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I. United States

1. DPRK Multilateral Talks

Bloomberg ("NORTH KOREA, US DISAGREE ON COMPENSATION BEFORE TALKS RESUME," 05/11/04) reported that the DPRK and the US disagreed on compensation for the DPRK dismantling its nuclear weapons program a day before lower-level delegations from six nations meet in Beijing to discuss the issue. The US, the DPRK, the PRC, the ROK, Japan, Russia will meet tomorrow to prepare for a third round of talks at ministerial level scheduled to be held before the end of June. "It gives us a chance to state again that we don't offer any rewards or inducements to North Korea," US State Department spokesman Richard Boucher said yesterday. The DPRK's proposal for a "reward for freeze" should be the major agenda item, the official Korean Central News Agency said. The DPRK is seeking written guarantees of its security and economic aid in return ending the program. The US wants a complete, verifiable and irreversible dismantlement of the DPRK's nuclear program before it considers aid or normal ties. North Korea has made a "flexible" proposal as a "first phase measure" for tomorrow's meeting, taking into account that no confidence exists between the two countries, the Korean Central News Agency said yesterday. An "unreasonable" stand by the US "would only throw a hurdle in the way of the meeting," the news agency said. The DPRK will "take a

positive and fair stand," it said. The discussions may last several days, Boucher said at a briefing in Washington, according to a State Department transcript. The meetings may include one-on-one talks between the US and DPRK delegations, he said.

2. ROK Presidential Impeachment

Agence France-Presse ("ROK COURT TO RULE ON ROH'S IMPEACHMENT," 05/12/04) reported that the ROK's Constitutional Court is widely expected to restore President Roh Moo-Hyun to power when it issues a final ruling Friday on his unprecedented impeachment in March. Political analysts and media forecast the nine-justice court would strike down the opposition-dominated parliament's vote against the president, who took office in February 2003. "The final verdict is due at 10:00 am (0100 GMT) on Friday," Lee Sang-Cheon, a Constitutional Court spokesman, told AFP Tuesday. The court would allow broadcasters to televise the session live, he said. Roh's impeachment has been a source of instability and many analysts fear his removal from office would damage efforts to boost the ailing economy and a diplomatic drive to resolve a nuclear standoff with the DPRK. The outgoing National Assembly voted 193-2 to impeach him on March 12 on charges of violating electoral neutrality, incompetence and corruption. Roh has been suspended from office since the vote and replaced by acting president Goh Kun, the prime minister. A majority of six of the nine justices must agree to uphold the impeachment or reject it. If impeachment is upheld, Roh will immediately be removed from office and new elections will be held within 60 days.

3. ROK Iraq Troop Dispatch Delay

Agence France-Presse ("S. KOREA TO SEND NEW MISSION TO IRAQ AS TROOP DISPATCH DELAYED," 05/11/04) reported that the ROK is to dispatch a new survey team to Iraq on a mission that will further delay the country's planned deployment of thousands of troops there, officials say. The government said earlier it would send 3,600 troops to one of two destinations in northern Iraq around June. An original plan to start sending troops in April had already been scrapped. The June date has now been put back at least a month to July amid continued wrangling over the destination of the contingent, destined to be the biggest US coalition partner in Iraq after Britain. "A delayed troop dispatch is inevitable because a decision will be only made after the new survey team returns," a defense ministry official told AFP. The two destinations suggested for the deployment were Sulaimaniyah and Irbil, with officials here reportedly favoring the later and in contact with local authorities there. The decision to send a new survey team came after the Kurdish autonomous government in Irbil sent a letter calling for more discussions on details of the dispatch, spokesman Brigadier General Nam Dai-Yeon said. The letter, though it welcomed South Korea's troop dispatch, "failed to meet our expectations," he told reporters. "More discussions are needed before we send troops."

4. Inter-Korean Business Projects

Agence France-Presse ("HYUNDAI GROUP CHAIRWOMAN HEADS FOR NORTH KOREA," 05/11/04) reported that the widowed chairwoman of the ROK's Hyundai Group has left for the DPRK in an effort to speed up the group's troubled projects in the DPRK. It is the first visit to the DPRK by Hyun Jung-Eun since she took over the company after her husband, Chung Mong-Hun, committed suicide in September last year. The suicide sparked a family battle for control of the group but Hyun, 49, finally established her hold at a shareholders meeting in March. Hyun is to meet DPRK officials and inspect Hyundai's business concerns in the impoverished country during her four-day stay, Hyundai officials said. The trip reflects Hyun's determination to follow the business philosophy of her late

husband who had pioneered inter-Korean economic exchanges after a landmark inter-Korean summit in 2000. Hyun's husband jumped to his death from his high-rise office after prosecutors questioned him in connection with channeling funds illegally to the DPRK ahead of the summit. Hyundai has opened a joint tourism project in the DPRK's Kumgang resort and it is now building an industrial park in Kaesong, the DPRK's southernmost city near the inter-Korean border.

5. ROK Energy Crisis? Reuters ("SOUTH KOREA ON ENERGY CRISIS ALERT," Seoul, 05/11/04) reported that the ROK is the most exposed country in Asia to soaring oil prices, a government agency said yesterday, issuing an alert over a possible energy crisis that could hamper the country's economic recovery. A US$5 rise in oil prices would shave off US$5.5bil from the country's trade balance in a year, the state-run Korea International Trade Association said in a report. The ROK is the world's fourth largest oil importer and relies heavily on imported natural resources to supply its factories. It has forecast a US$10bil trade surplus this year. Under the same conditions, a US$5 rise in crude prices would cut US$4.3bil from the PRC's trade balance, US$3.5bil in India, US$2.2bil in Thailand and US$800mil in the Philippines, the association said. - Reuters

6. US on PRC Nuclear Suppliers Group Membership

Reuters (Carol Giacomo, "US BACKS CHINA JOINING NUCLEAR GROUP," Washington, 05/11/04) reported that the Bush administration, after fierce debate, is backing the PRC's membership in an influential group that controls nuclear exports despite the PRC's insistence on providing atomic reactors to Pakistan, a country with a troubling nuclear record. The US has sought assurances in recent days from China that power reactors for Pakistan will be subject to international safeguards but so far have not received a satisfactory response, one official told Reuters. Nevertheless, "We're supporting their membership," a State Department spokesman said. "They are a significant nuclear supplier, have a good enough non-proliferation record and have made significant improvements in exports controls on nuclear and dual-use items," he said. Whether the US would support the PRC's bid for membership in the Nuclear Suppliers Group was heatedly debated. State Department moderates backed the move while hard-liners, including Undersecretary of State John Bolton and the Pentagon, opposed it, officials said.

7. PRC Human Rights

Agence France-Presse ("TOP US LABOUR GROUP ACCEPTS CHINA INVITE OVER RIGHTS ABUSE CLAIMS," Washington, 05/11/04) reported that the largest US umbrella labor movement, which accused the PRC of trampling workers rights, has accepted an invite by the PRC's Vice Premier Wu Yi to visit the country for an "on-the-spot" evaluation of labor conditions. John Sweeney, the president of the American Federation of Labor and Congress of Industrial Organization (AFL-CIO), on Tuesday sent a letter to Wu Yi accepting the invitation made during her visit to the US last month. "I am writing to accept your invitation to visit China," Sweeney said in his letter, a copy of which was made available to AFP. The issue over the conditions of PRC workers arose when the AFL-CIO filed an unprecedented petition to the US Trade Representative's office in March seeking sanctions against the PRC for alleged abuse of labor rights. The AFL-CIO charged that violation of workers' rights artificially reduced wages and production costs in the PRC and resulted in displacement of hundreds of thousands of manufacturing jobs across America and a whopping 124 billion dollar US trade deficit with China. The Bush administration on April 28 rejected the petition and on Tuesday officially announced it in a brief Federal Register notice Tuesday. In his letter, Sweeney requested that in addition to meeting with Wu Yi and other government officials, the AFL-CIO delegation should be "given the same freedom of movement in China afforded the numerous

delegations from China that visit the US each year." The AFL-CIO offered to travel to the PRC as early as August "We would certainly appreciate any assistance your government can provide, such as helping us to obtain visas," Sweeney told Wu Yi. "We would like the freedom to develop our own itinerary, make our own travel arrangements and bring our own interpreters," he said. The AFL-CIO delegation, Sweeney added, would be a "small" one comprising American workers and international trade union leaders.

II. CanKor E-Clipping Service

1. Issue #164

Ryongchon is a bustling trade town on the DPRK's busiest route to PRC, with an estimated population of 27,000. They live in densely populated neighbourhoods, in flimsy houses built with cinder blocks, clustered along narrow alleys. Only last year the DPRK's state-run media praised Ryongchon for its "revolutionary" increases in productivity at a factory making mining machines. In a testament to its industrial prowess, Ryongchon led the energy- starved country's drive in the early 1990s to build windmills for electricity generation. Ryongchon was virtually unknown to the outside world until 22 April 2004, when a deafening explosion ripped through the city centre. Satellite photos provided initial images of black smoke rising from a large area around the train station. First estimates in the ROK media put the number of casualties at 3,000. The World Food Programme later confirmed more than 170 deaths, with 1,300 injured. Among the dead were 76 children whose school was levelled by the blast. Nearly 8,000 were left homeless, without medicine or water, in a country already in dire need. Returning by train from a secret meeting in Beijing, DPRK leader Kim Jong Il had passed along the same route only nine hours earlier. Security authorities initially closed the country to traffic and cut telephone lines to the outside world. A day later, they confirmed that the disaster was accidental. During a shunting operation, electric wires reportedly ignited a train loaded with the highly combustible chemical fertilizer ammonium nitrate. The DPRK appealed to the world for help, and invited UN agencies and NGO representatives to visit the site. The response was an outpouring of global aid, so far totalling US$6.6 million. International aid workers have welcomed unprecedented cooperation by the DPRK authorities, including unlimited access to the Ryongchon disaster zone and hospital. The White House announced on 26 April that the USA will provide US$100,000. Japan, which has withheld aid for more than two years, will donate an equivalent amount in medical assistance. "If we can build trust through contacts like this, it will help," says the North Korean Deputy Ambassador to the UN Han Song-ryol after confirming his country agreed to accept American assistance. There are those who see this disaster, with its great human cost, providing the catalyst for a turning point in the world's tenuous relations with the DPRK.

For more information: http://www.cankor.ca

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of other NAPSNet resources.
We invite you to reply to today's report, and we welcome commentary or papers for distribution to the network.

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