

NAPSNet Daily Report Tuesday, January 30, 2007

Recommended Citation

"NAPSNet Daily Report Tuesday, January 30, 2007", NAPSNet Daily Report, January 30, 2007, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-tuesday-january-30-2007/

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1. Six Party Talks

Associated Press ("CHINA: NKOREA NUKE TALKS RESUMING", 2007-01-30) reported that the PRC announced that the Six Party Talks will resume Feb. 8. The duration of next week's nuclear discussions "will depend on the progress made during the talks," said Chinese Foreign Ministry spokeswoman Jiang Yu.

(return to top) Kyodo News Service ("JAPAN SAYS DIRECT TALKS WITH N KOREA UNLIKELY OUTSIDE SIX-PARTY FRAMEWORK", 2007-01-30) reported that Japanese Foreign Minister Taro Aso said bilateral talks between Japan and the DPRK are unlikely outside a PRC-proposed scheme to pursue working groups within the six-party framework. Aso was referring to China's proposal in the previous round of six-party talks last month to set up five working groups to promote the six-party process through the implementation of a six-party joint statement adopted in September 2005. While the details of the Chinese proposal have not been made public so far, Aso said Japan and the United States are looking at having one of the working groups handle issues between Japan and the DPRK such as past abductions of Japanese nationals. (return to top)

2. US-DPRK Financial Talks

Yonhap News Agency ("NORTH KOREAN OFFICIALS ARRIVE IN CHINA FOR TALKS WITH US", 2007-01-30) reported that a group of DPR Korean financial experts arrived in Beijing on Tuesday (30 January) for talks with their US counterparts on removing US financial sanctions, a major hurdle to the Six Party Talks. The group is headed by O Kwang-chol [O Kwang-ch'o'l], president of the DPRK's Foreign Trade Bank. The US financial team is led by Daniel Glaser, a deputy assistant secretary at the US Treasury. Treasury officials have so far refused to confirm it, but recent reports said the United States may unfreeze part of the assets at the Macau bank to help move the nuclear negotiations forward. Pyongyang has about 24m US dollars in 50 accounts at the Macau bank, Banco Delta Asia, and the ROK government and some US officials now reportedly believe as much as 13m dollars of the frozen funds came from legitimate business.

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3. Korean Peninsula Peace Treaty

Agence France-Presse ("US, SOUTH KOREA DISCUSS PEACE TREATY FOR PENINSULA", 2007-0-30) reported that the United States and RO Korea discussed a possible peace treaty for the Korean peninsula when a State Department official visited here last week. Kathleen Stephens, US principal deputy assistant secretary for East Asian and Pacific affairs, made a low-key visit from January 26 to 28 for talks with various officials, they said. Her agenda included a proposed treaty that would officially end the 1950-1953 Korean War, a foreign ministry official said, confirming a news report.

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4. US on DPRK-Iran Cooperation

Washington Times ("HOW THE 'AXIS' SEEKS THE KILLER MISSILE", 2007-01-30) reported that Army Brig. Gen. Patrick O'Reilly, deputy director of the Pentagon's Missile Defense Agency, believes the DPRK and Iran are cooperating in developing long-range missiles. The DPRK test fired a long-range Taepodong missile in July, he said in a speech at the George C. Marshall Institute, and Iran is working on a space launcher that would help develop an intercontinental ballistic missile (ICBM)

that could hit the U.S. The Pentagon believes Iran has a "new intermediate-range ballistic missile or space launch vehicle [SLV] in development," a Missile Defense Agency briefing slide stated. The Iranians are "likely to develop an ICBM/SLV [and] could have an ICBM capable of reaching the U.S. before 2015," according to the briefing chart. The speech marked the first time the Pentagon publicly disclosed the missile cooperation between Pyongyang and Tehran. The DPRK test fired a Taepodong-2 on July 4 but the missile failed 40 seconds after launch, Gen. O'Reilly said. The two-stage version has a range of 6,200 miles and the three-stage version can travel 9,300 miles.

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5. Japan-Australia Trade Relations

Kyodo ("HOWARD TO VISIT JAPAN IN MID-MARCH, DISCUSS BILATERAL FTA WITH ABE", 2007-01-30) reported that Australian Prime Minister John Howard will visit Japan on March 12-14 and meet with Prime Minister Shinzo Abe to advance talks on a bilateral free trade agreement, Japanese government sources said. The two leaders are expected to confirm that Australia will pay close attention to Japan's agricultural sector as the two countries begin negotiations on terms of the FTA, the sources said.

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6. Japan Economy

BBC News ("JAPANESE CONSUMER SPENDING SLIPS", 2007-01-30) reported that a drop in Japan's household spending and rise in unemployment has raised question marks over whether interest rates will be raised soon. Household spending fell 1.9% in December, prompting fears slow wage growth means shoppers are unwilling to spend. Meanwhile, the jobless rate rose to 4.1% from 4.0% in November. One bright spot for the economy was news that industrial production rose 0.7% in December from a month earlier - significantly ahead of forecasts of a 0.2% rise.

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7. Japan Whaling

BBC News ("CASH OFFER TO FIND JAPAN WHALERS", 2007-01-30) reported that activists have offered a \$25,000 reward for information that leads them to disrupting Japan's annual whale hunt. Commercial hunting was outlawed in the 1980s, but Japan has continued its annual cull for what it calls scientific research. Critics believe that this is simply a tactic to circumvent the regulations, and amounts to commercial whaling in all but name.

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8. Japanese War Orphan Lawsuit

The Los Angeles Times ("COURT REJECTS JAPANESE 'WAR ORPHAN' SUIT", 2007-01-30) reported that a court rejected a compensation suit filed against the Japanese government by 40 Japanese who were abandoned in China as children after Tokyo's defeat in World War II. Many were children of Japanese farmers sent to China's remote northwest. They were left behind as Soviet troops closed in at the end of the war in 1945, returning only a decade ago.

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9. PRC African Diplomacy

Reuters ("CHINA ANNOUNCES \$3 BILLION LOAN PLAN FOR AFRICA", 2007-01-30) reported that the PRC has released an announcement that it will lend African nations \$3 billion in preferential credit over three years and double aid and interest-free loans over the same time. The announcement stressed that the offer comes with none of the strictures that Western countries often demand. "The preferential loans provided by China carry no political conditions," it said.

(return to top) Agence France-Presse ("CHINA DEFENDS ARM SALES TO AFRICA", 2007-01-30) reported that the PRC has defended its arms exports to African nations, saying they were small in scale and did not violate United Nations rules that ban weapons sales to countries at war. "On the arms exports to Africa, China takes a cautious and responsible attitude," foreign ministry spokeswoman Jiang Yu said. (return to top) BBC News ("CHINA'S HU JINTAO ON AFRICA TOUR", 2007-01-30) reported that the PRC's President Hu Jintao is starting an eight-nation tour of Africa that will include Sudan and South Africa. Africa supplies one-third of the PRC's imported oil. It is Mr Hu's third trip to Africa since he took office in 2003. (return to top)

10. Cross Strait Relations

Financial Times ("TAIWAN, CHINA NEAR TOURISM BREAKTHROUGH", 2007-01-30) reported that Taiwan and the PRC are nearing an agreement to allow mainland tourists to visit the island directly as early as March or April in what would be another step forward in the two sides' efforts to improve their economic interaction despite their deep political disagreement. A senior official at Taiwan's cabinet-level China policy body said the two sides at their latest meeting over the weekend reached consensus on the practical details of the plan, and hoped to close a deal later in February.

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11. PRC Anti-Corruption Measures

China Daily ("CHINA EXPANDS CORRUPTION CHECKS IN MILITARY", 2007-01-30) reported that the PRC will expand anti-corruption audits of senior military officers as People's Liberation Army commanders seek to ensure the country's expanding military budget is spent as intended, state media reported. At least 30 percent of officers at army, division and regiment levels would be audited in 2007 for possible financial misdeeds, the official Xinhua news agency reported.

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12. US on PRC ASAT Test

Kyodo ("U.S. LAWMAKER URGES VIGILANCE AGAINST CHINA'S MILITARY AMBITIONS IN SPACE", 2007-01-30) reported that the US should reinforce its guard against the increasing threat posed by the PRC's space weapons program in order to protect its vital national security, Senator Jon Kyl said Monday. The Republican from Arizona said an anti-satellite weapons test the PRC carried out earlier this month demonstrates the PRC"s ability to endanger U.S. security through the destruction of U.S. satellites, which would paralyze communication networks.

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