

# **NAPSNet Daily Report Wednesday, August 23, 2006**

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# I. NAPSNet

## 1. Six Party Talks

Korea Times ("NEGOTIATORS TRY TO REVIVE 6-WAY TALKS ", 2006-08-23) reported that participating nations in the Six Party Talks are trying to jump start the multilateral dialogue. Kenichiro Sasae, director-general of the Japanese Foreign Ministry's Asia-Oceania bureau, arrived in Seoul on Wednesday to discuss pending issues, including the nuclear problem, the Ministry of Foreign Affairs and Trade in Seoul said. During his two-day stay, he will hold meetings with Chun Yung-woo, Seoul's top nuclear negotiator, and other ranking officials in Chong Wa Dae, officials said. In a related move, Song Min-soon, the chief national security adviser to President Roh Moo-hyun, plans to visit Beijing on Thursday and meet ranking Chinese officials, including Foreign Minister Li Zhaoxing, to talk about ways to reopen the six-party talks. International efforts to resolve the dispute over the North's nuclear program have gained urgency following reports of the reclusive state's suspicious activities at its alleged underground nuclear test site.

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## 2. ROK on Six Party Talks

Associated Press ("SOUTH KOREA URGES NORTH KOREA NOT TO CONDUCT NUCLEAR TEST", 2006-08-23) reported that the ROK warned the DPRK not to conduct a nuclear weapons test, saying it would be further isolated, while countries launched new efforts to persuade it to resume talks. Foreign Minister Ban Ki-moon said a nuclear test would be much more serious than its July missile tests and create a "threatening situation that will shake the foundation of the global nonproliferation system and will further isolate the North." ROK presidential security adviser Song Min-soon will make a two-day trip to the PRC for talks with Foreign Minister Li Zhaoxing and other officials. Japan's top nuclear envoy, Kenichiro Sasae, arrived Wednesday in Seoul for similar consultations with his ROK counterpart, Chun Yung-woo, and other officials.

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## 3. DPRK on Armistice Agreement

Korea Times ("NORTH THREATENS TO QUIT ARMISTICE ", 2006-08-23) reported that the DPRK said its armed forces will not be tied to the 1953 armistice agreement that ended the Korean War, saying it considers the ongoing South Korea-U.S. military drill as an "act of war." Pyongyang said its military has the right to conduct "defensive pre-emptive actions" at a critical moment as a leadoff attack is not a privilege only the United States has. The North's declaration came as South Korean and American troops began an annual military drill, named Ulchi Focus Lends (UFL), on Monday, aimed at testing their joint command structures. It is not the first time for the North to declare that it will default on the truce agreement. In the statement, Pyongyang interpreted the U.N. Security Council's recent resolution against its missile launches also a "declaration of war".

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## 4. DPRK Financial Sanctions

Financial Times ("VIETNAM BANKS 'SHUT N KOREAN ACCOUNTS'", 2006-08-23) reported that Vietnamese banks have been forced to shut DPR Korean accounts in the country as part of a US-led crackdown on overseas financial institutions acting as a repository for Pyongyang's funds. The move comes ahead of Vietnam's anticipated entry of the World Trade Organisation later this year and follows the signing of bilateral trade agreement with Washington in May. It leaves Pyongyang with a diminishing number of banking options, says Peter Beck, a DPRK expert with the International Crisis Group, with Russia "really one of the only countries -- perhaps the only country -- in the world that is allowing North Korea to bank." The step followed a visit to Hanoi by Stuart Levey, the US Treasury official overseeing Washington's crackdown on international banks allowing DPRK accounts. The US success in Vietnam, Beck said, provides "a bigger indication of why [North Korean officials] were reacting so vigorously to the financial crackdown last fall" on Banco Delta Asia, prompting Pyongyang to walk away from Six Party Talks on the cusp of an apparent breakthrough.

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## **5. DPRK Refugee-Defectors**

Associated Press ("175 N. KOREAN ASYLUM SEEKERS ARRESTED", 2006-08-23) reported that Thai police arrested 175 DPR Koreans who had been smuggled into the country and were found hiding in a house outside the capital. The asylum seekers, mostly women, were to be charged with illegal entry and a court would decide whether they would be deported, said Lt. Gen. Suwat Tumrongsiskul, chief of immigration police. If no country is willing to accept them, they will remain jailed in Thailand. Sixteen members of the group have been granted refugee status by the Bangkok office of the U.N. High Commissioner for Refugees and were scheduled to leave for the ROK in a few days, police Col. Songphol Wattanachai said. Songphol said the refugee-defectors had entered Thailand two months ago in separate groups through the northern Thai province of Chiang Rai, and had been staying in the two-story house outside Bangkok since then. They were arrested Tuesday after police received a tip from neighbors. Police were investigating the human smuggling ring that arranged for their transport.

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## **6. Aid to DPRK Flood Victims**

Pravda ("UNUSUAL AID SENT TO STARVING NORTH KOREA", 2006-08-23) reported that while most donors are sending food to help the DPRK recover from the devastating floods, an RO Korean cosmetics company has delivered other necessities: lipstick and eye shadow. Able C&C said it donated 430 million won (US\$451,000; 352,000 euro) worth of cosmetics, also including shampoo and soap. The products were delivered to areas near Kumgang Mountain, where the ROK operates a tourist resort, the Seoul-based company said in a statement, claiming it was the first aid donation containing makeup to be sent to the DPRK. "Since cosmetics are not luxury goods, but daily necessities, we thought North Koreans would really need them," CEO Yang Soon-ho said in the statement. "We decided to send the makeup aid in hopes of enhancing the lives of the North Koreans." Able C&C said it will consider sending more aid in the future as part of efforts to enhance "cultural exchange" between the Koreas.

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

Chosun Ilbo ("PEACE MUST COME BEFORE WARTIME CONTROL: DEFENSE THINK TANK", 2006-

08-23) reported that the state-run Korea Institute for Defense Analyses (KIDA) has listed diplomatic ties between the US and the DPRK, a cooperative inter-Korean economic community and renunciation of nuclear arms and missiles by the DPRK as prerequisites to the ROK's exercise of sole wartime operational control of its troops.

[\(return to top\)](#) Chosun Ilbo ("PRESIDENTIAL HOPEFULS 'WOULD RECONSIDER WARTIME CONTROL'", 2006-08-23) reported that most presidential candidates both from ruling and opposition parties say they would reopen the question of the ROK exercising sole wartime operational control of its troops in 2012 if the current government reaches agreement with Washington on the matter. Former Grand National Party chairwoman Park Geun-hye, former Seoul mayor Lee Myung-bak, former Gyeonggi Province governor Sohn Hak-kyu, and former prime minister Goh Kun all said they would "re-examine" the issue. [\(return to top\)](#)

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

Kyodo ("U.S. COMMANDER EYES FURTHER MISSILE-DEFENSE COOPERATION WITH JAPAN", 2006-08-23) reported that visiting US Pacific Command Commander Adm. William Fallon told Japan's Foreign Minister Taro Aso that the US will cooperate with Japan on missile defense, Foreign Ministry officials said. Fallon made his remark in response to Aso who urged that their two nations continue to closely cooperate in dealing with the DPRK's missile launches, the officials said.

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## **9. Japan Free Trade Proposal**

The Associated Press ("JAPAN PROPOSES 16-NATION FREE TRADE ZONE", 2006-08-23) reported that Japan proposed creating a 16-nation free trade area including itself, the PRC, India and Australia and covering more than half the world's population. Tokyo wants experts to begin a study next year on the trade zone that would also include the ROK, New Zealand and the 10-member Association of Southeast Asian Nations, according to Toshihiro Nikai, Japan's economy, trade and industry minister. The zone would bypass the United States, Japan's foremost trading partner.

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## **10. Japan-PRC Relations**

Kyodo ("ABE TO SET FORTH 'STRATEGIC ASIAN DIPLOMACY' IN RACE AS NEXT PREMIER ", 2006-08-23) reported that Chief Cabinet Secretary Shinzo Abe plans to call for "strategic diplomacy with Asia" in his bid to become Japan's next premier especially to mend ties with the PRC, through setting up an exchange foundation and an organization to promote bilateral joint research. Abe also plans to propose accepting more Chinese and other Asian students to Japan, as well as expedite the conclusions of economic partnership agreements with countries in the region, the sources said.

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## **11. Cross Strait Relations**

Agence France-Presse ("TAIWAN TO BOOST 2007 MILITARY SPENDING, WARNS OF CHINA HOSTILITY", 2006-08-23) reported that Taiwan's cabinet decided to increase military spending by nearly 30 percent next year as President Chen Shui-bian warned of rival China's continuing hostility towards the island. The cabinet approved a draft bill proposed by the defense ministry calling for a

rise of 71 billion dollars, or 28.1 percent, from the current year.

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## **12. PRC-Venezuela Relations**

The Associated Press ("CHAVEZ: CHINA TO EXPAND OIL COOPERATION", 2006-08-23) reported that visiting Venezuelan President Hugo Chavez said the PRC will expand its cooperation in oil exploration and help his country build a fiber-optic communications network under agreements to be signed in Beijing this week. Chavez said Venezuela's growing relations with the PRC are part of his government's efforts to create a "multipolar" world to counter US hegemony.

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## **13. PRC-Vietnam Territorial Disputes**

Reuters ("CHINA, VIETNAM SET 2008 FOR BORDER AGREEMENT", 2006-08-23) reported that the PRC and its southern neighbor Vietnam have agreed to finish demarking their border by 2008, a state newspaper said, a contentious area that has been the cause of military conflict. PRC President Hu Jintao, meeting Vietnam's Communist Party chief Nong Duc Manh in Beijing, said the PRC was also willing to discuss a disputed maritime area where the two countries' navies have clashed in the past.

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## **14. PRC Human Trafficking**

BBC News ("CHINA SLOW TO WAKE UP TO HUMAN TRADE", 2006-08-23) reported that as the PRC opens up, people trafficking is emerging as a growing threat, but officials are reluctant to admit the scale of the problem. Trafficking is a hugely sensitive subject here. Officials do not really want to talk about it. One local Communist Party secretary told us it was certainly a potential threat, as more people migrated, but insisted it did not happen in his small community. But anecdotal evidence is widespread.

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## **II. CanKor**

### **15. Report #259**

CanKor ("Exclusive: OBSERVATIONS FROM A VISIT TO THE DPRK", 2006-08-22) The Bank of China freezes DPRK accounts in response to a US-led crackdown on Pyongyang's alleged illegal financial activities, according to a South Korean legislator. China permits three DPRK refugee-defectors to travel directly from China to the USA for asylum, without first transiting via a third country. Some observers see this as a sign of cooling China-DPRK relations. NGO sources in the USA claim that a further 120 DPRK refugee-defectors living in unidentified Asian countries have applied for US asylum. Following last month's heavy flooding, the DPRK tells the UN World Food Programme that it will accept emergency food aid, despite the fact that it halted international food assistance last year. Because of the emergency situation created by the floods, the DPRK had already cancelled the

Arirang mass games show that was to run from August to October, and the 15 August joint North-South national liberation day celebrations, which would have provided a chance for bilateral contacts after the DPRK missile tests of July. Russian Orthodox Metropolitan Kirill celebrates the first wedding in the new Orthodox Church in Pyongyang. US evangelicals press Bush to take humanitarian approach to the DPRK rather than a single-minded focus on arms control, while a representative of Billy Graham's relief agency Samaritan's Purse is met by DPRK Foreign Minister Paek Nam Sun in Pyongyang. An Air Koryo Ilyushin class plane inbound from Beijing crash-lands at Pyongyang's airport with a broken front wheel axle. All of the approximately 50 passengers exit unscathed. Kathi Zellweger shares observations from her 51st and final trip to the DPRK on behalf of Caritas-Hong Kong. In November she begins her new assignment in Pyongyang as resident DPRK Country Director for the Swiss Agency for Development and Cooperation (SDC).

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