

Pyongyang Report

News and views on DPRK - North Korea

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COMMENTARY

The shutdown of the DPRK plutonium reactor, the New York Times noted angrily last week, shows that 'real nonproliferation diplomacy can produce real results' as long as it is stripped of 'empty, ideological posturing'. The target of the Times' fulminations was not, as is usually the case, and as it will probably be again tomorrow, the government in Pyongyang, but that in Washington. Tearing up the agreement it had inherited from the Clinton administration had only produced an 'embarrassing outcome for the hard-line tactics favored by Vice-President Dick Cheney'. The Bush administration, recalled the Times, had 'walked away from Mr. Clinton's deal in 2002, with sensational charges, from which it has since retreated, that North Korea was pursuing a second, secret bomb-making program based on uranium enrichment.' We might recall that the newspaper had itself published an embarrassed mea culpa that the administration's 'sensational charges' about Iraq, subsequently proven fraudulent, had misled it into enthusiastically supporting the disastrous invasion. Were the charges against DPRK equally fraudulent? Probably, but since they cannot be disproved – and there's the rub – the Times is left with nagging doubt, and anger about 'the six bombs' worth of nuclear fuel Pyongyang produced while Washington strutted and postured.'

Strong words from an erstwhile support of the president's North Korea policy, but does it signify a sea change in American policy? That, regretfully, is not so certain.

With the Six Party Talks having resumed, and now adjourned until September, with working groups meeting in the meantime, it is timely to attempt to ascertain prospects. It makes sense to take the six countries in turn. No country outside that charmed circle can affect the outcome of the talks. With the exception, of course, of the Middle East. The quagmire there, and the prospect of an attack on Iran, reports the *Washington Post*, is requiring the President and his cabinet to focus and pare down commitments elsewhere, including the Korean peninsula. If the US position in the Middle

East deteriorates further, then the administration may be more prepared to do a deal on Korea.

Of the six countries themselves, both the DPRK and the US can destroy the peace process, but only the US can make it succeed. The other countries are only supporting players who can assist the principal actors but not affect the outcome.

Russia's involvement with the talks has been strengthened with its assistance in transferring DPRK funds from the Banco Delta Asia (BDA) in Macau. China's role as the host of the talks gives it a central position as a conciliator and facilitator. It is North Korea's main trading partner and investor and, after Canada, America's main trader. This makes it very important to both North Korea and America to a degree that no other country approaches. On the other hand, the rise of China is what, apart from the Middle East, is increasingly dominating US strategic thinking and is arguably the driver behind its Korea policy. China is thus very cautious in dealing with the US and anxious not to offer any provocation or excuse to the hawks in Washington. It attempts to ease Washington into a negotiated settlement with Pyongyang that will preserve the status quo in Northeast Asia, and defuse tension.

A prime beneficiary of that tension, and a major driver of it, has been Abe Shino's thrust for a remilitarised and probably nuclear-armed Japan. Abe is resisting strong pressure to step down after the Liberal Democratic Party defeat in the Upper House elections on 29 July. Whether he stays or goes will probably not make much difference in the short run. The LDP has had its mandate dented, but that is not because Korea-bashing is not popular, but because its appeal was insufficient to overcome other deficits. Abe's likely successor Taro Aso is just as hawkish and will almost certainly play the North Korea card with the same gusto, and for the same reasons. While Seoul has indicated frustration at Abe's deceitful exploitation of the 'abductee issue' at the talks, Pyongyang has expressed outrage and warned that 'full implementation' of the February agreements depends on Japan as well as the US. However, it is difficult to see what more damage Japan can do. It has cut off trade and the

flow of remittances to the DPRK and cracked down on the pro-Pyongyang Korean organisation in Japan. Its ability to have an autonomous effect on the agreement is circumscribed by the American government, and here the signals are mixed. During Abe's visit to Washington in April Bush appeared to agree that the DPRK could not be removed from the Terrorism List until Japan was satisfied that the abductee issue had been resolved. Rice, realising that meant giving Abe a veto over the negotiation process, which he would wield, stepped in and categorically said that the abduction issue was irrelevant because it did not involve US citizens.

The US government is legally obliged to employ sanctions against countries on the Terrorism List and being taken off of the list has been a major DPRK demand. In the February agreement Washington promised to 'begin the process of removing the designation of the DPRK as a state-sponsor of terrorism and advance the process of terminating the application of the Trading with the Enemy Act with respect to the DPRK.' The DPRK has warned that it would not move beyond mothballing its programme unless that promise was honoured.

Perhaps it was by coincidence, or perhaps not, that the incident which caused the DPRK to be put on the list in the first place has just resurfaced in Seoul. In 1987, just as South Korea was preparing for presidential elections, Korean Airlines flight KAL858 was blown up in mid-air, killing all 115 people on board. The atrocity was blamed on North Korea, which denied involvement. There have been doubts about responsibility ever since, which have been kept alive by relatives of the victims. One reason for suspicion was that the incident benefited not the North, nor the South Korean left, but the military's candidate, Roh Tae-woo, creating by one calculation 2 million extra votes and transforming him from a general to a president. It has been alleged that agents of Roh's mentor, Chun Doo-hwan, the retiring dictator, were behind the bombing. An inconclusive investigation by the National Intelligence Service (successor organisation to the one suspected of the bombing) in 2005 left the relatives unsatisfied and the case has just been reopened by the Truth and Reconciliation Commission.

If the commission clears the DPRK and indicts the Chun regime, or even if it casts doubt on the verdict, this could facilitate de-listing and the removal of this barrier to moving the agreement forward. It would also have an impact on public opinion in South Korea in this election year. The opposition Grand National Party (GNP), presumably calculating that peace was on its way and that election prospects would be imperilled if they adhered to a confrontational North Korea policy when Washington was coming to terms with Pyongyang, has recast its policy to one not

dissimilar to that of the ruling party. Engagement is in the air. Whether the GNP is correct in its assumption about Washington is another matter.

Pyongyang, for its part, has moved with alacrity to implement its promise, under this stage of the agreement, to suspend its nuclear programme and to invite in the International Atomic Energy Agency (IAEA). However, it has frequently reiterated that the agreement specifies that the process is a mutually sequential one – 'action for action' – and that it will not carry out the subsequent stages unless the US (and Japan) honour commitments under preceding ones. The lifting of financial sanctions is one example of this, as is the removal from the Terrorism List. More difficult and less fixed in sequence, is the issue of Light Water reactors (LWRs) which the Chinese-drafted Joint Statement of September 2005 had deliberately left vague.

It is ominous that US negotiator Chris Hill has brushed aside the comments by the DPRK's Kim Kye Gwan that they would not fully disable their reactors until they got the LWRs they had long claimed, and had been promised under the Agreed Framework. Hill, with great chutzpah, said that the US would 'discuss' the provision of LWRs 'when North Korea gets out of this dirty nuclear business that they've been in and returns to the Nuclear Nonproliferation Treaty'. When, one wonders, will the US honour its commitment under the NPT and get out of this same dirty nuclear business?

It seems unlikely that Pyongyang will irreversibly disable its nuclear programme on the hope that Washington will accede to its requests when it has no bargaining chips left. This issue alone could send the process into limbo. There are others, notably the issue of uranium enrichment. It will be difficult, probably impossible, for North Korea to do anything which will satisfy American critics of the agreement (just as it will be impossible for the US to prove that it has no nuclear weapons in South Korea). There is one slight possibility that a way around this may be found. The South Korean press has reported that a North Korean diplomat has suggested that the matter be resolved "in the style of Kungchang-ri". This remark is an allusion to the site which the US alleged in 1999 had nuclear facilities in violation of the Agreed Framework. The US handed over a considerable amount of food aid in order to be allowed to make an inspection, which disproved the allegations. A similar arrangement would only work this time, however, if the US were to specify a site, but American reports on claims to have knowledge of an uranium enrichment facility are contradictory.

Beyond the negotiating issues which could scuttle the agreement lies the fundamental disunity and incoherence of the Bush administration. Indicative of this was the allegation in January, just

when Hill was negotiating with Kim in Berlin the deal that was to lead to the February agreement, that the DPRK was misappropriating 'tens of millions of dollars' from the United Nations Development Programme (UNDP). The charges, laid by Mark Wallace, a protégé of John Bolton at the UN, were easily refuted by the UNDP, and an external audit ordered by the obliging Ban Ki-moon cleared them. Undeterred, Bolton's successor at the UN, Zalmay Khalilzad returned to the attack with blatantly vexatious complaints, including one that the UNDP had supplied books for a study programme of the Institute for Peace and Disarmament in Pyongyang, including one on the psychology of nuclear proliferation written by an American academic and published by Cambridge University Press for £19.95. That this was allowed to go on while Under-Secretary Hill was conducting delicate negotiations with the DPRK says a lot about dissension within the Bush administration and the lack of strategic leadership.

There have been rumours about a planned summit between Roh Moo-hyun and Kim Jong Il,

and if this comes off, and is as successful as the one in 2000, it will do much to help the peace process. Less talked about and less likely, but more important, would be a visit by Secretary Rice to Pyongyang. If that were to happen, and were as successful as Albright's in 2000, it could give a crucial impetus to the negotiations. It would help bind her personally to a negotiated settlement. That means a lot, because the really important negotiations are not taking place in Pyongyang, Seoul, or even Beijing, but in Washington. There is a lot of opposition within the US political elite and media to a settlement involving peaceful coexistence, the only settlement Pyongyang will accept. It runs from Vice President Cheney downwards and has many supporters, in and out of office. If Rice decides that peaceful coexistence is acceptable and necessary, and fights for it, she might conceivably bring it off.

Tim Beal

FULL IMPLEMENTATION OF FEBRUARY 13 AGREEMENT DEPENDS ON U.S. AND JAPAN

Pyongyang, July 15 (KCNA) -- Given the fact that the DPRK has fulfilled all its commitments, the full implementation of the February 13 agreement depends on how the other five participating countries of the six-party talks honor their commitments on the principle of "action for action" and on what practical measures the U.S. and Japan, in particular, will take to roll back their hostile policies toward the DPRK. ...

The DPRK suspended the operation of the above-said nuclear facilities on July 14, the day the first shipment of 50,000 tons of heavy oil arrived and allowed members of the International Atomic Energy Agency to monitor the facilities according to the agreement.

Taking into consideration the fact that the DPRK was supposed to suspend the operation of its nuclear facilities from the time 50,000 tons of heavy oil has been provided according to the February 13 agreement, this means the DPRK's earlier fulfillment of its promise than scheduled and a manifestation of its good faith towards the agreement.

The provision of substitute energy including heavy oil is by no means "aid" in the form of charity but compensation for the DPRK's suspension of its nuclear facilities and the activities of the IAEA in Nyongbyon are not "inspection" but limited to verification and monitoring.

Source: KCNA, Pyongyang, 15 July 2007

SPOKESMAN FOR DPRK FOREIGN MINISTRY ON ISSUE OF IMPLEMENTATION OF FEBRUARY 13 AGREEMENT

Pyongyang, July 6 (KCNA) -- A spokesman for the DPRK Foreign Ministry gave the following answer to the question put by KCNA Friday as regards the issue of the implementation of the February 13 Agreement:

After the settlement of the issue of the remittance of the funds frozen in the Banco Delta Asia in Macao, the DPRK is implementing its commitments under the agreement much earlier than the promised time and order.

It was agreed at the six-party talks that the DPRK would suspend the operation of its nuclear facilities within 30 days after the lifting of the financial sanction against it.

The delayed remittance of the funds procrastinated on the start of implementation of the February 13 agreement but the DPRK allowed a delegation of the International Atomic Energy Agency to visit the DPRK just one day after the completion of the fund remittance proceeding from a goodwill stand to make up for the loss of time, substantially kicking off the process to suspend the operation of its nuclear facilities.

The above-said agreement calls for providing 50,000 tons of heavy oil to the DPRK in the same period, but it was reported that the shipment of the total quantity is expected to be completed early in August.

Prompted by the desire to facilitate the process of the six-party talks, the DPRK is now earnestly examining even the issue of suspending the operation of its nuclear facilities earlier than expected, that is from the moment the first

shipment of heavy oil equivalent to one-tenth of the total quantity is made, without waiting for the total quantity of heavy oil to reach its port and making preparations for the job.

The parties concerned have already been informed of this.

Nevertheless, some elements are now spreading misinformation that the DPRK is raising a new demand as regards the implementation of the agreement. This indicates that the forces displeased with the smooth implementation of the agreement are still at work.

The agreement should be honored not only by the DPRK but by all the countries participating in the six-party talks on the principle "action for action".

Other participating countries are also obliged to hasten the preparations for honoring their commitments including energy aid amounting to 950,000 tons of heavy oil, the remaining quantity to be provided.

It is a stark fact already known to the world through the agreement that the DPRK cannot unilaterally suspend the operation of its nuclear facilities unless other participating countries fulfil their commitments.

The DPRK may not trust them if steps are not taken to make political and economic compensation as promised, even after it has taken to suspend the operation of its nuclear facilities. In that case, the resumption of its nuclear activity will assume legitimate nature.

Source: KCNA, Pyongyang, 6 July 2007

U.S. URGED TO PROVE ITS INTENTION NOT TO MOUNT NUCLEAR ATTACK ON DPRK

Pyongyang, July 14 (KCNA) -- The U.S. should prove its confirmation made in the September 19 joint statement adopted at the six-party talks that it has no nuclear weapons in south Korea and that it has no intention to attack or invade the DPRK with nukes or conventional weapons in a verifiable manner to be quite understandable to others. ...

The U.S. moves to introduce nuclear weapons into south Korea started with its July 15, 1957 declaration that it would start introducing nuclear weapons into south Korea. Such moves continued even after the conclusion of an international convention banning the introduction of nuclear weapons to non-nuclear states and zones, the statement said, and went on:

The U.S. announced in July, 1992 that it had withdrawn all tactical nuclear weapons from south Korea. But it has professed the "NCND policy" which proves that it cannot but admit the fact that nuclear weapons exist in south Korea.

It is like a guilty party filing the suit first that the U.S. is raising a hue and cry over other's "nuclear issue" and "nuclear threat" while shelving

its criminal introduction of nuclear weapons into south Korea.

The settlement of the nuclear issue on the Korean Peninsula entirely depends on the U.S. switchover in its policy toward the DPRK.

The U.S. should stop such a foolish act as threatening the Korean nation with nukes and quit south Korea taking with it its nuclear war hardware without delay.

Source: KCNA, Pyongyang, 14 July 2007

MOVING BEYOND THE SHUTDOWN OF THE YONGBYON REACTOR

By Selig S. Harrison, Director of the Asia Program at the Center for International Policy

Getting North Korea to suspend the operation of its Yongbyon reactor is the easy part of the nuclear negotiations with Pyongyang. Ever since the start of the six-party process in August 2003, North Korea has repeatedly offered another freeze, only to be consistently rebuffed until the Bush Administration reversed its position in the February 13 Beijing agreement.

Now comes the hard part of the negotiations. Pyongyang is not likely to take any of the further denuclearization steps envisaged in the agreement unless the United States reciprocates with step-by-step moves toward the normalization of relations, starting with the removal of North Korea from the State Department's list of terrorist states.

Removal from the terrorist list is the essential prerequisite for moving toward North Korea's membership in the World Bank, the International Monetary Fund and the Asian Development Bank. This would set the stage for the large-scale economic assistance needed to modernize the North Korean economic infrastructure.

The United States is ready to take North Korea off the terrorist list, but Japan insists that the abductee issue must be settled first on Japanese terms. The Shinzo Abe government is in no hurry to see the nuclear issue resolved because demonizing North Korea helps to build support for a Japanese nuclear weapons program. ...

The agreement promises an overall total of one million tons of fuel oil, but does not specify when this will be supplied and does not link the fuel oil flow to specific steps by North Korea. The next North Korean step stipulated in the agreement is "disabling" the reactor, and a North Korean source said that Pyongyang expects disbursement of the entire one million tons to be completed "in conjunction with the disablement process."

Hard-line critics of the agreement in Washington want the Bush Administration to focus not on disablement of the aging Yongbyon reactor but on North Korea's commitment to provide an itemized list of all of its nuclear facilities. Former Undersecretary of State John Bolton urged the Administration in a July 3 Wall Street Journal

article not to provide the one million tons of fuel oil or other energy aid until Pyongyang complies with the “central terms of the February 13 agreement, namely the full disclosure and elimination of all other nuclear activities outside of Yongbyon,” including plutonium extracted from the spent fuel rods at Yongbyon, weapons fabricated with that plutonium and the “full extent” of its alleged uranium enrichment activities.

Secretary of State Condoleezza Rice gave priority to disabling the reactor in a June 28 statement in which she urged “rapid progress” in carrying out the agreement. But North Korea, signaling that progress could well be tortuous, has suggested that the disablement process will be stretched out in stages after agreement is reached with the International Atomic Energy Agency on what will be done in each stage. Pyongyang clearly intends to use slice-by-slice “salami tactics” to keep the process going in order to maximize U.S. concessions.

Since a quick resolution of the terrorist list issue is unlikely, my view is that the best and perhaps the only way to get North Korea to go beyond disablement of the Yongbyon reactor would be to go beyond fuel oil deliveries and move steadily ahead with other large-scale energy aid. In addition to keeping the full one million tons flowing, a major additional program should be developed and financed by South Korea, China, Russia, Japan and the United States to rehabilitate and modernize North Korean coal mines and related transportation facilities. ...

To be sure, Pyongyang’s preference would be for light water nuclear reactors for electric power generation because it has indigenous uranium reserves and would not have to rely on external sources for low-enriched uranium (LEU) reactor fuel if it can make its own LEU. Is South Korea ready to resurrect the Korean Energy Development Organization’s light water reactor program in some form despite US opposition? If not, a coal modernization program should be given priority by the Energy Working Group envisaged under the February 13 agreement.

Source: Hankyoreh, Seoul, 18 July 2007

FIVE YEARS LATER IN NORTH KOREA

North Korea’s decision to shut down its plutonium-producing reactor and admit international inspectors was only the first of several steps it needs to take under the deal it made with the United States and five other countries in February. But that initial progress, confirmed officially yesterday, shows that real nonproliferation diplomacy can produce real results.

These two steps are also important in themselves, since they freeze North Korea’s production of the plutonium it could use to build

more bombs for itself or help another nation or terrorist group achieve nuclear weapons status.

For more than four years, the Bush administration preferred empty, ideological posturing to pragmatic deal-making, with disastrous results. North Korea used the interval to extract enough plutonium to build six nuclear bombs, capped by a nuclear bomb test last October.

Such an embarrassing outcome for the hard-line tactics favored by Vice President Dick Cheney created enough of an opening for Assistant Secretary of State Christopher Hill to negotiate the agreement that led to this weekend’s shutdown.

The next steps North Korea needs to take include permanently disabling the plutonium reactor and providing a complete inventory of all its remaining nuclear weapons.

The February agreement also commits North Korea to eventually eliminate those nuclear assets, but a timetable for doing that still has not been negotiated.

Those commitments go well beyond the requirement of the 1994 deal negotiated by the Clinton administration, inherited by Mr. Bush when he took office. That earlier agreement also froze plutonium production at the reactor and admitted inspectors from the International Atomic Energy Agency, the same two steps taken last weekend.

But the Bush administration walked away from Mr. Clinton’s deal in 2002, with sensational charges, from which it has since retreated, that North Korea was pursuing a second, secret bomb-making program based on uranium enrichment.

The ground lost over the intervening years has now been largely recovered, except, of course for the six bombs’ worth of nuclear fuel Pyongyang produced while Washington strutted and postured.

Source: Editorial New York Times, 17 July 2007

U.S. TO ANNOUNCE NUCLEAR EXCEPTION FOR INDIA

By David E. Sanger

WASHINGTON, July 26 — Three years after President Bush urged global rules to stop additional nations from making nuclear fuel, the White House will announce on Friday that it is carving out an exception for India, in a last-ditch effort to seal a civilian nuclear deal between the countries.

The scheduled announcement, described Thursday by senior American officials, follows more than a year of negotiations intended to keep an unusual arrangement between the countries from being defeated in New Delhi.

Until the overall deal was approved by Congress last year, the United States was prohibited by federal law from selling civilian nuclear technology to India because it has refused to sign the Nuclear Nonproliferation Treaty. ...

The problem is a delicate one for the administration, because this month American officials are working at the United Nations Security Council to win approval of harsher economic sanctions against Iran for trying to enrich uranium. India is already a nuclear weapons state and has refused to sign the treaty; Iran, a signer of the treaty, does not yet have nuclear weapons. ...

Because India never signed the treaty, it too was considered a nuclear outlaw for decades. But Mr. Bush, eager to place relations with India on a new footing, waived many of the restrictions in order to sign the initial deal. It was heavily supported by Indian-Americans and American nuclear equipment companies, which see a huge potential market for their reactors and expertise.

Representative Edward J. Markey, a Massachusetts Democrat who opposed the initial deal and said he would try to defeat the new arrangement, said Thursday, "If you make an exception for India, we will be preaching from a barstool to the rest of the world."

Though India would be prohibited from using the fuel it purchases from the United States for nuclear weapons, the ability to reprocess the fuel means India's other supplies would be freed up to expand its arsenal.

"It creates a double standard," Mr. Markey said. "One set of rules for countries we like, another for countries we don't."

Robert J. Einhorn, a scholar at the Center for Strategic and International Studies, said that in "the first phase of negotiations with India, the administration made concessions that put the country on par with countries that have signed" the Nonproliferation Treaty. (Israel and Pakistan are the only other countries that have refused to sign it, and North Korea quit the treaty four years ago.)

"Now we've gone beyond that, and given India something that we don't give to Russia and China." ...

Source: New York Times, 27 July, 2007

NK WANTS TO JOIN IMF, WORLD BANK

By Kim Yon-se

South Korea has expressed its willingness to back North Korea's move to join the International Monetary Fund (IMF) and the World Bank.

At a news briefing in Seoul Sunday, five lawmakers from the Uri Party, who visited Pyongyang for four days from May 2, said the North is considering applying for membership of the Washington-based World Bank and the IMF.

"We've promised to help North Korea become a member of international organizations," said Rep. Kim Jong-yull who met North Korean leaders, including Kim Yong-nam, chairman of the Presidium of the Supreme People's Assembly.

The United States and several developed countries have shown a lukewarm attitude over North Korea's entry into international

organizations, including the Asian Development Bank (ADB).

According to South Korean government officials, the U.S. — a major shareholder in the IMF, World Bank and ADB — has played a major role in rejecting Pyongyang's repeated applications for admission, demanding the disposal of nuclear facilities.

The five lawmakers of the Uri Party and the North's leaders also discussed ways to create a joint peace zone at the mouth of the Han, Imjin and Yeseong rivers.

According to the lawmakers, North Korea reiterated its willingness to normalize diplomatic ties with the United States. The North Korean authorities want their willingness to be conveyed to President Roh Moo-hyun and Washington, said Rep. Kim Hyuk-kyu, chief of the delegation.

He also said the two Koreas have shared a consensus on the need to launch an inter-Korean agency to build a waterway between Seoul and Gaesong, and an ecology park, and to open border rivers along the Demilitarized Zone for joint development and utilization.

They also discussed the development of a joint special economic zone, named the New Yellow Sea Joint Special Economic Zone. Seoul also promised to help the North develop a heavy industrial complex near Haeju. The two sides also agreed to jointly develop coalmining in Dancheon, South Hamgyeong Province, North Korea.

The two sides also discussed sports exchanges for national reconciliation and a joint team for the 2008 Beijing Olympics. The North will consider allowing its soccer players to join in K-League matches in the South, he added.

Source: Korea Times, Seoul, 6 May 2007

AGENCY TO SEEK KAL BOMBING TRUTH

By Ser Myo-ja

The truth commission said yesterday it will reinvestigate two of the defining moments of Korea's modern history: the 1987 Korean Air bombing by North Korea and the 1974 assassination of First Lady Yuk Young-soo.

The organization, formally known as the Truth and Reconciliation Commission, issued a press release yesterday and said its members will try to answer unresolved questions, including whether the South Korean spy agency was involved in the explosion of Korean Air Flight 858 over the waters near Myanmar.

On Nov. 28, 1987, the flight left Baghdad, Iraq, for Seoul via to Abu Dhabi and Bangkok. The explosion killed all 115 passengers and crew aboard.

At the time, the investigative authorities announced that two North Korean agents were responsible for the act, ordered by Kim Jong-il in

an attempt to undermine South Korea's 1988 Olympics bid.

The National Intelligence Service reinvestigated the case in December 2005, and announced in 2006 that the Chun Doo Hwan regime had used the incident to help get Roh Tae-woo elected as his successor by stoking North Korean fears.

The spy agency, however, did not interview Kim Hyon-hui and other intelligence officials of the time. Seventy-two members of the victims' families filed a petition to the truth commission in November of last year.

The commission said it will focus on whether the nation's main spy agency at the time had known about or taken part in the incident.

Source: JoongAng Ilbo, Seoul, 12 July 2007

KAL 858 BOMBING INVESTIGATION LAUNCHES AGAIN

Inquiry initiated by victims' families looks at NIS involvement

The Truth and Reconciliation Commission, headed by Father Song Ki-in, announced on July 11 that it has launched an investigation into the KAL 858 bombing which took place just a month ahead of the 1987 presidential election. The investigation was launched at the request of 73 of the victims' family members.

Korean Air Flight 858, with 115 people on board and bound for Seoul from Abu Dhabi, disappeared off the radar over the Indian Ocean off Myanmar on November 29, 1987. Later, Korea's spy agency which at the time was known as the Korean Agency for National Security Planning announced that the flight had exploded mid-air, due to explosives planted in the cabin of the plane by North Korean agents. A few days prior to this announcement, the agency had arrested a woman called Kim Hyun-hee, or Mayumi, as one of two suspects in Bahrain and brought her to Seoul. The spy agency said that Kim had staged the bombing under North Korean orders in order to hinder the 1988 Seoul Olympics.

The bombing was cited as one of the main reasons that the candidate of the ruling conservative party, established by the military dictator Chun Doo-hwan, won the presidential election, as it stirred public opinion toward the conservative party.

But suspicions around the bombing have continued to linger, especially due to the fact that no remains from the flight have ever been discovered. Some families of the victims have also indicated that certain "facts" in the investigative report authored by the spy agency contradicted the facts around the bombing.

Kim admitted to the crime and was sentenced to death in a court before Roh Tae-woo, Chun's successor and the candidate who was elected a month after the bombing, granted her a pardon. She

later married one of the men from the spy agency that investigated her.

According to the commission, in the process of investigating the bombing in 2005, the National Intelligence Service (NIS) Development Committee for Clarifying the Past could not solve growing doubts about the case by exempting former North Korean agent Kim Hyun-hee and core officials of the NIS from the investigation.

The NIS committee in 2005 said that the so-called "Rainbow Operation" had used the bombing as a means to elect the ruling party's candidate in the presidential election which was held just a month after the bombing.

The Truth and Reconciliation Commission, however, now feels it is necessary to conduct an in-depth investigation on allegations surrounding the NIS and Kim Hyun-hee. The committee wants to clarify whether or not the NIS had known about the explosion in advance and interfered with the bombing.

The commission has also decided to probe the assassination of former first lady Yook Young-soo, which took place in 1974. Yook, wife of the military dictator Park Chung-hee, was shot dead by one of the participants at the independence day celebration held in a Seoul building that year. The Korea Central Intelligence Agency, then spy agency, later claimed that the assassin, caught on the spot, had gotten his orders from North Korea.

"Suspicions about how the assassin, Moon Seokwang, could have participated in the event without an ID card have been raised time and again. It is imperative that we clarify the truth," said a representative from the commission.

Source: Hankyoreh, Seoul, 12 July 2007

DPR KOREA: BAN KI-MOON SAYS AUDIT FINDS NO LARGE-SCALE DIVERSION OF FUNDS

An external audit of the United Nations' activities in the Democratic People's Republic of Korea (DPRK) has found there has been no large-scale or systematic diversion of UN funds provided by the world body's agencies to help in humanitarian relief efforts, Secretary-General Ban Ki-moon said today.

In a statement released by his spokesperson, Mr. Ban said the report by the independent UN Board of Auditors "does point to some of the difficulties" that UN agencies have had in operating in the DPRK.

"On independence of staff hiring, foreign currency transactions and access to local projects, the report identifies practices not in keeping with how the UN operates elsewhere in the world," the statement said, adding however that the allegations of large-scale diversion of funds by the Pyongyang Government were not confirmed. ...//.

After the issue came to light, Mr. Ban promised an external, system-wide probe of UN activities in

the field, calling first for a review of all UN activities, ranging from staff hiring to hard currency, in the DPRK from 1998 to the present.

“Today’s report represents the first results of this ongoing effort” to systematically probe the world body’s activities in the field, the spokesperson’s statement said.

Also responding today, UNDP said that in spite of the challenging conditions posed by the DPRK, the agency did not violate its own rules or regulations.

“Overall, we believe that the audit report confirms what we have said all along, namely that UNDP had a relatively small programme in DPRK and certainly much smaller than the huge figures that have been circulating,” with a budget of only \$2 million to \$3 million annually as opposed to the hundreds of millions that have been reported, the agency’s Director of Communications, David Morrison, told journalists in New York.

He said that over the past decade, UNDP funds have added up to less than 2 per cent of all development assistance that has gone into DPRK and only approximately 0.1 per cent of foreign currency inflows into the country.

Mr. Morrison also stressed that any international operation in the DPRK involves payment either in hard currency or in local currency. UN agencies, international non-governmental organizations (NGOs), foreign diplomatic missions and tourists must pay in either hard currency or the DPRK won, in which case hard currency must be converted at a bank in the country, with currency entering the country either way.

Although the audit report contained findings suggesting that UNDP had made certain payments directly in hard currency instead of converting it at the local bank and using DPRK currency, Mr. Morrison pointed out that there are no restrictions on utilization of foreign money in the agency’s financial rules and regulations.

Another topic in the Board’s purview was the hiring of Pyongyang Government employees on secondment from national ministries as local staff, which, in the DPRK, has “always been of an exceptional nature” and not in strict adherence with its policies in other countries, Mr. Morrison said.

But these hiring practices have been in use for the almost three decades the UNDP has been operational in the DPRK and thus the agency’s board was well aware of it. Other UN agencies, international NGOs and foreign diplomatic missions in the DPRK employed the same hiring procedures. ...//..

Source: United Nations News Centre, 1 June 2007

U.N. DEVELOPMENT AGENCY REBUTS U.S. CHARGES OF WASTEFUL SPENDING IN NORTH KOREA

By Warren Hoge

UNITED NATIONS, June 28 — The deputy chief of the United Nations Development Program has shot back at American accusations that it had squandered millions of dollars in North Korea, saying the amount far surpassed what the program had at its disposal and questioning the authenticity of documents the American mission provided to back up its claims.

In a confidential letter delivered Thursday evening to Zalmay Khalilzad, the United States ambassador, the official, Ad Melkert, said the money amounts, vendor names and transaction dates supplied by the United States had been examined against his agency’s records and “there is not a single match.”

He said the volume of payments that the Americans claimed that the program had made to North Korean government entities was “significantly higher” than the total that the office had for all purposes in the country...//..

The letter is the latest in a series of frosty exchanges between Mr. Melkert and American officials in the six months since Mark D. Wallace, the deputy American ambassador for management, accused the program of serving as “a steady and large source of hard currency” for the North Korean government.

The program, Mr. Wallace wrote then, has been “systematically perverted for the benefit of the Kim Jong-il regime rather than the people of North Korea,” and he suggested that the United Nations money might have ended up financing North Korea’s nuclear program.

The new letter was made available by an official interested in combating the wide attention that the American allegations had received through briefings by Mr. Wallace for selected news outlets, editorial writers, members of Congress and nations that finance the development program...//..

On June 1 a preliminary United Nations audit offered no support for the charge that systematic large-scale diversions to the North Korean government had occurred, but it said the program had broken its own rules by hiring workers selected by the government and paying them in foreign currency.

Then the United States raised a series of new charges, and program officials responded to each point.

To Mr. Wallace’s charge that the program had transferred \$7 million to its counterpart agency in the North Korean government, the program said that the amount actually had been \$175,000 and that most of it had gone for workshops on vegetable growing and seed processing.

The program reiterated the same \$175,000 figure in reply to a second allegation: that an additional \$2.8 million in program money had gone to North Korean missions in New York and Europe and had been used to purchase buildings and houses in Britain, France and Canada.

The agency also turned aside Mr. Wallace's accusations that it had procured equipment for North Korea that could be put to military use. It said the equipment, which included global positioning systems, personal computers and a portable spectrometer, an optical device, had been purchased under a program, common in developing nations, that monitors natural disasters and helps to estimate crop yields.

Mr. Melkert also denied that his agency had paid \$2.7 million to the Zang Lok Trading Company, a banking institution based in Macao that Mr. Wallace said was linked to a North Korean financial agent involved in weapons sales.

According to banking records, Mr. Melkert said, the development program's total payments to Zang Lok from 1999 to the present amount to \$52,201.95 and went for workshop equipment and computers for Unesco, the United Nations Educational, Scientific and Cultural Organization, and for the World Intellectual Property Organization. The development program had no transactions with Zang Lok on its own account, he said.

Totaling up the charges, Mr. Melkert said in his letter to Mr. Khalilzad that "the allegation that U.N.D.P. transferred \$15 million in cash to the D.P.R.K. government in the period 2001-2005 is not supported as our banking records show that the country office did not have this magnitude of resources at its disposal."...//..

Mr. Melkert said that only an average of \$2.5 million a year had been available from 2001 to 2005 and that the sum included all payments made by the country office supporting development program operations and some other United Nations functions.

Source: New York Times, 29 June 2007

TEACHING, AND LEARNING, IN PYONGYANG

Tim Kearns is a primary school teacher from Christchurch who recently spent three months teaching in Pyongyang. It was an interesting and worthwhile experience, as he recounts, with many surprises.

Being asked what one thinks of George W. Bush is, in our western society, an unusual question. With Bush bashing being de rigueur it's a redundant question for most and the answer seems all too obvious. But how about being asked that same question by a 16 year old.....North Korean.....in a school in central Pyongyang.....with an audience of 18 students and 6 teachers.....under the gaze of the Great Leader and Dear Leader?

As the first known western foreigner (if not, foreigner) to teach English, in the school system (outside of university) in the Democratic People's Republic of Korea, situations such as this were unexpected and refreshingly went against the grain of common western perceptions of the 'Hermit Kingdom.' It was one of the last questions I thought I'd hear in a classroom situation.

I shuffled uncomfortably as the boisterous roars of laughter rang out from staff and students alike. "I'm not really here to answer those kind of questions," I replied in an apolitical, piss-weak kind of way. I joined them in laughter, only too aware I'd either avoided an international incident.....or, more to the point, a chance for a great comedic comeback.

My three months in Pyongyang were spent teaching English at three middle schools. Middle schools cater for students ranging in age from 11 to 16. Initially I was to teach at one school only, the June 9 Daesong Middle School No. 1, a district middle school and designated New Zealand/DPRK Friendship School by the NZ/DPRK Friendship Society. When I arrived in Pyongyang I was informed that I would also be teaching at two of the three elite schools of Korea, Kumsong College and Kumsong Middle School No. 1.

My brief was to follow the set curriculum, in the younger grades, in my own style, while teaching my own curriculum to the older students, mainly in order to boost conversation skills. I was encouraged to 'swing from the chandeliers,' to do things my own way, and to provide practical ideas for teachers of English. This was all a great surprise. My expectation was that I would have to adopt the formal, lecture style of the traditional classroom and that I would have to be extremely cautious with how I presented information – God forbid I use any imperialist Americanisms. While at times I may have been naïve in what I said, I also know I wasn't stupid. Put simply it was all about showing your hosts respect. I was able to relax (as much as I possibly could) and enjoy teaching my way....that of a New Zealand primary school teacher.

The English speaking level of the students at the two elite schools took me aback. For such a reclusive, isolated nation with very few westerners in their midst, the level of English would shame a few native speakers. Their teachers were trained at Kim Il Sung University and The Pyongyang Foreign Languages University and their knowledge, as well as their passion for teaching English was truly remarkable. Their hunger for knowledge at times left me 'stripped bare,' and I often felt like Ringling Brother's Circus as up to 15 teachers would squeeze impossibly into a gap at the back of the classroom to view my 'act.'

Perhaps the biggest challenge was getting the 15 and 16 year old students to have meaningful

conversations in English. Not an easy task and something the Korean teachers seemed to think I'd achieve yesterday! One successful method was what I labelled the 'simulation exercise.' It was where I provided a scenario for the students to discuss in small groups then share back with the whole class, hopefully stimulating some debate. One of these exercises involved the students choosing four (imaginary) people, from a list of about 16, to rescue from a sinking ship and share their life raft. I had drafted up profiles for each person and there were a number of conditions to adhere to. My aforementioned naivety had me present, as one of the imaginary people, a 70 year old millionairess. It didn't strike me until well into the first lesson (I had to present the same lesson to at least 4 classes) that the millionairess may be frowned upon – a person who represents western materialism and stands in contrast to the socialist ethic.

There was some tremendous discussion and debate about who should be chosen for the life boat. The 42 year old policeman? The 37 year old chef? The famous opera singer (chosen by several groups for morale!)? The former heavyweight champion boxer? And so on. It wasn't until the fourth class, which contained some hard case characters, and particularly strong English speakers, that the unexpected happened. To great hoots of laughter, again from staff and students, one group chose the millionairess after I had long forgotten her 'existence' in this exercise. Their argument? "That we might sail towards the land of New Zealand, in which case we would need a lot of money to buy food and clothes, then an air ticket back to Korea." In my teacher evaluation I wrote, "Keep the millionairess."

The younger students were a great mix of wariness and unbridled enthusiasm. Looking resplendent in their white shirts and communist sash they would rise with military precision when I entered the room, and exclaim a hearty, "GOOD MORNING, SIR!" The first time I stepped into the junior classrooms it seemed I was cast as the 'big-nosed white devil' in their midst. I'd like to think that the devil part of that myth was soon eradicated. The photo sessions (cameras always appeared as I was nearing the end of my time with particular classes) I had with the younger boys ended up being a scramble as they raced to either link arms with or be closest to the foreigner.

Just as I thought I was establishing myself as a C-grade celebrity in Pyongyang it seemed that the younger students of Kumsong Middle School No. 1 had scuppered my meteoric rise. I had been teaching them about Maori folk hero, Maui, and how he had harnessed the sun so the Maori people wouldn't have to live in darkness. I read the story to them, and then wrote it in script form for them to act out in small groups. The students decided that they wanted to be as authentic as possible in their portrayal of the Maui story as I was to find out at a banquet put on for me by the hierarchy of Kumsong Middle School. Sitting politely with the Principal, Deputy Principal and a couple of party officials, I heard that the school was facing a minor environmental disaster. The Principal had earlier stopped his car to ask some boys why they were tearing out the foliage around the school. "We are doing a play for Mr. Tim Kearns and we are making our costumes," came the reply. As I sank in my seat the men all erupted with laughter and my glass filled with vodka. The school were a few trees short, but those grass skirts and head bands looked mighty fine under the stage lights. And it wasn't a problem.

Socially the teachers were full of fun and good humour. I had suggested at one of the teacher meetings that it is good for teachers to socialise and plan together over a coffee or a beer. The Koreans loved this idea and it ended up becoming a weekly (sometimes daily) event. At these times there would be intense educational discussion, a lot of questions about NZ education and society, regular eulogising about what a great job they thought I was doing and me replying with what a great job they're doing (a Korean thing), and outright good humour. I found that they appreciated frankness, and, it never hurt that one had studied a little Korean history for good measure. So, we covered a multitude of diverse subjects, from the NZ English curriculum to club sandwiches (as in, what it is) to the history of Christchurch and lots of points in between. I often had to pinch myself that I was in this situation.

If you work hard for the Koreans and are seen to be giving your best, they return in kind with great hospitality, warm generosity, and, most of all, a gaining of their trust...//..

[Our next issue will feature a report by Peter Wilson on the donation of a tractor and small truck to the NZ -Korea Friendship Farm outside Pyongyang]

Further information may be obtained from: <http://www.vuw.ac.nz/~caplabtb/dprk/>

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