort north of Tokyo, the Japanese foreign ministry said. Japan and the PRC reconfirmed that there is "no change in the basic position to promote their friendly and cooperative relations on a future-oriented basis," the ministry said in a terse press release without going into details.

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## 15. Japan Nuclear Export Controls Violation

The Associated Press ("JAPANESE FIRM RAIDED IN NUCLEAR PROBE", 2006-02-13) reported that police on Monday raided a Japanese precision instruments maker, reportedly on suspicion it illegally exported machinery that could be used in uranium enrichment, a key process in making a nuclear bomb. Some of the reports said the company's machinery may have been diverted separately to Libya for use in that country's now-abandoned nuclear program. The conservative Sankei newspaper reported the company's machinery could also have reached the DPRK.

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#### 16. PRC Urban Poverty

Xinhua ("EXPERTS: CHINA'S URBAN POVERTY WORSENS", 2006-02-13) reported that despite the country's booming economy the PRC's urban poverty has worsened according to the China Youth Daily which quotes dozens of economists. The economists told the paper that the proportion of urban residents living in poverty is now higher than that of rural residents. The poverty rate in the PRC's cities is six to eight percent, which is higher than that in the countryside.

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#### 17. PRC AIDS Issue

The Los Angeles Times ("BEIJING ISSUES FIRST GUIDELINES ON HIV", 2006-02-13) reported that in its first official regulations on how to prevent and control the spread of the AIDS virus, the PRC has mandated free testing and medication for the country's poor. The statute issued by the State

Council, the PRC's Cabinet, protects HIV/AIDS patients from discrimination and makes it illegal to intentionally spread the disease, the official New China News Agency said.

(return to top) The Associated Press ("AIDS THIRD-DEADLIEST INFECTION IN CHINA", 2006-0-13) reported that AIDS surpassed hepatitis B to become the PRC's third-deadliest infectious disease last year, the government said Monday. Tuberculosis was the country's No. 1 infectious killer in 2005, followed by rabies, the official Xinhua News Agency said, citing a Health Ministry report. Hepatitis B followed by tetanus in newborn babies were the fourth and fifth biggest killers. (return to top)

### 18. Mongolia Foreign Relations

Washington Post ("FEELING THE SQUEEZE OF CHINA AND RUSSIA, MONGOLIA COURTS U.S.", 2006-02-13) reported that when Mongolians look north, they see the Russian colossus that controlled them for most of the 20th century. When they look south, they see 1.3 billion PRC, hereditary adversaries whose booming growth and insatiable appetite for raw materials touch almost everything that happens in the Mongolian economy. Squeezed between the two giants, Mongolia increasingly has forged relations with "third neighbors," foremost among the third neighbors is the US, the superpower that Mongolians have courted as an aid source and a counterweight to Russia's residual status and the PRC's economic tentacles stretching across the Gobi Desert.

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#### II. CanKor

#### 19. Report #236

CanKor ("CURRENT EVENTS", 2006-02-10) Bilateral talks between Japan and DPRK end without agreements save that of meeting again in the near future for the purpose of "narrowing differences". Both sides report the talks as useful in getting to know each other better. The DPRK asks Japan's help in persuading the USA to lift economic sanctions related to alleged DPRK counterfeiting and money laundering, the current stumbling block in the resumption of Six Party Talks. In a separate development, the DPRK for the first time voices its willingness to cooperate with international actions against money laundering, saying that the government has consistently opposed "all sorts of illegal acts in the financial field." The two Koreas once again march under the same white-and-blue banner at the opening ceremonies of the Turin Winter Olympics, although they continue to field separate athletic teams. Unidentified gunmen attack several DPR Korean posts along the Sino-DPRK border, resulting in one casualty. Rumors are spreading that the attacks were launched by a dissident organization composed mainly of defectors.

(return to top) CanKor ("RESOURCES", 2006-02-10) In this week's RESOURCES section, CanKor reproduces the summary of an updated Congressional Research Service report on US aid to the DPRK. (return to top) CanKor ("FOCUS", 2006-02-10) The USA has just informed the ROK that goods produced in the Kaesong Industrial Park will not be considered as part of the Free Trade deal currently being negotiated between the USA and the ROK. This is the latest of many hurdles faced by the inter-Korean project, as illustrated in this week's CanKor FOCUS: Challenges of the Kaesong Industrial Project. As the fifteen companies now operating there begin to educate their work force, doubts rise about the ability of the DPRK to deliver hundreds of thousands of competent but cheap

workers that will be required when the industrial park is in full swing. Added to this is the threat of labour disruption once DPR Koreans become aware of the rapidly increasing wealth gap between North and South. (return to top)

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