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I. United States

1. CORRECTION by HRNK on Sanctions Against PRC

HRNK ("US NGO DENIES DONG-A ILBO REPORT", 2005-05-29) The US Committee for Human Rights in North Korea (HRNK) submitted the following statement relating to item 17 published in NAPSNet on Thursday 26 May 2005: "Dong-A Ilbo on May 26, 2005, falsely reported that the U.S. Committee for Human Rights in North Korea was pursuing passage of a law that will impose retaliatory tariffs on Chinese imports for its mistreatment of North Korean refugees. Dong-A Ilbo also falsely reported that the Committee took the lead on the enactment of the North Korean Human Rights Bill. Both Dong-A Ilbo statements are wrong. The Committee never advocates the passage of any legislation. The Committee provides research on human rights conditions in North Korea, and disseminates this information to the general public. The Committee does not propose legislation nor does it advocate for or against legislation proposed by others."

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2. Cheney on DPRK Nuclear Issue

Telegraph UK ("CHENEY LAUNCHES TIRADE AGAINST N KOREA", 2005-05-31) reported that US Vice-President Dick Cheney stepped up the US's war of words with the DPRK yesterday by calling it a police state run by an irresponsible leader indifferent to the fate of its malnourished people. His words came just 48 hours after the Pentagon announced that it was sending 15 F-117A Nighthawk stealth fighter-bombers to the ROK for an undetermined period. The US Air Force said the aircraft crews need to familiarise themselves with the Korean terrain. In an interview on CNN, Cheney described DPRK leader Kim Jong-il, as "one of the world's most irresponsible leaders." He went on to accuse Kim of running "a police state" and maintaining one of the most heavily militarised societies in the world. He said most people in the DPRK lived "in abject poverty and stages of malnutrition."

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3. US on Military Build-up on Korean Peninsula

Chosun Ilbo ("U.S. TO SEND STEALTH BOMBERS TO KOREA EVERY YEAR", 2005-05-31) reported that the US military apparently wants to make its F-117 stealth fighter-bombers exercises in the ROK a regular event. The US Air Force has sent the key strategic weapons to the ROK on five occasions, including this year, but had not so far made clear that this was to be an annual occurrence. The F-117s will carry out exercises for four to six months a year, a strategy that would boost the US Forces in Korea's fighting strength no less than if they were based here permanently and is therefore expected to draw protests from the DPRK. USFK spokesman Kim Young-kyu said

Tuesday the F-117 fighter-bombers will arrive shortly as part of a "routine rotational deployment." He said their presence was part of strengthening the USFK's deterrent capability. Asked if this was an annual mission, he said, "You may see it that way."

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4. DPRK on US Military Build-up in ROK

Yonhap News ("N.K. CLAIMS U.S. STRATEGIC FLEXIBILITY IS FOR PREEMPTIVE NUCLEAR STRIKE", 2005-05-31) reported that the DPRK claimed Tuesday that the "strategic flexibility" the US is seeking for its troops in the ROK is aimed at launching a preemptive nuclear strike against it. According to the DPRK's Cabinet Newspaper Minju Josen, the US move is nothing but a new war strategy to realize its scheme to put the Korean Peninsula and the Asia-Pacific region under its military control.

[\(return to top\)](#) Forbes ("NKOREA CLAIMS NEW US STRATEGIC PLAN, FIGHTER DEPLOYMENT SIGNAL INVASION", 2005-05-31) reported that the DPRK has accused the US of preparing to invade it under the guise of a new strategic military proposal for the ROK. The US and ROK have been negotiating a "strategic flexibility plan" to turn US bases in the ROK into a regional hub for sending joint US-ROK forces under US command into potential regional conflicts. The US military plan would mean a troop build-up and was "little short of a scheme to put fresh muscles into its moves for a new war of aggression in and around the peninsula," according to the DPRK's Minju Josen newspaper.

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5. US on Proliferation Security Initiative

New York Times ("RICE TO DISCUSS ANTIPROLIFERATION PROGRAM", 2005-05-30) reported that the US is preparing to discuss for the first time details of its efforts to join forces with other nations in intercepting weapons and missile technology bound for Iran, the DPRK and Syria. According to US administration officials, some details are expected to be presented to foreign diplomats at the US State Department on Tuesday by Secretary of State Condoleezza Rice. Many of the diplomats are from the 60 or so nations that have joined President Bush's Proliferation Security Initiative (PSI), an effort to use a patchwork of national laws and agreements with other countries to intercept suspected weapons shipments in ports and on the high seas. The timing of the presentation is significant because Bush's aides are talking with increasing urgency about using similar techniques to cut off the DPRK's main sources of hard currency: shipments of weapons, illegal drugs and counterfeit currency.

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6. DPRK Sanctions on ROK Investment

Joongang Ilbo ("SANCTIONS ON NORTH TO DETER INVESTMENT", 2005-06-01) reported that most foreign business in the ROK would freeze their investments if the US imposes economic sanctions or takes military measures against the DPRK. The Seoul-based East Asia Institute said 63 percent of the 169 leaders of foreign companies in the ROK they surveyed said they would withdraw or halt their foreign direct investments here if the US establishes a naval and air blockade of the DPRK. And if the US takes military action, 73 percent said they would halt their investments. The survey, conducted from February to May, was the first to gauge possible reactions from foreign investors since the diplomatic crisis over the DPRK's nuclear programs broke out in 2002.

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7. Preparation for June ROK-US Summit

Australian Broadcasting Corporation ("PREPARATIONS FOR JUNE SUMMIT ON NORTH KOREA'S NUCLEAR PROGRAM", 2005-05-31) reported that several ROK officials have left for the US on Tuesday to prepare for a June summit aimed at re-starting six-party talks. ROK deputy foreign minister Song Min-Soon and presidential security advisor Kwon Jin-Ho are to meet US officials in Washington.

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8. Bank of Korea on DPRK Economic Growth

Reuters ("NORTH KOREAN GROWTH MASKS ECONOMIC TROUBLES", 2005-05-31) reported that the DPRK's economy grew for the sixth consecutive year in 2004, said the ROK's central bank on Tuesday, giving its best estimate of the economic status of one of the world's most secretive states. The Bank of Korea estimated that the annual GDP in the DPRK grew by 2.2 percent in 2004 from 1.8 percent the year before, due in part to economic reforms introduced in July 2002 that helped bolster agriculture. However, the numbers masked the DPRK's systemic poverty and continued inability to feed its people. If changes in consumer prices are taken into account, the DPRK's economy has actually decreased by nearly 20 percent over the past 15 years. "North Korea continues to be unable to break out of low-growth economic structures from obsolete facilities, shortages of energy, raw materials and investment and lagging foreign capital because of the nuclear issue," the bank said.

[\(return to top\)](#) Voice of America ("SOUTH KOREA: ECONOMY GROWING IN NORTH KOREA", 2005-05-31) reported that, according to the ROK's central bank, the DPRK's economy grew for a sixth consecutive year in 2004. However, the country is still struggling with serious food shortages and income inequalities as it tries to implement economic reforms. A Bank of Korea report says the DPRK's economy expanded by 2.2 percent last year, up from 1.9 percent growth in the previous year. The report says most of the growth came in agriculture and mining output. However, some economists criticize the ROK report, saying it does not take into account changes in the DPRK's consumer prices resulting from economic reforms. The United Nations World Food Program says the reforms have only worsened conditions for millions of DPRK Koreans, causing skyrocketing food prices and edging the country closer to famine conditions seen in the 1990s. [\(return to top\)](#) Chosun Ilbo ("N. KOREA'S ECONOMY GROWS 2.2 PERCENT", 2005-05-31) reported that the DPRK economy grew an estimated 2.2 percent last year due to improved productivity of the agricultural and fishery industries thanks to favourable weather, according to the Bank of Korea. An increase in the production of the energy and mining sectors also contributed to growth. The DPRK has registered positive growth in GDP for the past six straight years. The DPRK's nominal gross national income was US\$20.8 billion last year, a 33rd of the ROK's. The DPRK's per-capita income was US\$914 last year, a 15th of the ROK's. [\(return to top\)](#)

9. Bank of Korea on DPRK Development Aid

United Press International ("REPORT: NORTH KOREA NEEDS AID FOR RECOVERY", 2005-05-30) reported that the DPRK will suffer sluggish economic growth and high inflation without massive investment from outside, according to the ROK's central bank. Although the DPRK introduced some market elements into its struggling economy in July 2002, phasing out a decades-old system of food rationing and public distribution, it still remains under central planning, the Bank of Korea said. The bank said the measures sparked demand with acute shortages of supplies, pushing up inflationary

pressure. "North Korea is faced with a limited number of policy options, and is likely to be locked in low economic growth and price instability without raising capital or donations from abroad," it said. "Only direct outside donations or capital will ease such a shortage of supplies."

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10. NGOs on DPRK Development Aid

Chosun Ilbo ("N. KOREA NEEDS DEVELOPMENT AID, NOT HANDOUTS: NGOS", 2005-05-31) reported that domestic and international NGOs involved in aid to the DPRK say assistance to the country must change from humanitarian handouts to development assistance. The remarks came at the conclusion of an international meeting of NGOs involved in the DPRK in Beijing on Tuesday, where 102 heads of NGOs and UN organizations stressed humanitarian aid was still needed given the DPRK's food shortages and serious health issues. They said assistance must ultimately move toward support for development. The NGOs' closing statement said the DPRK was 2 million tons short of its annual food requirements of roughly 5-5.5 million tons.

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11. UK-DPRK Joint Banking Venture

Korea Herald ("UK BANKING GROUP OPENS JOINT VENTURE IN NORTH KOREA", 2005-05-31) reported that Global Group, a London-based banking and investment group, announced yesterday that it is opening a bank in the DPRK this week, making it the first joint venture bank between a UK company and the DPRK. The Koryo Global Credit Bank, based in Pyongyang, will begin operations on Friday June 3. It will be joining an estimated 150 international companies now operating in the DPRK. The bank will offer diverse services, including commercial financing, corporate tax loans, machinery and equipment financing, and project financing and syndicated loans. Investors will also be able to establish foreign currency savings accounts and fixed rate deposit accounts, while seeking international money management and transfer services. "If the bank is successful, we will open more branches and will offer credit-card and private-banking services," said Global Group Chairman Johnny Hon.

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12. DPRK Food Shortage

Reuters ("N.KOREA, FACING CRISIS, SENDS CITY PEOPLE TO FARM", 2005-05-31) reported that the DPRK is sending millions of city dwellers into the countryside to work on farms as it prepares for the worst, according to aid workers and other sources. The DPRK government has told its people to prepare for conditions as harsh as those of the mid-1990s. Richard Ragan, director of the U.N. World Food Programme's operations in the DPRK said, "There has been a national mobilisation and people from all walks and stripes of life have been asked to go help farmers transplant rice, even people in non-agricultural jobs."

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13. ROK Food Aid to the DPRK

Yonhap News ("S. KOREA TO SPONSOR PROGRAM TO PROVIDE MILK FOR N. KOREAN CHILDREN", 2005-05-31) reported that the ROK will start a campaign to raise money to send milk to

children in the DPRK. The fundraising drive will begin on Wednesday and run through August 15, and the money will be used to purchase milk and powdered milk that will be sent to the DPRK. Organizers of the drive, including the Korea Dairy and Beef Farmers Association, Good Neighbors International and Daum Communications, said milk will help improve the health of children under age 6, who are most vulnerable to malnutrition. The program will not only help children in the DPRK but also local milk cow owners who are having difficulty selling their products, they said.

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14. Germany Offers DPRK Food Aid

Agence France Presse ("GERMANY OFFERS FOOD AID TO NORTH KOREA", 2005-05-30) reported that Germany has made a 500,000-euro food aid donation to help stave off famine in the DPRK, according to German Development Minister Heidemarie Wieczorek-Zeul. "The North Korean people are threatened by a famine similar to the one it suffered in 1990," Wieczorek-Zeul said, explaining the donation would back efforts by the UN's World Food Programme (WFP). The minister said Germany was making the donation after the DPRK government had been forced to reduce daily rice rations to 40 percent of what international standards consider as minimum recommended calorie needs. The WFP believes around 35 percent of the DPRK's population of 23.7 million face serious health risks through undernourishment and that 57 percent of the population there do not get enough to eat.

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15. ROK Abductees in DPRK

Korea Times ("12 S.KOREANS UNDER DETENTION IN NK", 2005-05-31) reported that, according to an ROK activist group in Seoul, twelve ROK citizens kidnapped to the DPRK, including prisoners of war and fishermen, have been under detention in Shinuiju on the DPRK's border with the PRC. Choi Seong-young, head of the ROK Abductee Family Assembly, said that he obtained two copies of documents in April containing detailed personal information on the ROK citizens being held captive in the DPRK from a source in the DPRK. The ROK Unification Ministry said the ministry also received the documents from a source in the DPRK, but is unable to confirm whether the information is correct. The officials said, "A large number of military personnel abducted by the North, and POWs makes it difficult to check on individual cases."

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16. Inter-Korean Civic Exchanges

Yonhap News ("S.KOREAN DELEGATION GIVES PRESENTS TO NK LEADER KIM JONG-IL: REPORT", 2005-05-31) reported that an ROK delegation led by Incheon Mayor Ahn Sang-soo delivered presents to DPRK leader Kim Jong-il, according to the DPRK's Korean Central News Agency. The 42-member delegation, composed of public officials, city council members, civic activists and business leaders from the port city of Incheon on ROK's western coast, arrived in Pyongyang on Monday. The mayor plans to propose the construction of a road linking Incheon and Kaesong, an industrial city located just north of the DMZ.

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17. DPRK on Mobile Phone Ban

Donga Ilbo ("WHY NORTH KOREA IS PROHIBITING MOBILE PHONES", 2005-05-31) reported that frequency blocking device installation operations are in effect in DPRK cities that share borders with the PRC such as Shinuiju, and mobile phone services will be resumed in the DPRK after the construction around Ryongchon is over. The source added that the equipment needed to install blocking devices seemed to be imported from the PRC or Singapore. It appears the decisive factor that made the DPRK install frequency blocking devices is the Ryongchon train explosion. At the time, the explosion was made known to the outside world immediately after the accident occurred and it is highly likely that the first person to report the event was a DPRK mobile phone user in Dandong in the PRC.

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18. Japan-ROK Relations

Xinhua ("YACHI'S COMMENTS WILL HARM S.KOREA-JAPAN SUMMIT", 2005-05-31) reported that ROK Foreign Minister Ban Ki-moon told journalists Monday that Japanese Foreign Minister Yachi's remarks had poisoned the atmosphere for next month's meeting between ROK President Roh Moo-hyun and Japanese Prime Minister Junichiro Koizumi. However, he said the summit is a good opportunity for the ROK and Japan to discuss bilateral relations.

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19. PRC Press Freedom

Washington Post ("CHINA ACCUSES JOURNALIST OF ESPIONAGE", 2005-05-31) reported that the PRC Foreign Ministry accused the chief PRC correspondent for Singapore's Straits Times newspaper of espionage on Tuesday in the government's first public confirmation of the detention of the prominent Hong Kong-based journalist. In a brief written statement, the foreign ministry said the authorities detained Ching Cheong, 55, on April 22 for investigation "on suspicion of being involved in spying matters," adding that he had confessed to accepting payments for collecting intelligence. "Currently, relevant departments are investigating his spying activities." "We are shocked by this new accusation," a spokeswoman for the Straits Times said. "Until we see incontrovertible evidence, we stand by our belief that he has always acted in the best interests of the Straits Times."

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20. Sino-Japanese Relations

Washington Post ("CHINA-JAPAN TIES CONTINUE TO FRAY OVER SHRINE ISSUE", 2005-05-25) reported that the PRC government declared Tuesday that it was "extremely unsatisfied" with remarks by Japanese officials concerning a controversial shrine in Tokyo honoring Japan's war dead. A statement issued by the PRC Foreign Ministry emphasized continuing tension between Asia's leading powers despite several recent visits to Tokyo and Beijing by government officials who sought to calm the atmosphere after violent anti-Japanese protests here in April. "This will contribute to a worsening of Japanese sentiment toward China," said Internal Affairs Minister Taro Aso, according to a Reuters news agency report from Tokyo.

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21. PRC Cultural Revolution Museum

The New York Times ("SCENES FROM A NIGHTMARE: A SHRINE TO THE MAOIST CHAOS", 2005-05-31) reported that nothing but the faint sound of birds nesting on surrounding hilltops can be heard inside this new mountaintop site - part museum, part monument - that is the first public commemoration of one of the darkest chapters in the PRC's recent past. Inside the circular pavilion that is the site's centerpiece, the walls are lined with a series of gray tablets, each starkly engraved with images depicting the Cultural Revolution, the PRC's decade-long descent into madness, beginning in the mid-1960's. It has taken 29 years for anyone in the PRC to mount a public exhibit on the period of state-sponsored terror and turmoil that swept this country from 1966 to 1976. And it is telling that it has happened here, on the outskirts of this out-of-the-way city in the northeastern corner of Guangdong Province, far from the public eye.

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22. PRC Environment

The New York Times ("A CRESCENT OF WATER IS SLOWLY SINKING INTO THE DESERT", 2005-05-26) reported that at the bottom of the mountainous dunes once traversed by traders and pilgrims on the ancient Silk Road, Wang Qixiang stood with a camera draped around his neck. He and his wife had traveled by train more than 2,000 miles from eastern PRC to the forbidding emptiness of the Gobi Desert to glimpse at a famous pool of water known as Crescent Lake. They came because the lake has been rapidly shrinking into the desert sand, and they feared it might soon disappear. In this desert oasis the water is disappearing. Crescent Lake has dropped more than 25 feet in the last three decades while the underground water table elsewhere in the area has fallen by as much as 35 feet. "I would call it an ecological crisis," said Zhang Mingquan, a professor at Lanzhou University who specializes in the region's hydrology. "The problem is the human impact. People are overusing the amount of water that the area can sustain."

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23. US on PRC Freedom of Religion

Agence France Presse ("BUSH TO PUSH CHINA ON RELIGIOUS, PRESS FREEDOM", 2005-05-31) reported that President George W. Bush said he expected the PRC to deal with world trade "in a fair way" and that he would continue to push PRC leaders to allow greater religious freedom and freedom of the press. "I believe we have an obligation to remind the Chinese that any hopeful society is one in which there's more than just economic freedom, that there's religious freedom and freedom of the press. "And so, in my meetings with the different Chinese leaders with whom I've had the honor of meeting, I've always brought up issues such as the Dalai Lama, or the Catholic Church's inability to get a bishop into the country, or the need for the country not to fear evangelicals, but to understand religious freedom leads to peace," Bush said.

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24. Japan Monju Nuclear Reactor

The Associated Press ("COURT UPHOLDS JAPAN NUKE REACTOR APPROVAL", 2005-05-31) reported that the Supreme Court upheld Japan's approval of an experimental fast-breeder nuclear reactor Monday, paving the way for the reopening of a plant that was shut down a decade ago by an

accident and cover-up. Environmentalists were outraged by the ruling, which overturned a 2003 decision by a high court to nullify the government's 1983 approval for the Monju reactor in Tsuruga, 200 miles west of Tokyo, court spokesman Takao Arakawa said. The decision was a big boost for the plutonium-fired plant, the centerpiece in the government's campaign to expand resource-poor Japan's reliance on nuclear energy.

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25. PRC, Japan on East Sea Gas Project

Reuters ("CHINA REFUSES JAPAN REQUEST OVER GAS PROJECT", 2005-05-31) reported that the PRC rejected a Japanese request to stop exploration of a gas field in the East China Sea on Tuesday but the two Asian powers agreed to keep talking following a slide diplomatic relations. Tokyo has demanded the PRC stop its search for energy in the area and provide data on gas development projects there. PRC Foreign Ministry spokesman Kong Quan said the PRC had a right to explore those fields because they were within its coastal waters which Japan does not dispute. "It is a normal exercise of our sovereign rights," he told a news conference.

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26. Russia, PRC, Indian Energy Meeting

Agence France Presse ("ENERGY FOCUS AT RUSSIA-CHINA-INDIA MEETING", 2005-05-31) reported that energy policy was set to top the agenda as foreign ministers from oil-hungry Asian giants PRC and India meet their Russian counterpart here, analysts said. "Both China and India have large, growing and industrializing populations -- they are looking for energy outside their borders," says Stephen O'Sullivan, oil and gas sector analyst at Russia's United Financial Group bank. India already has a stake in a gas extraction project on the island of Sakhalin in Russia's Far East as part of an ExxonMobil-led consortium and the PRC has lobbied hard for a new oil pipeline to tap into Siberia's reserves.

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27. Japan on Japan-ROK History Issue

Korea Times ("COLONIAL RULE LEGITIMATE: JAPANESE HISTORIANS", 2005-05-31) reported that Japanese historians believe there were few problems in the 1910-45 Japanese colonial rule of the Korean Peninsula as it was based on international laws and was permitted by world powers at the time, according to a ROK-Japan scholars' study released yesterday. Historians from the ROK and Japan disclosed the outcome of their three-year joint study project in a 2,000-page report, in which they found some common ground for future studies and fundamental differences in their historical views. The committee, composed of 11 historians from each side, was launched after their heads of state reached an agreement in October 2001 on a joint research of their shared history from ancient, medieval and modern times.

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28. PRC on Japan-PRC History Issue

Xinhua news ("CHINA CONDEMNS JAPAN NOT CORRECTLY TREATING HISTORY", 2005-05-31) reported that the PRC expressed strong condemnation for Japanese leaders "not correctly treating

history," said PRC Foreign Ministry spokesman Kong Quan here Tuesday. "Japanese politicians' continual voicing grievances for class-A war criminals made people see clearly the political fact that Japanese leaders cannot correctly face the history of aggression," he said. Masahiro Morioka, the Japanese parliamentary secretary for health, labor and welfare published an article recently on his personal website, where he states that "Class-A war criminals are no longer criminals" and "Tokyo trial is against international laws."

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29. PRC Defense Industry

Asia Pulse ("CHINA OPENS WEAPONS PRODUCTION TO FOREIGN FIRMS", 2005-05-31) reported that the PRC has granted permission to private enterprises and foreign-funded enterprises to participate in the development and production of weapons, according to a new policy issued Friday. The regulations on issuing licenses for the development and production of weapons, issued by the Commission of Science, Technology and Industry for National Defense, classify weapon development and production into two categories. "It means if they meet certain standards, including technological level and financial strength, private and foreign-funded companies face no policy barriers to entering [defense-related] businesses in the second category," said Liu Dongkui, director of the economic coordination department of the commission.

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30. PRC Space Program

China News ("CHINA TO LAUNCH 1ST "SEED SATELLITE"", 2005-05-31) reported that the Commission of Science Technology and Industry for National Defense revealed that the PRC would launch the first "seed satellite" specially designed for seed-breeding in space. The "seed satellite" project has been approved and initiated development work in a comprehensive way. The "seed satellite" project consists of satellite research and development, launch and recovery, seed breeding, mechanism research and simulation tests. In space seed-breeding, seeds and animalcula are sent into space about 200 to 400 km away from the earth in recoverable satellite or recoverable space vehicles and exposed to cosmic radiation, micro-gravity, high vacuum, alternating magnetic field and other special factors to cause useful mutation that is hard to obtain on the earth.

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