

Obuchi to Propose Reopening Talks on Fishing Issues

By Son Key-young
Staff Reporter

Japanese Foreign Minister Keizo Obuchi arrives in Seoul today in a crucial mission to propose the resumption of bilateral talks on fishing issues and discuss other matters of mutual concern.

In January, Korea and Japan witnessed their ties plunging to the lowest ebb after Tokyo unilaterally scrapped the 1965 fisheries agreement, regarded as one of the pillars of bilateral relations.

Obuchi's visit aims to patch up damaged relations between the two countries, with the start of the new Kim Dae-jung administration.

The Japanese foreign minister is expected to start his schedule by paying courtesy calls on President Kim Dae-jung and acting Prime Minister Kim Jong-pil.

He will also hold a meeting with his Korean counterpart Park Chung-soo to launch discussions about terms for the reopening of fishing talks while Park will host a banquet for him at his residence in Hannam-dong. Obuchi leaves Seoul tomorrow after having a breakfast meeting with Rep. Kim Yoon-whan, president of the Korea-Japan Parliamentary League.

"In an earlier phone call, we shared the belief we should talk over a variety of issues open-mindedly. If the

Japanese side makes some proposals, we will tell them our positions," Minister Park told reporters.

In principle, Seoul is moving to accept Tokyo's proposal to reopen the fishing talks in an effort to renew the agreement before it expires next January.

Meanwhile, Park didn't rule out the possibility he would raise the "comfort women" issue, as the new Korean administration is determined to deal sternly with human rights violations.

Korea is set to press Japan to make state-level compensation and official apologies to the "wartime sex slaves" while Japan has tried to make private compensation to them via the Asian Women's Fund, a semi-official organization.

Originally, the Japanese minister hoped to meet Park in a local city like Cheju for Monday's phone call, upon facing some politicians' protests against his visit to Seoul.

However, Park insisted on Seoul, telling Obuchi that he had urgent things to do in the capital as he was just sworn in.

The two ministers are also expected to exchange views on how to organize a summit meeting in London next month on the sidelines of the Asia-Europe Meeting (ASEM).

If realized, it would mark the first summit meeting between President Kim and Japanese Prime Minister Ryutaro Hashimoto.

Asian Economic Crisis Widens US Trade Deficit

WASHINGTON (AP) — The effects of the Asian economic crisis crashed upon America's shores in January, pushing the U.S. trade deficit up to \$12 billion with the imbalance in goods climbing to an all-time high.

The Commerce Department reported Thursday that the overall deficit in goods and services rose 10.5 percent from a revised December figure of \$10.9 billion with the imbalance with the newly industrialized Asian nations rising to the highest level since 1990.

The January trade report offered the most dramatic proof yet that the Asian crisis will have negative effects on the American economy. Most economists believe that overall growth could be slashed by as much as a full percentage point this year as the U.S. trade deficit skyrockets. Up until now, the Asian crisis has provided mostly positive benefits for the U.S. economy with

investors rushing to the safety of U.S. investments, helping to push interest rates down sharply and spurring housing and other interest-sensitive sectors of the economy.

But in testimony to Congress last month, Federal Reserve Chairman Alan Greenspan cautioned that policy-makers had to be alert to the dangers from the "storm clouds" from Asia. Various Asian currencies plunged last year as investors became concerned that decades of super-charged growth in the region was coming to an end.

The steep drop in currencies means that U.S. products are now more expensive in Asian markets while Asian goods are cheaper for Americans.

For January, the U.S. deficit with South Korea, America's fifth largest export market, rose to \$856 million, more than double the December level. The deficits with Indonesia and Thailand, two other countries hard hit by the crisis, were also up in January.

For the newly industrialized countries of Asia, including South Korea, Hong Kong, Singapore and Taiwan, the U.S. deficit rose to \$2.2 billion, the biggest imbalance since a \$2.4 billion deficit in July 1990.

America's deficit with Japan actually shrank in January by 14.7 percent to \$4.38 billion, but the imbalance with China rose by 9.7 percent to \$4.24 billion. Many experts believe this could be the year that America's deficit with China surpasses Japan, which for decades has been the country with which the United States had the biggest trade imbalances.

Ex-NSP Head Faces Arrest Today

— Over Smear Campaign Against Kim DJ —

By Hong Sun-hee
Staff Reporter

The prosecution yesterday launched an investigation into Kwon Young-hae, former head of the Agency for National Security Planning (NSP), over his involvement in the smear campaign against President Kim Dae-jung during last year's presidential election.

The former NSP director presented himself at the Seoul District Prosecutor's Office (SDPO) in Socho-dong, southern Seoul, yesterday afternoon.

According to a senior prosecutor of the SDPO, an arrest warrant against Kwon will be sought, possibly today, as soon as his involvement in a series of conspiracies to discredit President Kim is confirmed.

Kwon will be charged with libel and violating laws regarding elections and the NSP, the prosecutor said.

The questioning will center around whether he played a role in manipulating Yun Hong-jun, a Korean-American businessman, to hold a series of press conferences in Seoul, Tokyo and Beijing to portray President Kim as a communist sympathizer shortly

before the election, he said.

The investigation will also seek to discover if Kwon was involved in the drawing up of documents claiming connections of some politicians with high-ranking North Korean officials to influence the presidential election.

Probes on other former NSP officials allegedly involved in the political maneuvering will follow after the one on Kwon wraps up. Former first deputy director Park Il-yong and former special assistants to Kwon, Nam Young-shik and Lee Chong-shin, are among those to be summoned, according to the senior prosecutor.

Lee Byung-ki, former second deputy director, was questioned Wednesday over his possible involvement in the smear campaign against then presidential candidate Kim.

Based on the testimonies of Lee and other former NSP officials, the prosecution is believed to have firm evidence that Kwon was fully informed of Yun's press conferences, arranged to slander President Kim.

Kwon was also learned to have approved of paying

Yun \$250,000 in return for his press conferences, the prosecution said.

Kwon is also suspected of playing a leading role in fabricating some of the secret documents detailing overseas conspiracies and intentionally releasing them to the public.

Kwon's role in the nation-rocking "North Korean Wind" scandal was learned to have been confirmed through the testimony of Lee Dae-song, former chief of the NSP overseas operation bureau, known to have compiled the controversial documents.

Lee is currently under arrest for directly ordering Yun to hold the controversial press conferences.

In a related development, the prosecution decided to summon double agent Park Chae-sub, known as "Hukkumsong (Black Venus)" to resolve a number of doubts surrounding the confidential documents.

In the NSP probe, Park, who is an executive of an ad company and has served for the spy agency, reportedly said that Lee Dae-song's men visited him early this year to ask why he contacted the NCNP before the election.



A helicopter carrying local state officials and experts in forest fires flies over a burning portion of forest in the Amazon state of Roraima, Brazil, Wednesday as fires, fed by the worst drought since 1926, continue to char massive areas of savanna, grassland and jungle. Local officials report that fires started by farmers clearing land by using slash and burn techniques have been banned because of the current drought caused by the meteorological phenomenon "El Nino," but the ban has been largely ignored. An area about the size of Belgium has been devastated by several pockets of fire since December 1997.

AFP-Yonhap

Transport Tax on Oil Likely to Rise

By Nho Joon-hun
Staff Reporter

The government is considering increasing transport taxes on oil products in just two months after the latest hike in January to collect more revenue, taking advantage of plunging oil prices at international markets.

The Ministry of Commerce, Industry and Energy said the Ministry of Finance and Economy is believed to be punching its calculators to determine the hike margin. Transport taxes on gasoline increased 10 percent in January.

Further substantiating the possible increase of transport taxes are rumors in the oil refining industry with sources saying the hike could be as steep as 30 percent and could go into effect as early as next month.

"Rumors have it the government is planning another transport tax increase to raise funds for financing various projects and this is seen to be facilitated by a fall in fuel prices," one SK official said.

The prices of fuel, especially gasoline, went sky high from the end of last year due to the sharp depreciation of the won against the dollar even as the international prices of crude oil fell to record lows.

After reaching 1,217 won per liter, prices of gasoline began to come down, by 120 won in the middle of last month and

50 won on March 1. Oil companies said another fall of 60-70 won is expected in the following week.

The fall in fuel prices had been made possible due to the stabilization of the Korean won, which was exchanging in the 1,400-won range against the U.S. dollar this week, and the falling prices of crude oil.

"Our understanding, however, is that the government will introduce another increase in transport taxes within the next couple of weeks, thus keeping prices at around the present level," the SK official said.

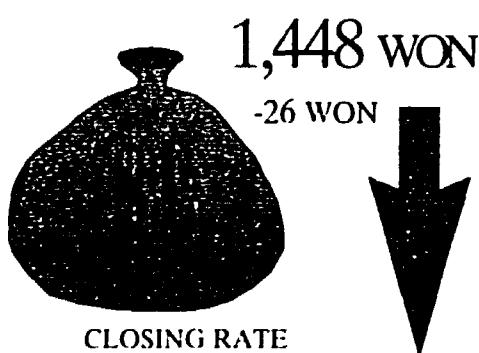
The result will be significant. When the blanket transport taxes on fuel rose by 10 percent in January, pushing it up from 414 won per liter to 455 won for gasoline, the annual increase in revenues was estimated at 2 trillion won.

In the absence of the projected tax increase, the price of gasoline should fall by 60-70 won per liter to around 970 won with those of diesel dropping from 580 won to 480 won around the end of this month or early next month.

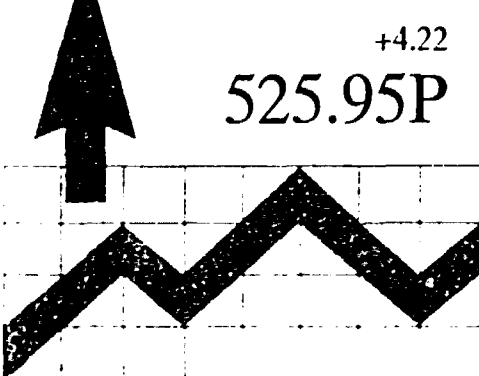
When reached for comments, MOFE officials said there have not been any detailed evaluation on the possible increase in transport taxes although the fall in prices does provide an opportunity to raise tax revenues without causing a serious burden on consumers and industrialists.

Economic Indicators

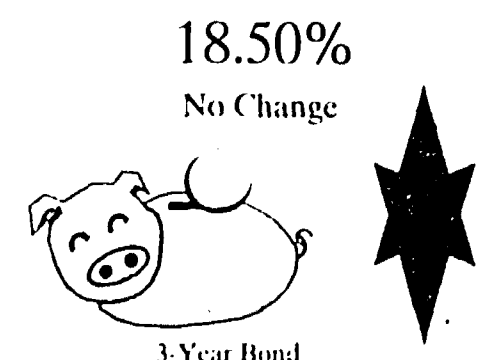
FOREIGN EXCHANGE



STOCK PRICE



INTEREST RATE



'Stress of Firing Someone Doubles Risk of Heart Attack'

SANTA FE, New Mexico (AP) — Feel bad for folks who get fired? Maybe you should pity those who do the firing.

A new study released Thursday found that managers run double their usual risk of a heart attack during the week after they give someone the ax.

The research offers some of the strongest evidence yet that even brief spurts of on-the-job stress can be bad for the heart.

"The study, conducted at 45 hospitals across the United States, attempted to see whether anything that happened at work in the days before people's heart attacks might have contributed to their health problems.

"The strongest effect was for working under a high-pressure deadline and having to fire someone," said Dr. Murray A. Mittleman of Beth Israel Deaconess Medical Center in Boston.

Most people probably already suspect that bad things at work might be hard on the heart. But there has been virtually no research to prove that a specific stressful incident can actually trigger a

heart attack.

Some studies have suggested that chronic work stress — especially pressures that are beyond employees' direct control — contribute to heart disease. However, many experts are skeptical about how important this kind of stress really is, since just about everybody who works for a living has at least some daily job stress.

"What's different about this study is trying to individualize discrete episodes of stress, instead of having people simply saying, 'I'm stressed,'" said Dr. Philip Greenland of Northwestern University, who was not involved in the study.

Mittleman presented his findings at an epidemiology meeting sponsored by the American Heart Association.

Between 1989 and 1994, doctors interviewed 791 working people who had just undergone heart attacks about what they had done recently. The researchers concluded that firing someone or having a high-stakes deadline doubled the usual risk of

a heart attack during the following week.

Only two study participants had been recently fired — too few to suggest whether this too may trigger heart attacks — although Mittleman believes it probably does.

"The question is, what do we do about this?" Mittleman said.

The best advice, he said, is getting exercise, watching your weight, your cholesterol and your blood pressure, and not smoking.

For a healthy 50-year-old man, or a healthy 60-year-old woman, the risk of a heart attack in any given hour without any trigger is about 1 in a million. Even in a typical heart disease patient, the ordinary risk is 1 in 100,000.

The research project, called the Onset Study, has already identified several other daily stresses that can trigger a heart attack. These include heavy exertion, such as shoveling snow, angry outbursts, having sex and simply getting up in the morning. It has exonerated coffee.

4-Party Talks on Korean Peace End Without Tangible Results

GENEVA (AFP) — Head delegates of South and North Korea, the United States and China went into intensive discussions on the last day of Korean peace talks here Friday, with prospects for an agreement unlikely as Pyongyang has the last say.

"As of now, it is very unlikely we will reach an agreement on the formation of a subcommittee," a senior South Korean delegate source told AFP before heading for the meeting.

"But we never know with the North Koreans. They could decide on the last minute to agree," he added.

Chen Jian, the head of the Chinese delegation and the chairperson of these talks, told reporters that the meeting among head delegates would last for two hours starting 10:00 a.m. (0900 GMT), and they would have to come up with some agreement by then.

"And whatever the result, we will have a preliminary meeting at 3:00 p.m. (1400 GMT)," he said before entering the talks.

The four parties are expected to at least come to an agreement on the date for the third round of these talks, which are aimed at replacing the current armistice that technically ended the 1950-53 Korean War with a permanent peace treaty.

Asked if an agreement would be reached on the question of proposed subcommittees, North Korea's chief delegate told reporters "We have more to do. Let's wait and see" before entering the conference building.

China's Chen said: "Let's keep our fingers crossed." This round is focused on trying to persuade the communist North Koreans to agree to the formation of one subcommittee that will deal with "several issues".

"Our earlier aim was to form several subcommittees. But we realized North Korea would never agree to this and that would put brakes on the talks," the South Korean delegate explained.

"So we changed our tactics and decided to go with one subcommittee. Our aim is for this subcommittee to meet more often than the full-fledged plenary session, tackling issues one by one, from the easy ones to the more difficult one," he said.

North Korea's senior delegates here have agreed subcommittees are necessary but "what will be discussed is important." Kim Kye-Gwan, the North's chief delegate, told reporters Thursday that it was also "too early to be formed at this stage," declining to elaborate.

Seoul believes the North Koreans have not brought with them the instructions from home to go ahead and agree to the forming of any subcommittee.

No Paper Tomorrow

There will be no newspaper on Sunday as The Korea Times takes a day off Saturday. — ED.

WORLD REPORT

A Special Section Produced in Cooperation With The Los Angeles Times