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I. United States

1. ROK US Troops Relocation

The Associated Press (Doug Struck, "US PULLING TROOPS FROM KOREAN DMZ, FORCES TO MOVE 75 MILES FROM BORDER, ABANDONING LARGE BASE IN SEOUL" Tokyo, 06/05/03) reported that US troops soon will withdraw from the Demilitarized Zone between the DPRK and the ROK, bringing an end to 50 years of guard duty that began at the end of the Korean War, officials said today. A joint statement by US and ROK officials said US troops will be pulled back to positions at least 75 miles from the DMZ, and will abandon a large base they occupy in downtown Seoul. The move will free US troops to be more mobile, replaced by soldiers in a modern ROK army, officials said. No precise schedule has been announced for the change, although US officials have said the

new deployment may begin this year. The ROK government seeks a delay until current tensions ease over the DPRK's nuclear program. Officials said the move would not immediately reduce the 37,000 US troops posted in theROK. The statement said the redeployment would "enhance security" and would be done "taking careful account of the political, economic and security situation on the peninsula and in Northeast Asia." Pentagon officials, under prodding by Secretary of State Donald H. Rumsfeld to create a more mobile and agile force, insist the US defense against the DPRK remains strong even if its soldiers are not manning bunkers and watching the mine fields at the DMZ. The redeployment was not a surprise. In April, Rumsfeld announced that troops stationed near the DMZ might be shifted south, to other countries in the region or even brought home. US officials have been negotiating with their ROK counterparts to set the details. Agreement appears to have been costly for the US. Last week, the US military announced it will spend an additional $11 billion over the next three years in new equipment and defense systems for the ROK, including upgraded missile systems and reinforced military intelligence. "The essence of what we're trying to do is to make sure that the forces we have here on the peninsula can respond quickly and immediately, even before reinforcements arrive if there were ever to be an attack," Deputy Defense Secretary Paul D. Wolfowitz said in Seoul Monday.

2. DPRK WMD Funding

The Japan Times ("YAKUZA CASH IS FUNDING PYONGYANG'S WMD: U.S.," Washington, 06/06/03) reported that the DPRK uses remittances from overseas illegal activities -- including cash from organized crime networks in Japan -- to fund its weapons of mass destruction programs, a senior official of the US State Department said Wednesday. At a hearing of the House of Representatives International Relations Committee, John Bolton, undersecretary of state for arms control and international security, said the North has used three sources of hard currency earnings to buttress its weapons programs. "One is the sale of weapons of mass destruction: the DPRK is the largest sellers of ballistic missile technology to 'proliferant' countries in the world," he said. "The second . . . is the sale of illegal drugs. And third is a combination of remittances from illegal and quasi-illegal activity outside the country from, basically, organized criminal networks in Japan and elsewhere." Bolton said the US has focused on all three categories to prevent North Korea's "dictatorship" from getting its hands on funds. If the US can deny North Korea access to this money, it would have "a substantial effect not only in reducing proliferation, outward proliferation from North Korea, we think it could have an effect on the DPRK regime as well," Bolton said. "Cutting off those hard currency earnings will not have any impact on the wretched and really horrible lives lived by the 22 million DPRKs who live in poverty," he said. "That money didn't do the slightest thing to improve their existence." The money has been used to support the DPRK's WMD programs and the elite in the DPRK, Bolton said.

3. US on Total WMD Elimination

Agence France-Presse ("US TO ELIMINATE WMD IN ALL ROGUE STATES, BY FORCE IF NECESSARY," 06/05/03) reported that the US will attempt to "roll back" proliferation of chemical, biological and nuclear weapons in the world -- and may use force to take away these deadly arsenals from rogue states, a senior US government official warned. Under Secretary of State John Bolton also told Congress that Washington will not offer disarmament inducements to the DPRK, will punish suppliers of dual-use materials and offer Iraqi scientists specializing in weapons of mass destruction (WMD) a chance to emigrate, presumably to the US. "We aim ultimately not just to prevent the spread of WMD, but also to eliminate or 'roll back' such weapons from rogue states and terrorist groups that already possess them or are close to doing so," Bolton told the House Committee on International Relations. He noted that while the administration of President George W. Bush favored

peaceful and diplomatic solutions to the proliferation threat, it ruled out no options, including "preemptive military force where required." "Moreover, the logic of adverse consequences must fall not only on the states aspiring to possess these weapons, but on the states supplying them as well," he warned without elaborating. The US has repeatedly accused Russia, the PRC, and some cash-starved former Soviet republics of supplying sensitive, dual-use technologies to Iran, Libya, the DPRK and other countries deemed by the US a proliferation threat. In its most recent report on proliferation, the Central Intelligence Agency named Iran, Iraq, tje DPRK, Libya, Syria, Sudan, India and Pakistan among countries with the most active weapons of mass destruction amd missile programs. Bolton's warning followed Bush's announcement last week in Poland of a so-called Proliferation Security Initiative aimed at broadening international cooperation in interdicting shipments of WMD- and missile-related equipment and technologies. As part of this broad campaign, the US will offer Iraqi weapons scientists an opportunity to emigrate because of serious concern that rogue states or terrorist organizations will try to hire them, said the under secretary of state. Keeping up pressure on Iran, he accused the Islamic republic of developing a uranium mine, uranium conversion and enrichment facilities and a heavy water production plant as part of its clandestine nuclear weapons program. Bolton insisted that "there will be no inducements" on the part of the Bush administration to persuade the DPRK to "completely, verifiably, and irreversibly" abandon its nuclear weapons program.

4. ROK DPRK Drug Smuggling Investigation

Reuters ("SOUTH KOREA INVESTIGATES NORTH DRUG LINK," Seoul, 6/4/03) reported that the ROK is investigating whether a huge seizure of the drug methamphetamine, or speed, may have originated from the DPRK after it was found aboard a PRC container ship. The seizure comes as the US and its allies have been contemplating tightening checks on cargo from the DPRK -- proposed measures to squeeze the DPRK's revenues and press it to abandon its attempts to build nuclear weapons. The DPRK has since the 1970s been accused of trafficking illegal narcotics to prop up its decrepit economy. Two exiled former DPRK officials told a US Senate subcommittee last month of a 15-year-old state-run opium production program. Media and official accounts of Tuesday's drug seizure in the ROK port city of Pusan varied on the details in a case that could further undercut the ROK's attempts to reconcile with the DPRK. Yonhap news agency quoted sources familiar with the raid as saying police and customs officials seized 176.4 pounds of the banned stimulant philipon from a ship that originated in China and called at North Korea en route to Pusan. But a prosecution official gave a different account. "The ship is PRC, but we have not confirmed whether it departed from China and stopped by North Korea," said Kim Myoung-jin, who estimated the drug haul at 88-110 pounds. "We cannot confirm that the drugs are from North Korea at this moment," he said by telephone. "We are investigating sources and relevant people now."

5. Asia-Pacific Role in Iraq War

Washington Post Foreign Service (Doug Struck, "ASIA-PACIFIC ALLIES FORCED TO DEFEND ROLE IN IRAQ WAR," Tokyo, 06/04/03) reported that the first question to the Pentagon's second-ranking official, Paul D. Wolfowitz, at a news conference in Tokyo today had none of the famous Japanese indirectness. "How do you justify the Iraqi war," a Japanese reporter asked, "when you have found no weapons of mass destruction?" Leaders of US allies in the Asia-Pacific region who supported the war are finding themselves nettled by that question in the aftermath of the fighting. In Australia, Prime Minister John Howard, who sent troops to fight alongside Americans in Iraq, has beseeched the critics to put the question behind them, now that Baghdad has fallen and Australian troops are coming home. In Japan, Prime Minister Junichiro Koizumi, whose government focused on giving humanitarian aid, was challenged in the parliament to urge the Americans to step aside for more

impartial international inspectors who would search for the weapons. And in the ROK, support by President Roh Moo Hyun for the attack on Iraq has been one element in a steady decline in his popularity. So has the US failure to find illegal weapons in Iraq. Many ROK citizens feel that the main legacy of the war, to which the ROK contributed a military field hospital and engineering units, has been to aggravate the nuclear crisis with the DPRK.

6. PRC-Iraq Missile Aid?

The Associated Press (Joe McDonald, "PRC CO. DENIES MISSILE AID TO IRAN," Beijing, 06/05/03) reported that a major PRC conglomerate on Thursday denied US accusations that it aided Iran's missile program and demanded that Washington lift "groundless and unjustified" penalties imposed on the company. Washington last month accused China Northern Industries, also known as Norinco, of supplying Iran with unspecified materials or technology that could help in developing long-range missiles capable of carrying weapons of mass destruction. Its products, which include firearms and firefighting equipment, were banned from US markets for two years. "The sanctions imposed on Norinco by the US administration are completely groundless and unjustified," the company said in a statement. "We have never assisted any country in developing such missiles. In fact, we do not have such technological capabilities." Norinco formed in 1980 as a weapons maker and expanded to include manufacturing, construction and hotels. Its Web site says the company operates in more than 10 countries. The company said it supports PRC government policies opposing the spread of weapons of mass destruction and obeys laws on the export of missile technology.

7. WHO SARS Status

The Associated Press (Audra Ang, "WHO SAYS SARS OUTBREAK 'OVER ITS PEAK'," Beijing, 06/05/03) reported that the World Health Organization declared Thursday that the SARS epidemic was "over its peak" around the globe, including in worst-hit PRC, which reported no new infections on its mainland for the second day in a row. "It's fair to say that the SARS epidemic is over its peak. We can see it globally and we can also see it in China," said Dr. Henk Bekedam, the WHO representative in the PRC. "I think that's very good news." His comments reinforced hopes that a turning point in the disease's path of transmission may soon be reached as three of the world's most severely hit areas appeared to be rallying. The US Centers for Disease Control and Prevention lifted a travel advisory for Hong Kong on Thursday, while Taiwan reported just one new case and entered its eighth day without a death from severe acute respiratory syndrome. On the mainland, the Health Ministry reported no SARS cases for the second consecutive day. Two new fatalities were reported in the northern province of Shanxi, edging the death toll up to 336.

8. ROK-DPRK Relations

The Associated Press (Kenji Hall and Soo-Jeong Lee, "CRAB SEASON PEAKS, SO DOES KOREAN CLASH," Yeongpyeong Island, 06/05/03) reported that it is peak season for catching prized blue crabs, and fishing boats and navy vessels have resumed their sometimes deadly game of cat-an--mouse in the rich fishing waters along the border of DPRK and the ROK. Confrontations have become a near-daily occurrence as boats from both countries come within hundreds of yards of each other. But this year, a nuclear dispute has added a new layer of danger. "I worry that a fight could cause us to be banned from going out to sea," said Lee Ki-ok, a 41-year-old ROK crabber. "We depend on the crabs for our living." A gunfight between rival navies would exacerbate the crisis over the DPRK's suspected nuclear weapons programs. The ROK's military is already studying whether a recent series of alleged border violations by DPRK fishing boats is an effort to gain leverage in the

nuclear dispute. Crabbing is big business here. Last year, 60 fishing boats from this island of 1,330 people caught $13 million worth of crabs. The rich crab beds are located around the Northern Limit Line. Over the past week, nervous border encounters between ROK navy patrols and DPRK fishing boats have taken place almost daily. The ROK says DPRK fishing boats have trespassed in Southern territory on eight occasions since May 25, including two incidents when the ROK's navy fired warning shots to chase the Northern boats back. The DPRK says the Southern navy infringed on its territory. Both sides have warned the other not to escalate tensions.

9. PRC Falun Gong Imprisonments

Reuters ("CHINA JAILS 180 FALUN GONG MEMBERS FOR SARS RUMORS", Beijing, 06/05/03) reported that the PRC has detained 180 members of the banned Falun Gong spiritual group for spreading rumors and recruiting new followers amid the SARS epidemic, state radio said on Thursday. The practitioners were all arrested in the northern province of Hebei, it reported. Police officials were not immediately available for comment. "They spread doomsday theories in a bid to cause panic in society and claimed that the SARS outbreak in China was a warning to those who persecute and hate the Falun Dafa," it said, using another name for the group. "They also spread falsehoods that people who practice Falun Gong will not contract SARS in order to try to spread the cult and recruit more followers," it said.

10. PRC Presidential Tour

Reuters (John Ruwitch, "CHINA'S HU ALL BUSINESS ON FIRST FOREIGN TOUR," Beijing, 06/05/03) reported that PRC President Hu Jintao returned on Thursday from his debut on the world stage having shown dozens of leaders a sharp appetite for international affairs but none of the gregariousness of his predecessor. Wooden and cautious, Hu was a sharp contrast to Jiang Zemin, whose meetings with foreign leaders were punctuated with song and dance at banquets and bear hugs. In Russia, Hu got the red-carpet treatment, saw a $150 billion oil supply deal done after years of wrangling and signed an energy pact with President Vladimir Putin. He met several dozen leaders in St. Petersburg, including those of India and Japan for the first time, marking significant steps toward improving ties with two key neighbors. In France, Hu met President Bush for the third time, agreed on the need for more talks on the DPRK nuclear issue and was invited to Washington. "All of this, I think, is very helpful to consolidating the fact that he is the president," said a senior Western diplomat. "It's very much a confirmation that his feet are under the table and he's the man now."

11. Southeast Asian Economy and DPRK

Reuters, (Elaine Lies, "SE ASIAN LEADERS SAY ECONOMY KEY TO N.KOREA CRISIS," Tokyo, 06/05/03) reported that Southeast Asian leaders struck a common chord on the vexed issue of the DPRK on Thursday, arguing that the key to resolving a nuclear crisis lay in addressing the DPRK's chronic economic problems. Philippine President Gloria Macapagal Arroyo said a true resolution of the problem required compromise on all sides, with the DPRK agreeing to drop its nuclear weapons program and other nations pledging to guarantee its communist political system and to extend economic aid. "North Korea should build up its economy, and build down its military capability, especially its nuclear weapons capability," Arroyo, who recently got a warm welcome in Washington for her support for the US wars on terror, told a seminar in Tokyo. "I believe I stand with the other leaders of the region who are deeply concerned. "We will do our role to help peace and stability, and help North Korea integrate into the regional economy," she added. "That is what their people need, and what the region should pledge to do."

12. PRC Three Gorges Dam

Agence France-Presse ("YANGTZE RIVER DIKE BREAKING AWAY AFTER THREE GORGES CLOSES SLUICE GATES," 06/05/03) reported that a dike protecting three Yangtze River villages downstream from the massive Three Gorges dam has begun to crumble and could burst under heavy rains or increased water flow on the river, a local flood official said. The collapse of the dike is believed partially due to geological changes that have occurred since the 25 billion-dollar dam closed its sluice gates on Sunday, significantly lowering water levels below the dam, the official said. "The Three Gorges Reservoir is now storing up water; this could be one of the reasons for the collapse of the dike," Yang Shiyi, director of the Yidu flood control agency in central Hubei province, told AFP. "We need to further investigate the reasons for the collapse. Hydraulic and geological engineers from the Yangtze River Water Conservation Commission are coming to look at this." Yang said a 260-meter (858-foot) long, 42-meter wide portion of the dike had collapsed on the inland side of the dike, not on the side facing the river. Three villages with some 260 residents and five companies are protected by the dike, which lies some 50 kilometers (30 miles) below the dam. "If we don't take measures, the Yangtze River dike could be in danger if a lot of water is released from the dam or if big rains come," Yang said. "This could really influence our capabilities in fighting flooding. The situation is not totally under control and further damage is likely." Besides providing massive electricity to surrounding regions, the Three Gorges Dam has been touted as a key facility for flood control for the middle and lower reaches of the Yangtze River, China's biggest river. The closing of the controversial dam's sluice gates on Sunday marked the end of the second phase of construction on the project, which began 10 years ago.

13. PRC Water Shortages

The Associated Press (Elaine Kurtenbach, "NORTHERN CHINA FACING WATER SHORTAGES," Beijing, 06/05/03) reported that millions of people in northern PRC face water shortages this summer as the Yellow River falls to its lowest level in 50 years, environmental officials warned Thursday. In addition, more than half the watersheds of the PRC's seven main rivers are contaminated by industrial, farm and household waste, the officials said in a bleak annual report on the nation's environment. "China is a country that lacks water resources, and the problem of water pollution remains severe," said Xie Zhenhua, head of the State Environmental Protection Administration. "This year our top priority is to ensure clean drinking water for our people." Booming industry and a population of 1.3 billion people have outstripped the PRC's rudimentary water and sewage systems and left its cities choked with smog. Despite improvements, air in two-thirds of the PRC's cities is still considered polluted by official standards, the environmental report said. Only one-quarter of the 21 billion tons of the PRC's annual output of household sewage is treated, Xie said. Treatment plants are being built, but will still handle only half of all city sewage, leaving rural waste water untreated. The government has forecast an annual water shortfall of 53 trillion gallons by 2030 - more than the PRC now consumes in a year.

14. Taiwan Domestic Politics

Asian Pulse ("TAIWAN PRESIDENT POSITIVE ABOUT PREMIER'S PERFORMANCE," 06/05/03) reported that Taiwan President Chen Shui-bian was yesterday upbeat on the performance of Premier Yu Shyi-kun on the economy as well as his efforts in fighting severe acute respiratory syndrome. The president made the remarks while traveling to Ilan, in eastern Taiwan, to attend a traditional dragon boat festival. The president said that the economic growth of Taiwan reached 3.54 per cent in 2002, which was better than 2.4 per cent in the US, 2.3 per cent in Hong Kong, 0.3 per cent in Japan and 0.2 per cent in Germany. He also said that Taiwan's foreign exchange reserves increased by US$40

billion at the end of last year, which set a yearly increase record. The president also spoke highly of the financial reforms and the performance of state-owned businesses under Yu's leadership. He said that domestic banks wrote off more than NT$413 billion (US$11.8 billion) in bad debts last year, and that state-owned enterprises also had outstanding performances, with only one enterprise losing money from the past where only four were making money. Chen also spoke of the National Ilan University, which is scheduled to be inaugurated August 1 this year; the smooth progress of the construction of the Shueishan Tunnel of the Taipei-Ilan Freeway, or the first highway tunnel; as well as the proposed NT$100 billion Suao-Hualien Freeway in eastern Taiwan as the achievement of Yu's Cabinet.

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