N Korea allows 'private' visit to nuclear site

By Jung-a Song in Seoul
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North Korea has agreed to allow a congressional delegation of American scientists and experts to visit its nuclear complex in Yongbyon between January 6-10, according to the South Korean foreign ministry.

State department officials in Washington stressed that the visit, organised by Senate staff-ers, was not representing the US administration, describing the trip as "a completely private initiative".

"This is something that the US government has not been involved in, nor would we be participating in the inspections. This is a completely private initiative," one official told Reuters news agency.

However, similar "private" visits and delegations, often with indirect official sanction, have been a feature of diplomacy on the Korean pen-insula, used by all sides to supplement their often-confrontational official exchanges.

The visit would also mark the first time outsiders have been allowed to inspect North Korea’s main nuclear facilities since the communist state expelled UN nuclear monitors at the end of 2002.

The development came after North Korea recently agreed to hold a second round of six-nation negotiations early this year, which aims to end the year-long nuclear standoff between North Korea and the US.

Analysts say it would be a significant compromise from North Korea if it allows the US delegation to assess the real progress of its nuclear development programme.

"The question is to what extent the North wants to open its nuclear facili-ties to the outsiders," said Pak Hak-soon, an analyst at Sejong Institute.

"If the US team can verify how many fuel rods have been reprocessed, it would be a big step forward in resolving the nuclear crisis."

Pyongyang claimed in July to have completed reprocessing 8,000 spent nuclear fuel rods, which would give it enough plutonium for five or six bombs, in addition to the one or two bombs the US suspects it already has.

Nobody outside North Korea knows for certain what has been developed in Yongbyon, north of Pyongyang, since the communist state pulled out of the non-proliferation treaty in early 2003.

North Korea has threatened to increase its nuclear capability if talks with the US were delayed. The first round of talks in August last year, which included representatives from the US, China, Japan, Russia and the two Koreas, ended in acrimony.

At the talks held in Beijing, North Korea offered to freeze its nuclear programme in return for security assurances and economic assistance. But Washington rejected the offer, insisting that Pyongyang must prove its commitment to dismantling its nuclear facilities before receiving rewards.
New China issues herald improved transparency

By Angela Mackay in Hong Kong
Published: January 1 2004 12:11 | Last Updated: January 1 2004 12:11

China’s initiative to improve transparency and the quality of its share markets has started to yield results after a revamped listing committee met for the first time this week and gave preliminary approvals to two companies seeking an initial public offering and a share placement.

TCL Corp, one of the country’s biggest television and cellular phone makers, plans to raise about US$240m from an IPO which involves the delisting of a subsidiary in favour of a flotation of the entire group. In 2002, TCL Corp reported sales of US$2.7bn and the group last year set up a joint venture with Thomson SA of France to make televisions and DVDs.

Separately, the listing committee also approved a proposal by BOE Technology Group to make a private placement of B shares to raise about US$150m to pay off loans made to purchase Hynix Semiconductor’s TFT-LCD business.

Both deals must obtain the formal approval of the mainland’s regulatory body, the China Securities Regulatory Commission. Sources close to the companies said they hoped this would be forthcoming in the next few days.

The new committee replaced an 80-strong contingent whose decisions were never made public. Under the fresh arrangement, the CSRC plans to flag pending deals and give listing candidates the chance to vet committee members for bias or vested interests.

The committee’s 25 members include Nicole Yuen, head of UBS’s China equities team, as well as accountants, lawyers and stockbrokers from the private sector, and government officials. Seven of the 25 convened the first meeting to examine the TCL and BOE proposals.

TCL Corp’s listing will also mark the renaissance of the Shenzhen Stock Exchange. Three years ago, the regulator suspended IPOs on the bourse, channelling new listings to the Shanghai Stock Exchange while it overhauled rules and planned a roadmap for the future of the country’s equities markets.

Shares in TCL Communication - the 57 per cent owned offshoot that will be subsumed when TCL Corp lists - were suspended on December 26 pending the committee’s meeting. Shares in the company had risen 36 per cent to almost RMB25 since the merger and IPO plan was unveiled in October.

BA cancels second flight to Washington

Agencies br Friday January 2, 2004

Armed police patrol Heathrow airport’s terminal four amid security concerns which forced the cancellation of BA flight 223 to Washington for the second successive day. Photograph: Tim Ockenden, PA

British Airways this afternoon cancelled its BA223 Heathrow to Washington flight for the second time in as many days.
The cancellation came less than two hours before take-off, but the airline said that its 6.40pm service, and other scheduled flights between Heathrow and Washington, would go ahead.

This is the third flight on the Heathrow to Washington DC route to be affected in the past week following intelligence about a threat to aircraft on the route.

Yesterday’s flight was cancelled several hours before it was scheduled to depart after BA received "security advice" from the government.

Passengers today expressed their anxiety and frustration over the cancellation.

William Mallett, 38, his wife, Cathy Lewis, and their one-year-old son, Jack, were making their way through passport control as the cancellation announcement was made.

"The staff said they wouldn’t be checking us in unless there was a very good chance the flight was going to go," Mr Mallet told the Press Association.

Mr Mallett, a transport consultant who lives in Arlington, Virginia, said: "I have been telling myself that if they are paying attention to this flight in particular, that is a good thing.

"It means there is more likely to be a problem when they are not paying attention to the flight, but I am still nervous."

He added that they had been booked on the flight for several months and so had no intention of cancelling their reservations.

"We need to go home, we need to go back to work - that is why we are flying," he said.

Deepa Menon, 28, a law student from Washington DC, said: "I am irritated. I am sure there are reasons, but I do wish we had known what was going on earlier.

"It seems they must have specific information, so they could have told us before."

On New Year’s Eve, the same flight had been kept on the runway for three hours after landing at Washington Dulles International airport. Security officials boarded the plane, which was escorted into Dulles by two F-16 fighter jets, and questioned passengers.

US security sources told the Press Association that the security procedures on the New Year’s Eve flight were based on specific intelligence.

"We had concerns with individuals on the flight, but threat reporting information led us to make the decision to have the flight escorted," a national security official said.

"It was fact-related," the official added, saying that the decision was not just connected to the passenger list the US now receives from airlines flying to the US.

An Aeromexico flight from Mexico City to Los Angeles was also cancelled after US authorities refused to allow it to land.

A BA spokesman said that the airline was still hoping to operate this afternoon’s flight to Washington.

However, he said that, in light of the events of the past two days, the security situation surrounding flight BA 223 was being closely monitored.

· A Chilean man was arrested after being found
to be carrying knives on an Easyjet flight from Madrid to Luton yesterday.

The man, whose identity has not been released, was detained after flight attendants were alerted to his behaviour on the aircraft before take-off. Spanish police were called onto the plane while it was on the tarmac.

The flight then left Madrid at 22.40 and arrived at Luton at some time after 23.00 without any further incident, according to the BBC.

**Britons flash the plastic in run-up to Christmas**

Press Association
Friday January 2, 2004

Britain’s consumers are continuing to use their credit cards despite the hike in interest rates, spending a record £11.56bn on their plastic during November, well up on last November’s figure of £10.14bn, the Bank of England announced today.

However, strong repayments meant that overall credit card debt rose by just £574m during the month, considerably down on October’s jump of £693m and the £818m rise recorded in June. Consumers now owe a total of £52.92bn on credit cards.

The total value for unsecured lending (where money is borrowed on credit cards, personal loans and overdrafts) was the second highest on record, with people borrowing £17.58bn during November, although after repayments were taken into account, total consumer credit rose by a more restrained £1.62bn. This figure is higher than the previous month’s £1.4bn, but down on September’s £1.81bn.

Mortgage lending also showed signs of slowing during November, with total lending reaching £24.42bn. This is the third highest figure on record, but it still represents a drop from October’s £25.28bn. Net lending, which strips out redemptions and repayments, was £8.61bn, compared with £9.45bn the previous month.

The Bank’s figures also showed that mortgage approvals were slightly subdued, with the value of all loans approved £25.89bn, £700m lower than the average for the previous three months. Around 115,000 loans were approved for house purchase during the month, compared with an average of 117,000 in the three months to the end of October. However, if the figure is adjusted to take into account the number of working days in the month this rose to 119,000 compared with 116,000 in the previous three months.

The Bank also released figures today showing that homeowners withdrew a record £13.43bn of equity from their properties during the three months to the end of September. The figure is well up on both the £11.24bn withdrawn during the previous quarter and the £9.81bn taken out in the third quarter of 2002.

Britons are increasingly cashing in on the housing boom by withdrawing money from their homes to finance large purchases or consolidate debt. Under equity release schemes lenders allow homeowners to increase their mortgages in ex-
change for a cash lump sum if their property is worth more than the original sum they borrowed.

Historically low interest rates and double-digit house price inflation have led to a steep increase in equity withdrawal in the past couple of years. During the three months to the end of September money withdrawn from properties represented 7% of people’s post-tax income, nearing the peak of 7.7% reached in 1988.

**Bush says he is still eating beef**

Reuters, Falfurrias Friday January 2, 2004 The Guardian

President Bush said last night that Americans should feel comfortable eating beef, despite the country’s mad cow scare.

Mr Bush told reporters after a Texas hunting trip that he ate beef yesterday and said he would continue to do so, despite the discovery last month of the first case of bovine spongiform encephalopathy (BSE) on a US farm.

He said US agriculture officials, who have banned the use of meat from sick “downer” cattle in foodstuffs, had taken the right steps to ensure the safety of beef. Officials sought to recover meat from eight states that may have received produce from the affected animal.

Asked whether Americans should continue eating beef, Mr Bush said "They should." He added: "I ate beef today and I will continue to eat beef."

The sick animal was discovered almost two weeks ago on a farm in Washington state. More than 20 countries quickly responded by banning the import of US beef.

**Canadian cow ’sparked BSE’ in US**

Paul Webster Sunday December 28, 2003 The Observer

American health officials said yesterday they had ‘tentatively’ determined that the Holstein cow infected with mad cow disease that triggered the crisis entered the country from Canada.

The statement came as the US beef industry faced a crippling slump in sales as more countries banned imports of American meat products.

Dr Ron DeHaven, chief veterinarian for the Agriculture Department, said Canadian officials had indicated the animal was one of a herd of 74 cattle imported to the US from Alberta in August 2001 at Eastport, Idaho. It joined a Washington state herd in October 2001.

‘These animals were all dairy cattle and entered the US about two or two-and-a-half years ago, so most of them are still likely alive,’ DeHaven said.

He emphasised that just because the sick cow was a member of that herd, it does not mean all 74 animals are infected, but investigators tracing the US’s first confirmed case of BSE said it may take months to determine exactly where the infected animal was born, and where other cattle that may also have been infected at the same time have gone.

Until the birth herd of the infected four-and-a-half-year-old Holstein is found, and the source of the infection isolated,
major importers of US beef, such as Japan, have indicated they will not lift a ban on imports. Yesterday Venezuela and Egypt said they would join some two dozen nations that have halted US beef imports.

'We've lost 90 percent of our export market in the last three days,' said Gregg Doud, an economist for the National Cattlemen's Beef Association. He warned that the US stands to lose at least $6 billion a year in exports and falling domestic prices.

Investigators are warning they may never be able to trace the exact source because the US lacks an adequate system to track cattle. If the infected cow can be confirmed to have come from Canada, where a BSE scare earlier this year temporarily shut down sales of Canadian beef, authorities are hopeful that spread of the disease can be contained. Yesterday, a second farm in Washington state was quarantined as the Bush administration sent delegates abroad to try to restore confidence in the industry. Seeking to assuage public fears, the White House said President Bush 'has eaten beef in the last couple of days'.

Associations representing victims of Creutzfeldt-Jakob Disease, the fatal brain disorder often linked to mad cow disease, are questioning whether the growing number of cases of the disease in the US are linked to eating contaminated US beef.

They have also accused the government of lax testing and enforcement of safety standards.

\textbf{Votes crisis hangs over Ireland's EU presidency}

Ian Black, European editor
Friday January 2, 2004
The Guardian

Ireland's prime minister, Bertie Ahern, played down expectations for a speedy end to the EU's constitutional crisis as he took over the union's presidency yesterday.

Dublin is also promising to improve relations with the US and a "snappier" approach to EU business as it will be in charge when the union enlarges to 25 members, from its current 15, on May 1.

Mr Ahern's six-month stint in the presidency, launched during a brief ceremony at Dublin Castle, may be quieter than that of the outgoing incumbent, Italy's gaffe-prone Silvio Berlusconi, but possibly just as difficult.

The taoiseach is to take "soundings" about the constitutional talks, which collapsed at a summit in Brussels in mid-December.

"After the breakdown it is a time for reflection," he told the BBC's Today programme. Achieving a result would take "some time," he said.

Negotiations foundered over the question of voting rights which pitted France and Germany against Spain and Poland, who were resisting changes that would reduce their influence.

Mr Ahern is to report on prospects to the next EU summit in March, but elections in Spain the same month mean Madrid is unlikely to change its position.

"Our tactic will be to try and first of all to make sure that the issues involving compromises will
hold, and then start testing the ground with the other countries to see how much progress we can make," he said.

If negotiations run into 2005 they risk coinciding with a general election in the UK, something which Tony Blair is keen to avoid.

One of the less controversial proposals in the draft constitution is to end the system of six-monthly presidencies and replace them with longer team efforts involving three or four member states.

Ireland, the EU’s second smallest country, has a reputation of being a good European which recognises how it has prospered since joining the EEC in 1973.

But that may not be enough to guarantee success between now and July 1, when it hands over to the Netherlands.

With a successful enlargement its main priority, the government is planning a street party and "day of welcome" in Dublin and across the country on May 1 when the 10 new members - eight former communist countries plus Cyprus and Malta - join the EU.

The Irish will also have to deal with the messy politics of choosing a president of the European commission to replace Romano Prodi, as well as overseeing the start of potentially explosive negotiations on the union’s six-year budget.

Advancing the slow-moving "Lisbon" agenda for a more dynamic and competitive EU economy will also not be easy.

Other Irish goals, said Mr Ahern, include patching up EU relations with the US after recent bitter disagreements over Iraq, trade and global warming. President George Bush is expected to visit Dublin for the EU-US summit in Dublin in June.

Brian Cowen, Ireland’s foreign minister, said the enlargement meant it was important bad habits were not allowed to form and that the way in which the expanded union did business was established from the very start.

"At the end of the day, when people look back, it will be the presidency when the union formally went from 15 to 25," he told the Irish Independent.

"One of the legacies we would like to leave is a snappier, business-like approach on how we do business. Once you move into 25 if you don't get it right it becomes the norm and it is very hard to undo it. We need to address how we do our business on practical issues."

Cypriot hung poll causes turmoil

Helena Smith in Athens Tuesday December 16, 2003 The Guardian

The future of Cyprus hung in the balance last night after Turkish Cypriot opposition parties failed to secure a majority in elections seen as a referendum on UN proposals to reunite the island.

As the result plunged the self-proclaimed state into political turmoil, observers described it as the "the worst possible outcome".

Under a complex electoral system, Sunday's poll ended in stalemate with the pro-EU opposition and pro-government par-
ties splitting 50 parliamentary seats, despite the former winning 48% of the vote, 2% more than their rivals.

The political deadlock not only dented hopes of Cyprus entering the EU reunited next spring, but appeared to strengthen the hand of Rauf Denktash, the Turkish Cypriots’ “anti-solution” leader.

Yesterday Mr Denktash - whose sole aim is international recognition for the unrecognised republic - said he felt under “no obligation” to hand the pro-settlement opposition a mandate to form a government.

Instead, he said, the rival parties "might consider" forming a national coalition government - a prospect rejected outright by the opposition.

If that failed, Mr Denktash, who has the backing of Turkey’s army, pledged to call another election within 60 days.

"In the absence of a government with a clear mandate Rauf Denktash’s position is strengthened,” said James Ker-Lindsay, a political analyst in Nicosia, the island’s divided capital. "This result favours him. He still remains chief negotiator.”

The opposition had hoped to sideline Mr Denktash by replacing him as chief negotiator if it won the election.

Failure to reach a deal could cement ethnic division, deepen the Turkish Cypriots’ isolation, and wreck Ankara’s hopes of opening entry talks with the EU in 2005.

**60 migrants feared lost in sinking**

AP in Istanbul

Monday December 22, 2003 The Guardian

Around 60 illegal immigrants were missing feared drowned in the eastern Mediterranean yesterday after their small boat sank off southern Turkey.

The 40-foot (12-metre) wooden vessel, carrying migrants from Jordan, Iraq, Iran and Afghanistan, left the Turkish resort of Marmaris late on Friday and was heading to the Greek island of Rhodes when it sank, coastguards said.

Only one survivor has been found so far. Rescuers picked 13 lifejackets from the water and some debris.

An Iraqi found floating on a piece of wood told police that the boat suddenly started to fill with water and then sank. A woman and 10-year-old girl were among the passengers.

**Letwin clashes with Labour over taxes**

Press Association

Friday January 2, 2004 6:23 PM

Chancellor Gordon Brown will have to impose either massive cuts in public sector spending or massive increases in tax during the next Parliament if Labour wins the next General Election, shadow chancellor Oliver Letwin warned.

If Mr Brown chooses to keep increasing spending at the current rate, taxes could soar by almost 50% in real terms by the end of the next economic cycle, he predicted.

But Labour’s Chief Secretary to the Treasury Paul Boateng dismissed the claim, accusing Mr Letwin of getting his figures wrong. After five years of public spending restraint between 1997
and 2002, Mr Brown has committed the Government to a programme of major investment in hospitals, schools and other public services up to 2007.

Mr Letwin called on him to come clean about what he intends to do after that date - return to being the "prudent Chancellor" of his first period in office, or remain the "big spender" seen in recent years.

Continuing to spend at the rate seen between 2002 and 2007 would mean tax rises totalling £270 billion over the following six years, said the shadow chancellor. This would increase the Treasury’s total tax take by 47% in real terms by 2012-13, bringing the proportion of GDP taken in tax to 43%.

Mr Letwin said: "Since 2002, Gordon Brown has become a big spender. He is planning for spending to grow twice as fast between 2002 and 2007 as it did between 1997 and 2002, and to borrow £148 billion instead of repaying £27 billion, despite the fact that he expects GDP to have grown by just about the same amount in the second period as it grew in the first.

"If Gordon Brown raises public spending at the same rate in the next economic cycle as he has raised it over this economic cycle, then he will need to raise taxes by about £270 billion and increase tax to 43% of GDP by the end of the cycle if he is to obey his own fiscal rules."

But Mr Boateng said: "The Conservatives’ figures have clearly just been made up, whereas our plans are based on the most cautious and prudent assumptions. "They mean we will meet our fiscal rules, meet our spending plans and invest in and reform our public services. By contrast, the Conservatives ruined the economy in the early 1990s, starved vital public services like schools and hospitals of the resources they needed and are committed to slashing public spending if they ever get the chance again. The choice is clear - investment and reform with Labour or cuts, charges and privatisation from the Conservatives."

Youth charged with murdering girl, 10

Press Association
Friday January 2, 2004
6:23 PM

A teenager accused of murdering a 10-year-old girl at a Christmas party has appeared in court.

Paul James Smith, 17, was charged with killing Rosie May Storrie at a house in the Leicestershire village of Normanton on Sunday evening.

The girl was found unconscious, lying face down on a bed, and was taken to hospital where she later died.

The tragedy happened at a house party in the village, near Grantham, hosted by Smith’s aunt and uncle.

Rosie, who lived in the nearby village of Bottesford, was found at around 9.20pm and the alarm was raised. She was taken to hospital in Sheffield but later died.

A post mortem examina-
tion later found the cause of death was oxygen starvation of the brain due to strangulation.

Smith, of Bowmans Way, Sedgebrook, Lincolnshire, appeared before magistrates in Loughborough today after he was charged with murdering the girl last night.

Defence counsel David Watts made an application for bail and no pleas were entered before the court.

Following an hour-long hearing, magistrates retired to consider the bail application.

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**Spanish becomes second language in Brazil**

Brazilian Congress gave final approval Thursday to a bill that makes Spanish a second language in the country’s public and private primary schools. The bill awaits now President Luiz Inacio Lula da Silva’s signature.

"It’s been fully passed, only the president’s approval is needed next week”, said Congressman Atila Lira, who sponsored the bill.

The legislation requires government and private schools to offer Spanish as an elective subject for students in grades five through eight. In earlier grades Spanish depends on the schools’ discretion.

In Portuguese speaking Brazil, students complete three years of secondary school before going to college. Under the legislation, secondary schools would be able to choose whether to offer Spanish classes.

"The new law is important for primary education and for Brazil’s integration with the rest of Mercosur”, underlined Mr. Lira, adding that the teaching of Spanish "is going to facilitate the formation of a South American bloc".

Approval of the bill followed several years of debate by legislators in Brazil, a country that has traditionally been closed to foreign languages and where the teaching of other foreign languages was not required.

For some time now Brazilian universities have offered Spanish classes in response to Spanish speaking Mercosur growing influence. Actually in Brazil’s border states that have authority over their educational systems Spanish have been taught for years.

Spain’s Science and Education Ministry Miguel Gonzalez Suela in Madrid hailed the passing of the bill as "a day of celebration", because anywhere between 10 and 12 million young Brazilians will be learning Spanish. Currently only private schools attended by 10% of Brazil’s children, offer Spanish at the primary level.
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2 January 2003