

# **NAPSNet Daily Report Thursday, July 20, 2006**

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## I. NAPSNet

- 1. [US on Six Party Talks](#)
- 2. [DPRK on US Military Aggression](#)
- 3. [Inter-Korean Relations](#)
- 4. [US Financial Sanctions on DPRK](#)
- 5. [US Residency for DPRK Citizens](#)
- 6. [DPRK Defectors](#)
- 7. [DPRK-Macau Bank Ties](#)
- 8. [DPRK-Venezuela Relations](#)
- 9. [DPRK Food Shortages](#)
- 10. [US Missile Test](#)
- 11. [US-Japan Missile Defense Cooperation](#)
- 12. [US-ROK Security Alliance](#)
- 13. [Yasukuni Shrine Issue](#)
- 14. [Cross Strait Relations](#)
- 15. [PRC Food Aid](#)
- 16. [PRC Bank Reform](#)
- 17. [PRC Corruption](#)

[Preceding NAPSNet Report](#)

# I. NAPSNet

## 1. US on Six Party Talks

Agence France-Presse ("US STILL OPEN TO TALKS ON NORTH KOREA WEAPONS", 2006-07-20) reported that Washington remains committed to multiparty talks with the DPRK over its nuclear weapons, despite Pyongyang's defiant ballistic missile test launch earlier this month, the US pointman on the DPRK has said. "We are not seeking regime change. We are seeking a change in this regime's behavior," said Assistant Secretary of State Christopher Hill Thursday. "We don't have the option of walking away from this problem," he said. But he restated Washington's long-held stance that talks could only occur in the six-party forum, and not one-on-one.

[\(return to top\)](#)

## 2. DPRK on US Military Aggression

Yonhap ("N. KOREA DENOUNCES U.S. FOR PLOTTING INVASION AGAINST IT", 2006-07-20) reported that the DPRK accused the US and its allies Thursday of plotting to invade it but said it has enough military power to repel it. The country's main newspaper, Rodong Sinmun, cited a US-led international naval exercise under way, called RIMPAC, as proof that the US is scheming to invade it. "The RIMPAC- 2006 joint military exercise is an intentional machination for invasion that will provoke another war on the Korean Peninsula," the paper said in an editorial, carried by the DPRK's Korean Central News Agency.

[\(return to top\)](#)

## 3. Inter-Korean Relations

Agence France-Presse ("SEOUL PLEDGES ENGAGEMENT WITH NORTH KOREA DESPITE TENSION", 2006-07-20) reported that the ROK has pledged to push for peaceful engagement with the DPRK, despite tension on the Korean peninsula following Pyongyang's missile tests two weeks ago. Unification Minister Lee Jong-Seok's pledge came as RO Koreans building a family reunion center were ordered to leave the DPRK by Friday amid rapidly-deteriorating bilateral ties. Reaffirming President Roh Moo-Hyun's warning Wednesday against overreacting to the missile issue, Lee said Seoul would push ahead with its projects in the DPRK, including a tourism venture at Mount Kumgang and an industrial complex in Kaesong.

[\(return to top\)](#) JoongAng Ilbo ("SEOUL GIVES ITS BLESSING TO VIEW NORTH'S FESTIVAL ", 2006-07-20) reported that the Roh administration said yesterday it would allow a private delegation to participate in the DPRK's celebration of Liberation Day, the August 15 anniversary of Japan's surrender in 1945. It will also allow RO Koreans to attend the annual Arirang Festival that begins the same day and runs for two months. Lee Jong-seok, the unification minister, told a news conference yesterday that non-governmental exchanges such as those for the holiday and the festival would go ahead "according to procedures." [\(return to top\)](#)

## 4. US Financial Sanctions on DPRK

JoongAng Ilbo ("EXPERTS SAY MONEY SQUEEZE ON NORTH IS WORKING", 2006-07-20) reported

that for 10 months, Washington has enforced a systematic plan to clamp down on cash going into the DPRK. The measures are working, experts say. Nam Sung-wook, a DPRK expert at Korea University, estimated yesterday that the recent measures have led to a 40 percent decline in DPRK leader Kim Jong-il's income. Since the 1980s, Kim Jong-il has regularly collected money from four sources: forged bank notes, arms sales, drug trafficking and money coming from ethnic Koreans living in Japan who acquire money by operating legal gambling casinos there. Mr. Kim used the money to cement his hold on the DPRK elite, such as the military.

[\(return to top\)](#)

## **5. US Residency for DPRK Citizens**

Korea Times ("6 NORTH KOREANS TO GET US PERMANENT RESIDENCY", 2006-07-20) reported that the US will grant six DPRK citizens permanent resident rights for the fiscal year 2007 that begins this October, the US State Department said Wednesday. The DPRK Koreans are among the 50,000 winners of the 2007 Diversity Visa Lottery, it said in a press release posted on its Internet site. The diversity lottery is conducted under the terms of the US Immigration and Nationality Act and makes available 50,000 to 55,000 permanent resident visas annually to persons from countries with low rates of immigration to the US.

[\(return to top\)](#)

## **6. DPRK Defectors**

Yonhap ("NINE N.K. DEFECTORS IN LAOS FACE REPATRIATION: MISSIONARY", 2006-07-20) reported that a group of nine DPRK defectors detained in Laos are in danger of being sent back to their country via the PRC, a Christian missionary working for DPRK escapees said Thursday. The nine -- four adults, two girls and three boys -- are now being held at a prison in a Laotian city bordering the PRC after being caught by Laotian police on Sunday, Kim Hee-tae told Yonhap News Agency.

[\(return to top\)](#)

## **7. DPRK-Macau Bank Ties**

Korea Times ("US TIES MACAU BANK TO KIM JONG-IL", 2006-07-20) reported that the US government has figured out most of the DPRK's transactions in a Macau bank and believes they were mostly personal dealings involving Pyongyang's leadership, a diplomatic source said Wednesday. The US found that the bank has produced handwritten transaction data regarding the DPRK in addition to official computer records, the source said on condition of anonymity. The bank seemed to have used written records of the DPRK transactions as a way to hide them from official view, the source said.

[\(return to top\)](#)

## **8. DPRK-Venezuela Relations**

Bloomberg ("VENEZUELA'S CHAVEZ SAYS VISIT TO NORTH KOREA PLANNED, NO DATES ", 2006-07-19) reported that Venezuelan President Hugo Chavez said he still plans to visit the DPRK but gave no dates for a possible visit. Chavez said last month he planned to visit the DPRK during a tour starting today that will also take him to Argentina, Belorussia, Russia, Qatar, Iran, Vietnam and

Mali. The DPRK was subsequently dropped from his agenda without any reason being given. "It's still in our plans" to visit the DPRK, Chavez said during a press conference today before leaving for Argentina.

[\(return to top\)](#)

## **9. DPRK Food Shortages**

Reuters ("FLOODS COULD PUSH NORTH KOREA BACK INTO FAMINE", 2006-07-20) reported that the DPRK, constantly battling food shortages, could be tipped into famine after heavy flooding this month in key farming regions hit its potato and rice crops, experts said on Thursday. Two major storms over the past 10 days have hit the impoverished country with some of the heaviest rainfalls in years just as it faces greater international isolation over missile tests this month and the prospect of less food aid from its major donor, the ROK.

[\(return to top\)](#)

## **10. US Missile Test**

The Associated Press ("U.S. SUCCESSFULLY COMPLETES MISSILE TEST", 2006-07-20) reported that the Air Force successfully launched an unarmed intercontinental ballistic missile early Thursday. The Minuteman III dummy warheads were fired at 3:14 a.m. and traveled about 4,200 miles before hitting a water target in the Marshall Islands.

[\(return to top\)](#)

## **11. US-Japan Missile Defense Cooperation**

Agence France Presse ("US TO DEPLOY INTERCEPTOR MISSILES IN JAPAN NEXT MONTH ", 2006-07-20) reported that US forces will start installing Japan's first interceptor missiles next month to strengthen defenses due to the threat from the DPRK, the government said. The US military will begin setting up the Patriot surface-to-air missiles at Kadena Air Base in the southern island chain of Okinawa from August and the system will be partly operational by the year end, the foreign ministry said.

[\(return to top\)](#)

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

Chosun Ilbo ("KOREA 'UNPREPARED FOR COMMAND HANDOVER IN 2010'", 2006-07-20) reported that a high-ranking ROK military official says a 2010 deadline the US envisages for handing over wartime operational control of forces to Seoul is too soon. "If Korea intends to exercise sole wartime operational control, software and hardware, capabilities, and readiness must all be considered," the official said on condition of anonymity. "It won't be until after 2010 that our military has that kind of capability, so realistically achieving the handover before that time will be difficult."

[\(return to top\)](#)

## **13. Yasukuni Shrine Issue**

Kyodo ("SOME LDP EXECES RENEW CALLS FOR SEPARATING WAR CRIMINALS AT YASUKUNI",

2006-07-20) reported that some senior lawmakers of Japan's governing Liberal Democratic Party renewed their calls for separating Class-A war criminals from the list of people honored at the war-linked Yasukuni Shrine in Tokyo. The chairman of the LDP's decision-making General Council, Fumio Kyuma, said it is his opinion that Yasukuni Shrine should not have enshrined the 14 Class-A war criminals together with war dead.

[\(return to top\)](#) BBC News ("JAPANESE PM DEFENDS SHRINE VISITS", 2006-07-20) reported that Japanese premier Junichiro Koizumi says he will continue visiting a controversial Tokyo war shrine despite evidence the former emperor opposed it. Documents show Emperor Hirohito stopped visiting the Yasukuni Shrine because war criminals were honoured there. The prime minister said the emperor's reported views would not impact on his future visits, saying the visits were "a matter of one's heart". [\(return to top\)](#)

## **14. Cross Strait Relations**

The Associated Press ("TAIWAN HOLDS DRILL FOR CHINESE INVASION ", 2006-07-20) reported that Taiwan beat back a simulated PRC invasion in the island's largest-ever military exercise. The "Chinese Glory" maneuvers were meant to test Taiwan's army, navy, air force and marines against the forces of its longtime rival the PRC.

[\(return to top\)](#)

## **15. PRC Food Aid**

The Associated Press ("CHINA BECOMES 3RD-LARGEST FOOD AID DONOR ", 2006-07-20) reported that the PRC became the world's third-largest food aid donor in 2005, the same year it stopped receiving assistance from the World Food Program, while the US and the European Union remained the top two contributors, the UN agency said. Most of the PRC's aid went to hunger-stricken DPRK with the rest going to Liberia, Guinea Bissau, Sri Lanka and a dozen other countries, according to the report.

[\(return to top\)](#)

## **16. PRC Bank Reform**

The Washington Post ("CHINA APPROVES PLANS FOR HUGE BANK IPO", 2006-07-20) reported that the PRC's government approved plans by the country's largest bank, the Industrial & Commercial Bank of China, to raise \$14 billion or more in one of the largest stock offerings ever. In assenting to the deal, the PRC's bank regulator took one of the biggest steps yet toward remaking the country's corrupt and inefficient financial system along capitalist lines.

[\(return to top\)](#)

## **17. PRC Corruption**

The Associated Press ("8 CHINESE COMMUNIST OFFICIALS PUNISHED", 2006-07-20) reported that eight PRC Communist Party officials have been punished for buying or selling official posts in the latest cases in the government's crackdown on rampant corruption, the official Xinhua News Agency said. The officials have been fired from their posts and expelled from the party, and some have received prison sentences for their offenses, Xinhua said.

[\(return to top\)](#)

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