NAPSNet Daily Report Thursday, March 29, 2007

Recommended Citation

"NAPSNet Daily Report Thursday, March 29, 2007", NAPSNet Daily Report, March 29, 2007, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-thursday-march-29-2007/

NAPSNet Daily Report Thursday, March 29, 2007

NAPSNet Daily Report Thursday, March 29, 2007

I. NAPSNet

- 1. De(black)listing the DPRK
2. Inter-Korean Railway
3. Inter-Korean Summit
4. DPRK Request for Aid
5. Inter-Korean Aid
6. US-ROK Trade Relations
7. US-Japan Security Alliance
8. Japan ROK, India Diplomacy
9. Yasukuni Shrine Issue
10. Sino-Japan Relations
11. Sino-Japanese East Sea Gas Dispute
12. Sino-US Trade Relations
13. Sino-Russian Trade Relations
14. Cross Strait Relations
15. PRC Ethnic Relations

II. CanKor

- 16. Report #278

Preceding NAPSNet Report

I. NAPSNet

1. De(black)listing the DPRK

Chosun Ilbo ("N.KOREA STUCK ON TERROR LIST AS DOUBTS LINGER", 2007-03-29) reported that it is likely the DPRK will still be on the U.S. list of states that sponsor terrorism when the State Department sends its annual report on international terrorism to Congress. A department official said it took two and a half years after Libya had given up on the development of weapons of mass destruction to get off the list. Delisting the DPRK will take at least 45 days. In the most likely scenario, the Bush administration will guarantee to Congress that the DPRK has not supported international terrorism and that it has accepted its pledge not to do so. Then the administration must submit a delisting proposal to Congress 45 days before the nation can be removed from the list.

(return to top)

2. Inter-Korean Railway

Korea Herald ("SEOUL TO SUPPORT LIGHT INDUSTRY IN NORTH KOREA", 2007-03-30) reported that Unification Minister Lee Jae-joung said they will launch an organization to implement measures to foster the development of the DPRK's mining sector and light industries. The two Koreas had agreed to co-develop the DPRK's mining sector and light industries on condition of completing the prerequisites for test running cross border railways. During the latest ministerial talks last month, the two Koreas agreed to conduct the test run within the first half of this year, but the DPRK apparently faces opposition from military authorities who are staunchly against opening the railways to the ROK without first having a full military guarantee.

(return to top)

3. Inter-Korean Summit

Yonhap ("FORMER UNIFICATION MINISTER CHUNG DONG-YOUNG TO PROPOSE FRESH INTER-KOREAN SUMMIT AT KAESONG", 2007-03-29) reported that former unification minister Chung Dong-young said he will propose to hold a fresh inter-Korean summit in Kaesong. While the pro-government Uri Party and other progressive politicians support the summit, the move has been boycotted by the conservative Grand National Party, which sees it as politically motivated to raise the liberals' profile for the December presidential election. Chung sounded firm, saying "the inter-Korean summit is not a matter of choice but of necessity" to achieve a permanent peace regime on the peninsula.

(return to top)

4. DPRK Request for Aid

Globe and Mail ("NORTH KOREA PLEADS FOR UN FOOD ASSISTANCE PYONGYANG CONFIRMS ESTIMATED SHORTFALL OF A MILLION TONNES", 2007-03-29) reported that for the first time since its catastrophic famine of the mid-1990s, the DPRK is admitting that it has a severe food shortage and needs help from the outside world. In meetings in Pyongyang this week, officials asked for greater assistance from the UN's World Food Program. For the first time, they publicly

confirmed the WFP's estimate that the country's food shortfall is about a million tonnes. The WFP believes it is highly significant that the DPRK has now decided to ask for assistance.

(return to top)

5. Inter-Korean Aid

Chosun Ilbo ("S.KOREA RESUMES AID SHIPMENTS TO N.KOREA", 2007-03-29) reported that ROK aid shipments resumed in full swing after video reunions of separated families began on Tuesday.

(return to top)

6. US-ROK Trade Relations

Yonhap ("S. KOREA-U.S. FTA TALKS GO DOWN TO THE WIRE AMID SIGNS OF LAST-MINUTE COMPROMISES", 2007-03-29) reported that ROK President Roh Moo-hyun reconfirmed his commitment to a free trade agreement with the US, as top-level negotiators met for the fourth day of crucial talks that sources said were expected to mark a real "give-and-take" ahead of a deadline two days away. Roh suggested that he may give up one or two things to help conclude the trade negotiations with the U.S., saying that "a deal is supposed to be mutually satisfactory. Otherwise, the deal can't be concluded."

(return to top) Joongang Ilbo ("KAESONG OFF THE TABLE IN FTA TALKS ", 2007-03-29) reported that the contentious issue of whether goods manufactured at the inter-Korean Kaesong Industrial Complex qualify for the "Made in South Korea" label will not be settled during current free trade talks but will be addressed later at a separate forum, a diplomatic source in Washington said yesterday. "Seoul made the suggestion and from a long-term perspective Washington has said it can discuss the issue positively," said the source. (return to top)

7. US-Japan Security Alliance

Mainichi Daily News ("JAPAN TO ATTEMPT INTERCEPT IN US MISSILE DEFENSE SYSTEM", 2007-03-29) reported that Japan would become the first partner in the US program to try to knock down a medium range missile from sea. By taking a leading position in the development of the missile defense system, Japan has become one of the closest US partners in missile defense.

(return to top)

8. Japan ROK, India Diplomacy

Xinhua ("JAPANESE FM TO VISIT S KOREA, INDIA", 2007-03-29) reported that Japanese Foreign Minister Taro Aso will visit the ROK and India from next week. In the ROK, Aso is to discuss issues concerning denuclearization of the Korean Peninsula and also a likely planned Japan visit for later this year by ROK President Roh Moo-hyun. In India, Aso is to attend the South Asian Association for Regional Cooperation summit as an observer and to deliver a statement.

(return to top)

9. Yasukuni Shrine Issue

Kyodo News ("ABE DENIES GOV'T ROLE IN YASUKUNI'S HONORING OF WAR CRIMINALS", 2007-

03-29) reported that Japanese Prime Minister Shinzo Abe rejected criticism of the government's involvement in the enshrinement of World War II war criminals at Yasukuni Shrine. "I don't think there is any problem," Abe told reporters when asked if the government's involvement, suggested in documents released by the National Diet Library the previous day, violated the principle of separation of state and religion. The release of the book containing 808 items, titled "A New Compilation of Materials on the Yasukuni Shrine Problems," comes just two weeks before a visit by PRC Premier Wen Jiabao to Japan.

(return to top)

10. Sino-Japan Relations

Xinhua ("JAPANESE PARLIAMENT SPEAKER EXPECTS ALL-AROUND DEVELOPMENT OF TIES WITH CHINA", 2007-03-29) reported that a healthy political relationship between Japan and the PRC is indispensable for the development of economic and trade cooperation, Japanese House of Representatives Speaker Yohei Kono said. Japanese Prime Minister Shinzo Abe's visit to PRC last year marked an important step for the improvement of bilateral ties, which have been "warm economically but cold politically," Kono said. He added that PRC Premier Wen Jiabao's upcoming visit to Japan will further seal the bright future of Japan-PRC relations.

(return to top)

11. Sino-Japanese East Sea Gas Dispute

Kyodo ("JAPAN, CHINA REMAIN APART OVER GAS DISPUTE BUT NEW IDEA FLOATED", 2007-0--29) reported that Japan and the PRC remained apart in their dispute over gas exploration rights in the East China Sea, but the PRC presented a new idea on the envisioned joint development that could break the impasse and the two sides agreed to meet again next week. "The Chinese side presented a view that can be taken as constructive," Kenichiro Sasae, head of the Foreign Ministry's Asian and Oceanian Affairs Bureau, told reporters but declined to give any details.

(return to top)

12. Sino-US Trade Relations

Associated Press ("'ENORMOUS NUMBER' OF TRADE BARRIERS IN CHINA, U.S. OFFICIAL SAYS", 2007-03-29) reported that U.S. businesses are having a hard time operating in the PRC because of significant trade barriers that remain in force despite efforts by the PRC to respect its WTO commitments, a US trade official said. US officials have singled out the PRC's failure to protect US copyrights, national government subsidies and regulations that favor PRC companies as methods used to limit the competitiveness of US companies in the PRC. Officials highlighted tensions in the aviation, steel and telecommunications industries, most of which center around charges that PRC policy unfairly favors domestic monopolies as examples. Critics of the PRC say its currency policies have contributed to a record $232.5 billion US trade deficit and to the loss of nearly three million manufacturing jobs in the US since President George W. Bush took office in early 2001.

(return to top)

13. Sino-Russian Trade Relations

CCTV International ("HU CALLS FOR STRENGTHENING CO-OP BETWEEN LEGISLATURES OF

CHINA, RUSSIA", 2007-03-29) reported that PRC President Hu Jintao met with Russian parliamentary leaders and the Russian prime minister, in Moscow on Tuesday. At the meetings President Hu proposed that committees of the two sides' legislatures should give more constructive advice on developing the Sino-Russia relations and promoting bilateral cooperation. President Hu also urged the two sides to take advantage of the regular exchange mechanism between the two prime ministers and to further promote trade and economic cooperation.

(return to top)

14. Cross Strait Relations

Xinhua ("TAIWAN'S "SECOND REPUBLIC CONSTITUTION" PROPOSAL LASHED OUT", 2007-03-29) reported that Taiwan University Professor Chen Ming-tong and other scholars have publicized a proposed draft of the "Second Republic Constitution" on March 18. The proposed draft puts the People's Republic of China alongside the "Republic of China". It also advocates determining Cross Strait political relations through a "referendum." A PRC mainland official lashed out at the proposed "constitution" by Taiwan separatists.

(return to top)

15. PRC Ethnic Relations

Xinhua ("CHINA TO MONITOR ETHNIC RELATIONS", 2007-03-29) reports that a mechanism monitoring relations among ethnic groups in the PRC will be built to deal with emergencies resulting from ethnic issues. The monitoring mechanism aims to "clamp down on ethnic separatism so as to safeguard ethnic unity, social stability and national security," according to the country's ethnic minorities affairs 11th Five-Year Plan (2006-2010), which was approved by the State Council, earlier this year, and was made public at Thursday.

(return to top)

II. CanKor

16. Report #278

CanKor ("SPECIAL EDITION", 2007-03-28) The Six Parties are in recess while the Bank of China contemplates the implications of transferring 25 million US dollars into DPRK accounts. CanKor subscribers may be interested in contemplating the implications of a paper written by former World Bank official Bradley Babson and published by the Stanley Foundation last December. In this SPECIAL EDITION of the CanKor Report we offer substantial excerpts of the paper, hoping readers will not be deterred by the length of its title: "Economic Perspectives on Future Directions for Engagement with the DPRK in a Post-Test World". Aside from explaining in very clear language why the financial sanction issue is so important to the DPRK (even though the moneys involved are relatively small), Babson offers intriguing perspectives on the forces of change within the DPRK and the regime's vulnerabilities in trying to manage these forces. He outlines three scenarios for the future that help to explain the fits and starts of the Six-Party process, while also pointing to engagement options for non-six-party and non-state actors. To whet your appetite, here are a few provocative insights offered by the paper: "The growth of markets and consequent entrepreneurship among the North Korean people is fundamentally changing the social contract in the DPRK... The

emergence of the farmers' markets as a grassroots, bottom-up response to the breakdown of the Public Distribution System symbolizes this break in the social contract. The very existence of markets, where people exercise the freedom of consumer choice, has undermined the socialist social contract and altered the psychology of the North Korean people." "The potential for accumulation of economic power by entrepreneurs, traders, and enterprises with joint ventures with foreign companies will inevitably strain the political balance between the Workers Party, the military, and the interests of the newly economically powerful." "The status quo separation of the economic subsystems that have supported the elite, military, and general population is not likely to remain stable. In fact, a debate has been taking place internally for some time on how to best allocate resources between the needs of the military and the interests of the people's economy." "Kim Jong Il's fundamental challenge is to find a way to move forward with a transformative process on three fronts at the same time. The first is to achieve an improved external environment that both meets the DPRK's security needs and expands opportunities for trade, investment, and development assistance. Second, is to design and implement economic reforms that work; i.e., result in sustained economic growth, a more efficient economy, and a broadly based improved standard of living for the North Korean people. And third is to manage the domestic social and political consequences of economic reform and opening up." "There are three broad paths that could be taken into the future from the perspective of the DPRK leadership. One is continued escalation and confrontation. A second path is a choice by the DPRK to delay and defer. The third path is one of serious negotiations now toward implementation of the 19 September 2005 Joint Statement and removal of sanctions imposed by the Security Council."

(return to top)

View this online at: https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-thursday-march-29-2007/

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