

# **NAPSNet Daily Report Monday, March 19, 2007**

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# I. NAPSNet

## 1. US on Macao Bank Funds

Hankyoreh ("N. KOREA, U.S. AGREE ON RELEASE OF ALL FROZEN N.K. FUNDS: HILL", 2007-0-19) reported that the US allowed the DPRK to claim all of its money frozen at a Macau bank, removing a major obstacle to the resolution of the Six Party Talks. The U.S. action comes two hours before a new round of six-party nuclear disarmament talks was to open in Beijing. U.S. Deputy Assistant Treasury Secretary Daniel Glaser, speaking alongside Hill, confirmed Washington's decision, saying that all of the North's US\$25 million frozen at Banco Delta Asia will be transferred to an account "held by North Korea's Foreign Trade Bank at the Bank of China in Beijing." "North Korea has pledged, within the framework of the six-party talks, that these funds will be used solely for the betterment of the North Korean people, including for humanitarian and educational purposes," Glaser said, reading from a prepared statement.

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## 2. ROK on Six Party Talks

Hankyoreh ("S. KOREA CALLS FOR SETTING DATE FOR 6-WAY FOREIGN MINISTERS' MEETING", 2007-03-19) reported that ROK chief nuclear negotiator called on the 5 other nations to set a date for the next round of six party talks. The call came only hours after the United States said it has agreed to release DPRK frozen funds at a Macau bank.

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## 3. DPRK Working Group: Nuclear Issue

Itar-Tass ("WORKING GROUP FOR KOREAN PENINSULA MEETS IN SESSION IN BEIJING", 2007-03-17) reported that the working group for de-nuclearization of the Korean Peninsula met in session in Beijing for the first time. The group chairman, the PRC's Deputy Foreign Minister Wu Dawei said at the opening ceremony the group would be working for two days. IAEA governor from Russia, Grigory Berdennikov, represents Russia in the de-nuclearization group. The results of sessions of this and the four other working groups will be discussed at another round of six-party talks in Beijing on Monday.

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## 4. Inter-Korean Relations

Chosun Ilbo ("N.KOREA ASKS S.KOREAN FIRMS IN KAESONG TO PAY UP", 2007-03-19) reported that the DPRK is demanding unpaid residence fees from RO Koreans working in the inter-Korean Kaesong Industrial Complex in the border city of Kaesong. Official said the Koreans failed to settle their differences over the demand. According to an agreement between the two Koreas, RO Koreans have to register and pay fees whenever they extend their stay or change their residence. But no ROK workers in the industrial park have paid since no specific rules were set.

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

Yonhap ("WITH CLOCK TICKING, S. KOREA, U.S. ATTEMPT "PACKAGE" DEAL AT FTA TALKS", 2007-03-19) reported that top ROK and US officials were scheduled to meet behind the closed doors on Monday, determined to clear last-minute hurdles to a proposed free trade agreement before an end-of-March deadline. Unable to resolve a handful of agricultural and other sensitive issues in 10 months of formal negotiations, both sides scheduled a series of informal "backroom" sessions, with only top-level negotiators participating.

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## **6. US-ROK Security Alliance**

Chosun Ilbo ("USFK CHIEF RESIGNED TO COMPLETING RELOCATION BY 2012", 2007-03-19) reported that Commander of the U.S. Forces Korea Gen. Burwell Bell expects the relocation of USFK headquarters and other bases here to be complete by 2012, four years later than planned. The USFK chief earlier expressed dissatisfaction with the delay in the relocation of US bases to Pyongtaek, south of Seoul.

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## **7. US-Japan Security Alliance**

Reuters ("ABE: JAPAN SHOULD BOOST SECURITY TIES WITH U.S.", 2007-03-19) reported that Japan should strengthen its security ties with the US in the face of threats such as the DPRK's nuclear and missile programs, Prime Minister Shinzo Abe said. "Given these threats, it is essential that Japan strengthen its alliance with the United States, as well as improving its own national security structure, to protect the lives, health, and property of the nation," Abe was quoted by Kyodo news agency as saying.

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## **8. Japan Comfort Women Issue**

Agence France-Presse ("ABE CABINET REITERATES: NO EVIDENCE OF SEX SLAVE COERCION", 2007-03-19) reported that Prime Minister Shinzo Abe's government said it did not believe there was proof Japan forced women into World War II brothels, reiterating remarks that caused an uproar earlier this month. "The government did not find evidence showing forced recruitment by Japanese military authorities or bureaucrats," Abe's cabinet said in a policy statement in parliament responding to a question by an opposition lawmaker. It said, however, that Abe's cabinet would not change a landmark 1993 apology that the Japanese government issued to former sex slaves.

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## **9. Japan-PRC Joint History Project**

Agence France-Presse ("JAPAN, CHINA START NEW TALKS ON TANGLED HISTORY", 2007-03-19) reported that scholars from Japan and the PRC opened new talks to draft a joint study of their history, a frequent source of friction between the Asian powers, officials said. The joint study group, gathering 10 historians from each country, will meet behind closed doors for two days. The joint

history review was agreed to by Abe when he paid a fence-mending visit to the PRC in September. The two countries have set a target date of publication of their joint study in 2008.

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## **10. PRC on Democracy**

The Los Angeles Times ("CHINA CREATING ITS OWN DEMOCRACY, PREMIER SAYS", 2007-03-19) reported that the PRC is on the road to democracy, but not necessarily to Western-style democracy, the PRC's premier said Friday, citing the country's unique concerns and the challenge of operating within a socialist framework. Democracy, human rights and rule of law are not exclusive to Western countries, Wen added, but rather are a product of human development and history. The PRC wants to encourage creative people who think independently, he said, and it wants a country built on rule of law.

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## **11. PRC Military**

The Associated Press ("PREMIER: WORLD SHOULDN'T FEAR CHINA ARMY ", 2007-03-19) reported that the world should not fear the PRC's military rise, premier Wen Jiabao said Friday, as he vowed to improve relations with regional rival Japan while repeating attacks on old foes Taiwan and the Dalai Lama. Wen said the nation is opposed to the militarization of outer space despite a recent test of an anti-satellite weapon that prompted international criticism. Wen also said the PRC's military budget, which was boosted by 17.8 percent this year, was smaller than other developed countries on both an aggregate and per capita basis.

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## **12. PRC Role in IADB**

The Associated Press ("CHINA SEEKS TO JOIN LATIN AMERICAN BANK ", 2007-03-19) reported that PRC is seeking to join the Inter-American Development Bank, Latin America's largest financing institution, as a way to fuel its economic development and increase its influence in the region, officials said. Bank President Luis Alberto will sign an agreement of understanding with Zhou Xiaochuan, the head of the People Bank of China, to formalize talks over Beijing's request to become a member. It could take years before the bank decides whether to accept the PRC's request.

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## **II. CanKor**

### **13. Report #275**

CanKor ("CURRENT EVENTS", 2007-03-09) The USA's chief nuclear negotiator Christopher Hill voices doubts about the reliability of intelligence regarding the DPRK's "production-scale" uranium enrichment programme. The highly enriched uranium (HEU) issue is raised by the DPRK side in the first session of a working group on the establishment of USA-DPRK diplomatic relations in New York City, which DPRK chief negotiator Kim Gye Gwan evaluates as "constructive and serious". A closed

seminar with Vice-Foreign Minister Kim, sponsored by the National Committee on American Foreign Policy at the Korea Society in New York, attracts major US figures involved in previous administrations, including former secretaries of state Madeleine Albright and Henry Kissinger. Kim tells Korea specialists that the USA should not expect China to find solutions to the nuclear issue, since China has its own strategic interests and has little influence on North Korea. On the other hand, the DPRK-China strategic alliance is unlikely to weaken, as evidenced by a rare visit of DPRK leader Kim Jong Il to the Chinese embassy in Pyongyang on the occasion of the lunar New Year. According to Macau's laws, the US-instigated seizure of Banco Delta Asia by Chinese authorities was illegal, the bank's lawyers claim. It is expected that DPRK assets frozen under suspicion of counterfeiting and money laundering will soon be liberated, fulfilling a condition the DPRK has stipulated for movement in the Six-Party Talks. Progress seems unlikely in the working group dedicated to Japan-DPRK relations. The DPRK's UN envoy Pak Gil Yon (also ambassador to Canada) formally accuses Japan of suppressing pro-DPR Korean organizations in a letter to UN Secretary-General Ban Ki Moon, arguing that Japan is ill fit for a permanent seat in the UN Security Council. Japan's insistence that the abduction issue be resolved prior to any discussion on the normalization of relations leads to the break-up of bilateral talks in Hanoi after only 45 minutes. The UNDP suspends its operations in the DPRK after more than 25 years in the country, following complaints from senior US officials that the programme was channeling hard currency to the North Korean government. An EU "Troika" at Asian Affairs Commissioner level visits Pyongyang, making it clear that if positive developments continue in the Six-Party process, the EU would examine concrete measures to improve relations.

[\(return to top\)](#) CanKor ("RESOURCES", 2007-03-09) The RESOURCES section of this issue of the CanKor Report presents the joint press release of the 20th North-South Korean Ministerial Talks that took place at the end of February, following the Six-Party Talks. [\(return to top\)](#) CanKor ("OPINION", 2007-03-09) In the OPINION section we reprint an article by Wade Huntley, which suggests that Canada is missing an opportunity to promote its long-standing non-proliferation policy in northeast Asia. According to Huntley, Canada could utilize its unique relationships with both North Korea and the USA to enhance dialogues aimed at keeping the recent progress at Six-Party Talks on track. [\(return to top\)](#)

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