



# NORTH KOREA CHRONOLOGY 2001

Northeast Asia Cooperative Security Project  
Social Science Research Council

- 1/5/01 Kim Dae-jung invw acknowledges the transition may be difficult and says he plans to visit Washington soon to win Bush's support for reconciliation with North. FM Lee Jounge-binn acknowledged that "some are voicing concern over the possibility of changes in close cooperation" between Seoul and Washington but he did not expect "any significant shift away from the basic line" of the preceding administration. "The North Korean nuclear program has been kept frozen under the Geneva framework agreement." (Don Kirk, "Seoul to Make Its Case for 'Sunshine Policy,' " *International Herald Tribune*, January 6, 2001)
- 1/?/01 Robert Joseph, director of the Counter-Proliferation Center at NDU, drafts National Security Presidential Directive 1 on organizing the administration recommends that NSC, not State, chair any review of nonproliferation issues. (Chinoy, *Meltdown*, p. 44)
- ?/?/01 NSA Condoleezza Rice proposed that her deputy Stephen Hadley go to Pyongyang to speak with Kim Jong-il. (John Bolton, *Surrender Is Not an Option*, (New York: Simon & Schuster), p. 103)

Kim Dae-jung invw: He said he plans to visit Washington soon to urge Bush to maintain support for his "sunshine policy" of engagement with the North. And he hinted at the message he will deliver: Don't change course; support continued dialogue; don't push the North's leader, Kim Jong Il, back into a corner. When the Bush administration looks at North Korea, it sees red – a rogue nation that is a living demonstration of the need for a missile defense system to protect the United States (and, in theory, South Korea) from attack. A senior South Korean diplomat worries that in the mind of Defense Secretary-designate Donald Rumsfeld, North Korea has become a "poster child" for missile defense. He fears that the new administration will create "a missile arms race in our region and a return to an 'us-them' mentality." (David Ignatius: "Korea: Seoul

Hopes for Continued Dialogue with the North," *International Herald Tribune*, January 8, 2001)

- 1/?/01 "Meeting with Secretary Bill Cohen and Don Rumsfeld January (?) Following are my notes on the meeting on issues he raised. ... 4. Iran military build-up connection is North Korea. ...14. North Korea/South Korea. South Korea has sunshine policy. US is losing public support. SK wants reunification. If pull out, a problem. Japan - problem with Okinawa. Important to preserve ability to project force. Some gains in the Philippines, Singapore pier takes an aircraft carrier." (Rumsfeld notes 5/21/01, Rumsfeld Papers)
- 1/10/01 KEDO chooses consortium of Hitachi and Toshiba to supply turbine generators replacing GE. (*Korea Herald*, "Japanese Firms to Assume Reactor Project in N.K. Instead of GE," January 10, 2001)
- 1/11/01 After a recent meeting with GNP's Lee Hoi-chang ended in a shouting match, President Kim Dae-jung pledges to implement sunshine policy on more reciprocal basis: "I will implement North Korea policy compatible with public support and, without the consent of the people, I will never provide assistance for Pyongyang." Oh Young-jin, "President Kim Dae-jung Pledged More Reciprocal North Korean Policy," *Korea Times*, January 11, 2001)
- President Clinton stops short of apology, "On behalf of the United States of America, I deeply regret that Korean civilians lost their lives at Nogun-ri in late July 1950." (AFP, "Clinton Expresses 'Regret' for Nogun-ri Massacre," January 11, 2001) 15-month joint ROK-US investigation fails to uncover whether No Gun Ri was committed on orders. "The final report has great significance in that the United States admitted for the first time that its soldiers killed South Korean civilians in the early weeks of the Korean War," said Lt. Gen. Kim Jong-hwan, head of the ROK investigative team. (Kang Seok-jae, "Commander Responsibility Left Unanswered," *Korea Herald*, January 13, 2001; "Report of Nogun-ri Review: Statement of Mutual Understanding," *Korea Herald*, January 13, 2001)
- 1/12/01 North proposes talks on family reunions January 29-31. (AFP, "North Korea Promises Progress in Reconciliation," January 12, 2001)
- 1/13/01 Albright invw: North Korea "has chosen a path of peaceful cooperation, at least for the moment," offering an opportunity for Washington to get a deal halting its missile program and exports. Powell had told her the Clinton initiatives were "interesting and worth looking at." She said an accord had eluded the administration because of technicalities, not be cause of lack of interest on the part of Kim Jong-il. "He's a one-man show; he wanted Clinton to come right away. That's the way he operates." But time ran out on setting a verification regime. (Joseph Fitchett, "Albright Urges Bush to Calm Fears on Europe and North Korea," *InternationalHerald Tribune*, January 13, 2001)

- 1/15/01 South Korea will join MTCR in March but will develop new missile of up to 300-km range. (Shin Yong-bae, "Seoul to Join Global Regime for Missile Nonproliferation in March," *Korea Herald*, January 16, 2001)
- 1/16/01 President Kim Dae-jung talked to President-elect Bush by telephone. (Chon Shi-yong, "Kim, Bush Agree to Meet Soon to Discuss N. Korea Issues," January 26, 2001)
- 1/17/01 Secretary of State-designate Colin Powell opening statement at confirmation hearing: "We believe that the reduction of tensions between the North and South is one of the keys to greater peace and stability on the Korean Peninsula. The ongoing North-South dialogue is certainly a positive step in this regard. Secretary Albright has made me aware of the status of discussions with the North Koreans. So we are mindful of all the work that has been done and will use it as we review our overall policy on the peninsula. In the meantime, we will abide by our commitments under the Agreed Framework. We are open to a continued process of engagement with the North so long as it addresses political, economic and security concerns, is reciprocal, and does not come at the expense of our alliance relationships." He refers to Kim Jong-il as a "dictator."
- 1/16-20/01 Kim Jong-il visits Shanghai stock exchange, Western diplomat confirms. (AFP, "North Korean Leader at Shanghai Stock Exchange: Diplomat," January 17, 2001; Craig S. Smith, North Korean Leader and Entourage Make Furtive Trip to Shanghai," *New York Times*, January 17, 2001, p. A-6) He specially asked to see Shanghai, where he spent most of his time touring companies and talking about economics. Editorials in the North called for "new ways of thinking" about the economy. (Eric Eckholm, "North Korean Placed Focus on Business in China Visit," *New York Times*, January 21, 2001, p. 7) Kim Dae-jung told his cabinet January 22, "Chairman Kim Jong-il's visit to China leads us to believe that the North will take the path for reform and openness." (Chon Shi-yong, "President Urges Seoul to Brace for N. Korea's Open-Door Policy," January 23, 2001)
- Soon after Powell heard from President-elect Bush that he was to be named secst, he called James Kelly, cautious and controlled, who was NSC senior director for Asian affairs when Powell was chairman of JSC. (Tom Plate, "A Good Pick for Key Asian-Policy Post," *Japan Times*, January 20, 2001)
- 1/?/01 DPRK First Vice FM Kang Sok-ju met with Nakagawa Hidenao, former top aide to PM Mori Yoshiro in Singapore. Normalization would open possibility of reparations needed for economy but talks go nowhere. (Don Oberdorfer and Robert Carlin, *The Two Koreas*, 3<sup>rd</sup> ed. (New York: Basic Books, 2014), p. 359)
- 1/23/01 Japan's normalization of ties is "an issue of morality as well as an inevitable historical one," FM Kono said. "It is extremely abnormal that Japan does not have any diplomatic relationship with such a geographically close country." "Diplomatic normalization with North Korea involves negotiations to normalize relations with an area which Japan once occupied as a colony," Kono said in a speech to company executives and academics in Tokyo. "It is an issue of morality as well as a historically inevitable one." "It

is necessary for our country to tackle Japan-North Korea diplomatic normalization while not losing momentum," Kono added. "It is in our country's interests as well as that of the international community - and not only of northeastern Asia - that North Korea joins in anti-proliferation efforts against weapons of mass destruction and their means of delivery." "To get people's trust and understanding, we have to be seen making progress in humanitarian issues such as kidnapping." Kono said the solution to issues hindering normalization "will be born from dialogue with, not from the isolation of" North Korea. "Isolation will not be to anyone's benefit." (AFP, "Normalization of Japan-N. Korea Diplomatic Ties Inevitable: FM Kono," January 23, 2001)

1/25/01

Presidents Kim Dae-jung, Bush in telephone conversation affirmed that they should meet "as soon as possible." Spokesman Park Joon-young said Kim had noted the North's adoption of "new thinking" as its watchword for the year and Kim Jong-il trip to China "lead him to believe that the North has chosen the path for a reform and open-door policy." Park said, "The President stressed the need for holding a full discussion and establishing a joint policy on North Korea." (Chon Shi-yong, "Kim, Bush Agree to Meet Soon to Discuss N. Korea Issues," January 26, 2001) Pritchard recalls, "When President Kim began talking to the president about the need to engage North Korea, the president put his hand over the mouthpiece of the telephone and said, Who is this guy? I can't believe how naïve he is!" ...I was struck at the time by the sense that President Bush was going through the motions and was not especially interested in engaging Kim in conversation." (Charles L. Pritchard, *Failed Diplomacy: The Tragic Story of How North Korea Got the Bomb* (Washington: Brookings, 2007), pp. 52, 71)

DPRK FoMin spokesman: "At a U.S. senate confirmation hearing held on Jan. 18 he {Powell} dared make such reckless remark going against the elementary common sense as slandering our supreme leadership as 'dictator of north Korea.' It cannot but be something surprising that he did not bother to make such a statement debasing the dignity of the DPRK. This is an anachronistic behavior diametrically contrary not only to the world peace-loving people's expectation and desire for genuine peace and stability on the Korean peninsula in the new century but to the present level of the DPRK-U.S. relations.

The DPRK cannot but interpret what he said as a statement reflecting the sinister intention of big war industrial monopolies and other conservative hardliners in the U.S. to keep the U.S.-DPRK relations in the hostile and belligerent relationship forever and thus fish in troubled waters. **The DPRK is fully ready to cope with whatever stand to be taken by the new U.S. administration towards it.** The DPRK appreciates the progress so far made in the bilateral ties through negotiations with U.S. politicians of reason but has no idea of pinning any hope on those forces displeased with this process. **If the U.S. brandishes a sword at us, we will counter it with a sword and if it shows good faith, we will reciprocate it.**" (KCNA, "DPRK Ready to Cope with Whatever Stand to Be Taken by New U.S. Administration," January 25, 2001)

1/26/01

SecState Powell, FM Kono meet. DoS spokesman Richard Boucher "The secretary stressed again ... the key importance to him of coordination with Japan and South Korea ..." A senior State Department official said, "He indicated that we would proceed

step-by-step as North Korea meets our specific concerns." (AFP, "Powell Reassures Japan on U.S. Policy towards N. Korea, Okinawa," January 26, 2001)

1/27/01

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1/31/01

Lim Dong-won, director-general of the National Intelligence Service, secretly engineered that meeting and continues to manage the tortuous process of rapprochement with the North. "D.J. is a visionary," said Pak Kie Joon, a senior analyst at the government-supported Research Institute for International Affairs. "Lim Dong-won provides the technical ways to get what D.J. wants." How Lim - a former general with strong anti-Communist views - came to play such a role in North-South relations constitutes one of the great dramas of Korean history. On the one hand, he has achieved what no one before him could: a real thawing of the North-South freeze. On the other, he is accused by hard-liners of playing into the hands of a hostile regime. In little more than a year as intelligence chief, Lim established at least three main avenues of communication with North Korea that led to the summit talks in June: He established a liaison office in the demilitarized zone that enables South Korean intelligence officials to telephone and fax their North Korean contacts directly from their barricaded headquarters south of Seoul. At Lim's behest, one of his top deputies, Kim Bo Hyun, opened a dialogue with North Korean officials in Beijing while negotiating for the June summit talks. While secretly visiting Pyongyang in May to arrange the June summit talks, Lim formed an enduring "special relationship" with Kim Yong Sun, who hides his intelligence role under the cover of head of North Korea's "Asia-Pacific Peace Committee" and secretary of the Workers' Party. But Lim was criticized at home for receiving Kim Yong Sun, the North's chief spymaster, in September and taking him on a widely publicized tour of the South. He now fears that his foes will accuse him of selling out and seek to punish him - either violently or with a show trial - when President Kim steps down in 2003. The son of a Christian pastor who was executed by North Koreans during the Korean War, Lim attended the Korea

Military Academy after he settled down in the South. His hard line began to shift when he was forced to retire in 1980 as Chun Doo Hwan, the general who seized power after the assassination of Park Chung Hee in October 1979, consolidated his power with political cronies. While Chun was putting Kim Dae Jung on trial for treason in connection with the bloody revolt in Kwangju in May 1980, Mr. Lim was sent into exile as an ambassador to Nigeria and then Australia. Kim Dae Jung, after having been sentenced to death, was permitted in 1982 to leave for asylum in the United States, from which he returned with guarantees for his safety in 1985. Lim, home from Australia, emerged in 1988 as deputy chief of the unification board under Chun's hand-picked successor, Roh Tae Woo, and espoused the soft line that drew him to Kim. Lim visited Pyongyang in 1991 and 1992 for negotiations on the so-called Basic Agreement achieved between the North and the South. At the same time, he inspired the enmity of the South Korean intelligence service, then the Korean Central Intelligence agency, when the North Koreans set up a meeting between Lim and his long-lost sister who had remained in the North. "The KCIA suspected him," said Choi Won Ki, long-time specialist on North Korea for the newspaper *Joongang Ilbo*. "They bugged his telephone. KCIA agents watched him." The experience made Lim all the more receptive to Kim Dae Jung's overtures. In early 1995, he officially joined Kim Dae Jung's camp, becoming secretary-general of Kim's Asia-Pacific Peace Foundation, a private organization supported by donations. "By luring Lim, D.J. thought he could attract former generals to his side," said a former colleague of Kim's at the foundation. "D.J. had free time. He and Lim talked every night. They got to know each other very well." Problems arose when the North fired a Taepodong missile over Japan on August 31, 1998, and suspicions were raised by the North's excavation of a cave suspected of harboring nuclear facilities. An inspection of the cave in March 1999 found nothing, but the Americans were not inclined to adopt a soft line. That same month, in a meeting in the Blue House, the center of South Korean presidential power, Kim told Perry, "Now we are conducting secret contacts with North Korea to hold an inter-Korean summit," according to Choi. "D.J. told Perry, 'We need your help,'" Choi said. Two months later, in May 1999, after conferring again with Lim, this time in Tokyo, Perry flew to Pyongyang. The talks with Perry were part of an overall strategy that included the ongoing secret talks that Kim Bo Hyun had been conducting in Beijing since December 1998. On March 9, 2000, near the end of the Beijing talks, President Kim enunciated his "Berlin Declaration" at the Free University of Berlin, announcing that he was willing to provide the infrastructure needed to revive the North's economy. The declaration caught American diplomats by surprise. The Blue House had not told them about it in advance. It was at that stage that the South Korean culture minister, Park Jie Won, formerly President Kim's spokesman, entered the dialogue, going to Beijing on March 17 to work out the details of the announcement in April that the leaders of North and South would meet in June. Park was credited at the time with doing most of the negotiations, but the process when he came upon the scene was almost finished. **The only remaining mystery was why he, together with Kim Bo Hyun, had to make a secret trip to Singapore earlier in March for another meeting with two of Kim Yong Sun's deputies on the Asia-Pacific Peace committee. The purpose of the Singapore trip, in the view of North Korea watchers in Seoul, may have been to place an enormous sum in one of Kim Jong Il's foreign bank accounts. While the payoff remains unconfirmed, it is believed that it was necessary in a society**

**where bribery, often in the guise of gift-giving, is a long-standing tradition in both Koreas, North and South.** A banking center where money could have been transferred secretly with no difficulty, Singapore was the only place other than Pyongyang or Beijing where such contacts were made. North Korea watchers here could think of no other reason for the two to have met there, rather than in Beijing. "Lim Dong-won is the main architect of the inter-Korean summit," said Choi Won Ki, co author, with Chung Chang Hyun, of a book *Inter-Korean Summit: 600 Days*. But how much longer he can direct negotiations with the North is far from clear. (Don Kirk, "The South Korean Spy Chief Who Paved the Way for Thaw with North," *International Herald Tribune*, January 31, 2001)

2/?/01 Principals' meeting kicks off North Korea policy review. With Powell outnumbered, two working groups are set up, with Hubbard chairing the Korea working group and Joseph the nonproliferation working group, where Richard Falkenrath and Mary Tighe would represent NSC; Samantha Ravitch and Stephen Yates, the vice president's office. Hadley instructed senior directors to share all information and position papers with the vice president's office. "You had the vice president's office playing a far more involved role that any vice president's office had ever played before," says Colin Powell. "It was an alternative NSC." (Chinoy, *Meltdown*, pp. 44-45)

2/1/01 In Washington, UnifMin Lim Dong-won met with SecState Powell who told him, "I agree with the efforts of the Kim Dae-jung government to end the Cold War, and I support the Sunshine policy." He also said, "The new administration will continue to observe the Agreed Framework. We will give an opportunity to the North Koreans to resolve the hostile relations with the United States. We are prepared to pick up where the Clinton administration left off in negotiating with North Korea." He added, however, "We are now studying how to re-approach contacts with North Korea. We are not in a hurry. We will not pay them to gain any results. We will not yield to any North Korean blackmail. If they are serious about removing their missiles and the conventional forces threat, the United States will provide many things to help the people of North Korea." (Lim, *Peacemaker*, p. 267)

2/7/01 SecState Powell and FM Lee Joung-binn meet for the first time. "This confirmation of the Bush administration's support for our North Korea policy will dispel worries that Seoul and Washington may differ over their positions on the North, said a FoMin official. Lee said, "There were no differences over the matter." Lee later sees Rice. (Shin Yong-bae, "Lee and Powell Reach Consensus on N. Korea," *Korea Herald*, February 9, 2001) Lim Dong-won in Washington, NIS director "will try and enlist a firmer commitment by the new U.S. administration to President Kim's North Korea initiative." *Munwha Ilbo* reported yesterday **the two Koreas have secretly discussed a joint declaration on lasting peace in Korea.** (Oh Young-jin, "Kims Visit May Be Delayed," *Korea Times*, February 13, 2001) Date of Kim's visit is set for March 7.

Lee Gun, DPRK UN Dep Permrep, told a meeting of specialists at the Atlantic Council in Washington, "During the last eight years, there have been many discussions between Pyongyang and Washington, but now it is time to move onto action. We hope the Bush administration maintains the U.S. engagement policy toward North Korea."

He revealed, "The U.S. government has been contacting North Korean diplomats through New York channels." (*Chosun Ilbo*, "N.K. official Calls for U.S. to Continue Engagement," February 8, 2001) At dinner hosted by Young C. Kim, professor emeritus at GWU for a DPRK delegation in Washington to visit the World Bank, Jack Pritchard tells Han Song-ryol, a member of the delegation who was then at the FoMin think tank, to tone down the harsh rhetoric from Pyongyang which would "cast a pall" on the policy review. Han said its rhetoric was a response to Washington's. (Pritchard, *Failed Diplomacy*, p. 17)

Acting Assistant SecState Hubbard hosts Dep PermRep Li Gun and PermRep Li Hyong Chol to urge calm. The North Koreans, Hubbard recalled, were not too worried because Clinton had pledged "no hostile intent," which they took as "gospel." (Chinoy, *Meltdown*, p. 43) Hubbard gave Li a diplomatic answer: things in Washington were not yet clear, there was going to be a policy review, but as this process was under way the two sides should maintain communications. ...Few would have guessed that after this meeting, no North Korean diplomat would be allowed in Washington for similar discussions for at least the next twelve years." (Don Oberdorfer and Robert Carlin, *The Two Koreas*, 3<sup>rd</sup> ed. (New York: Basic Books, 2014), p. 351)

2/20/01

The ongoing deterioration of the country's infrastructure – particularly its health and sanitation systems and its energy supply – has left many North Koreans in a continued downward spiral. "It's not enough to give food, if hospitals have no medicines and the water supply is contaminated," said David Morton, UN coordinator in Pyongyang, the capital. "Malnutrition in Korea is a combination of shortage of food, breakdown of the health system and poor water supply. People who are weakened by years of hunger get sick very easily and are very vulnerable." A recent trip with AmeriCares, the private, United States-based relief organization in North Korea to inspect the progress of its aid projects in hospitals and orphanages in and around Pyongyang was filled with scenes and tales of deprivation like these: a neck operation being done under local anesthesia because the medicines required for general anesthesia were in short supply; a crowded patients' ward so cold that ice formed on the floor after it was mopped; doctors forced to hammer out their own operating tools in a backyard metal shop; a teenage boy whose broken leg was immobilized with planks of wood and strips of gauze because there was no casting material. "We are using things like antibiotics and painkillers, but on a very small scale due to the shortages," said Dr. Soh Hun Chul, director of South Pyongan Provincial Children's Hospital, whose long white coat covered a pin of the late "Great Leader" Kim Il Sung. "We have lots of patients suffering from various diseases, but do not have enough medicine or equipment or food to properly treat them." Said a foreign medical expert, "You have a socialist health system where everything used to come from the state, and now the state is bankrupt. So what do you do? It's not like there's a private market where people can go buy medicines." "The health sector has just collapsed," said an aid worker. "You probably have more in your home medicine chest than some county hospitals here have." (Elisabeth Rosenthal, "Collapse of Health System Adds to North Korea's Crisis," *New York Times*, February 20, 2001, p. A-1)



2/22/01

DPRK FoMin spokesman: "There are a variety of opinions in the U.S. over the issue of its policy towards the DPRK, which draw its serious attention. [The] foreign and national security policy team of the new U.S. administration are increasingly assertive for a 'hardline stance' towards Pyongyang, claiming that the former Clinton administration only offered things to the north, tempted by it, the new administration would pursue an 'engagement policy' different from that of the Clinton administration and it would make 'phased access' and 'conditional and strict reciprocity.' ... If this is an official stand of the new U.S. administration towards the DPRK, this cannot but draw a serious attention.

Both the DPRK and the U.S. agreed to remove the root cause of long-standing distrust, confrontation and misunderstanding and normalize relations in the Geneva DPRK-U.S. agreed framework and the New York DPRK-U.S. joint communiqué, etc. Accordingly, both sides are committed to terminate the hostile relations, build confidence and remove their apprehension. **The 'conditional reciprocity' and 'phased access' touted by the U.S., therefore, mean that it would fulfil its commitments only when the DPRK moves first. In other words, it wants the DPRK to totally disarm itself first. The U.S. is seriously mistaken if it thinks that Pyongyang will accept its demand.** It is the consistent stand of the DPRK that it will be able to clear the U.S. of its worries over its security only when it assures the DPRK that Washington does not threaten the DPRK's security by taking substantial measures to terminate the hostile relations. As for the 'reciprocity' asserted by the U.S. it has never offered anything to the DPRK gratis but caused only losses to it. **The DPRK-U.S. agreed framework calls for simultaneous actions on the part of the two sides and the DPRK has so far kept its nuclear power facilities frozen according to it. However, the U.S. has not sincerely implemented its commitments under the agreed framework, causing huge losses to the DPRK.** ... The LWR project which had been scheduled to be completed by 2003 is unlikely to become a reality and the U.S. has not yet set out even a timetable for the offer of heavy oil for a new fiscal year that began from October 22 last year. The U.S. is obliged to compensate for the DPRK's loss of electricity caused by the delayed LWR project. **If it does not honestly implement the agreed framework as today, there is no need for us to be bound to it any longer.** ... The United States must clearly know that we cannot wait for its completion for an indefinite period. The U.S. insisted on establishing the NMD allegedly to cope with the 'missile threat' from the DPRK, calling it a 'rogue state' ... This is a brigandish logic. We advanced such reasonable proposals as declaring a moratorium on the test-fire of long-range missiles while the missile negotiations are under way because the U.S. asserted that our missiles for self-defense pose a threat to it. We made to the U.S. side a series of reasonable proposals that we might accept a substitute satellite launch if our satellite launch posed a threat to the U.S. security, though it is no more than scientific and technological development merely for a peaceful purpose and that we might stop the missile export if the relevant compensation is made in hard currency because the missile export is aimed to earn foreign currency. But the new U.S. administration is not poised to seriously study the issue. **As there is no agreement between the DPRK and the U.S., we will not be bound to our pledge related to the missile issue raised during the previous U.S. administration. We decided not to launch long-range missiles while the missile negotiations are under way but we will not**

**indefinitely maintain this moratorium."** (KCNA, "Spokesman for DPRK Foreign Ministry on New U.S. Administration's Policy towards DPRK," February 22, 2001)

U.S. experts group meets with President Kim Dae-jung, Donald Gregg, Stanley Roth, Leon Sigal urged him to postpone his trip to Washington because the new administration was still in "campaign mode." (Shin Yong-bae, "U.S. Experts on Korean Affairs Visit Seoul to Discuss N. Korea," *Korea Herald*, February 21, 2001; Chinoy, *Meltdown*, p. 52)

2/23/01 ROK ambassador to U.S. Yang Sung-chul tells a press conference, "My government's position is that ... there has been considerable progress made during the Clinton administration with North Korea. So instead of going back to the drawing board, they should start from that achievement. ...The best analogy could be a relay ... you pass the baton to the next administration rather than starting all over again from the start." (Sonya Hepinstall, "S. Korea to U.S.: Don't Start over on N. Korea," Reuters, February 23, 2001)

NIC conference report on "North Korea's Engagement - Perspectives, Outlook, and Implications": "The specialists agreed that North Korea is pursuing greater contact with South Korea, the United States and other concerned powers stemming from its dire economic need and the importance of international support to the survival of its regime. ...The conferees generally believe that the United States will probably see its influence reduced somewhat as North Korea - while still focused on the U.S. connection - seeks military security, economic assistance and political recognition from a broader range of international players."

2/?/01 "Pyongyang argues that to achieve an equilibrium at a lower level of military deployment, it would not be enough for the North and the South to negotiate the reduction, redeployment, and restructuring of their own armed forces. The United States would also have to make major changes in the nature and role of its forces in Korea." (Selig Harrison, "Time to Leave Korea?" *Foreign Affairs*, March-April 2001, 1-17)

2/28/01 Less than a week before he meets President Bush in Washington, the president of South Korea publicly took Russia's side in the debate over Washington's plan for a national missile defense. A joint communiqué issued by President Kim Dae Jung with the visiting president of Russia, Vladimir V. Putin, declared, "The Russian Federation and the Republic of Korea agreed that the 1972 Antiballistic Missile Treaty is the cornerstone of strategic stability and an important foundation of international efforts on nuclear disarmament and nonproliferation. Both sides expressed their hope that the Start II Treaty will enter into force as soon as possible and that as soon as possible after that, the Start III Treaty will be signed and that the ABM Treaty will be preserved and strengthened." In a reference to the test ban treaty, the Russian and South Korean leaders said they "appealed to other countries to ratify the treaty without any delays and they also appealed to those countries whose ratification is needed for it to come into effect." Patrick E. Tyler, "South Korea Takes Russia's Side in Dispute over American Plan for Missile Defense," *New York Times*, February 28, 2001, p. A-8 Trying to calm a controversy over Seoul's support for Russia's position on the ABM Treaty, MOFAT

issued a press release denying that the joint Korean-Russian ABM stance signified Seoul's opposition to Washington. (Oh Young-jin, "Seoul Eager to Put NMD Issue to Rest," *Korea Times*, February 28, 2001) "The draft of the communiqué was sent via the Korean Embassy in Washington to the U.S. government, while talking with Russia in the run-up to the February 28 summit between President Kim Dae-jung and Russian President Vladimir Putin," a senior government official said. **"Washington didn't object to the part that supports the U.S.-Russia ABM Treaty jointly with Russia."** (Oh Young-jin, "'U.S. Okayed Controversial ABM Statement,'" *Korea Times*, March 1, 2001) FM Lee Joungeun told a press conference, "The global security environment today is different from that during the cold war and thus requires a difference approach [on national missile defense]. We have confidence in the leadership of President Bush as he pursues and develops this issue. ...We hope that the U.S. government will proceed with this matter in such a way as to strengthen global peace and security through full consultations with its allies and other related countries." (Shin Yong-bae, "S. Korea Urges Consultations with U.S. Gov't over NMD," *Korea Herald*, March 3, 2001) Rice was furious, viewing Kim's position as little more than endorsing Clinton's, and sent Seoul a sharply worded message of displeasure. (Chinoy, *Meltdown*, p. 51)

So far the administration has given few signs of its intentions, but in private conversations the outlines of its Korea policy are emerging. On the one hand the Bush team seems eager to slow the pace of the Clinton rapprochement with North Korea. Some Bush officials believe Clinton was in too great a rush for a missile deal with North Korea. The new administration is willing to finish the missile negotiations, but only when it can nail down the verification procedures guaranteeing that North Korea's missile program has ended. On the other hand, the Bush team isn't talking about dramatic reversals of Clinton's Korea policy either. Powell has told FM Lee Joungeun and intelligence chief Lim Dong-won that the administration does not intend to disrupt Kim's sunshine policy. (Jim Mann, "Clinton's Korea Deal a Test for Bush," *Los Angeles Times*, February 28, 2001)

3/1/01 South Korea made a swift retreat today from what had appeared to be a decision by President Kim Dae Jung to support President Vladimir V. Putin of Russia in opposing the missile defense program backed by President George W. Bush. Pressed by United States officials for an explanation of the joint statement, the Foreign Ministry drew a careful distinction between endorsement of the ABM Treaty of 1972 and opposition to national missile defense. It was one thing to join with Putin, as Kim did after their meeting here, in defending the ABM treaty as a "cornerstone of strategic stability," a ministry official said, but quite another to conclude that Mr. Kim viewed national missile defense as inevitably violating the treaty. "We asked them to clarify their position, and they clarified it," an American diplomat said. "We said, 'Hey, this sounds as though you're opposed to national missile defense,' and they said they didn't mean it that way." [nice try by the embassy but too little too late] (Don Kirk, "South Korea Now Pulls Back from Russia on Missile Shield," *New York Times*, March 2, 2001, p. A-6)

3/2/01 House International Relations Committee chairman Henry J. Hyde (R-IL), House Republican Policy Committee chairman Christopher Cox (R-CA) and Edward J. Markey

(D-MA) said in letter to the president, "We urge you to avoid any commitments to foreign governments that would prejudice your ability to refine U.S. policy toward North Korea." Calling into question the provision of LWRs, they wrote, "Questions have emerged about safety, liability, licensing, the condition of North Korea's electric power grid and the suitability of alternative sources of electric power, to say nothing of the need to ensure that North Korea fulfills its obligations under the Agreed Framework and other pertinent international agreements." Alluding to South Korea corporations' stake in constructing the reactor, they said, "We can think of no worse reason than financial gain for proceeding with nuclear power plant construction in North Korea." (Steven Mufson, "Flexibility Urged on North Korea," *Washington Post*, March 3, 2001, p A-16)

3/3/01

DPRK FoMin spokesman: "As already reported, on Feb. 21 we issued a statement of the spokesman for the Foreign Ministry clarifying our principled stand toward a torrent of hardline remarks made by the new U.S. administration against the DPRK. The tenor of the statement is that if the U.S. propose dialogue we will respond to it with dialogue and if the U.S. comes out in confrontation we will counter it with confrontation. However, the United States is spreading the rumor that the DPRK is "threatening" it in a bid to shift the responsibility for the possible worsening DPRK-U.S. relations onto the DPRK. We have neither intention nor capacity to browbeat anyone. It is none other than the DPRK which is exposed to threat owing to the conservative hardline stand expressed by the U.S. administration. The same is true of the issue of offering light water reactors to the DPRK. **The prospect for the provision of LWRs under the DPRK-U.S. agreed framework is becoming more gloomy and this gravely threatens the DPRK's right to existence as it is suffering acute shortage of electricity.** Under this situation it is self-evident that **it is difficult for the DPRK to unilaterally and indefinitely keep in force such measures as moratorium on the launch of satellites and missiles taken by it with good faith for DPRK-U.S. dialogue, to say nothing of the DPRK-U.S. agreed framework.** Of course, we take note of the statement of the authorities of the U.S. administration that they would implement the agreed framework. What we need now is not empty words but practical actions. **A year ago, we advanced a concrete proposal for the solution to the issue of the loss of electricity caused by the delayed LWR offer and the U.S. side said that it would set forth an alternative proposal.** The **U.S. side should put forward as soon as possible a solution to the issue of loss of electricity** for which it is responsible. The U.S. is keen to impose unilateral sacrifice and loss upon the DPRK while shunning the fulfillment of its commitment and evade its responsibility by bringing the charge of 'threat' against it. The U.S. should know that this wrong great-power chauvinist conception and trite trick will never go down with the DPRK. The DPRK which has sincerely implemented the agreed framework has a legitimate right to call the U.S. side to account for its insincere attitude towards its implementation and an unshakable will to exercise it." (KCNA, "DPRK FM Spokesman on Its Principled Stand toward DPRK-U.S. Relations," March 3, 2001)

3/4/01

President Kim Dae-jung goes to Washington for tough talks with President Bush. "The situation is in a state of flux," said Joel Wit, guest scholar at the Brookings Institution. "He is going to arrive before the Bush administration approach crystallizes, and that's

going to give him a chance to reinforce the moderate position in Washington.” (AFP, “President Kim Faces Tough Talks in Washington,” March 4, 2001)

U.S. and South Korean governments were at odds over provision of LWRs to North Korea in talks in February and March, 2000, with Washington wanting it linked to implementation of the Agreed Framework and Seoul believing it to be a inter-Korean matter. James Laney and Morton Abramowitz of the Korea task force of the Council on Foreign Relations, which visited Seoul in February, informed officials that electricity aid should be used as leverage for nuclear negotiations. (*Chosun Ilbo*, “Seoul and Washington at Odds over Electricity Aid,” March 4, 2001)

Moon Chung-in: “Despite remarkable progress in inter-Korean relations, an array of new and tough agenda for future inter-Korean negotiations await. Some of important agenda items can be summarized in the following: military issues – tension reduction, military confidence-building, arms control and reduction, and replacement of the armistice treaty by a new inter-Korean peace treaty; weapons of mass destruction and missile issues including implementation of the joint declaration of denuclearization of the Korean peninsula; terms of economic exchanges and cooperation including extensive institutional changes in the direction of opening and reform; return of kidnapped South Koreans, including fishermen, and prisoners of the Korean War, who are still detained in the North, as a reciprocal measure to the return of unconverted North Korean spies and pro-North Korean sympathizers; increased frequency and expanded size and scope of reunions for separated families, including identification of missing families and exchanges of letters. ...For example, South Korea has always wanted to include tension reduction and military confidence-building measures in their agenda of inter-ministerial talks, but the North has avoided these issues. Although the second ministerial talk was able to produce a joint statement urging tension reduction and activation of inter-Korean military talks, the North has been rather reluctant to discuss these issues. The situation will be even more complicated if North and South Korea begin deliberating on arms control, limitation, and reduction. It is not easy to realign and reduce the combined forces of nearly 1.8 million soldiers and related weapons systems, since such moves can severely undercut institutional interests of the military in both North and South Korea. Moreover, even though Chairman Kim recognizes American forces in the South as a fait accompli, actual inter-Korean arms control negotiations are bound to affect their status. ...One of the most significant outcomes of the summit is the North Korea’s tacit recognition of American forces in the South. Departing from its rigid stance that emphasizes the unconditional withdrawal of American forces from the South, Chairman Kim is known to have concurred with the president Kim’s view of utilities of American forces in the South. President Kim justified the continuing presence of American forces on three accounts: a credible deterrent to war on the Korean peninsula, a balancer to stabilize regional strategic instability, and ultimately peace-maker or peace-insurer even after Korean unification. Chairman Kim recognized the instrumental value of American forces by quipping that ‘American forces can prevent you from invading the North.’” (Moon Chung-in, “Security Pragmatics for the Korean Peninsula,” Nautilus Institute Workshop, Partnership for Peace, March 3-4, 2001)

3/5/01

At Principals Committee meeting, "We all agreed that we would not publicly criticize the 'Sunshine Policy' but that we would make it clear to Kim that the United States was looking for a different approach to North Korea. ..."[H]e had to understand that we would not pursue the Agreed Framework. I walked down to the Oval that afternoon and reported our deliberations to the President. He concurred." (Condoleezza Rice, *No Higher Honor: A Memoir of My Years in Washington* (New York: Crown, 2011), p. 35)

The Clinton administration put North Korea diplomacy aside while the Republican and Democratic presidential contenders wrestled over the vote count in Florida, a decision that Clinton aides have sought to justify on the premise that the president could not travel abroad during a potential constitutional crisis. By the time the dust settled in Florida, and confronting a lukewarm response from the victorious Republicans, Mr. Clinton's team reluctantly decided that it had run out of time. "Although there were still critical details to be worked out, it appeared that an agreement was within reach," Wendy Sherman, senior policy coordinator on North Korea, said in an interview this week, reflecting the dominant view in the Clinton team. According to current and former government experts, Kim Jong Il promised in confidential talks not to produce, test or deploy missiles with a range of more than 300 miles. That offer would prevent North Korea from fielding missiles that could strike the United States. North Korea, the experts said, also offered to halt the sale of missiles, missile components, technology and training. The pledge would ban systems that North Korea had already contracted to provide to aspiring third world powers. And North Korea dropped its demand that it be paid cash for giving up its long-range missile programs. Several important issues remained unresolved, including how to verify the agreements; whether North Korea was willing to destroy missiles it had already produced, and the value of the nonmonetary aid North Korea should receive in lieu of cash. "We got further than we thought was possible on the missile issue," one government specialist said. "But there is still more work to do on the details before we know if we will have something substantial." As the clock wound down on the Clinton administration in September, it was asked to receive a high-level Korean envoy. The envoy was Vice Marshal Cho Myong Rok. "I think Kim poked his head out of the groundhog hole, looked around and decided that his regime is not sustainable unless it is somehow connected with the rest of the world," Samuel R. Berger, Mr. Clinton's national security adviser, said yesterday. Marshal Cho also brought an invitation for Clinton to visit Pyongyang – and thus underscored a fundamentally different approach to diplomacy. Marshal Cho offered the Americans something they wanted as well. He reaffirmed an earlier proposal that Mr. Kim had raised with President Vladimir V. Putin of Russia: that North Korea was willing to forgo its long-range missiles if the West would agreed to launch civilian satellites for Pyongyang. The Clinton administration decided to send Secretary of State Albright to Pyongyang to see if there was the basis for a Clinton trip. Her visit narrowed the gap with the North Koreans still further and challenged the Western image of Kim as an irrational leader. Kim offered several important concessions during six hours of talks. He offered to "forgo" missiles with a range of more than 300 miles. That concession was tied to an American willingness to provide satellite- launching services. He also indicated that he was willing to halt all missile exports, including missile components, technical advice and brokering services. And North Korea was no longer asking for a \$1 billion a year in cash in return, but was prepared to accept \$1

billion worth of nonmonetary assistance, like food, coal or other commodities for its stricken economy. Little progress was made on verification. The North Korean leader insisted that Washington had adequate means to monitor compliance through satellite and other technical means and did not welcome intrusive inspections. North Korea's existing stock of missiles was another big issue. Kim's offer to forgo long-range missiles did not apply to weapons that the North had already produced. Defense Secretary William S. Cohen and the Joint Chiefs of Staff wanted the North Koreans to destroy their missile stocks, which were a threat to Japan and to American troops in South Korea. Still, the mood at the Pyongyang meetings was good. Kim invited Albright to a huge Communist-style celebration by his party in which workers held colored placards in the shape of the Taepo-Dong missile. The North Korean leader turned to Albright and said this was the first satellite launching and would be the last. To iron out the remaining differences and set the stage for a summit meeting, the Clinton administration organized expert-level talks in the Malaysian capital, Kuala Lumpur. But without Kim, the North's experts had no authority to negotiate. When the Americans tried to clarify Pyongyang's position, the North Koreans complained that their move was an insult. To keep the negotiations moving, the American team gave the North Koreans two documents: a draft framework agreement that could be made public and signed at a summit meeting, and a confidential letter outlining each side's obligations. Those obligations went beyond the proposals Kim had made in Pyongyang. The Americans wanted to ban the production, testing and deployment of all missiles with a range of more than 180 miles that could carry a 1,000-pound payload – the same standard that Perry had cited in his 1999 talks. The Americans also wanted verification provisions, including a declaration by the North Koreans of the numbers and types of missiles in their arsenal. And the Americans pressed the North Koreans for a commitment to destroy their existing stocks, although some officials would have settled for a promise to negotiate this in the future. The Americans did not quantify how much assistance they were willing to provide North Korea, though they reportedly considered providing several hundred million dollars a years worth of food aid. Before the administration could consider a Clinton trip, it was clear there would have to be another session in which the North's negotiators could consult with the one man who could make decisions: Kim Jong Il. So plans were made to send Sherman and a team of Pentagon, National Security Council and State Department officials to Pyongyang. Sherman would be authorized to give the North Koreans a date for a Clinton summit meeting if they made more concessions on missiles. In an ideal world, officials said, Sherman would have gone to Pyongyang in November, and if the North Koreans made the needed concessions, she could have arranged a Clinton visit. He would then have signed a broadly written accord, while verification and other technical issues were tackled later. But the election wrangle intruded. Berger was reluctant to send an envoy with the election in doubt. He said the administration did not deem it wise for the president to leave the country at the time of a potential "constitutional crisis." After the election was decided in mid-December, Ms. Sherman and the White House Asia expert, Jack Pritchard, briefed Colin L. Powell and Condoleezza Rice. The Bush team made it clear that it would not undercut Mr. Clinton, but not would it endorse a deal, former Clinton aides said. That attitude was one factor that led the Clinton team not to send Ms. Sherman, according to a former ranking Clinton official. The concern was that the new administration would not support or even complete a

deal hammered out then. Finally, the Clinton administration announced on Dec. 29 that there was no longer enough time for its talks. Critics inside and outside the government say Mr. Clinton made a mistake by not sending Ms. Sherman ahead. The White House, they say, could have consulted with the Bush team before the election was decided, but refrained for fear of lending legitimacy to Mr. Bush's claims to the White House. "They did not run out of time; they ran out of courage," said Leon V. Sigal, the author of a book on Korean diplomacy. Albright insists that the administration did the best it could. But even she has some regrets. "Of the various places in the world where there is a chance to change the dynamic, this was it," she said last week. "Do I regret that we did not go forward? I personally do. I wish we could have." (Michael R. Gordon, "How Politics Sank Accord on Missiles with North Korea," *New York Times*, March 6, 2001p. A-1)

In a significant shift from his predecessor, President Bush plans to slow down talks with North Korea on curbing its missiles and will focus instead on curbing conventional arms. Bush administration officials say the president plans to discuss the new emphasis with President Kim Dae-jung two days from now. They are concerned that President Clinton appeared too eager to clinch a flawed deal with North Korea in an attempt to secure a foreign policy legacy in his final weeks in office. "We are really afraid that the change in administration could undercut the peace process," Moon Chung-in, an adviser to Kim, said at the Heritage Foundation. Donald Gregg, for U.S. ambassador to Seoul, said the United States and South Korea are like "two doctors with the same patient who never compared diagnoses." He suggested using the Bush-Kim summit to develop "calibrated yardsticks to measure North Korean behavior." Among the yardsticks is removal of some North Korean artillery units that threaten Seoul. "(Barbara Slavin, "Bush Alters Clinton Policy on N. Korea," *USA Today*, March 5, 2001) Kim Dae-jung's visit will be full of smiles and congratulations but will also carry a warning on North Korea, "Don't rock the boat or we could both end up in the sea." Kim will try to show how Pyongyang is changing, said Donald Gregg. "He'll say, 'They want to work with you.'" (Sonya Hepinstall, "South Korea's Kim to Visit U.S. with Warning on Pyongyang," Reuters, March 6, 2001)

Swedish PM Goran Persson will likely hold summit talks. "Sweden and North Korea recently agreed in principle to the visit by Persson to Pyongyang in the first half of the year," a government official said. (*Korea Herald*, "Swedish Prime Minister Likely to Visit Pyongyang," March 5, 2001)

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Powell on eve of KDJ meeting with Bush: "We do plan to engage with North Korea to pick up where President Clinton and his administration left off ... "some promising elements were left on the table and we'll be examining those elements." "And so we are not avoiding North Korea; quite the contrary," he said. "We think we have a lot to offer that regime, if they will act in ways that we think are constructive - ways that reduce the threat of proliferation of weapons of mass destruction and missiles, and ways that help open their society and give transparency into their society." Some notes of caution were injected by a senior administration official [Condoleezza Rice]who briefed reporters, "We're all for what Kim Dae-jung is trying to do by trying to open up the regime and engage the regime, but you have to have a clear-eyed view of what



Kim Jong-il is trying to do ... because it's a failed regime that is trying to stabilize itself." (Steven Mufson, "Bush to Pick Up Clinton Talks on N. Korean Missiles," *Washington Post*, March 7, 2001, p. A-20) In tough language, the senior administration official said, "North Korea is a problem. Kim Jong-il is a problem." She said, "north Korea just about a week ago threatened to restart testing. We sent a very strong message to North Korea: if the intention was to get our attention, it did, but in the wrong direction." She said, "We're not walking away from the Agreed Framework, but we always leave open the possibility of improving something like this." The senior U.S. official said, "North Korea is a threat on several fronts. We believe that the entire military presence must be taken into account, not just pieces of it." (Mark Magnier and Robin Wright, "High Stakes Talks for Bush, S. Korea's Kim," *Los Angeles Times*, March 7, 2001) The resulting news stories, especially the headline on the *Post* account, "Bush to Pick up Clinton Talks on N. Korean Missiles," alarmed Vice President Cheney and his aides, "who activated Bush's close aide, Karen Hughes, and White House chief of staff, Andrew Card, to demand that Powell retract his statement. A person familiar with these developments noted that the officials were motivated in part by fear that missile negotiations with North Korea could devalue the drive for an urgent antimissile program." The Oval Office meeting revealed to most administration officials as well as to Kim something they had not known about the new president before: an intense dislike of North Korea's leader, Kim Jong-il. Publicly Bush volunteered to reporters in Kim Dae-jung's presence that "I do have some skepticism about the leader of North Korea." "According to an informed official, he was much tougher in private, telling the South Korean president very bluntly that he did not like North Korea and did not trust Kim Jong-il." (Don Oberdorfer, "Korea and the United States: Partnership under Stress," *Perspectives*, 3, No. 1 (Summer 2002) Communiqué from ROK-Russia summit calling ABM Treaty a "cornerstone" of international security, says Powell, "That kind of got everybody's nerves jangling." Rice called Powell before his 8:30 departmental meeting: "We've got a problem," she said. "Have you read the newspapers yet?" What triggered the White House reaction, said Powell, was his use of "the fatal word: 'Clinton.'" A senior Bush aide says of Powell, "He knew. We had a meeting with the president the day before Kim Dae-jung came. Everybody knew where the president stood, that he wanted to take a tough line." (Karen DeYoung, *Soldier: The Life of Colin Powell* (New York: Knopf, 2006), pp. 324-25) Without telling DoS, Rice holds a background briefing for Sanger, who wrote, "Senior administration officials indicate that they continue to view North Korea as a major threat, and they are clearly wary that Mr. Kim's peace initiatives have moved too fast, with too few concessions from the North. One senior American official told reporters today that 'the North Korean regime is a problem and Kim Jong Il is a problem.'" Kim has quietly told visiting U.S. officials and the administration that he is ready to sign a peace "declaration" with Kim Jong Il even if the North does not pull its army back from the DMZ, or make progress on the missile deal with Washington. That has left White House officials clearly wary. "We will ask President Kim to consult us before he goes forward with anything like that," one official said today. (David E. Sanger, "Korea to Visit Bush, but They Could Be at Odds," *New York Times*, March 7, 2001, p. A-1; Chinoy, *Meltdown*, p. 53) The Mufson article appears and Powell gets a call from Rice. "All hell breaks loose," Powell recalled. "The president's very unhappy. Rice conveys his unhappiness to me. And when I got there, it was clear he was unhappy." (Chinoy, *Meltdown*, p. 54) Powell emerges from Oval

Office where Bush is meeting KDJ on March 7: "we have to not be naive about the threat" and if "there are suggestions that there are imminent negotiations, this is not the case." There would be a high-level review to determine "policies unique to the [Bush] administration." (Alan Sipress and Steven Mufson, "Powell Takes the Middle Ground," *Washington Post*, August 26, 2001) Powell later conceded he had misspoken: "Sometimes you get a little too far forward in your skis." (Alan Sipress postscript to Doug Struck, "N. Korean Leader to Continue Sale of Missiles," *Washington Post*, May 5, 2001) Kim Dae-jung arrived here for what could prove to be a clash with the Bush administration over the right strategy for dealing with North Korea. Kim has told his aides and some visiting Americans that he intends to sign a peace "declaration" with his North Korean counterpart, Kim Jong-il, in the next few months. While that declaration would fall short of a peace treaty, Kim believes that it is essential to making irreversible the North's tentative moves to engage the outside world. But it comes just as the Bush administration is undertaking what it calls a "thorough review" of American policy toward North Korea, with a clear view toward taking a far harder line than the Clinton administration did when it negotiated a major nuclear deal in 1994, and tried, unsuccessfully, to close a deal on missile controls last year. Senior administration officials indicate that they continue to view North Korea as a major threat, and they are clearly wary that Mr. Kim's peace initiatives have moved too fast, with too few concessions from the North. American military and intelligence officials, fearful that the North is stringing out negotiations while it hardens its military emplacements along the demilitarized zone, recently warned the Bush administration that the North had begun laying fiber-optic cables just north of the DMZ so that it could stymie American intelligence gathering and bolster its ability to unleash a devastating conventional attack on Seoul and the 37,000 American troops still on the Korean Peninsula. This conflict in views between the new occupants of the White House and a Nobel Prize winner who "is in a big hurry," in the words of one of his occasional advisers, poses a major challenge for Bush. "Bush is like a cop and Kim Dae Jung is like a priest," said Douglas Paal, who heads the Asia Pacific Policy Center here and is allied with many critics of Kim Dae-jung in the Bush administration. "The cop wants to get the North Koreans disarmed and off the streets and the priest wants to give him the resources to become a very different person." Paul D. Wolfowitz, nominated as Deputy Secretary of Defense, told Congress two years ago that the 1994 deal that froze North Korea's one known nuclear weapons production facility was deeply flawed. "The real issue is how much are they producing elsewhere, covertly, and possibly underground," he said. He has also offered blistering critiques of Clinton's and Kim's strategy of paying the North -- with food, oil or a commitment to build nuclear power plants in North Korea -- to give up its weapons programs. Many Bush administration officials say they want to explore a way to stop delivery of two conventional nuclear power plants to the North -- the quid pro quo for halting its operations to reprocess nuclear waste -- and to replace them with conventional coal-fired plants. Last week Kim angered the Bush administration when he stood alongside President Vladimir V. Putin of Russia and strongly suggested that he shared Russia's distaste for Bush's plans for a missile shield -- and said the 1972 Antiballistic Missile Treaty was "a cornerstone of strategic stability" around the world. "We certainly don't consider it the cornerstone," said the senior administration official [Condoleezza Rice], whose protests to South Korea led to a half-hearted retraction of the statement as soon

as Putin had left Seoul. (David E. Sanger, "Korean to Visit Bush, but They Could Be at Odds," *New York Times*, March 7, 2001, p. A-4)

Kissinger op-ed: "In the last months of the Clinton presidency, a sudden thaw occurred. South Korea's president was invited to visit the capital of North Korea. The second-highest-ranking military officer of North Korea, Vice Marshal Jo Myong Rok, was received in Washington by President Clinton and hosted at an official dinner by Secretary of State Madeleine Albright, who followed up with a return visit to Pyongyang. And in his last weeks in office, Bill Clinton was eagerly trying to arrange a presidential trip to Pyongyang, thwarted only because North Korea would not accept his condition to stop the export of missiles. Did all this herald a fundamental change, or was it primarily a new set of tactics to achieve familiar goals, which include undermining the case for a U.S. missile defense? It is important that we get the answer straight, for on it may depend the future not only of South Korea but of our entire position in the western Pacific. ...The long-term objective has not been war, which North Korea could not sustain, but to demoralize South Korea and undermine its relations with the United States by discussing the future of the Korean peninsula directly with the United States. If North Korea succeeds in establishing itself as the legitimate representative of the Korean national interest, Seoul will be marginalized as an American auxiliary. For a while, this policy was not without success. In 1994 the United States conducted separate negotiations with North Korea on the basis of which Japan and South Korea agreed to build two heavy-water reactors for North Korea and the United States agreed to supply heavy oil for North Korea's power plants in return for a suspension (but not abandonment) of its nuclear program. Though the deal was put forward as a contribution to nonproliferation, it probably had the opposite effect. For it may have encouraged other rogue states to initiate nuclear weapons programs to generate a comparable buyout. It may also have accelerated other aspects of the North Korean proliferation problem. For shortly afterward, North Korea tested a long-range missile that flew over Japan under the pretext of space exploration. ...Seoul and Washington must be receptive if North Korea's actions provide evidence that it is seeking to graduate from the status of a rogue state. Two principles should govern any common strategy: that the American alliance with South Korea and not the rapprochement with North Korea is the key to stability on the peninsula; and that South Korea should play the leading role in inter-Korean negotiations. Pyongyang must be convinced that the road to Washington leads through Seoul and not the other way around. ...But Korea is also where the interests of several major powers intersect. Neither China nor Japan is eager for a rapid, if any, unification of Korea. Both consider a unified Korea a potential danger to their security -- especially were it to inherit North Korea's nuclear and missile technology. China entered the Korean War to prevent unification, and Japan has permitted American bases on its soil in large part to defend the status quo in Korea. China is concerned about the impact of a united Korea on the Korean minorities in Manchuria, while Japan fears that the foreign policy of a unified Korea will rally its public by appealing to long-standing Korean antipathies. For all these reasons, the evolution of the Korean peninsula must be thoroughly discussed with Kim Dae Jung, and it must provide as well for consultation with all the interested parties, especially Japan, but also with China and Russia. ...Consultation is necessary also because other outcomes are possible than the continuation of the repressive

Pyongyang regime or its collapse. Countries uneasy about Korean unification may well be prepared to encourage a more benign government in Pyongyang while favoring its remaining separate from Seoul. But in the real world, such options are limited. ...Of course, the North Korean regime may collapse, as East Germany did, because Kim Jong Il loses control over events. In many respects, this is probably Seoul's nightmare. A rapid unification process for Korea would dwarf the monumental problems Germany faced for a decade. ...At that point, the four outside powers -- the United States, Russia, Japan and China -- would have to discuss the international status of Korea, while the two Koreas settle the internal arrangements, a procedure similar to the one preceding German unification. As for the United States, it has no reason to oppose Korean unification and every motive to support it. But far more is at stake for America than the future of Korea, for the future of Asia will importantly depend on what happens to American forces now stationed along the 38th parallel. While Kim Jong Il has been quoted by Kim Dae Jung as favoring the continued presence of American troops, regardless of what happens in the intra-Korean talks, this is not an assurance on which long-range policy can be built. Nor will the future of American troops in Korea depend entirely on the leaders of the two Koreas. Were tensions to ease dramatically, the presence of American troops could become highly controversial within South Korea. In turn, if these forces were removed, the future of American bases in Japan would become problematic. And if American troops left the rim of Asia, an entirely new security and, above all, political situation would arise all over the continent. Were this to happen, even a positive evolution on the Korean peninsula could lead to a quest for autonomous defense policies in Seoul and Tokyo and to a growth of nationalism in Japan, China and Korea." (Henry Kissinger, "A Road through Seoul," *Washington Post*, March 6, 2001, p. 23)

North Korean defector Hwang Jang-yop replied to a letter from SFRC chairman Jesse Helms (R-NC) inviting him to testify, "I am willing to accept your invitation at any time." (Kim Ji-ho, "Defector Willing to Testify at U.S. Congress," *Korea Herald*, March 6, 2001)

DPRK Deputy FM Choi Su-hon will make a three-day visit to Stockholm to discuss a possible Swedish or EU role in Korean peace talks, Swedish news agency TT reported. Undersecretary for foreign affairs Hans Dahlgren said it would be "natural" for Sweden to play a role in Korean talks. "I have discussed the possibility with North Korea, but I can only say that it is subject to discussion." (AFP, "N. Korea's Deputy Foreign Minister to Visit Sweden," March 6, 2001)

DPRK FoMin spokesman: "[T]he U.S. State Department in an 'annual report on drug control' released on March 1 asserted that 'the DPRK seems to manufacture and smuggle drugs into other countries' and it will 'keep tabs on' the DPRK despite the lack of clear evidence. This is a groundless charge and shameless provocation against the DPRK. The use of drugs and dealing in them, to say nothing of their manufacture, which reduce people to mental cripples, are strictly banned by law under the man-centered socialist system in the DPRK where a sound way of life prevails. ...Shortly ago, it slandered the DPRK over "human rights abuse" and this time it fabricated the preposterous "drug issue" in a bid to tarnish the image of the DPRK and isolate it. However, no one will lend an ear to this. The U.S. is well advised to clearly know that

such a trite trick will only bring to light the futility of its hostile policy towards the DPRK." (KCNA, "U.S. Assailed for Pulling up DPRK over 'Drug Issue,'" March 6, 2001)

Hyundai Asan, unable to remit the \$12 million per month to North Korea, said it would abandon the Mt. Kumgang tourist project unless the South Korean government provides assistance. "We have no choice but to scrap the project due to the growing financial crunch if we can't get the financial assistance we need," said Kim Sang-wook, senior executive director for the Hyundai group. Hyundai Asan chairman Chung Mong-hun recently visited North Korea but failed to get the remittance reduced to \$6 million. (Shim Jae-yun, "Hyundai Mulls Ending Kumgang Tour," *Korea Times*, March 7, 2001)

3/7/01

Powell meets with Kim Dae-jung over breakfast at Blair House with Lim Dong-won, Hubbard, Revere, Press Secretary Richard Boucher present. Kim previewed his presentation to Bush. "They were basically on the same page in terms of policy approaches: sunshine policy, engagement policy, engage is the way to go," says Revere. (Chinoy, *Meltdown*, p. 54)

At 5 a.m. President Bush called NSA Rice. "'Have you seen the *Washington Post*?' he demanded. 'No, Mr. President, I haven't,' I said. 'Go outside and get it.' He was speaking in short, declarative sentences – a sure sign that he was really upset. ... 'Do you want to take care of this, or do you want to?' 'I'll take care of it, Mr. President.'" (Condoleezza Rice, *No Higher Honor: A Memoir of My Years in Washington* (New York: Crown, 2011), p. 35)

At Kim-Bush summit, President Kim "was very forthright in describing his vision," Bush told reporters. "I was forthright in describing my ... skepticism about whether we can verify an agreement in a country that doesn't enjoy the freedoms that our two countries understand." (*Wall Street Journal*, "A Split with Seoul Complicates Crisis over North Korea," January 2, 2003, p. 1) President Bush told President Kim that he would not resume missile talks with North Korea anytime soon, putting aside the Clinton administration's two-year campaign for a deal and the eventual normalization of relations with the reclusive Communist state. Bush's comments, while couched in reassuring statements about the American alliance with South Korea, came as a clear rebuff to President Kim. In a brief exchange with reporters after meeting Mr. Kim in the Oval Office, Bush said: "We're not certain as to whether or not they're keeping all terms of all agreements." Later, a White House spokesman said that Mr. Bush was referring to his concern about whether the North would comply with future accords, even though he did not use the future tense. "That's how the president speaks," the official said. Bush had said, "When you make an agreement with a country that is secretive, how are you aware as to whether or not they are keeping the terms of the agreement?" He added later that President Bush, who has visited Asia only once, a trip to China a quarter-century ago, "was very frank and honest in sharing with me his perceptions about the nature of North Korea and the North Korean leader." President Kim had dinner tonight with about 20 American experts on Korea and, according to one participant, basically said that President Bush was very, very suspicious of the North Koreans. In another sign of Washington's new, harder line toward North Korea, Secretary of State Colin L. Powell appeared to back away from his statements on

Tuesday that he hoped to "pick up where President Clinton and his administration left off." His comments seemed at odds with those of a senior administration official who had invited a group of reporters to the White House that same day to stress that a complete review of North Korea policy was under way. Today General Powell stepped out of the Oval Office meeting to tell reporters that North Korea was "a threat" and "we have to not be naïve about the nature of this threat, but at the same time realize that changes are taking place." Powell added "There are suggestions that there are imminent negotiations about to take place" between the United States and North Korea. "That is not the case." (David E. Sanger, "Bush Tells Seoul Talks with North Won't Resume Now," *New York Times*, March 8, 2001, p. A-1) Kim Dae-jung was stunned when he stepped out for a joint news conference after meeting Bush in March 2001. "He didn't talk about what we had agreed upon but began to criticize North Korea by saying that a regime that couldn't even feed its people was making nuclear weapons," Kim Dae Jung told *Newsweek* last week. "From that time on, things began to go wrong. I am confident that if President Bush had [pursued] the agreement sought by President Clinton the North Korean issue would have been resolved, and I am very sorry about that." (Michael Hirsh, Melinda Lu, and George Wehrfritz, 'We Are a Nuclear Power,' *Newsweek*, October 23, 2006) "I made clear that Chairman Kim Jong-il aspired to make better relations with the United States," Kim Dae-jung recalled. "So therefore you can resolve the issue through dialogue." But Bush, in the words of one official who was there, "really lit into Kim Dae-jung," interrupting him, challenging the premises of his argument, expressing hostility toward North Korea and skepticism about the sunshine policy. Bush made clear he had no intention of resuming the missile talks in the foreseeable future. As Deputy SecState recalled, "There was no sort of respect given an elder diplomat in station and certainly no respect for his past suffering for his beliefs, and a sort of, 'We hate him' and 'Your sunshine policy sucks.'" Bush starts off the joint press conference by referring to KDJ as "this man." The memory rankled. "He humiliated me by calling me 'this man.'" Kim recalled. (Chinoy, *Meltdown*, pp. 56-57) FM Lee Joung-binn told the Korea Press Foundation, "The United States requested us to support NMD. During the process of negotiations, however, we maintained our position to the last moment." Lee's remarks contrast with what a senior administration official said in a March 7 press briefing, when asked whether Kim supported NMD, "No, he did not. Nor was he asked to support it." (Son Key-young, "U.S. Asked Korea to Support Missile Shield: Foreign Minister," *Korea Times*, March 23, 2001) In the middle of summit talks in the Oval office after President Kim had spent two hours explaining his sunshine policy to President Bush, after listening carefully, said "President Kim, please make the most of me. I will play the villain while you play the good guy." President Kim smiled slightly when he heard this from the interpreter. However, President Bush said "We hope the ROKAF will purchase the Boeing F-15 for efficient joint operations between Korea and the U.S." An official who was at the talks said later "I could see President Kim's face go rigid when he heard the word 'F-15' from President Bush." (Brent Choi, *JoongAng Monthly*, June 2001)

Senior administration official [Torkel Patterson]: "President Kim expresses in the joint statement ... support for the idea of defensive systems in terms of consulting about it, and he said plainly that Korea did not support ... national missile defense. ...There would be a [pause] - we're not going to immediately start negotiating with North

Korea. ...Q. The President's statement was fairly clear, though, where he said there is some question about whether they are complying with ...agreements ... What agreement is he referring to? A. ...What there is concern about is the verification of existing agreements. ... What the president said - and he said it in the meeting - is that there are transparency questions, that North Korea is not a transparent state, and therefore we do not have a 100 percent ability to monitor these agreements. So his concern about them is not of a specific instance of violation, but our confidence in whether or not these agreements are being violated. ... We're not going to start and go at the same place where the Clinton administration left off. ... We're going to look at this. Q. Does President Bush see any positive steps or any positive signs coming out of North Korea? A. If he does, I haven't heard that." (White House transcript of Background Briefing on Bush-Kim Meeting, March 8, 2001)

DPRK's aggressive campaign to normalize relations with all EU states is reaching its final stages as it added Luxembourg, Germany last week, and Greece later this week, leaving only France and Ireland without diplomatic ties. (Shin Yong-bae, "N.K.'s Diplomatic Campaign Targets EU Nations," *Korea Herald*, March 3, 2001)

Wendy Sherman op-ed: "President George Bush campaigned on a promise to defend America against missile threats from countries like North Korea. His intention is to build a national missile defense system. But such a system is not only unproven; it would undoubtedly be costly in both dollars and in diplomacy. Although there is some logic in trying to construct a missile defense system, there is also logic in seizing every opportunity to reduce or eliminate the missile threats through the less costly means of arms control negotiations. In dealing with North Korea, President Bush has an opportunity to take this latter approach. The question now is whether he will seize it. We may know the answer after President Kim Dae Jung of South Korea meets with President Bush today. Reconciliation and engagement with North Korea have been the centerpiece of President Kim's three years in office. Although some believe that continued international isolation would bring a welcome demise of the dictatorial North Korean regime, its sudden collapse would pose terrible security and economic challenges that South Korea and the world can ill afford. Any international crisis with North Korea, particularly one involving the United States, would be likely to halt efforts, heightened by last year's summit between North and South Korea, to bring the North out of its isolation. Undoubtedly, such a crisis would also doom for the foreseeable future prospects for a final peace agreement between the North and the South. Because Mr. Kim knows that North Korea's long-range missile threat is uppermost among America's concerns, he will most likely want to know if President Bush will close the deal with North Korea that came tantalizingly close for President Bill Clinton in his final days in office. **That agreement, when completed, would both halt North Korea's exports of missiles and related technology and stop further production, deployment and testing of long-range missiles.** ... There are many challenges in ending this lingering Cold War conflict, and many would assume that Kim Dae Jung would first want to get North Korea to move back its million-man army from deployment along the North-South border. But he knows that he can counter that with conventional forces. So his priority is to reduce the destabilizing force of weapons of mass destruction, particularly long-range nuclear missiles. The world saw the threat

they pose in 1998, when a missile being tested by North Korea flew over Japan and set off an international crisis that could have undone the 1994 nuclear agreement with the United States that halted the North's fissile material production. President Bush, for his part, does not need to make a false choice between negotiating a missile agreement with North Korea and pursuing his already stated intention to build a national missile defense. It will take time to achieve a missile agreement and test North Korea's compliance with it. It will also take considerable time to develop and test virtually any national missile defense system. So Mr. Bush can move forward on both strategies without foreclosing any options. If negotiations do achieve a real reduction or elimination of the North Korean missile threat, Mr. Bush can then decide if he should change his approach to national missile defense. Although President Bush has time to consider his approach to negotiations, North Korea, a country of immense pride, will not wait forever. Kim Jong Il is capable of creating a crisis absent a clear signal that negotiations are possible. He is certain to be listening closely to the tone and substance of reports from this week's meeting between Mr. Bush and Kim Dae Jung. President Bush should restart talks with North Korea, and if an agreement is at hand, be ready to meet with Kim Jong Il. Some are understandably concerned that a summit with President Bush would only legitimize the North Korean leader. But, if such a meeting verifiably eliminated a major missile threat to the United States and the world, drew North Korea into the international community and began to open a window of freedom for that country's starved and desperate citizens, it would be more than worth the risk."(Wendy R. Sherman, "Talking to the North Koreans," *New York Times*, March 7, 2001, p. A-19)

Biden: "It would be irresponsible not to explore, to discover, whether North Korea is prepared to abandon its pursuit of long-range missiles in response to a serious proposal from the United States and its friends and allies. ...Since last fall, evidence has mounted steadily that ...KJI has indeed decided that nothing short of a major overhaul of his economic system and diplomatic relations is likely to pull his country back from the brink of starvation and economic collapse. ... Mr. President, five years ago when people spoke of 'North Korean offensives,' they were referring to the threat of a North Korean assault across the DMZ. Today, Kim Jong-il is mounting an offensive, but it is a diplomatic and economic offensive, not a military one. ...Foreclosing diplomatic options by rushing to deploy NMD is not the right antidote." (Senator Joseph Biden (D-DE) floor speech "Don't Drop the Ball with North Korea")

3/8/01

Secretary of State Colin Powell in testimony before the SFRC called on Pyongyang to trim its million-man army. He also suggested substituting conventional power plants for the two nuclear reactors promised in the Agreed Framework. He said, "As we look at the elements of the negotiation that the previous administration had left behind, there are some things there that are very promising. What was not there was a monitoring and verification program of the kind that we would have to have in order to move forward in negotiations with such a regime. And so what the President was saying yesterday is that we are going to take our time, we are going to put together a comprehensive policy, and in due course, at a time and at a pace of our choosing, we will decide and determine how best to engage with the North Korean regime." He said, "[North Korea] is a regime that is despotic. It is broken. We have no illusions



about this regime. We have no illusions about the gentleman who runs North Korea. He is a despot.” (Ben Barber, “Powell Wants North Korea to Reduce Million-Man Army, *Washington Times*, March 9, 2001, p. 1)

DIA assessment: “North Korea has made substantial missile progress during these last several years. The August 1998 launch of the Taepo-dong 1 system demonstrated several of the key technologies required to develop an ICBM, including stage separation. A three stage TD-1 could potentially deliver a light payload to the U.S., albeit with very poor accuracy. North Korea is also developing a TD-2 ICBM, which could deliver a several-hundred kilogram payload to Alaska or Hawaii, and a lighter payload to the western half of the U.S. A three-stage TD-2 could deliver a several-hundred kilogram payload anywhere in the U.S. In September 1999, and again in June and October 2000, North Korea agreed to refrain from testing longer range missiles ... a pledge it has lived up to so far. ...For the future, I expect North Korea will continue to proliferate WMD and especially missile technology – one of the few areas where North Korea has something to offer for hard currency on the international market. Pyongyang’s proliferation of Nodong missile technology is particularly important for these states seeking to extend the range of their missile fleet. I also expect North Korea to continue to develop and expand its own ‘asymmetric’ capabilities – WM, missiles, Special Operations Forces, small submarine insertion platforms, etc. – in part to offset its conventional force shortcomings. And, as I said earlier, I think North Korea has the potential to field an ICBM sometimes within the next several years. In short, as long as North Korea remains around in its present form, it will represent one of the major threats to regional and global interests.” (Vice Admiral Thomas R. Watson, DIA Director, “Global Threats and Challenges through 2015, Senate Armed Services Committee, March 8, 2001)

PRC Vice-premier Qian Qichen makes secret visit to KJI that “paved the way for three-nation talks,” says senior ROK official. (*JoongAng Ilbo*, “*The Second North Korean Nuclear Crisis: The Untold Story*,” p. 25)

“Were we ready to pressure the IAEA to bend the rules so we could keep [the Agreed Framework] moving forward? One senior nonproliferation official under Clinton said last month. “Absolutely.” Former nonproliferation officials in DoS and DOE who served under Clinton suggested the U.S. might be willing to overlook a discrepancy as large as one or two kilograms of plutonium not accounted for and assumed to be in the country. In the case of North Korea, “our political calculation might be overriding,” said one U.S. official. “There might be a quantity lower than one SQ [significant quantity or 8 kilograms], say, maybe 2 kg Pu, which [the U.S.] might be willing to ignore if that meant the survival of the reactor project.” Last year, senior officials at the IAEA Department of Safeguards let the U.S. know they had no confidence the DPRK would ever provide access to sites identified by U.S. intelligence as hosting high-level reprocessing waste from clandestine plutonium production. Demetrios Pericos, chief of Safeguards Operations Division A, began warning his U.S. counterparts **in 1993** that the IAEA would not allow its technical judgment on whether the DPRK was in full compliance with INCFIRC-403 to be swayed by Washington. Pericos “kept telling the Americans he wouldn’t give in” to any pressure from Washington to “count anything

less than every gram of plutonium," one IAEA official said. (Mark Hibbs, "Clinton White House Wars Ready to Press IAEA on DPRK Verification," *Nucleonics Week*, March 8, 2001)

3/9/01 North Korea is preparing to ship missile components, according to U.S. intelligence officials. The shipment was photographed by a U.S. spy satellite within the past several days as it awaited loading a Nampo. The exact types of components were not disclosed but are believed to be for SCUD B or C missiles. (Bill Gertz, "Weapons Sales Concern Seoul, United States," *Washington Times*, March 9, 2001)

President Kim Dae-jung said recent changes in North Korea are "wondrous and full of meaning." in a luncheon speech co-sponsored by the Heritage Foundation and the Council on Foreign Relations, "Since the inter-Korean summit of June last year, North Korea has been moving in the direction of change," he said. "Whether the changes are strategic or tactical, one thing is certain. For North Korea, change is not a matter of choice but of survival." Citing North-South defense talks, reunions of separated families, economic cooperation agreements, and reconnection of a railway to the South, he said, "These developments, I believe, would not have come about without North Korea's willingness to change." (Chon Shi-yong, "Kim Appeals to U.S. Opinion Leaders to Engage N.K.," *Korea Herald*, March 9, 2001)

3/?/01 South Korea still seeks reprocessing over U.S. opposition although Seoul's motives have changed over time..(Jungmin Kang and H.A Feiveson, "South Korea's Shifting and Controversial Interest in Spent Fuel Reprocessing," *Nonproliferation Review*, Spring 2001, 70-77)

3/12/01 Kim Ha-joong, KDJ's senior secy for foreign policy and national security, in a briefing, for reporters, rebutted U.S. demands for withdrawal of North Korean troops, pointing out that neither of the two sides have sent observers to each other's military exercises or notified each other of troop movements . "No military hotline has been set up, either," he said noting that these steps must precede discussion of troop redeployments. The issue was so sensitive that South Korean officials asked Korean correspondents in Washington to disregard some parts of an interview with the Washington Post where President Kim said, "Both Kim and the United States have stressed the need for North Korea to withdraw some forces from the heavily fortified area." (Oh Young-jin, "Kim Top Aide Rebuts U.S. Demands for N. K. Border Troops Redeployment," *Korea Times*, March 13, 2001)

KDJ in speech to the 57<sup>th</sup> graduating class of the Korea Military Academy said, "We have to get the peace process off to a strong start in order to ensure a secure and safe future for the 70 million Korean people [of both South and North Korea." He said he was committed to four principles in pursuing inter-Korean détente: military preparedness, a solid U.S.-ROK defense posture, tripartite coordination among Seoul, Washington and Tokyo, and a "working" cooperation among the U.S., Japan, China and Russia. "It is pivotal to secure support and cooperation from these four powers for the introduction of a peace regime on the Korean peninsula." He told a regular meeting of the Cabinet, "I will gradually implement our policy [of reconciliation and

cooperation toward the North] that is being supported by the international community." (*Korea Times*, "President Kim Calls for Start of 'Peace Process,'" March 13, 2001)

*Rodong Sinmun* signed commentary: "An official of the U.S. State Department, when meeting with a visiting 'group of relatives of Japanese nationals allegedly abducted,' said that the 'U.S. does not have any intention to remove North Korea from the list of countries it believes are sponsoring terrorism.' The DPRK can not but clarify its stand once again as the U.S. persistently keeps the DPRK on its list of terrorist-supporting countries, the commentary says, and continues: The DPRK has nothing to do with kidnapping and terrorism and it has consistently opposed all forms of these acts. ... It is foolish, indeed, for the U.S. to try to achieve a sinister aim by using 'issues of kidnapping and terrorism' as a lever to pressurize the DPRK. Pressure is not a solution to any problem. If the U.S. comes out with pressure and high-handed practices against the DPRK's patience it will have no option but to strongly react to it. The U.S. is well advised not to resort to dirty moves but face up to the reality and think twice over them." (KCNA, "*Rodong Sinmun* on Reckless Remarks of U.S. Official," March 12, 2001)

North Korea postponed the fifth ministerial talks with South indefinitely. Jon Kum-jin, the North's chief delegate, said it "cannot participate in today's talks considering various circumstances" in a telephone message sent to his counterpart, Park Jae-kyu at 9:10 a.m. according to Kim Hyung-ki, a senior UnifMin official. "The delay can be seen as an indirect expression of protest over the U.S.'s hard-line policy," said Chung Young-tae, a KINU researcher. (Seo Soo-min, "N.K. Delays Ministerial Talks Indefinitely," *Korea Times*, March 13, 2001)

3/13/01

Rep. Henry Hyde (R-IL): "Many of us in Congress became increasingly concerned after 1994 about the unseemly enthusiasm in certain quarters to construct nuclear reactors in North Korea. *The Wall Street Journal* once analogized this to the story told in 'The Bridge over the River Kwai: British POWs, ordered by their Japanese captors to build a bridge, became so caught up in the project that they almost forgot whose side they were on in the war. ... We are frequently advised that, if there is to be progress in our relations, we must be prepared to repeatedly give the North Korean signs of reassurance and understanding. But this is a two-way street. .... The best way for the North Korean government to send such a signal, perhaps the only way for it to do so, is to acknowledge the need for verification, to cease resisting its verification obligations, and to positively embrace the concept as a way of demonstrating to the world that it no longer has anything to hide. ... I have two additional concerns about any missile agreement with North Korea that should be taken into account. To the degree any such deal involves the launching of satellites for North Korea, we need to make sure there is no technology transfer. ... In addition, I worry a great deal about the compensation that North Korea is demanding in connection with an agreement on missile proliferation. Reportedly they have said we need to pay them \$1 billion per year to stop proliferating. ... We need to carefully consider the implications of allowing the West to become the principal prop holding up the North Korean regime." (Rep. Henry Hyde, speech to American Enterprise Institute Conference on North Korea, March 12, 2001)

3/14/01 Kim Yong-sun, architect of N-S summit, arrested. [?] He was later released, but no longer accompanies KJI on on-the-spot guidance trips. (Brent Choi, "Conservative-Reformist Conflict over South Korea Coming to Surface; DPRK Workers Party of Korea Secretary Kim Yong-sun Was Arrested, But Released After Some 10 Days under Kim Jong-il's Special Instruction," *JoongAng Monthly*, August 1, 2001)

3/15/01 *Rodong Sinmun* signed commentary: "The U.S. takes a defiant attitude towards the situation on the Korean peninsula which began witnessing a sign of detente. This clearly indicates its aggressive nature and ambition to stifle the DPRK by force of arms and its black-hearted intention to torpedo the dialogue between the north and south and put the brake on the movement of the Korean nation for reunification. ... Their aggressive design to block peace and reunification of Korea and stifle the DPRK by force of arms remains unchanged. It is foolish, indeed, for the U.S. to work hard to stifle the DPRK by force of arms. The U.S. imperialists' brigandish 'policy of strength' can never go down with the Korean people who value the dignity and sovereignty of the nation more than their life and soul. **We are fully prepared for both dialogue and war.** It is our determination to react to the enemy's hard-line stand with the toughest position and take thousand-fold revenge on aggressors. **The U.S. imperialists are well advised to drop their aggressive hostile policy towards the DPRK and honestly implement the DPRK-U.S. agreed framework.** If they keep to the road of confrontation with the DPRK, it will bring irrevocable consequences. The U.S. will have to be entirely responsible for them." (KCNA, "U.S. Hostile Policy toward the DPRK under Fire," March 15, 2001)

It is the first time Pyongyang has mentioned the Bush administration by name in its propaganda offensives. "North Korea seems to have more or less finished coordinating its stance towards the U.S., said a UnifMin official. "From their point of view, U.S. officials calling their leader 'despot' and 'dictator' has truly been provocative." (*Korea Times*, "North Korea Steps up Anti-U.S. Propaganda," March 15, 2001)

North and South Korea exchanged mail for separated families, the first contact in more than 50 years for some. "We exchanged 300 letters from each side with North Korean officials at Panmunjom after checking their names and addresses," said a spokesman for the South Korean Red Cross. (Reuters, "Two Koreas Exchange First Mail inn 50 Years," March 15, 2001)

3/18/01 *Rodong Sinmun* signed commentary: "The Bush administration said that it would take a 'hard-line stance' towards the DPRK, absurdly asserting that the DPRK's stand to implement the DPRK-U.S. agreed framework is not transparent and it is a 'dangerous state.' This is an indication that the Bush administration is not interested in the improvement of the DPRK-U.S. relations but is poised to pursue an extremely dangerous aim to destroy the DPRK's socialist system by force of arms. As far as the issue of the implementation of the AF is concerned, it is the U.S. that is nontransparent in its stand toward the AF. The construction of the light water reactors, a core point of the AF, is being indefinitely delayed due to the U.S. deliberate negligence and the DPRK is, accordingly, suffering heavy economic losses. The United States has brought

the charge of 'non-transparency' against the DPRK which has sincerely implemented the AF despite the fact that Washington is throwing artificial hurdles in the way of its implementation. This is just like a thief crying 'stop the thief.' The far-fetched assertion made by the U.S. imperialists is aimed to shift the responsibility for the possible collapse of the AF on to the DPRK and watch for a chance to stifle it by force. The United States's description of the DPRK as a 'dangerous state' is simply designed to justify its moves to stifle the DPRK. It is preposterous, indeed, for the U.S. imperialists, most dangerous forces of aggression, to label other country as a 'dangerous state.'

**The DPRK is neither afraid of nor browbeaten by the U.S. 'hard-line policy.' This only compels the DPRK to strengthen its tough attitude toward the United States and further increase the self-reliant defense** capability. It is a wrong option for the Bush administration to seek to bring the DPRK to its knees by high-handed military threat and pressure instead of finding a negotiated solution to the issue of DPRK-U.S. relations. The people's army and people of Korea will demonstrate their stamina by mercilessly punishing any aggressors coming to seize the DPRK by force of arms. The U.S. ruling quarters are well advised to bear this in mind and stop such foolish moves." (KCNA, "U.S. Administration's Assertion Refuted," March 18, 2001)

3/18/01      Talks between railway ministers Nikolai Aksyonenko and Kim Yong-sam March 16-18 to link rail networks have resulted in an agreement on cooperation, KCNA reported. The visit followed up a plan hatched by Russian President Vladimir Putin and South Korea's Kim Dae-jung to link the inter-Korean railway to the Trans-Siberia line. (*Korea Herald*, "North Korea, Russia Seal Railway Agreement," March 20, 2001)

3/19/01      FM Lee Joung-binn called for establishing a regional security dialogue in Northeast Asia.  
at the opening ceremony of the Korea-OSCE Conference. He said, "Following in the footsteps of the OSCE with political will and vision, the countries of Northeast Asia should be able to take the small but significant step toward the start of such a dialogue." In 1994 Seoul proposed at the ASEAN Regional Forum that a Northeast Asi Security Dialogue be established to promote regional security cooperation, but North Korea and China were reluctant to embrace the idea. (Son Key-young, "'Time Ripe for Security Mechanism in NE Asia," *Korea Times*, March 20, 2001)

KDJ told a graduating class at the Korea Naval Academy, "There will be no progress in inter-Korean relations alone without improvement in U.S.-North Korea relations. The two issues cannot be separated from each other. Thus we have to try to improve the inter-Korean relations on the one hand and provide support toward progress in U.S.-North Korea relations on the other." (Paul Shin, "S. Korea Vows Better Ties with North," Associated Press, March 19, 2001)

3/21/01      North Korea's promised delivery of a signed copy of an agreement on rules for joint inter-Korean governance of the DMZ has been delayed more than a month,. The MOD said. (*Korea Herald*, "N. Korea Fails to Send Signed Pact on DMZ Project," March 22, 2001)

A total of 3,790 South Koreans were kidnapped since the end of the Korean War in 1953, KINU said in a 2001 human rights white paper – 3,692 fishermen, 51 airplane crew members and passengers, 20 naval vessel crew members, 2 maritime policemen, and 25 others. Some 487 are still living there – 436 fishermen, 12 airplane crew members and passengers, 20 naval vessel crew members, 2 maritime policemen and 17 others. (*Korea Herald*, "3,700 S. Koreans Allegedly Abducted by N.K. Since 1953," March 22, 2001)

3/22/01

Letter to President Bush made public on March 26: "1. South Korea has made important progress in tension reduction with the North and should have U.S. support. We believe that Seoul's strategy of cooperation and reconciliation with North Korea has moved the political dynamics on the peninsula in a positive direction. Some argue that the policy is a failure because the North has not reduced its military forces or improved human rights in response to the South's overtures. We firmly believe that without a reduction of the North Korean military threat and improvement in human rights in the North, diplomacy with Pyongyang will only go so far. However, these should be the goals of policy and not preconditions for the South's efforts at tension reduction. Kim Dae Jung's focus on cooperation and reconciliation is the right way to begin the process and is clearly in U.S. interests. The South Korean government has stated that it would like to use Kim Jong Il's visit to Seoul as an opportunity to issue a joint North-South declaration on security. Such a declaration should be more than a ceremonial agreement 'declaring' peace. Moving from the current armistice toward a reliable peace mechanism will require concrete steps, starting with a North Korean commitment to at least begin implementing some of the confidence-building and transparency measures already agreed to in the 1992 North-South Basic Agreement. 2. It is in U.S. interests to negotiate a verifiable elimination of North Korea's long-range missile program. As a Task Force we were cautiously encouraged that North Korea appeared interested in negotiating a comprehensive agreement to reduce its long-range ballistic missiles in exchange for various inducements. We do not believe that such an agreement can be achieved without lengthy and deliberate negotiations followed by effective verification measures. Nevertheless, the scope of North Korea's proposal was unprecedented. The North would prohibit all exports of long-range missiles and related items in exchange for in-kind assistance in categories such as food. In addition, the North said it would ban further indigenous testing and production above a certain range in exchange for in-kind compensation and assistance with launching commercial satellites. However, in working-level talks the North balked at "intrusive" verification; did not address already deployed missiles (including about 100 Nodong missiles aimed at Japan); and remained vague about the exact threshold for "long-range" missiles. The United States should resume talks on missiles when ready, but must make the bottom line clear: 1) effective verification; 2) elimination of long-range missiles already deployed; 3) provision of in-kind assistance to the North that would not include sensitive technology transfers; and, 4) movement toward subsequent steps to reduce tensions and the conventional military threat. If these objectives can be met, a broad agreement with North Korea on missiles would be a significant accomplishment and would enhance both stability in Northeast Asia and the South's efforts at reconciliation. In any event we believe that pursuit of these negotiations is a separate issue from the United States' own decision to develop and

deploy missile defenses.

3. The United States should invite its allies to review the Agreed Framework, but there should be no unilateral changes by any party. The 1994 Agreed Framework has frozen North Korea's known nuclear weapons program. The crux of the deal -- a U.S.- led consortium will provide two light water reactors (LWRs) in exchange for North Korean compliance with International Atomic Energy Agency (IAEA) inspections -- has not been broken by either side. However, the difficult business of dismantling North Korea's nuclear program has been deferred and significant technical and legal hurdles remain before that aspect of the Agreed Framework can be completed. We recommend that you undertake a deliberate and careful review of the status of the Agreed Framework together with Japan, South Korea, and the European Union. This review should focus on both the remaining challenges to full implementation of the Agreed Framework as well as potential opportunities to engage North Korea on a revision of the terms to meet Pyongyang's immediate energy needs. It is striking, for example, that the North has recently demanded direct electrical energy from the South until the LWRs are ready. The South is under no obligation to provide this energy and should not do so without linking it to the North's obligations under the Agreed Framework. Nevertheless, this new development suggests that some reworking of the 1994 accord might be possible. The United States should stand by its commitments and its allies and make no unilateral changes to the Agreed Framework, and not accept any delay in the nonproliferation milestones contained within it. However, circumstances require a fresh collective look at the LWR project.

4. We must continue to invest in the U.S.-ROK security partnership. The U.S.-ROK alliance has been extraordinarily successful at underpinning stability in Northeast Asia and establishing a position of strength for South Korea to test reconciliation with the North. Seoul has clearly stated that the U.S. military will remain critical to its security even after the North Korean threat is gone. It is consistent with Seoul's efforts at reconciliation for the U.S. and ROK governments to point in specific terms to the North Korean threat and to continue reinforcing deterrence, particularly in the areas of counter-battery fire, missile defense, and protection against weapons of mass destruction. We encourage you to initiate a comprehensive security dialogue with Seoul on how to improve U.S.-ROK joint readiness in these areas and to begin preparing the alliance relationship for a longer-term role in regional security.

5. We must continue energetic trilateral U.S.-ROK-Japan coordination. Pyongyang's new diplomacy is the result of three developments: the North's desperate economic situation, Kim Dae Jung's patient diplomacy, and closer U.S.-Japan-South Korean trilateral coordination. A close trilateral relationship raises the cost for North Korean belligerence and defines the international community's terms for improved economic relations should the North change its stance. We encourage you to move quickly to designate high-level officials to represent the United States in the Trilateral Coordination and Oversight Group (TCOG) process and to hold an early meeting with counterparts from Seoul and Tokyo this spring." Morton I. Abramowitz, Senior Fellow, Century Foundation James T. Laney, President Emeritus, Emory University Members Co-chairs, Independent Task Force on Managing Change on the Korean Peninsula, Council on Foreign Relations

3/24/01

DPRK Deputy FM Choi Su-hon in a meeting with PM Goran Persson in Stockholm proposed missile talks with the EU, which Sweden chairs, instead of the U.S. "During the visit of Madeleine Albright, much progress had been achieved in missile talks. At that time, we had proposed very reasonable ideas," Reuters quoted Choi as saying. "But the new administration is trying to avoid talks on this matter." Sweden's minister for European affairs Lars Danielsson said, "There has been an invitation issued by the representative from the DPRK to the Swedish prime minister to visit Pyongyang. We are now assessing the situation, and the prime minister will report to the European Council during dinner tomorrow night. Depending on the outcome of that discussion, there could possibly be an announcement on whether any additional initiatives are possible on the part of the Swedish presidency on this issue." (Kim Ji-ho, "N.K. Proposes Missile Negotiations with EU," *Korea Herald*, March 24, 2001) EU leaders announced Goran Persson will soon travel to Pyongyang with two other EU envoys to expedite reconciliation between their countries and defuse the missile threat posed by North Korea. "The aim is to express support for the process started by Kim Dae-jung, a process aimed at bringing to an end one of the last conflicts with origins in the Second World War." "It's become clear that the new U.S. administration wants to take a more hard-line approach toward North Korea," said Swedish FM Anna Lindh. "That means Europe must step in to help reduce tensions between the two Koreas, not least because the outside world is so worried about North Korean missiles." EU officials said the idea of a European initiative was first broached by KDJ during a visit here after he was awarded the Nobel Prize earlier last year. They said KDJ stepped up his pleas for an EU role after his disappointing talks with Bush. (William Drozdiak, "EU Seeks to Fill U.S. Role in Koreas," *Washington Post*, March 25, 2001, p. A-1) South Korea will protest the report that KDJ asked the EU to make up for U.S. hesitation. "This report is groundless," Cong Wa Dae spokesman Park Joon-young told his daily briefing. (Chon Shi-young, "Seoul to File Protest over Washington Post Report," *Korea Herald*, March 28, 2001) An editorial this weekend in the *Süddeutsche Zeitung* had a brisk headline in English: "Bully Bush." It reflected a growing allied concern over the direction of the Bush administration's foreign policy that the Europeans seem determined to resist. It was precisely concern over what they saw as the administration's "beating up" on South Korean President Kim Dae-jung, when he visited Washington this month that prompted European Union leaders to decide this weekend to send mediators to support the peace effort between the two Koreas. This step amounted to an important signal on several fronts. The decision demonstrated that the 15-member European Union is determined to develop its nascent common foreign and strategic policy, even when that policy differs from the American. It also showed strong support for Kim Dae-jung's "sunshine policy" at a time when it appeared vulnerable to the Bush administration's more skeptical view of the North Korean leader and its determination to build a missile shield to defend against the North's weapons programs. (Roger Cohen, "Europe and Bush: Early Storm Clouds to Watch," *New York Times*, March 26, 2001, p. A-3)

A four-member North Korean delegation visited South Korea to pay tribute to Hyundai group founder Chung Ju-yung. They delivered a funeral wreath from Kim Jong-il and a condolence message praising Chung's contribution to inter-Korean cooperation and expressing hopes that Hyundai's project, including the money-losing Mt. Kumgang



tour, will continue. "Kim Ji-ho, "N.K. Mourners Raise Hopes of Breakthrough," *Korea Herald*, March 26, 2001)

3/25/01

South Korea will join the Missile Technology Control Regime March 26-27, Jeong Dal-ho, a MOFAT official told the National Assembly's Foreign Affairs and Trade Committee. (*Chosun Ilbo*, "Korea to Join MTCR This Month," March 21, 2001)

Last week a South Korean ferry brought 207 men from Uzbekistan to replace North Korean workers at the Kumho reactor project. "This is mission impossible," said Jhe Seong-ho, an international law expert and South Korean government adviser on KEDO. "It's now in the seventh year, and not much has been done. Realistically, this KEDO plan doesn't look like it's going to work." He added, "Even the conservatives in Korea think cancellation is too dangerous." Desaix Anderson, executive director of KEDO said in a telephone interview, "This has kept the nuclear activities of North Korea frozen for seven years. And it has been the initial stage of sea change. You can stop it now if you want to pay the cost: a strong risk of military conflict." Chun Yung-woo, former chief manager of South Korea's KEDO office, said, "Two years were unnecessarily wasted over the liability issue. The United States went to extreme lengths to avoid any legal liability. And when the direct party to the agreement is so obsessed with avoiding any responsibility, Japan and South Korea could hardly do more." GE's place was filled by Hitachi-Toshiba, which is not so demanding about liability. "North Korea has kept its promise word for word. They have frozen their nuclear program," said Paik Haksoo of the Sejong Institute. "But the Americans haven't kept their promises." (Doug Struck, "U.S.-Led Plant Beset by Delays," *Washington Post*, March 25, 2001, p. A-1)

Just two weeks after KDJ returned from the White House, Koreans are describing his meetings with the Bush administration instead as an abrupt and sobering end to the most active phase of their president's groundbreaking policy of reconciliation with the North. Bush's reception, while carefully respectful, has been widely perceived here as a firm reining in of an ally whose impassioned engagement with North Korea had shaped this region's diplomacy for nearly two years. The Bush administration has tried to soften the impression that Kim was undermined during his visit. "Personally, I was a bit surprised by all of the reports that President Kim was somehow dissed," said a Western official who participated in the talks. Agreement on Kim's four main objectives, he said, had been "achieved before he even stepped off the plane." In fact, the meeting with Bush got off to a near disastrous start because of what the South Korean government called erroneous reports that Kim had sided with Moscow against the new administration's interest in building an antimissile shield. Later, said Korean foreign policy experts who were close to the diplomacy, the United States cautioned South Korea about providing substantial energy assistance to the North, and has pointedly not been encouraging about the peace memorandum idea as well. In a departure from the diplomatic focus of the last few years on North Korea's missiles and weapons of mass destruction, the Bush administration began emphasizing the North's conventional artillery and armor on the border with the South. Washington is now urging the North to remove them as a sign of good will, which many here believe is unrealistic. "The artillery are a threat that we want to resolve, but it is not an immediate

issue, and some people wonder why the U.S. is being so tough on such an issue all of a sudden," said Jin Wook Choi, director of North Korean studies at the Korean Institute for Unification Studies. The Bush administration also repeatedly emphasized reciprocity, a notion that some here say can be applied so narrowly so as to forestall any future progress. "Our position is that given the reality on the Korean Peninsula, it is more appropriate to see reciprocity in a comprehensive manner," said Foreign Minister Joung Binn Lee. "We are 10 times the size of North Korea in economic terms, and we have twice the population." Even while energetically denying that South Korea sided with Russia on the missile defense issue, aides to Kim say they were pressed to declare their support for the Bush administration's national missile shield development plans. By choosing not to follow up on the Clinton administration's talks with North Korea on missiles and control of nuclear weapons and by postponing any engagement with Pyongyang, political experts here say, the Bush administration has inadvertently helped put Kim on the defensive at home. "Many Koreans in fact saw President Kim's sunshine policy as a kind of expensive appeasement policy, and those who opposed it in terms of transparency will question it more openly now," said Hack Sung Kang, professor of international relations at Korea University. Selig S. Harrison, an expert on Korea at the Century Foundation, a public policy group in Washington, said the economy enabled the opposition to undermine him on the North Korea issue. "Still," he said, "there are certain things that President Kim can go ahead with, regardless of what the United States does." (Howard W. French, "Seoul Fears U.S. Is Chilly about Detente with North," *New York Times*, March 25, 2001, p. 9)

3/26/01

Acting Assistant SecState Thomas Hubbard, Deputy FM Yim Sung-joon, dir-gen of the Asian Affairs Bureau Makida Kinihiko held a TCOG meeting in Seoul. "The delegations reaffirmed their commitment to continue the 1994 Agreed Framework and called on North Korea to join them in taking the needed steps for its successful implementation," they said in a statement. (AFP, "U.S., South Korea, Japan to Back Nuclear Deal with North Korea," March 26, 2001)

In cabinet reshuffle Lim Dong-won moves from NIS to UnifMin to prepare for a possible KJI visit to Seoul. Former deputy NIS director Shun Kuhn replaces him. Han Seung-soo, Democratic People's Party assemblyman, named FM, and former Army four-star general Kim Dong-shin Defense Minister. Senior secy Kim Hwa-joong kept his post. (Oh Young-jin, "Shakeup Focuses on S-N Summit, U.S. Ties," *Korea Times*, March 26, 2001)

New Zealand established diplomatic relations with the DPRK, the ninth country to do so this year. (Associated Press, "New Zealand, N. Korea to Open Ties," March 25, 2001)

3/27/01

UnifMin Lim Dong-won told reporters KDJ had suggested during the June 2000 summit that KJI visit Seoul this spring. "Nothing has been decided about it, though. We expect the return visit will take place within the first half of this year." In September when KWP secretary Kim Yong-sun had visited Seoul, he said the return visit would happen after Kim Yong-nam visited Seoul. (Kim Ji-ho, "President Proposed Kim Jong-il's Seoul Visit for This Spring, Says New Unification Minister," *Korea Herald*, March 28,

2001) At Lim's suggestion Kim Jong-il in early April invites a U.S. delegation to North Korea. (Oberdorfer and Carlin, *The Two Koreas*, p. 360)

USFK Commander Gen. Thomas A. Schwartz testified to the SASC, KJI's "military forces are bigger, better, closer, and deadlier since last year's testimony." The North has 700,000 troops, 8,000 artillery pieces and 2,000 tanks. (Statement of Gen. Thomas A. Schwartz, Commander in Chief UNC and Commander USFK before the Senate Armed Services Committee, March 25, 2001) Deputy USFK commander Jerry Humble said on April 17 that North Korea had increased its stock of missiles within range of ASeopul by 25 percent over the past two years. It would take only 14 minutes to launch them and they would strike Seoul within 110 seconds. (Joo Yong-joong, "USFK Warns on Increase of N.K. Missiles," *Chosun Ilbo*, April 18, 2001)

3/29/01 Cato Institute: "The 'rogue state' label unnecessarily antagonizes countries that are beginning to show signs of willingness to cooperate with the United States and adhere to accepted norms of international engagement. ... Although 'states of concern' are often ruthless, no valid reason exists to suppose that they are immune from the logic of deterrence or less rational than other states in an anarchic international framework. ... According to Leon Sigal of the Social Science Research Council in New York, since the 1980s North Korea has been trying to establish better relations with the United States. ... Continuing political rapprochement and engagement will probably yield even better relations in the coming years. ... Policymakers should rely less on the rogue state doctrine to justify missile defense and concentrate more on the problem posed by small accidental launches." (Ivan Eland with Daniel Lee, "The Rogue State Doctrine and National Missile Defense," *Foreign Policy Briefing*, Cato Institute, March 29, 2001)

3/30/01 Sen. John Kerry (D-MA) op-ed: "We have no hope of reducing the missile threat - or dealing with a number of critical issues - unless we constructively engage North Korea. ... We can all be sympathetic to the Bush administration's desire to study the proposals left on the table by the previous administration. But even while analyzing new proposals, what better way to test the possibilities than by maintaining an open dialogue? That way we avoid losing a window of opportunity - and even sending the wrong signal to Pyongyang - by delaying too long. ... By the eleventh hour of the Clinton administration, we were discussing proposals to prevent North Korea from developing missiles capable of striking the United States and to bring a halt to North Korea's lucrative missile exports. ... There is little to lose and much to gain by returning to the bargaining table. There is considerable risk in leaving the North Korean missile threat to chance." (John F. Kerry, "Engage North Korea," *Washington Post*, March 30, 2001, p. A-29)

4/1/01 In its first criticism of South Korea since the summit, a *Rodong Sinmun* editorial lashed out at Defense Minister Kim Dong-shin, who called for closer military cooperation with the United States and a strong defense posture in his maiden speech. "His remarks were little short of begging foreign aggressors to hold up the process of reconciliation, cooperation and reunification of the Korean nation through war moves on the Korean peninsula." (Reuters, "North Korea Blasts South's New Defense Minister," April 1, 2001)

4/2/01      The North turned down the South's proposal last month for a new round of Red Cross talks on separated families. (Reuters, "South Korea Says Reunion Talks with North Cancelled," April 2, 2001)

KCNA: "*Rodong Sinmun* in an article calls for frustrating the foreign forces' moves against the reunification of Korea. Noting that the United States, which is chiefly responsible for the division of the nation, is interfering in the Korean nation's issue of reunification and throwing hurdles in its way, the article says: The U.S. is escalating its campaign for confrontation with the DPRK in a bid to strain the situation on the Korean peninsula. If the Korean people yield to foreign forces pressure, vacillate and waver before difficulties or abandon confidence and backtrack from the road chosen by themselves, they will not be able to rise again. Nothing is more servile and mean than accepting the brigandish will. (KCNA, "All Koreans Urged to Frustrate Foreign Forces' Move against Reunification," April 2, 2001)

4/5/01      In its most explicit, but still tentative moves toward opening up, PM Hong Song-nam told the Supreme People's Assembly, the DPRK "will expand and develop relations with all those countries which are friendly to our country in all fields on the principle of complete equality, independence, mutual respect, non-interference in internal affairs and reciprocity, and actively cooperate with international organizations in their work." He said, "The most urgent task facing the cabinet this year is to improve the standard of the people's living." (AFP, "North Korea Leadership Seeks Breakthrough for Economy and Relations," April 5, 2001)

4/6/01      In a speech to the National Assembly, GNP leader Lee Hoi-chang called on the government to "review its North Korea policy": "The government should continue to cooperate with the North to solve the latter's economic plight, but economic aid should be based on the principle of 'strategic' reciprocity." (Kang Seok-jae, "Opposition Leader Urges Government to Review N.K. Policy," *Korea Herald*, April 7, 2001)

4/10/01      As North Korea begins cautiously to open to get the aid it needs to survive, South Korean Christian groups supporting the underground church there see an opportunity to increase its membership. They are sending food and other supplies to North Korea in backpacks and bags that openly identify the donors. And they are cooperating in building projects with the "official" church in North Korea despite reservations about bolstering what they believe is a propaganda prop. "We want to do whatever we can to penetrate North Korea," said Rev. Josep Park, director of the Christian Council of Korea in Seoul. "We will help with defectors. We have direct meetings with North Koreans. We will send missionaries and help anyone to send God's message." (Doug Struck, "Keeping the Faith, Underground," *Washington Post*, April 10, 2001, p. A-1)

Two North Korean navy patrol boats briefly intruded into South Korean waters for a second day in succession "as they guided Northern fishing boats operating in the Yellow Sea," said a Defense Ministry spokesman. "Our navy sent three patrol boats to

chase the North Korean vessels back." (Reuters, "S. Korea Says N. Korea Patrol Boats Briefly Intrude," April 10, 2001)

- 3/26-4/13/01 North Korean government delegation, led by Ri Song-jo, a senior Agriculture Ministry official, concluded a 50-day visit. "The delegates paid close attention to the different systems of housing animals and to the feed formulation used in the U.S. swine and poultry industries," said Randall Ireson of American Friends Service Committee, who accompanied the group. (Kim Ji-ho, "Pyongyang's Delegation Finds Obstacles in Agricultural Cooperation with U.S." *Korea Herald*, April 21, 2001)
- 4/?/01 Michael May, et al.: "The DPRK's initial declaration to the IAEA identifying facilities and quantities of nuclear material subject to safeguards appears to be incomplete. At least one undeclared waste site has been identified, probably containing additional plutonium-containing wastes, and there is evidence for more fuel removal and more plutonium-separation activity than the DPRK has declared. While estimates of plutonium production vary, there is strong evidence that the DPRK separated more than its original declaration of less than 100 grams. An amended declaration will very likely be required for the IAEA to complete its verification activities. ...With DPRK cooperation, the process is estimated to take 2-4 years. ... The cost to dismantle these facilities, based on past experience, is likely to be at least a few hundred million dollars. Some of the crucial pipes and the special equipment will have to be removed or destroyed early in the process to make the dismantlement verifiably irreversible. ...[T]here are useful advanced technologies that the IAEA can use over and above the measures in place at most reactors, but still within the INFCIRC 153 package of safeguards. Though that package of safeguards has proven its worth, the new measures, together with the enhancement measures for the data transmission, would add significantly to assurance of compliance with the NPT. The specific package to be implemented at the KEDO reactors has to be negotiated, and disagreements could occur over application of these safeguards. (Michael May, ed., *Verifying the Agreed Framework*, Center for Global Security Research, Lawrence Livermore, April 2001)
- 4/9-12/01 Dai Binguo, head of the CCP internal liaison department, in Seoul, said that President Jiang Zemin had agreed in principle to visit Pyongyang this fall, a MOFAT official said. (Kim Ji-ho, "Jiang to Visit N. Korea This Fall," *Korea Herald*, May 14, 2001)
- 4/16/01 After the worst harvest in four years of famine, North Korea has just two-third of the food that it needs to get through the year, said David Morton, WFP representative in North Korea. Corn and wheat fell 1.8 million tons short its 4.8 million target. "We still see malnutrition. There are some indications this may be more than last year." (Martin Fackler, "North Korea Still Short of Food," Associated Press, April 16, 2001) The North may have to suspend PDS food distribution "by early May," WFP reports. "In March North Korea's standard amount of rationed grains for adults dropped to 200 grams per day, compared with the previous 300 to 400 grams." Based on 237 visits by its staff to households and hospitals, it concluded diseases related to hunger had been "reduced considerably." (Kim Ji-ho, "World Food Program Predicts N.K. Food Crisis Next Month," *Korea Herald*, April 25, 2001)

4/17/01

Week-long annual military exercise to take place April 20-26, "Reception, Staging, Onward Movement and Integration," drew fire. DPRK FoMin spokesman said "If the South Korean authorities defiantly take part in the projected war exercise in pursuance of U.S. war moves against the DPRK, their behavior cannot be construed otherwise than a downright betrayal to the North-South joint declaration." (Bill Tarrant, "S. Korean Military Exercise Draws Fire from North," Reuters, April 17, 2001) *Rodong Sinmun* [April 19] signed commentary: terms RSOI "an exercise aimed to provoke a war of aggression on the Korean peninsula. ... The hostile and hard-line policy pursued by the present U.S. authorities to stifle the DPRK is pushing the situation to the confrontation between the U.S. and the DPRK and putting the belligerent relations between the two countries in the danger of explosion. The war exercise to be launched against this background is fraught with greater danger as it will be staged under the simulated conditions of an actual war. Given the aggressive nature and danger of the exercise, the DPRK is compelled to serve a stern warning to the U.S. imperialists. If a war breaks out in Korea, it will be the most merciless and destructive war in the world history of war and it will never end without life-and-death battles. If the U.S. imperialists calculate that they can achieve 'victory' in the second Korean war, it will be a daydream. If the present U.S. ruling bellicose forces misjudge the revolutionary stand and strength of the DPRK in a short-sighted manner and mount a reckless attack upon it, the DPRK will take it as the best opportunity to root out the very source of war on the Korean peninsula." (KCNA, "Project S. Korea-U.S. Joint Military Exercise under Fire," April 19, 2001)

DDCI McLaughlin: "North Korea's status as a client of the Soviet Union and China -- a prickly client, to be sure -- did impose constraints on its behavior. With the end of the Cold War and the scaling back of the subsidies that went with it, those constraints began to erode. Today, it may be a fragile regime, but it is one that operates with fewer constraints on its behavior and often outside international norms. And, as I implied earlier, it operates in a world where the reference points -- technological, geopolitical, economic, military -- are themselves in flux.... [o]n the battlefield North Korea cannot defeat the South and the United States. But it could inflict tremendous damage in a losing cause. ...The North probably has one or two nuclear bombs -- and it may also have biological weapons alongside its chemical ones. Regarding missiles, the outlines of the North's program are far less mysterious, for the leadership sees the No Dong and Taepo Dong as tools of public diplomacy as well as national defense. It has so far held to its missile launch moratorium and it has signaled its interest in negotiating a missile deal with us. At the same time, the North's proliferation activities remain robust-- for a profit and for a purpose: To keep our attention, to underline their greatest source of leverage, and to remind us of what it is they are willing to haggle over. ...No matter what you make of Kim Chong-il's diplomatic opening, it does at least reflect a tactical flexibility. His words and actions are well worth weighing and watching. We have all seen the signposts: his behavior at the North-South summit, his dispatch of Vice Marshal Cho to Washington and his reception of American diplomats in Pyongyang, his acceptance of foreign aid and foreign aid workers, his efforts to attract foreign money to his investment enclaves, his small adjustments to the domestic economy. But the key is whether any of these steps signal the start of a process. For in and of themselves, they have yet to bring real improvement to the North. Yet they do

suggest the leadership there knows it must do something to better conditions in the country -- for its own survival, if nothing else. Kim's trips to China in January of this year and May of last year are also significant. But so is the fact that China's economic reform was made possible in large part by the passing of Mao and the de-emphasis of major portions of his legacy. In North Korea, we have yet to see any comparable movement away from the legacy of Kim Il-song and all that it represents. Real change will not come until that happens. ...Clearly, the North is under serious stress and it is likely to remain so. But frankly, no one can be confident about when, how, or even whether that stress might achieve critical mass and lead to fracture. (Deputy DCI John McLaughlin, "North Korea: Engagement or Confrontation," Texas A&M, April 17, 2001)

4/18/01

South Korea plans to provide the North with 200,000 tons of fertilizer new month. (Kim Ji-ho, "South Mulling New Fertilizer Aid to N.K.," *Korea Herald*, April 19, 2001)

KCNA: "*Minju Joson* today dismisses 'the cutdown of conventional weapons' peddled by the Bush administration as sheer sophistry. The DPRK does not wish to kill the time going into it pros and cons, the commentary notes. Calling attention to the fact that the U.S., groundlessly taking issue with the DPRK over 'the cutdown of the conventional weapons,' [and] is attempting to include the "cutdown" in outstanding issues between the DPRK and the U.S., the paper describes the attempt as intolerable. The paper clarifies the DPRK's stand in this regard. ... As for the disarmament, it is not what the U.S. is entitled to call for, but the matter the DPRK should raise to the U.S. The U.S. has never sincerely accepted any proposal of the DPRK for disarmament. Lurking behind the U.S. insistence on 'the cutdown of conventional weapons of the DPRK' is a very sinister and dangerous intention to justify the U.S. military presence in South Korea and arms buildup, and to disarm and suffocate the DPRK. The U.S. troop pullout from South Korea is a prerequisite to disarmament and removal of military confrontation and danger of war from the Korean peninsula. The U.S. should be aware of this and pull its troops out of South Korea at the earliest date. If it does not do what it should do, persisting in its anti-DPRK diatribe and high-handed practices, it will have to pay dearly for that." (KCNA, "Withdrawal of U.S. Troops from Korean Peninsula Demanded," April 18, 2001)

4/19/01

KCNA commentary: "The movement to revive the Cold War contrary to the requirements of the times and history is being intensified in the United States where an ill-omened outburst declaring the Cold War between the east and the west was officially made for the first time in the last century. Such moves are motivated by the noteworthy set-up of the Bush administration that emerged after the advent of the new century, and its belligerent foreign policy plan. Bush was reported to have referred to this plan at a swearing-in ceremony as the 43rd U.S. President as follows: The enemy of freedom, the enemy of the U.S., should never be mistaken. We will continue to engage the world because this is required by history and that is our option. This means that the U.S. will continue to pursue as in the past the policy of high-handedly interfering in internal affairs of all other countries and putting pressure upon them for its hegemony. The first proposal made by the hawkish group of the Cold War-minded Bush administration to put into practice the plan calls for a hard-line policy intended to isolate and stifle anti-imperialist independent countries, especially the DPRK which

does not allow any U.S. highhanded practice and intervention but defends its sovereignty. What further irritated the U.S. hardliners was the publication of the historic north-south joint declaration on the Korean peninsula and the subsequent positive developments there favorable for the independent reunification of the Korean nation. They consider the Korean peninsula as a strategic vantage point in the Asia-Pacific region for which they have given eye-teeth in a bid to expand the sphere of the U.S. political and military influence because of its huge economic potentials and geopolitical importance. If the U.S. truly wants peace and stability of the world, it should unconditionally pull its troops out of South Korea. This is a prerequisite to the reunification of the Korean peninsula, peace and stability and sustained economic development in the Asia-Pacific region. There is no ground for the U.S. to refuse to do so now that the Cold War ended and the historic phase has been brought about for peace and reunification on the Korean peninsula. However, the hawkish group of the Bush administration is trying to derail the peace process and aggravate the situation on the Korean peninsula in a bid to invent a new pretext for the permanent U.S. military occupation and domination over South Korea and trigger off a war on the peninsula at any cost. This is the main purpose of the U.S. hardliners to resume the Cold War while spreading the rumor about 'threat' from the DPRK. Their another aim is to establish the 'National Missile Defense' system at any cost and thus render other nations' nuclear and missile deterrent defunct, realize the U.S. strategy for world supremacy and bring huge profits to its munition monopolies. The Bush administration's moves to establish 'NMD' are aimed to restart the Cold War by sparking a new global arms race. It is needless to say that given the present stockpiling of nuclear and strategic weapons in the world, such moves of the U.S. will upset the world military strategic balance and stability and push other nations vitally interested in it to a large-scale arms race worldwide. The demise of the Cold War deprived the U.S. of any justification to designate nuclear weapons states as strategic enemies or objects posing 'threat.' So, it is citing the DPRK as a state posing 'a threat' in a bid to sow seeds of distrust and dissension among nations and thus meet its strategic interests. The U.S. is still vociferating about 'tough counteraction' to stifle a sovereign state, pursuant to the 'strong-arm policy,' the outdated policy of the Cold War. This, however, will not work on anyone. The DPRK is not indebted to the U.S. nor is it a country which will yield to the U.S. arrogant demand based on 'strength' and give up its sovereignty. **We are ready for either war or dialogue.** The U.S. administration is well advised to realize, though belatedly, that it will be the only and right choice for the global peace and for the U.S. itself to renounce the Cold War way of thinking and action and make a switchover in its hostile policy towards the DPRK in keeping with the demand of the new century." (KCNA, "The Cold War Way of Thinking and Action Slammed," April 19, 2001)

The United States paid North Korea \$2.25 million for this year's search for U.S. MIA remains, U.S. officials said. The amount, half the \$4.5 million promised last December, was paid by the U.N. Command at Panmunjom yesterday, a USFK spokesman said. "It will soon lead to a joint excavation in North Korea of U.S. missing in action." (*Korea Herald*, "U.S. Pays N.K. \$2.25 Million for MIA Search," April 21, 2001)



- 4/23/01 Amid heightened tensions between the U.S. and China over the downing of a U.S. spy plane off Hainan, frustration is mounting inside KDJ's government that President Bush's Asia policies are undercutting ties with North Korea. "The U.S.'s dependence upon a Cold War strategy ... is causing the détente mood to collapse," said Jang Sung-min, an MDP National Assemblyman and KDJ aide. KDJ is hoping the administration will wrap up its North Korea policy review quickly and sign on to new peace talks. "The longer this process takes, the longer it will take for North-South relations to improve," said Hahn Hwa-kap a senior member of the MDP. (Jay Solomon, "Bush's Rebuke of North Korea Fuels Deterioration of Seoul Peace Initiative," *Wall Street Journal*, April 23, 2001)
- 4/24/01 The election of Koizumi Junichiro as LDP president has increased Koreans' wariness of Japan's revising its Article 9 of its constitution to allow it to engage in collective defense. (Son Key-young, "Koizumi's Election Causes Wariness," *Korea Times*, July 24, 2001)
- 4/?/01 Koizumi decides to continue secret talks with North Korea. (Oberdorfer and Carlin, *The Two Koreas*, p. 360)
- 4/25/01 KJI was quoted as telling a luncheon for former military leaders at Chong Wa Dae, "the North is most anxious to hold dialogue with the United States. They are willing to cooperate with us. This is because they have no other choice if they wish to survive." (*Korea Herald*, "Kim Says N.K. Genuinely Desires Dialogue with U.S." April 25, 2001)
- 4/28/01 Russia signed an agreement with North Korea to upgrade weapons supplied during Soviet times. DefMin Sergei Ivanov, who held talks in Moscow with DefMin Kim Il-chol, did not specify what arms. (Reuters, "Russia Will Aid Arsenal in N. Korea," *Washington Post*, April 28, 2001, p. A-18)
- 4/30/01 North Korea, which engaged in three rounds of talks last year culminating in a statement opposing terrorism and agreeing to support international efforts against it, has begun cooperating with the United States in fighting terrorist groups but has not done enough to be removed from the U.S. list of state sponsors of terrorism, said Edmund J. Hull, DoS acting coordinator for counterterrorism. (Alan Sipress, "Sudan, N. Korea Cited for Gains on Terrorism," *Washington Post*, May 1, 2001, p. A-8)
- Robert Einhorn, assistant secstate for nonproliferation, told a seminar at Woodrow Wilson Center in Washington that the LWR project should be replaced with thermal power plants, South Korean government sources said. (Seo Soo-min, "Is U.S. Trying to Alter Nuclear Project in North Korea?" *Korea Times*, May 7, 2001)
- 5/1/01 In a 15-minute telephone conversation with President Bush, KDJ withheld his support for missile defense. "We feel there is no need to express our stance in a clear-cut manner at this point," a top presidential aide told reporters. (Oh Young-jin, "Seoul Withholds Commitment to U.S. Missile Defense Initiative," *Korea Times*, May 2, 2001)

Bush announced missile defense program: "We need a new framework that allows us to build missile defenses to counter the different threats of today's world. To do so, **we must move beyond the constraints of the 30-year-old ABM Treaty**. This treaty does not recognize the present, or point us to the future. It enshrines the past. No treaty that prevents us from addressing today's threats, that prohibits us from pursuing promising technology to defend ourselves, our friends and our allies is in our interests or in the interests of world peace. This new framework must encourage still further cuts in nuclear weapons. Nuclear weapons still have a vital role to play in our security and that of our allies. We can, and will, change the size, the composition, the character of our nuclear forces in a way that reflects the reality that the Cold War is over. **I am committed to achieving a credible deterrent with the lowest-possible number of nuclear weapons consistent with our national security needs, including our obligations to our allies.** My goal is to move quickly to reduce nuclear forces. The United States will lead by example to achieve our interests and the interests for peace in the world. Several months ago, I asked Secretary of Defense Rumsfeld to examine all available technologies and basing modes for effective missile defenses that could protect the United States, our deployed forces, our friends and our allies. The Secretary has explored a number of complementary and innovative approaches. The Secretary has identified near-term options that could allow us to deploy an initial capability against limited threats. In some cases, we can draw on already established technologies that might involve land-based and sea-based capabilities to intercept missiles in mid-course or after they re-enter the atmosphere. **We also recognize the substantial advantages of intercepting missiles early in their flight, especially in the boost phase. The preliminary work has produced some promising options** for advanced sensors and interceptors that may provide this capability. If based at sea or on aircraft, such approaches could provide limited, but effective, defenses. We have more work to do to determine the final form the defenses might take. We will explore all these options further. We recognize the technological difficulties we face and we look forward to the challenge. Our nation will assign the best people to this critical task. We will evaluate what works and what does not. We know that some approaches will not work. We also know that we will be able to build on our successes. When ready, and working with Congress, **we will deploy missile defenses** to strengthen global security and stability." (President George W. Bush, speech at National Defense University, May 1, 2001)

5/2-3/01

Swedish PM Goran Persson, security chief Javier Solana, and top EU officials arrived in Pyongyang and had brief meeting with KJI. They also met with Kim Yong-nam. (Paul Eckert, "EU Delegation Begins Historic North Korean Visit," Reuters, May 2, 2001) KJI met them again later at a dinner he hosted. (Kim Ji-ho, "EU Leaders Talk Peace with Kim Jong-il," *Korea Herald*, May 3, 2001) Kim Jong-il told the EU delegation he would extend the North's unilateral moratorium on medium- and longer-range missile test launches until 2003. He said he will "wait and see" if the Bush administration wants to resume progress toward better relations before resuming the missile tests, Persson told reporters after meeting Kim in Pyongyang. "He was very articulate, spoke without notes," said Chris Patten. The talks were "surprisingly open and free-flowing." (Doug Struck, "N. Korea Extends Its Missile Test Halt," *Washington Post*, May 4, 2001, p. A-1) "We have a clear message that Kim Jong-il is committed to a second summit," to follow

the historic meeting between leaders of North and South Korea last June, Persson said. But he quoted the North Korean leader as saying he first wanted "to see what the (Bush) policy review ended up with." North Korea agreed to send officials to Europe this summer to discuss opening talks about its human rights record. John Leicester, "Kim Extends Missile Test Moratorium," Associated Press, May 3, 2001) In the course of five hours of meetings, Kim Jong-il said his missile sales are "part of trade. If he finds people who want to buy it, he will sell it," said Javier Solana, EU chief of foreign policy and security affairs. "He felt free, once the dialogue was stopped, not to continue the moratorium. But he said he would like to express restraint." Solana said, "At one point, he made a comment on the side: "Well, the U.S. called me a rogue state again.'" He said Kim "assured us - he insisted - that he is committed to all the declarations" made to the United States and South Korea.(Doug Struck, "N. Korea Leader to Continue Sale of Missiles," *Washington Post*, May 5, 2001, p. A-13) A Chong Wa Dae official said of a second North-South summit, "Kim Jong-il seems to stress that the ball is in the U.S.'s court once again." (Oh Young-jin, "Seoul, Pyongyang Expect U.S. to Act," *Korea Times*, May 6, 2001) *Rodong Sinmun* editorial: "The DPRK visit of the high-level delegation of the European Union marked an occasion of historic significance in improving and developing the relations between the DPRK and EU member nations in keeping with the changed situation in the new century. ...Leader Kim Jong Il showed deep concern over the delegation's DPRK visit. During its stay, both sides had in-depth dialogues on matters of mutual concern on several occasions, and in this course, came to be aware of each other's stand. The delegation clearly expressed the EU's will to improve the relations with the DPRK and help promote the process of inter-Korean reconciliation and ensure peace and security on the Korean peninsula. We estimate this visit of the EU delegation as an affirmative and significant one because it has laid a new groundwork for developing the relations between the DPRK and the EU and its member nations in different fields and ensuring peace and security on the Korean peninsula." (KCNA, "Paper on Significance of EU Delegation's DPRK Visit," May 7, 2001)

KCNA: "The U.S. state department in an 'annual report on terrorism' on April 30 again labeled the DPRK as a 'terrorism sponsor.' This is a provocative criminal move of the Bush administration to internationally isolate the DPRK, pursuant to its undisguised hostile policy towards the DPRK. In this regard the DPRK cannot but question the U.S. if it is entitled to talk about someone's 'issue of terrorism.' No terrorist acts, big or small, reported in the world were carried out without U.S. involvement. A typical example of U.S. international terrorism was airstrikes the U.S. has made at Iraq for the last ten years to overthrow the government of a sovereign state. In less than one month since its appearance the Bush administration carried out air raids on Iraq, thus demonstrating its 'strength' as the kingpin of terrorism. Recently it again bombed Iraqi civilian facilities and residential quarters, killing or wounding many people. Such being the case, the U.S. cited the DPRK as a 'sponsor of terrorism' out of its guilty conscience. The DPRK has clarified more than once its principle and stand on opposing all forms of terrorism and has put them into practice. The U.S. is labeling other countries as 'terrorism sponsors' and putting political and military pressure on them. This is aimed to conceal its true colors as the kingpin of international terrorism. Washington had better mind its own business. The U.S. is well advised to have its terrorists' hands stained with blood

washed before taking issue with others. (KCNA, "KCNA Refutes U.S. Report on Terrorism," May 3, 2001)

5/4/01

Japanese authorities expelled the eldest son of Kim Jong Il following his detention for allegedly trying to enter Japan with a fake passport. Japanese media reported he told officials he wanted to visit Tokyo Disneyland. A bus took Kim Jong Nam, 29, to Tokyo's Narita Airport where he boarded a plane and left for China. He was stopped at the airport Tuesday after authorities received a tip that he would try to enter the country with two women and a 4-year-old boy on a flight from Singapore using false passports from the Dominican Republic. The government moved quickly after relatives of Japanese kidnapped by North Korea demanded that he be detained. "This is an ideal device for solution of the kidnapping problem," said the group. Reports said Kim's fake passport showed he had enter Japan last year and officials say they believe he was the "polite young man" who had toured Japan and gone to Disneyland in 1995. *Yomiuri Shimbun* reported authorities had followed him then [!], but had not known his identity. [?] This time immigration authorities had been tipped off and were watching for him when his Japan Airlines flight landed May 1. *Sankei Shimbun* quoted unidentified police officials as complaining he could have been charged with previous illegal entries and that the decision to expel him was political. (Doug Struck, "Japan Expels North Korean Leader's Son," *Washington Post*, May 4, 2001, p. A-21) One government official said, "We managed to avoid what might have developed into an impediment to Japanese-North Korean relations. **Now that we have saved face for North Korea, there may be some positive reaction from the North.**" Koike Yurike of the New Conservative Party said, "The government could have gained the most desirable card to break the impasse between Japan and North Korea." He was accompanied by two women and boy, whom he identified as his wife, her relative, and 4-year-old son. (*Yomiuri Shimbun*, "Government Decided Not to Threaten Ties with N. Korea," May 5, 2001; *Chosun Ilbo*, "Japan Identifies Kim Jong-nam's Wife," May 15, 2001) Britain tipped off Japan about the illegal entry, a diplomatic source familiar with North Korea said. (Kyodo, "British Intelligence Tipped off Japan over Illegal Entry," May 4, 2001) He visited Japan three times, spending at least 17 days there in October through December, security sources said. (*Yomiuri Shimbun*, "'Kim Jong Nam' Spent 17 Days in Japan; Suspected Son of North Korean Leader 'Visited 3 Times in October, December,'" May 15, 2001)

The Justice Ministry announced the total number of visitors to North Korea was 475,691, a 42.1 percent increase from 334,546 in 1999. Some 98.2 percent were Koreans, 230,898 as tourists, 1,159 for business, 650 to see their hometown, 488 work-related, 376 for official duties. (*Chosun Ilbo*, "2000 Sees Most Visits to North Korea Ever," May 4, 2001)

5/5/01

Vice FM Kim Gye-gwan will visit the United States in June, invited by a Washington-based think tank. (*Yomiuri Shimbun*, "N. Korean Senior Official Likely to visit U.S. in June," May 5, 2001) "Kim's visit to the United States is seen to be aimed at sounding out the views held by U.S. officials on North Korea," a South Korean government source said. (Shin Young-bae, "N.K. Vice Foreign Minister to Visit U.S. Next Month," *Korea Herald*, May 17, 2001)

5/9/01

Dep SecState Richard Armitage in Seoul will discuss LWR project with South Korea, Japan. "It is not true that the U.S. made a decision to replace the reactor project with steam-powered generators and delivered the decision to our government." (Reuters, "S. Korea Denies Change in N. Korea Nuclear Project," May 7, 2001) In a 70-minute meeting with KDJ, he conveyed a letter from Bush, who vowed "to fully reflect Kim's views" in the North Korea policy review. "At the moment, we are not talking with North Korea on anything," Armitage told reporters after meeting FM Han Seung-soo. **"But I suspect we will in the near future."** His visit sparked small anti-U.S. protests. (AFP, "U.S. Intends to Resume Talks with North Korea Soon," May 9, 2001) After Armitage met with UnifMin Lim Dong-won, said director of policy Lee Bong-jo at the ministry, "These talks were important because we received confirmation that U.S. talks with North Korea would resume and Washington has shown strong support for South Korea's sunshine policy." (Bill Tarrant, "U.S. Woos Seoul with pledge to resume Talks with North," Reuters, May 10, 2001) Armitage said he told KDJ the U.S. "was almost done" with its policy review and would seek support from Seoul "in how to engage North Korea" in future talks. UnifMin Lim Dong-won told Armitage at a press conference, "Your suggest that the U.S. ... will re-engage North Korea has been treated as very big news here." (Jay Solomon, "U.S. Vow to Talk with Pyongyang Lifts Hope for Peace in the Koreas," *Wall Street Journal*, May 11, 2001, p. A-12) Armitage, one of several U.S. emissaries fanning out around the world seeking support for missile defense, was accompanied by Asst SecState James Kelly, NSC nonproliferation senior director Richard Falkenrath, JCS representative BGen Kevin Chilton, USAF, and others. "Son Key-young and Seo-Soo-min, "Washington Asks Seoul to Boost Understanding on Missile Defense," *Korea Times*, May 10, 2001) A tour of major capitals from London to Moscow to Beijing to sell President Bush's national missile defense program met with deep skepticism. "It's a crock," said one Western diplomat of the entire scheme. Even Kim Jong-il, one of the "rogue threats" who inspired NMD seemed to outmaneuver the Americans last week. Pyomngyang announced it would maintain its suspension of missile tests. "The have never tested the Taepo-Dong 2, which is the only thing capable of reaching the U.S. with a sizable warhead," says Leon V. Sigal,. "If there are no tests, then you can't have a missile" Armitage's moptorcade was pelted with rotten eggs by protesters opposed to missile defense, and he spent only a few minutes discussing missile defense with President Kim Dae-jung. "He expressed understanding," Armitage said later. (Roy Gutman, "Bush Bombs Out," *Newsweek International*, May 28, 2001)

South Korea cancelled an air-naval rescue exercise with Japan and demanded that Japan correct distortions in its schoolbook accounts of ist role on the Korean peninsula before and during WWII. (Don Kirk, "South Korea Scraps Military exercise with Japan," *New York Times*, May 9, 2001)

5/11/01

North Korea recently withdrew its workforce and equipment from reconnecting the Kyongui rail line linking the two countries. (Kim Ji-ho, "North Korea Pulls out of Rail Reconnection Site," May 11, 2001)

Thomas Hubbard, acting assistant secstate, will be named ambassador to South Korea. (*Korea Times*, "Hubbard Named U.S. Ambassador to Korea," May 11, 2001)

5/14/01

DoS spokesman Susan Pittman said "consistent with our long-standing policy of giving assistance to meet humanitarian needs around the world," the U.S. would continue food aid to North Korea, donating 100,000 tons to the World Food Program targeted at children and pregnant and lactating women. (Associated Press, "U.S. Food Aid to N. Korea to Continue," May 14, 2001) north Koreans are facing a bleak spring and are once again eating leaves and roots to survive. In South Korea, donations of food and fuel have come under increasingly sharp attack by critics who feel that aid should be withheld to exact a positive response from Pyongyang on issues such as family reunions, completion of a rail link and improved relations. "We should get something in return from the North," complained opposition legislator Lee Han Koo when South Korea announced a "loan" of 500,000 tons of food in octoiber, "The money that North Korea does not need to spend on food because of the generosity of its enemioes is spent on weapons," wrote Pascal Comeau, deputy cooprdinator of a Seoul-based organization that assits North Korean refugees in a recent article in the Korea Herald. This year the North will produce less than 3 of the 4.8 million metric tons it needs. The WFP hopes donors will contribute 810,000 tons of food. "By next month, the public distribution system will have nothing in it," David Morton, U.N. coordinator in Pyongyang. "There's no doubt people are dying from the combination of weakness, shortage of food and other factors like drinking contaminated water, poor sanitary conditions and lack of medical facilities." (Doug Struck, "N. Korea Food Crisis Intensifies,' *Washington Post*, May 16, 2001, p. A-20)

North Korea is negotiating to purchase military hardware from Russia, a senior ROK government official said. Kim Jong-il last month cancelled a planned visit to Moscow. (Kim Kwang-tae, "N.K. Seeks to Purchase Weapons from Russia," *Korea Times*, May 15, 2001) DefMin Kim Il-chol signed two agreements April 27 in Moscow on defense cooperation. "In April Russia demanded North Korea to guarantee payment. As far as I know, a vice-ministerial figure from the North Korean Defense Ministry is visiting Moscow to deliver Pyongyang's response to the issue," said a high-ranking Seoul official. (Hwang Jang-jin, "N. Korean official in Russia to Negotiate Weapons Deal," *Korea Herald*, May 16, 2001)

The EU said it will open diplomatic relations with North Korea to "facilitate the EC's efforts in support of reconciliation in the Korean peninsula and, in particular, in support of economic reform and easing of the acute food and health problems" there. (Suzanne Daley, "North Korea May Get Help under Plan by Europeans," *New York Times*, May 15, 2001, p. A-3)

Gilinsky and Sokolsky: "North Korea can't get 'key' nuclear components until they comply. But these parts comprise perhaps 15 percent of the total. By agreement 'significant portion' includes quite a lot -- fabrication of major reactor components for the first LWR unit; delivery of essential non-nuclear components, including turbines and generators; construction of major buildings including the reactor building and containment structure to the point suitable for the introduction of the reactor itself and steam generators; and some civil construction and fabrication and delivery of components for the second LWR unit. The organization in charge of the project now estimates the project will reach this point in 36 months. Thirty-six months also turns out

to be the lowest IAEA estimate for how long it will take to assess compliance if it gets the North's full cooperation. The figure takes account of the agency's experience in verifying the South African nuclear material stocks, after that country gave up its nuclear weapons, and cooperated fully with the IAEA. Without such cooperation the verification process cannot work at all. In other words, unless North Korea opens up its nuclear sites and records to full inspections now, there is no chance they will come into full compliance when they promised to do when a significant portion of the project is will be completed. So far, North Korea hasn't cooperated and no one thinks they will really open up. The question is, how do we react? The answer of the Clinton administration was to treat the Agreed Framework verification provision as if it only required the North to start complying at the 'significant portion' completion point. But the Agreed Framework says, "When a significant portion of the LWR project is completed," that North Korea will come into 'full compliance.' This means North Korea must open up fully to IAEA inspectors now. Are we going to continue indulging the North in their foot-dragging on IAEA verification? What is more important to do, continue with the LWR project or enforce the Agreed Framework's verification provision? These questions are the ones the president's current review of Korea policy must answer. Common sense suggests that there be a pause in the reactors' construction. ...There's another reason to demand Pyongyang open up fully to IAEA inspectors as it promised. LWRs, while billed as 'proliferation resistant,' are still to dangerous to turn over to anyone suspected of planning to stay in the bomb business. ... Pressure may be building to cut a missile deal with Pyongyang. But no one should expect North Korea to abide by it unless the Bush administration insists that they stick to their deal on nuclear materials first." (Victor Gilinsky and Henry Sokolsky: "Enforce Pyongyang's Nuclear Pledge," *Asian Wall Street Journal*, May 14, 2001)

5/16/01

KCNA "today releases, **upon authorization**, the following detailed report on the too much delay in the construction of the LWR project under the DPRK-U.S. agreed framework: ...The 7th session of the 9th Supreme People's Assembly held in April 1994 adopted a decision to finish off the atomic power plants under construction as early as possible and embark on a new power plant project with reinforced efforts in order to solve the acute shortage of electricity in the country. An inevitable historical background made us proceed with graphite-moderated reactor project. The former Soviet Union was reluctant to offer us a LWR, while offering supplies to her satellite states, for the reason that we did not join COMECON. We then tried to purchase it from western countries such as Canada but ended up with empty hands due to political reasons. We determined to live our own way and made public the policy on building nuclear power industry suited to the actual conditions of our country and embarked on developing our own technology related to the nuclear power industry relying on **uranium** and graphite easily available in the DPRK. After long-drawn strenuous efforts, we developed a technology of graphite-moderated reactor and succeeded in building one. However, the U.S. began to spread the 'nuclear suspicion' on our graphite-moderated reactor and eventually came up with creating 'nuclear crisis.' This was how the DPRK-U.S. bilateral talks on 'nuclear issue' came to take place and they were driven into stalemate due to the hostility and mistrust that existed between the two nations for such a long time. It was against this backdrop that in June 1994 President Kim Il Sung gave audience to the visiting former U.S. President Jimmy Carter. At the meeting, the President told Carter that the outbreak of the issue on

'nuclear suspicion' was grounded in the misunderstanding and distrust between the DPRK and the U.S. The resolving of this issue depended entirely on how much confidence the U.S. had in the DPRK and that **the U.S. provision of LWR would clear away misunderstanding and distrust** between the two nations. Carter indicated the U.S. willingness to supply LWRs to the DPRK. This led to the conclusion of the agreed framework at the DPRK-U.S. bilateral talks with major emphasis on the DPRK nuclear freeze versus the U.S. supply of LWRs defusing the crisis eventually. Both the DPRK and the U.S. had expected that the freeze on the graphite-moderated reactors and their related facilities would address the U.S. security concerns, while the U.S. LWR supply would help remove the DPRK mistrust of the U.S. and promote confidence-building between the two nations. ...After all, we have lived up to our obligation under the agreed framework over 100 percent. But, the construction of LWR power plants the U.S. pledged to complete by the year 2003, witnesses too much delay making it difficult to expect its completion. ...The very nature of the DPRK-U.S. relations, based on hostility, not on confidence, resulted in the stipulation of the DPRK nuclear freeze and the U.S. LWR provision as simultaneous actions in the agreed framework. The failure by the U.S. to live up to its obligation to LWR project by the year 2003 would possibly drive us to respond to it with abandoning on-going nuclear freeze. We cannot sit idle over our loss while maintaining the nuclear freeze. ...**At the DPRK-U.S. talks held in New York in March 2000, we laid out our proposal on compensation for electricity loss resulting from the delay in the LWR project.** We made clear that the **compensation for electricity loss should be made by electricity** and that other member countries of KEDO could contribute to this effort if the U.S. is in a real difficult position to make that compensation. ...Under the circumstances where the LWR project has been delayed by far, a serious issue is presented as to whether the U.S. is going to make due compensation for the electricity loss caused by the freeze of graphite-moderated reactors by the year 2003 or skip it over without making compensation. **If the U.S. goes without compensation, it would possibly create the situation where we have to reoperate the graphite-moderated reactors.** In the light of the sentiments of our army and people, we can not allow the U.S. to go without any compensation to us on any account. If the U.S. side fails to meet its obligation to the provision of LWR project and tries to evade its responsibility to make due compensation for our electricity loss, it will only compel us to go our own way." (KCNA, "Report on Delay in Construction of Light-Water Reactor Project Issue," May 16, 2001)

Famine and economic collapse cut North Koreans' life expectancy from 73.2 years in 1993 to 66.8 in 1999, Deputy FM Choe Su Hon told a UNICEF conference in Beijing in a rare disclosure. The population grew by 1.5 million in the same period to 22.6 million, The mortality rate for children under 5 rose from 27 to 48 per 1000 and for infants from 14 to 22.5 per 1000 births. Per capita GNP dropped from \$991 to \$457. The population with access to safe drinking water dropped from 86 percent in 1994 to 53 percent in 1996. (Associated Press, "Life Expectancy Plummets, North Korea Says," *New York Times*, May 16, 2001, p. A-6)

5/17/01

"Washington's hand-line position has hindered the negotiations. We will decide when to restart talks after watching the United States' attitude," said Ri Yong-ho, councilor in charge of CBMs at the DPRK FoMin, chief DPRK delegate at the ASEAN Asian Regional



Forum in Hanoi. Asked if he will meet with Asst SecState James Kelly at the conference, he said, "As of now, no meetings are scheduled. But I think an encounter is possible in the course of the international forum." (Hwang Jang-jin, "Resumption of U.S.-N.K. Talks Will Depend on U.S. Stance," *Korea Herald*, May 18, 2001)

KCNA: "The plan for South Koreans' tour of Mt. Kumgang was accepted by the north in November 1998 out of noble patriotism and the desire to contribute to national reunification by meeting the South Koreans' strong wish to see Mt. Kumgang, the famous mountain of the nation, and helping them contribute to national reconciliation, unity and great national unity. The United States has hampered the tour in every way from the outset as it is displeased with the favourably developing inter-Korean relations and any movement for the reunification of Korea. ...On December 28, 1998, when South Koreans' tour of Mt. Kumgang just started under the contract with Hyundai the Japanese Yomiuri Shimbun reported that the U.S. North Korea policy coordinator, Perry, during his visit to Seoul early December, referring to the South Koreans' tour of Mt. Kumgang, expressed his apprehension as to the possible diversion of a huge amount of money paid to the DPRK for the tour into military spending and, accordingly, the South Korean authorities put the brake on Hyundai's remittance to the north. The February 2, 2001, issue of the Japanese *Sankei Shimbun* reported that "the concern over North Korea's possible use of Hyundai's fund for a military purpose has been expressed by both sides of the government and the military since the days of the Clinton administration and the U.S. forces command in South Korea met the Hyundai representative in November last year to protest such assistance." This proves that the U.S. military authorities pressurized South Korea not to pay for the tour. Commander of the U.S. forces in South Korea Schwatz testified at the U.S. senate on March 27, 2001, that "threat from North Korea has grown more serious than last year and North Korea is conducting intensive military drills and busy buying arms," bringing into bolder relief the "threat from North Korea" and craftily trying to support through such expression as "arms purchase" his assertion that Hyundai's payment for the tour may be exclusively used as military spending (March 29, 2001, issue of *Kyunghyang Daily News*). ...If the tour is suspended or derailed, the U.S. and its followers who have stood in its way will be held wholly responsible for it. The U.S. is well advised to stop meddling in the Mt. Kumgang tour, the business of the Korean nation." (KCNA, "U.S. Urged to Stop Hampering Mt. Kumgang Tour," May 17, 2001)

5/18/01

"Our new challenge is not so much to manage the nuclear arms race with Moscow but rather to enlist all civilized countries in a battle against the proliferation of weapons of mass destruction. The problem is that the Bush administration doesn't seem to accept that international diplomacy is crucial to success in combating this new danger. ...That is why the Bush administration's handling of North Korea is so disturbing. The most effective defense against potential North Korean missiles is to persuade Pyongyang to give them up. ...So far, the Bush administration has spurned diplomatic efforts to deal with this issue, saying the matter is still under review. What is taking so long to decide whether to seek a diplomatic solution to a national security problem? ...The Clinton administration secured a commitment from Kim Jong-il to ban the production, testing, transfer, and deployment of medium- and longer-range missiles. Key questions about how to verify this commitment needed to be answered, and the tricky issue of

compensation for stopping future sales of missiles and technology needed to be addressed. Reasonable people can disagree on what verification measures would be adequate for such an agreement. ... But refusing even to discuss these questions is simply irresponsible." (James P. Rubin, "No Time to Delay on North Korea," *Washington Post*, May 18, 2001, p. A-31)

5/21/01      The UN Development Program and Caritas International will launch a joint reforestation project in North Korea worth \$190,000. (*Korea Herald*, "UNDP to Help Reforestation in N.K.," May 21, 2001)

5/22/01      Kim Dae-jung's approval rating fell to 39.6 from 43.3 percent in March while the GNP rose from 25.6 to 37.9 percent. Lee Hoi-chang stood at 32.7 percent, up from 16.3 last October. (*Korea Herald*, "President Kim's Popularity Slides," May 22, 2001)

5/25/01      A high-level team from the International Atomic Energy Agency has opened negotiations in Pyongyang with fresh demands for access to the nuclear weapons project that North Korea agreed to abandon seven years ago. At the heart of the demands, South Korean experts said, is pressure to verify that North Korea has fully complied with the Geneva agreement of 1994 under which it gave up the weapons project in return for the promise of twin nuclear reactors to fulfill its energy needs. North Korea needs to go through a special inspection before crucial components of the reactors are installed, said Kim Sung Han, a professor at the Institute of Foreign Affairs and National Security in Seoul. If the North does not agree, he said, it will be "chaos." Olli Heinonen, director of safeguards for the atomic energy agency in Asia, is asking North Korea for a detailed program guaranteeing scrutiny of every aspect of the facilities in which the North is suspected of having produced and stored weapons-grade plutonium for one or two nuclear warheads. The North warned last week that a delay "would possibly drive us to respond to it with abandoning the ongoing nuclear freeze." American and South Korean analysts say they believe that the North's position is part of an elaborate cover-up to disguise its success in extracting the plutonium needed for nuclear warheads and possibly in building the weapons system for delivering a warhead to a target thousands of miles away. John McLaughlin, the deputy CIA director, said in April that North Korea "probably has one or two nuclear bombs," an assessment that jibes with estimates that intelligence experts have been sharing for nearly a decade. Han Yong Sup, a professor at South Korea's National Defense University, who has done extensive research on the topic, said he thought that the North Koreans had accumulated 7 to 10 kilograms (15 to 22 pounds) of plutonium through past activities that they had not reported to the atomic energy agency. "We are still wondering whether they finished making a nuclear bomb with that type of plutonium," he said. Other South Korean analysts said they believed that the North produced 7 to 40 kilograms of weapons-grade [??] plutonium in the six years from 1985, when North Korea signed the nonproliferation treaty, and 1991 with the arrival of the first atomic energy agency inspection team. If North Korean scientists actually have built a warhead, Han said, "they must have relocated elsewhere," to a secret facility outside the North Korean nuclear complex at Yongbyon, north of Pyongyang. Such a facility, Han said, would be hidden, not only from two-man atomic-energy agency inspection teams that are constantly rotating in and out of Yongbyon, but also

from spy satellites. Definitive proof of McLaughlin's estimate lies in what agency officials call "the history" -- scientific evidence that can be revealed by analysis of spent fuel rods and plutonium waste, to which the North Koreans have always refused access. "The problem is to have access to the historical record," Heinonen said last weekend before leaving Vienna, headquarters of the atomic energy agency, an arm of the United Nations. "They have never shown us the data." Heinonen will request access, not only to facilities that were "frozen" under the 1994 Geneva agreement but also to a manicured park and a mysterious building that shrank from two stories to one in the early 1990s before inspectors could see what was on the original ground floor. Satellite photographs showed the building had been two stories, and dump trucks seemed to have deposited a large amount of dirt and gravel around it to cover up the original ground floor. The North Koreans refused, however, to let inspectors dig through the floor to see what lay below. There is no way, U.S. officials say, that the reactors can go on line without verification from the North that it has no nuclear weapons. "The reactor project stops, and they have to come clean," said Joel Wit, a former State Department official who was in charge of coordinating the agreed framework. "What the IAEA really wants is to prepare for the full examination," said Wit, who has visited Yongbyon several times, "but their activities are limited to what the North Koreans want them to see." (Don Kirk, "North Korean Bomb: Do They Have It?" *International Herald Tribune*, May 25, 2001, p. 1) It is possible that North Korea has enough plutonium for one or two bombs, said former U.S. ambassador to Seoul Stephen Bosworth. "That's what our intelligence community has been saying for one year or two." He added, "What we do know for sure is that North Korea has not produced any more plutonium or fissile materials from its plant in Yongbyon. The plant was frozen and has been under international inspection since the 1994 Agreed Framework was signed by the United States and North Korea." (*Korea Times*, "NK Extracted No More Plutonium," May 29, 2001)

South Korea plans to ask that North Korea be removed from the U.S. list of state sponsors of terrorism, *Maeil Business* reported. "North Korea can join international financial organizations such as the Asian Development Bank only after the U.S. drops it from the list," a South Korean official said. A Foreign Ministry official said the report was "speculative." (Reuters, "S. Korea Said Seeking North's Removal from U.S. List," May 25, 2001)

5/26/01

At TCOG in Honolulu, Assistant SecState James Kelly discusses how to "improve" the AF by having early IAEA inspections and substituting thermal power plants for nuclear. Makita Kunihiro, MOFA Asian and Oceanian Bureau chief, and Deputy FM Yim Sung-joon. (Hwang-Jang-jin, "Seoul Washington, Tokyo Hasten Consultations on N.K.," *Korea Herald*, May 26, 2001) A MOFAT official said that Assistant SecState James Kelly had offered a presentation on the tentative outcome of its North Korea policy review. South Korea will prepare its response by the time that FM Han Seung-soo visits Washington next month. (Son Key-young, "U.S. Briefs ROK on Future N. K. Policy," *Korea Times*, May 25, 2001; *Chosun Ilbo*, "TCOG Issues Joint Statement on North Korea," May 30, 2001) "The United States is likely to propose the replacement of light-water reactors with thermal power plants during the forthcoming TCOG meeting," a South Korean government official said. "We are not in a position to oppose the

proposal in an outright manner, as long as the United States pursues its goals under certain conditions." The official said, "Although the United States will raise the issue and enter into negotiations with North Korea, the prospects for the substitution are not bright." In South Korea it is also hard for the unpopular Kim Dae-jung administration to win the National Assembly's endorsement for a revised deal if it involves added financial burdens. KEDO has already spent \$600 million for the leveling of the ground and other construction for the nuclear plant. "The former Kim Young-sam government already made excessive financial pledges for the construction of the reactors. It is impossible for us to increase the level of our contribution," another official said. (Son Key-young, "Seoul Braces for Revision of Agreed Framework," *Korea Times*, May 21, 2001)

Kelly: "Q: Mr. Kelly, did you discuss at all the possibility of direct talks with North Korea - either with all three countries or the United States alone - and what those talks might contain and when they might be held? KELLY: We discussed that. As President Bush had made clear in the past, we will be talking with North Korea. And very much a part of our consultation was some of the elements that we would think would be important in those things and that. We did not go into precise detail as to when such talks may be done. That would all be dependent on the end of the policy review on our part." (Assistant Secretary of State James Kelly, Briefing following the TCOG, Honolulu, May 26, 2001)

6/1/01

*Minju Chosun* signed commentary: "The Bush administration is insisting that the DPRK reduce its conventional forces under the absurd pretext of a number of threats from it and working hard to build up public opinion on the issue. **Disarmament on the Korean peninsula calls for terminating the hostile relations between the DPRK and the United States, withdrawing the U.S. forces from South Korea, wiping out mistrust and misunderstanding between the north and the south and reducing their armed forces.** The main point is to put an end to the hostile relations between the DPRK and the United States and effect the U.S. forces pullback from South Korea. Armed forces in the north and the south cannot be cut down without finding a solution to the issue. When the agreement on nonaggression was adopted early in the 1990s thanks to the initiative and positive efforts of the DPRK the United States staged a large-scale war exercise against the north under the pretext of the non-existent 'suspected nuclear program' of the DPRK, barring the implementation of the agreement. This taught a lesson that inter-Korean reconciliation and cooperation is bound to strike a snag unless the U.S. forces' pullback from South Korea is preceded. **There may be different ways for effectuating it. The best of them is for the United States to give up its wrong policy towards the DPRK and sign a peace agreement with it.** ... There is a very big gap not only in the strength of armed forces but in combat equipment. The DPRK does not have even a single nuclear weapon but the U.S. troops have a lot of nukes. As seen above, **the troop reduction on the peninsula would be meaningless and invalid without the withdrawal of the U.S. troops from South Korea in view of either the aim and content of the issue of disarmament there or imbalance in the strength of armed forces between the DPRK and the United States.** Troop cutback on the Korean peninsula should begin with the pullout of the U.S. troops; **the withdrawal of the U.S. troops is prerequisite to disarmament**

**on the peninsula."** (KCNA, "U.S. Forces' Pullout from S. Korea Demanded," June 1, 2001)

6/4/01

Senior North Korean officials have told Selig Harrison of the Century Foundation that Pyongyang will not stick to its promised two-year moratorium on missile tests unless the Bush administration signals it is willing to pursue the possibility of normalizing relations. Senior North Korean military officers, meanwhile, repeated their recent threat to resume the country's nuclear weapons program unless the United States speeds up a plan to build two nuclear reactors in North Korea. Harrison met with four senior officials, including a three-hour meeting with FM Paek Nam-sun, and five hours with Gen. Ri Chan-bok. "As to whether we will maintain the moratorium until 2003, that is yet to be decided," he quoted Paek as saying. "It depends entirely on the policy of the new administration." Gen. Ri was even more blunt, threatening to resume North Korea's nuclear program and saying, "Right now our government has not decided that we need nuclear weapons, but everybody is thinking in that direction." (John Pomfret, "N.Korea Said to Warn of New Missile Tests," *Washington Post*, June 4, 2001, p. A-15)

*Rodong Sinmun* signed commentary: "According to diplomatic sources from Washington, the United States asserts that it will pursue only business-like political negotiations even though the dialogue with the DPRK is resumed while maintaining its 'basic hard-line stand towards the DPRK.' Negatively reviewing the DPRK-U.S. dialogue held in the period of the previous administration on the basis of falsified facts, the Bush ruling team seeks to lead the DPRK-U.S. dialogue which it wants to resume from a 'hard-line negotiating stand' and justify it. This shows that it is not truly willing to have a dialogue with the DPRK. 'Hard-line negotiation' and 'leadership' are unacceptable to the DPRK.

It is the DPRK's unchangeable stand to seek a negotiated settlement of the issues between the DPRK and the United States. It is a very wrong logic for the U.S. ruling quarters to talk about a 'hard-line negotiating stand.' The Bush administration insists that the DPRK respond to a dialogue to be held at a time and place appointed by it. This high-handed behavior rubs the DPRK up the wrong way. The DPRK does not have even the slightest intention to resume the dialogue with the U.S., allowing its pride to be damaged. It is the DPRK's demand and stand that the DPRK and the U.S. should have a dialogue on an equal footing on the principle of independence and impartiality if the latter wishes to have it. There should be neither selfish motive nor precondition as far as a dialogue is concerned. If the administration seeks a conditional dialogue with the DPRK, a dialogue aimed at disarming it, talking about 'verification,' 'cutdown of conventional forces,' 'inspection' and the like, the DPRK has no interest in such a dialogue. Its practice of putting a precondition on the DPRK-U.S. dialogue is, in fact, a reflection of its stand of denying it. It is preposterous for the administration to impose its unilateral unjust conditions upon the DPRK before reaching any agreement with it. The DPRK does not care about whether it has any dialogue with the United States or not. Even if the dialogue is not resumed, the DPRK will have nothing to worry about or to lose. It will never beg the U.S. for a dialogue. The United States should have a right approach to the dialogue before discussing the issue related to the dialogue with it. Everything depends on the United States. the ball is in its court. The U.S. is well advised to bear this in mind and approach the DPRK from a right stand on the dialogue. The

DPRK will have its independent option, closely following Washington's attitude." (KCNA, "DPRK's Principled Stand on U.S. Approach to Dialogue Clarified," June 4, 2001)

The GNP condemned the government's decision to allow North Korean cargo vessels to pass through the Cheju Strait if they seek advance permission. Rep. Park Se-hwan called on the government to withdraw its decision. Rep. Kang Chang-sung said, "The latest North Korean move is not a simple passage of the strait without permission, but it amounts to a military aggression against Korea," saying it illustrates the North's true intention not recognize the sovereignty of the South. Rep. Chang Young-dal urged the GNP to shake off what he called its Cold War mindset in dealing with inter-Korean issue. "The government has recognized the right of foreign civil vessels to sail through the Cheju Straits, as it is an area in which the right of innocent passage is respected," he said. Rep. Yu Sam-nam of the ruling party saw the decision as imprudent: "The Cheju Strait should be maintained as Korea's territorial waters until substantial military confidence-building measures are reached with the North, including the signing of a peace treaty." (Kim Kwang-tae, "Parties Clash over N. Korean Vessel Incursion Controversy," *Korea Times*, June 4, 2001) A North Korean cargo ship intruded into South Korean waters again, prompting a security alert for the second consecutive day, the Joint Chiefs of Staff said. The 15,600 ton ship crossed the Northern Limit Line between South Korea's Paengnyong and Yonpyong islets despite repeated warnings. (Kim Kwang-tae, "N. Korean Vessel Intrudes Again," *Korea Times*, June 4, 2001) A 1,200 South Korean patrol boat collided with a 13,000 ton North Korean freighter today as it tried to steer to away from the NLL, DefMin Kim Dong-shin told the National Assembly on June 8. Last month a South Korean fishing boat came in contact with a North Korean patrol boat near the NLL and some North Koreans fired their sidearms at it. (*Chosun Ilbo*, "Minister Reveals N.K. Ship-Navy Vessel Collision," June 9, 2001) South Korea said it was seeking talks with the North after North Korean ships sailed into its waters for a fourth day. (Joanna Chung, "S. Korea Seeks Talks with North on Ship Incursions," Reuters, June 5, 2001) The Joint Chiefs of Staff announced that the North Korean 9,700-ton freighter Daedongkang was detected June 15 sailing toward the NLL changed course after it was warned by the ROK Navy. (Yu Yong-won, "N.K. Freighter Diverts from NLL after ROKN Warning," *Chosun Ilbo*, June 17, 2001) The opposition GNP called for an investigation into an alleged agreement at the N-S summit to allow North Korean cargo ships to pass through the NLL. GNP spokesman Kwon Chul-hyun said, "We decided to submit dismissal motions against defense and unification ministers for their inappropriate reactions to the violation of the NLL by North Korean cargo vessels." (Kim Kwang-tae, "Partisan Standoff Set to Escalate over Alleged Deal on N.K. Ships," *Korea Times*, June 18, 2001) Reformist GNP lawmaker blasted the party's hard-line response on the recent NLL intrusions at a party meeting on June 20. (Kim Hyung-jin, "Some Opposition Members Criticize Conservative Colleagues, Party Policy over North Korea," *Korea Herald*, June 21, 2001)

6/6/01

North Korea policy statement: "Over the past several months, my Administration has been reviewing our policy towards North Korea. We have recently discussed the results of our thinking with our close allies, South Korea and Japan. We have now completed our review. I have directed my national security team to undertake serious

discussions with North Korea on a broad agenda to include: improved implementation of the Agreed Framework relating to North Korea's nuclear activities; verifiable constraints on North Korea's missile programs and a ban on its missile exports; and a less threatening conventional military posture. We will pursue these discussions in the context of a comprehensive approach to North Korea which will seek to encourage progress toward North-South reconciliation, peace on the Korean peninsula, a constructive relationship with the United States, and greater stability in the region. These are the goals South Korean President Kim Dae-Jung and I discussed during his visit here last March. I look forward to working with him. Our approach will offer North Korea the opportunity to demonstrate the seriousness of its desire for improved relations. If North Korea responds affirmatively and takes appropriate action, we will expand our efforts to help the North Korean people, ease sanctions, and take other political steps. I have asked Secretary of State Powell to outline our approach to South Korean Foreign Minister Han when they meet tomorrow here in Washington and we will also inform our allies in Japan." Pritchard explains last paragraph: "Unfortunately, someone leaked the results of the administration's policy review to the news media, and rather than wait to consult with Foreign Minister Han Sung-soon, the White House scrambled to make the announcement itself, trying to ensure that the appropriate 'spin' accompanied the story. ...A casualty of this rush to get the announcement on the air was, of course, the consultative process that the government normally engages in with a close U.S. ally." (Pritchard, *Failed Diplomacy*, pp. 4-5) Talking point: "We have in mind a comprehensive approach on which we make progress on all fronts simultaneously." (p. 6) Senior administration official: "Only a comprehensive program to limit North Korea's military potential can serve as a foundation for improved relations with the West. So North Korea must make simultaneous concessions on nuclear issues and conventional arms, and any missile agreement must be subject to extensive verification." (Michael Gordon, "U.S. Toughens Terms for North Korea Talks," *New York Times*, July 3, 2001, p. A-9) On the timing of talks, Jack Pritchard would see the North's U.N. delegation in New York in a few weeks, officials said. "Starting at a low level means delay. Starting at the bottom is not serious," said Yang Sung-chul, South Korea's ambassador. "How did you start the opening with China? With Kissinger and Nixon." Yang said, "In the last three years, there was phenomenal progress. But now it's stalled, and we don't like it. Six months have gone." Douglas Paal, president of the Asia Pacific Policy Center said, "It presents tougher criteria for North Korea, which they won't want to accept." (Jane Perlez, "U.S. Will Restart Wide Negotiations with North Korea," *New York Times*, June 7, 2001, p. A-1) "The United States is ready to call for the replacement of light0water reactors with thermal power plants whenever North Korea doesn't behave," a Korean official said. One opf the ultimate U.S. goals is to have North Korea join the Missile Technology Control Regime. (Son Key-young, "U.S. Keeps LWR Substitution As Option," *Korea Times*, June 8, 2001)

KCNA: "The construction of light-water reactors (LWRs) with a total generating capacity of 2,000 mw(e) which the United States committed itself to provide to the DPRK by 2003 under the DPRK-U.S. agreed framework (AF) is too much delayed and thus the implementation of the agreement has reached a serious pass. Though 7 years have passed since the adoption of the agreement the site preparation has not yet been

completed, to say nothing of the start of the ground work. **But the U.S. has taken a number of opportunities such as the recent Honolulu meeting to spread the theory of 'early inspection' of the 'nuclear-related facilities' of the DPRK instead of taking measures to compensate for the resultant loss of electricity.** The DPRK-U.S. agreed framework stipulates that negotiations should be held with the International Atomic Energy Agency (IAEA) after the most of the LWR project has been carried out and before the delivery of the major nuclear-related parts and, accordingly, the agreement on assurances should be implemented. However, the U.S., turning aside from the present situation where the date for the completion of the LWRs can not be predicted, has come out with sophism that it is necessary to conduct an early special inspection in order to complete the LWR project as early as possible because this inspection to be made before the delivery of the key parts will take a considerable time. **The inspection is unthinkable before a great deal of the LWR project has been carried out.** The U.S. talk about the 'early inspection' before fulfilling its commitment is a trick to backpedal all its commitments under the AF and raise issues which have nothing to do with the AF in a bid to evade its responsibility for the delay in the LWR project and compensation for the loss of electricity. It is preposterous for the U.S. to unilaterally pull up the DPRK without implementing the AF. As far as the implementation of the AF is concerned, the DPRK had completely frozen the graphite-moderated reactors and their related facilities within one month, allowed the IAEA's inspection of them and completed the safe storage of spent-fuel rods. **But the U.S. has taken no measures to settle the issue of the indefinite delay in the construction of LWRs it committed itself to provide to the DPRK in return for the DPRK's nuclear freeze.** Yet, the U.S. demanded the DPRK take 'necessary measures for the successful implementation of the AF.' This is like a thief crying 'stop the thief.' As the DPRK repeatedly clarified, **the demand for compensation for the loss of electricity is not a tactic but a crucial issue related to the right to existence. If this issue is not solved, the DPRK will be left with no option but to restart the construction of graphite-moderated reactors for its existence.** The DPRK has suffered a huge loss of electricity due to its freeze of the nuclear power industry under the agreed framework. If it had gone ahead with the construction of the graphite-moderated reactors as scheduled it would have already completed them, created a total generating capacity of over 1 million kw and produced a lot of electricity. The DPRK can not sit idle for an indefinite period while leaving the issue of electricity vital to the state to be settled by others. It will be a serious mistake if the U.S. considers the DPRK's demand for the compensation for the loss of electricity as a lever for putting a sort of 'pressure' or reigning over 'negotiations.' Before the adoption of the AF the DPRK made a political concession to sacrifice its independent nuclear power industry out of its good intention to clear the U.S. of its 'nuclear suspicion' and promote global peace and security. But now we do not feel any need to abide by the AF allowing its right to existence to be infringed upon. **It is the deserved right and option for the DPRK to restart the construction of graphite-moderated reactors for its right to existence unless compensation is made for the electricity loss resulting from the heavy delay in the LWR project** which makes its prospect gloomy. If the U.S. truly wants to save the DPRK-U.S. agreed framework it should meet the DPRK's demand. If the U.S. fails to meet the demand for the compensation for the loss of electricity, it will be hard to save the AF from its collapse and the DPRK will find no option but to go its



own way." (KCNA, "U.S. Urged to Compensate for DPRK's Loss of Electricity," June 6, 2001)

The Unification Ministry announced a go-ahead to the Northeast Asia Education and Cultural Cooperation Foundation to establish Pyongyang IT University in cooperation with the DPRK Ministry of Education. (Kim In-ku, "Ministry Gives Go-Ahead for IT University in N.K.," *Chosun Ilbo*, June 6, 2001)

6/7/01 FM Han Seung-soo and SecState Colin Powell discussed U.S. plans to reopen diplomatic negotiations with the North. "The Washington-Pyongyang talks should be 'meaningful' ones that ease tension and promote the peace process on the Korean peninsula," Han was quoted as saying. Han met with NSA Condoleezza Rice and Asst SecState James Kelly yesterday. (Hwang Jang-jin, "Bush to Resume Talks with North Korea," *Korea Herald*, June 8, 2001) Powell: "I think we have expanded areas of dialogue by putting conventional forces on the agenda and by making it clear to the North Koreans that we want to talk about missiles and missile technology and missile sales and nuclear weapons programs, but also we want to talk about humanitarian issues. We want to talk about other issues that affect relationships between North and South Korea, but especially between North Korea and the United States. So I think we're expanding it in a more comprehensive way, and I think that I would list that as one of the major changes." (Secretary of State Colin Powell, Remarks with Foreign Minister Han of the Republic of Korea after Their Meeting, DoS, June 7, 2001)

DefMin Kim Dong-shin vowed to take strong action, including the use of force, against North Korean ships violating the NLL. "In accordance with wartime regulations and rules of engagement, our military will use force and other stern measures if North Korean unarmed vessels violate our territorial waters again," he told the National Assembly's National Defense Committee. (Kang Seok-jae, "Defense Chief Warns Stern Action on N.K. Ships Violating Maritime Border," *Korea Herald*, June 8, 2001)

6/?/01 An NSC official in the Bush administration notified a South Korean official in the Washington embassy recently that it would place priority on tracing North Korea's past nuclear activity as laid out in 1994 accord, a diplomatic source said, and that improved implementation of the accord would be a litmus test for its dialogue with Pyongyang. (Lee Ha-won, "U.S. to Trace N.K.'s Past Nuclear Record," *Chosun Ilbo*, June 19, 2001)

6/9/01 North Korea reached agreement with Chung Mong-hun, chairman of Hyundai-Asan to open a road across the border, allowing tourists to visit Mount Kumgang (Diamond Mountain). (Choe Sang-hun, "Hyundai: N. Korea to Allow Tourists," Associated Press, June 9, 2001)

Former President George Bush sent a memo forcefully arguing the need to reopen negotiations with North Korea, according to people who have seen the document, because not to do so would seriously undermine the current government in South Korea and hurt United States security interests in North Asia. The advice in the memo appears to have been largely incorporated into the announcement this week by

President Bush that his administration would seek to talk to North Korea about a range of issues, including its missile program. It was clear that former President Bush, who regards the author of the memo, Donald P. Gregg, as an expert on Asian affairs, wanted his son to adopt a more moderate position instead of going with the advice he was receiving from the Pentagon. Ari Fleischer, President Bush's spokesman, said that the Gregg memo was sent to the national security adviser, Condoleezza Rice, who passed "the thoughts in the note" to the president. He described this as one of many useful pieces of information passed to Bush from former foreign policy advisers like former Secretary of State George P. Shultz and former Defense Secretary William J. Perry, who advised President Bill Clinton on Korea. In a report to be issued tomorrow, a task force of Korea experts created by the Council on Foreign Relations in New York will urge the United States to "stand by its commitments" under the 1994 agreement with North Korea, which requires the United States to help provide fuel oil to North Korea to help alleviate its severe energy shortage. But the report notes that in the next two years North Korea will have to comply with a series of nonproliferation steps included in the agreement, and the report suggests that Bush make it clear "we will not accept any delay" in reaching those goals. (Jane Perlez, "Fatherly Advice to the President on North Korea," *New York Times*, June 10, 2001, p. 1)

6/10/01 Robert A. Scalapino, retired Berkeley professor, in an op-ed for Yonhap on the first anniversary of the N-S summit: "Perhaps the appropriate goal for the ROK should be 'progressive reciprocity,' namely a steadily increasing willingness of the North to reciprocate as its capacity - and its self-confidence - is raised." None of the major powers want a collapse of the North or a conflict on the peninsula. "Hence, an evolutionary process whereby the DPRK enters the modern world is the proper goal. There may be delays and possible retreats, but this goal must be maintained." (Yonhap, "Scalapino Calls for 'Progressive Reciprocity,'" *Korea Times*, June 11, 2001)

In a telephone poll conducted yesterday 43.9 percent opposed the government's North Korea policy and 33.9 favored, a reversal from last February when 49 percent supported it and 25.8 objected. Some 50.1 percent said North Korea had not changed since the summit while 37.8 percent saw some change. Some 56.1 percent said the government responded poorly to the freighters' incursion, while 28.5 supported the government's action. (*Chosun Ilbo*, "Support for N.K. Policy Falling: Gallup Korea," June 11, 2001)

6/12/01 Portland State University received confirmation that it will be the first to provide a program of international business training in North Korea, an 8-10 week course in English in Pyongyang and a four-week session in Portland. (*Chosun Ilbo*, "U.S. University to Train North Koreans in Pyongyang," June 12, 2001)

Funabashi: The announcement of the policy review was originally scheduled for release two weeks ago, but it was postponed because of tensions within the administration as well as the Republican Party. Meeting with a group of Republican senators including Phil Gramm not long ago, President Kim Dae-jung was quoted as saying, "What I am promoting is a policy of engagement, not appeasement. I am not Chamberlain." A former U.S. ambassador to South Korea who saw Kim immediately

after the meeting said, "The president, who is usually very polite, must have been really upset to have spoken like that." South Korea is concerned about adding conventional forces to the agenda. "As soon as the United States broaches the subject of conventional arms reduction, North Korea is sure to meddle on U.S. forces structure," said a South Korea government official. "Is that okay with the United States?" Another wild card is the shaky relationship between the United States and China. As things stand, China is unlikely to play a construction role in the Korea peninsula issue, as it has in the past. Japan must request several things of the United States. Excessive ideology must be avoided to realize reconciliation. The United States must show that its presence works to stabilize Asia, not to make it unstable. The framework of U.S. dialogue with Japan and South Korea must be strengthened. To the Bush administration engagement in Korea is not a bothersome task, but its historic mission to put an end to the Cold War in Asia. (Funabashi Yoichi, "Japan Could Offer Vision to U.S. on Korea Issue," *Asahi*, June 12, 2001)

- 6/13/01 Special envoy Pritchard hosts lunch for DPRK PermRep Li Hyong-chol, has him convey a letter to Kim Gae-gwan: "The President announced on June 6 that the review was finished and the United States is prepared to undertake serious discussions with the DPRK. As Secretary of State Powell said publicly, we attach no preconditions to these discussions. To begin this process, I propose that you and I meet at the end of this month or in early July, outside of capitals, at a place of your choosing." Pritchard notes, "Having already had too many fights with the hard-line elements, I waited until the last moment before inviting a National Security Council staffer to accompany me. I also waited until we were in a taxi from the airport heading to Manhattan before showing her my letter to Kim." (Pritchard, *Failed Diplomacy*, pp. 7, 187) The State Department described the atmosphere as "businesslike" and said the discussions would continue. "We have no details about next steps," the deputy spokesman, Philip T. Reeker, said in a statement. (Jane Perlez, "American and North Korean Diplomats Hold Talks in New York," *New York Times*, June 14, 2001, p. A-13)
- 6/15/01 Kim Dae-jung told an international conference marking the first anniversary of the N-S summit, he argued for keeping U.S. troops as a balancing force in Korea "situated as it is in the midst of the world's four major powers." "But to my great surprise, Chairman Kim Jong-il replied, 'I already know President Kim's thinking on this issue through South Korean newspapers. I also thought to myself how can President Kim think exactly like me? The continued presence of U.S. forces on the Korean peninsula serves the interests of the Korean people.'" (Bill Tarrant, "Seoul: N. Korea Sees Role for U.S. Troops in Korea," Reuters, June 15, 2001)
- 6/17/01 In a speech to Peace Forum on Cheju, President Kim Dae-jung said, "I firmly believe that Kim Jong-il will come to Seoul this year." (Oh Young-jin, "Kim Confident about N.K. Leader's Seoul Visit," *Korea Times*, June 17, 2001) Former secdef William Perry said in a press conference on Cheju, "My understanding and expectations are that there will be a continuity between the work we have done and our policy which is studied." (Kim Kwang-tae, "Perry: Bush to Pursue Continuity in N.K. Policy," *Korea Times*, June 17, 2001)

South Korea has decided not to open talks on an east coast rail link to Mount Kumgang until stalemated talks on Seoul-Sinuiju rail link are completed, a high-ranking official said. (Yoo Yong-won, "Government Prioritizes Seoul-Sinuiju Rail Link," *Chosun Ilbo*, June 17, 2001)

Ex-FM Gong Ro-myung op-ed: "The 'sunshine policy' ... has to be seriously rethought because of the emergence of the U.S. administration of President George W. Bush. Ever since North Korea, reacting to Bush's hard-line foreign policy stand, unilaterally refused to take part in the fifth North-South ministerial level meeting scheduled for March, relations between Seoul and Pyongyang have been left stalled. ... Any trip by Kim Jong-il would probably be preceded by a preliminary trip by Kim Yong-nam, chairman of the North's Standing Committee of the Supreme People's Assembly, who will likely press for assurances that the South will provide 500,000 kilowatt-hours of electricity as a prerequisite from Kim Jong-il's visit. ... As for military matters, South Korea hopes that the North will agree to set up the following: a telephone hot line linking military authorities of both Koreas; a system whereby each country gives advanced notification before conducting large-scale military maneuvers or a troop movement; and an arrangement whereby observers from each side can be present at maneuvers and troop movements. The South also wants to implement the basic confidence-building steps as stipulated in the 1992 North-South Basic Agreement's clause of nonaggression toward each other. ... It seems almost certain that the North will react strongly against the U.S. demand for reduction of these [conventional] war capabilities. ... Since this is one of the most sensitive military questions pending between the North and the South, it can hardly be placed on the agendas as a realistic subject of discussion before certain confidence-building measures are taken, including establishment of a hot line...What we should do first of all is ensure a 'Cold War-type peaceful coexistence' on the Korean Peninsula on the basis of truly reliable verification and the principle of reciprocity. Efforts to promote national reconciliation and a wide range of cooperation between the North and South should then follow." (Gong Ro-myung, "Peaceful Coexistence Must Precede Korean Reunification," *Yomiuri Shimbun*, June 17, 2001)

6/18/01

DPRK FoMin spokesman: "The U.S. side, while proposing to resume negotiations without preconditions, **unilaterally** set out and opened to the public topics of discussion before both sides sit together. By those topics of discussion it means the so called nuclear, missile and conventional armed forces-related issues of the DPRK. **We cannot construe this otherwise than an attempt of the U.S. to disarm the DPRK through negotiations.** Such attitude of the U.S. as putting up conditions which the DPRK can never accept cannot but arouse an apprehension and doubt as to whether the U.S. intends to have a dialogue with sincerity and has a willingness to settle the issues through dialogue. It is the universally recognized elementary requirement that dialogue between sovereign states should be conducted on a fair and equal footing. This is evidenced by the fact that the previous DPRK-U.S. dialogues were held in conformity with the interests of both sides and produced results helpful to improving bilateral relations. In this sense, **we cannot but interpret the U.S. administration's 'proposal for resuming dialogue' as unilateral and conditional in its nature and hostile in its intention.** Our aim to have a dialogue with the United States is to discuss

and carry into practice measures to wipe out the mistrust and misunderstanding between both sides and put the DPRK-U.S. relations on a normal orbit to meet the bilateral interests.

All the pending issues related to the DPRK-U.S. relations originate from the U.S. hostile policy, a big threat to the DPRK. If the U.S. has a true will to drop its hostile policy and have a dialogue with the DPRK, it should, first of all, adopt as topics of discussion practical matters related to the implementation of the provisions of the DPRK-U.S. agreed framework and the DPRK-U.S. joint communiqué as agreed upon.

**The DPRK's conventional armed forces can never be a subject of discussion before the U.S. forces are pulled out of South Korea at least as they are means for self-defense to cope with the grave threat posed by the U.S. and its allied forces.**

The U.S. should refrain from making a sinister attempt to shift the responsibility for the stalled negotiations on to the DPRK after deliberately raising such unrealistic and unacceptable demands.

**The most realistic and urgent issue at present as regards the implementation of the DPRK-U.S. agreed framework**, the keynote of which is the U.S. LWR provision in return for the DPRK's nuclear freeze, is to handle in a responsible manner the grave situation where the LWR provision is too much delayed.

**The agreed framework is in the danger of collapse due to the delay in the LWR provision.**

**We are of the view that the issue of compensating for the loss of electricity caused by the delay in the LWR provision** which we have already proposed to the U.S. side as a solution to the issues **should be adopted as a primary item to be taken up at the negotiations.**

**The U.S. side is well advised to dispel our doubt as to whether the U.S. has a political will to drop its hostile policy** toward the DPRK and discuss **and settle the pressing issue of the loss of electricity.**" (KCNA, "Spokesman of DPRK Foreign Ministry on Bush's Statement on Resuming Negotiations with DPRK," June 18, 2001)

DoS Spokesman Richard Boucher: "**Q:** The North Koreans seem to be accusing the US of reneging on terms of the framework agreement about the reactor. That seemed to be a thrust of their statement. **BOUCHER:** Seemed to, yes. (Laughter.) I would think I would just say that we have met and will continue to meet our obligations under the Agreed Framework. The President made that quite clear in his statement on the conclusion of the North Korea policy review. We expect the North Koreans to meet their obligations under the Agreed Framework, including eventually the requirement to abide by IAEA safeguards as that moment approaches. And we intend to continue to pursue this course. We don't see any particular basis for compensation." (DoS Daily Briefing, June 18, 2001)

6/19/01

The state-run Korean National Tourism Organization will fund a consortium with Hyundai to bail out the money-losing Mount Kumgang tourism project. Hyundai Asan's payment of an estimated \$22 million to North Korea is overdue. The opposition GNP and the MDP coalition partner United Liberal Democrats denounced the decision to "waste taxpayers' money to salvage a project of uncertain profitability." (Son Key-young, "State-Run Firm to Salvage Mt. Kumgang Tour Project," *Korea Times*, June 20, 2001)

6/18-23/01 Ambassador Koenraad Rouvroy of Belgium on his maiden trip to Pyongyang said North Korean officials were skeptical of an early resumption of inter-Korean dialogue: "They said as long as Americans don't give up their preconditions, there will be no contact with the South either.". Speaking to a breakfast forum in Seoul organized by the Christian Journalists Club Korea on July 19, he quoted FM Paek Nam-sun as saying, "There will be a return visit" but Paek did not say when. (Kim Ji-ho, "North Korean Foreign Minister Reconfirms Kim Jong-il's Reciprocal Visit," *Korea Herald*, July 20, 2001)

6/20/01 *Rodong Sinmun* signed commentary on President Bush's June 6 statement: "It is noteworthy that the new U.S. administration proposed to resume DPRK-U.S. dialogue which it unilaterally had put under suspension for four months, but the DPRK cannot but remain vigilant against its real intention. The U.S. side, while proposing to resume negotiations without preconditions, **unilaterally set out and opened to the public topics of discussion** such as the so called nuclear, missile and conventional armed forces-related issues of the DPRK before both sides sat together. The DPRK cannot but interpret the U.S. administration's 'proposal for resuming dialogue' **as unilateral and conditional in its nature and hostile in its intention**. The grave situation prevailing in the DPRK-U.S. relations is a product of the U.S. vicious hostile policy towards the DPRK. The DPRK's conventional armed forces which have been built up as a measure for self-defense to cope with reckless military threats from the united states and its allied forces, can never be a subject of discussion. **If the U.S. wants the DPRK's 'reduction of conventional armed forces,' it should, first of all, withdraw its armed forces from South Korea**. If the U.S. has a true will to have a dialogue with the DPRK it should adopt as topics of discussion practical issues related to the implementation of the agreed points of the DPRK-U.S. agreed framework and the DPRK-U.S. joint communiqué which both sides had already committed themselves to fulfill. The most realistic and urgent issue related to the implementation of the AF is for the united states to handle in a responsible manner the issue of compensating for the loss of electricity caused by the delay in the LWR provision. **It is the position and demand of the DPRK that the U.S. should dispel its doubt as to whether the United States has a political will to drop its hostile policy toward the DPRK and discuss and settle the pressing issue of compensating for the loss of electricity.**" (KCNA, "U.S. Urged to Dispel DPRK's Doubt about Its Intention," June 20, 2001)

The financially ailing Mt. Kumgang tourism project will be bailed out by the South Korean government, officials in Seoul said. That may cost as much as \$22 million. Hyundai had paid \$342 million to North Korea as of last year, including \$156 million for allowing its chartered passenger ships to dock near the site and \$126 million to build facilities at the landing site. But Hyundai has lost about \$340 million since the tours began in November 1998. It had estimated half a million would tour the site annually but only slightly more than 180,000 have made the three-day, two-night journey so far. The financially strapped firm failed to make a \$46 million payment to the North due last month. (Valerie Reitman, "Seoul to Bail out N. Korea Tourist Project; Rescue May Cost Millions," *Los Angeles Times*, June 21, 2001)

The U.S.-made F-15, the French Rafale and the Eurofighter are in competition for Korea's \$3-billion fighter jet procurement. Korea will try to use it to soften the U.S. stance on its sunshine policy. "We would have less reason to buy the American aircraft should the U.S. continue to block every step we try to take," said a senior official with knowledge of the selection process. "It is only natural that all available tools be used to get our stance conveyed to the U.S." Boeing is facing the prospect of shutting down the F-15 production line. (Kim Kwang-tae, "Seoul Set to Use Fighter Jet Purchase to Soften U.S.' Tough Stance on N.K.," *Korea Times*, June 20, 2001)

6/21/01 Lawmakers in the National Assembly's Unification and Foreign Affairs-Trade Committee called on Washington not to get involved in conventional force cuts. "The U.S. made it clear that nuclear and conventional weapons should be agenda items in its upcoming negotiations with the North," said Rep. Kim Won-wung of the GNP. "If this happens, there will be no room for South Korea to get involved in the issue and it could lose its initiative in resolving problems on the peninsula." Kim called on the government to hold up arms purchases: "It is quite inappropriate for the U.S. to demand that the North reduces its conventional weapons stock while it is trying to sell conventional weapons to South Korea." Boeing is in fierce competition to sell South Korea the next generation fighter plane. Rep. Kim Seong-ho of the MDP sided with Kim, saying that conventional arms reduction is an issue for the North and South to discuss. (Kim Kwang-tae, "Lawmakers Urge U.S. Not to Include Conventional Weapons in N.K. Talks," *Korea Times*, June 21, 2001)

6/22/01 ROK DefMin Kim Dong-shin and his U.S. counterpart Donald Rumsfeld agreed that Seoul should take the initiative in negotiations on conventional arms with North Korea. (*Chosun Ilbo*, "Seoul to Take Initiative on N.K. Conventional Weapons," June 22, 2001)

South Korean Navy ships fired warning shots at a North Korean fishing boat intruding into South Korean waters in the West Sea. "Our Navy spotted the nine-ton North Korean fishing boat with five fishermen aboard crossing into the southern part of the NLL about 4.5 miles northwest of Baengnyeong Island around 2:50 a.m.," a JCS spokesman said. It was the most serious incident since May 27. (Kang Seok-jae, "Navy Fires Warning Shots at Intruding N.K. Fishing Boat," *Korea Herald*, June 25, 2001) On June 24, North Korea fishermen fired flares and brandished sticks and knives at two approaching South Korean patrol boats after leading the South Koreans on a two-and-a-half hour chase in the East Sea. The North Korean boat fled after the South fired nine warning shots. (*New York Times*, "North and South Korean Vessels Clash at Sea," June 25, 2001, p. A-8)

6/25/01 Turkey became the twelfth country to establish diplomatic relations with the DPRK this year, joining Canada, Spain, Germany, Greece, Brazil and Kuwait. (*Korea Herald*, "North Korea, Turkey to Establish Ties Wednesday," June 25, 2001)

Police are holding four men on suspicion of illegally exporting a fishing vessel to the DPRK that may have been converted into a spy boat. (*Asahi Shimbun*, "4 Arrested for Exporting 'Spy Boat' to North Korea," June 25, 2001)

- 6/26/01 North and South Korea agreed on a joint mining development project to extract tantalum, used to make cell phones. Sunnam Electronics and the North's Samchonri General Company will conduct a trial run to produce 250,000 tons by year's end. (*Chosun Ilbo*, "Inter-Korean Mine Project to Go ahead," June 26, 2001)
- Seven illegal immigrants sneaked past Chinese security guards into the Beijing office of the U.N. high commissioner for refugees and said they would not leave until they were granted political refugee status. (Elisabeth Rosenthal, "New Issue at U.N.: North Koreans Seeking Refuge Status in China," *New York Times*, June 27, 2001, p. A-1) On August 29 Colin Mitchell, UNHCR regional representative, told reporters, "They have this morning departed for a third country." By sending them to Seoul via Manila, China sidestepped the issue of whether they were economic migrants or refugees. (Elisabeth Rosenthal, "7 North Koreans Allowed to Leave China," *New York Times*, June 29, 2001, p. A-10)
- 6/?/01 A Stanford University delegation accompanied by an "unofficial" mid-level State Department official in Pyongyang explored how to deal with the October 2000 joint communiqué - "finding a way to script an encounter in New York at which DPRK and U.S. diplomats could utter the right phrases , enough so that the North could satisfy itself that the United States had reaffirmed the document, but not so much as to cause heartburn in Washington. After the Stanford delegation's visit ended, the idea was brought back to the State Department, where it died. Even a nod in the direction of the October 2000 document was impossible." (Oberdorfer and Carlin, *The Two Koreas*, p. 355)
- 6/27/01 U.S. imposed sanctions on the North Korean firm, Changgwang Sinyong Corporation, accused of "the transfer to Iran of equipment and technology controlled under the Missile Technology Control Regime." *Disarmament Diplomacy*, "U.S. Imposes Sanctions on China, North Korea Companies," July/August 2001, p. 60)
- 6/28/01 KCNA: "A spokesman for the DPRK Foreign Ministry on June 18 clarified its stand on the U.S.-proposed resumption of the DPRK-U.S. negotiations and asked the U.S. if it has a political will to seek negotiated settlement of the issue of renouncing its hostile policy towards the DPRK and the issue of compensating for the loss of electricity caused by the delayed provision of light water reactors (LWR) in particular, at the DPRK-U.S. dialogues to be held in the future. The spokesman for the U.S. State Department, however, said that the U.S. wants the DPRK side to 'honor its commitments under the agreed framework including nuclear inspection' and it can not find any special ground to make compensation as regards the 'DPRK-proposed compensation for the electricity loss,' saying that 'It has implemented the DPRK-U.S. agreed framework and will continue to do so.' These are, in essence, nothing but brazen-faced sophism intended to evade its responsibility for the compensation. ...The issue of implementing the AF turned out to be such a complex one as now entirely due to the U.S. side's failure to observe its commitment to provide LWRs to the DPRK by the year 2003. It is preposterous, indeed, for the U.S. to assert that it has honored its commitments under the AF. The U.S. side has not yet finished even the ground leveling project for the construction of the LWRs, an article the U.S. side committed



itself to implement, although it is nearly seven years since the adoption of the AF between the two countries. Therefore, it is by no means fortuitous to hear the story that the U.S. side is implementing the AF only 10 per cent while the DPRK side has done it 100 per cent. The U.S., however, is proposing the issue of inspection which can not be construed otherwise than a broad trick to shift onto the other the responsibility for the delayed provision of the LWRs. The project to provide the LWRs to the DPRK is not making any progress which can not be interpreted otherwise than the outcome of the U.S. hostile policy toward the DPRK. There is even a suspicion of the possible U.S. deliberate delay in the LWR construction in a bid to bring the DPRK to collapse. The keynote of the DPRK-U.S. agreed framework is for the U.S. to provide LWRs to the DPRK in return for the latter's freeze of nuclear activities. The DPRK held off its plan for the production of electricity from the graphite-moderated reactors in consideration of the U.S. 'security concern,' suffering a huge loss of electricity. A scrutiny of the real state of the LWR construction makes it clear that the LWRs are not likely to be completed by the year 2003 and even by the year 2010 far beyond 2008. The DPRK can not sit idle over this loss because electricity is essential for pepping up its economy. The DPRK's repeated call for compensation for the loss of electricity is not intended to pressurize or threaten the U.S. nor aimed to secure a stronger position in the dialogue. Electricity is vital to our existence. **If no measure is taken for the compensation for the loss of electricity the DPRK can no longer keep its nuclear activities in a state of freeze and implement the AF.** The U.S. is responsible for settling this issue. It is also to blame for the delay in the LWR project in view of the former U.S. President's letter of assurance. The U.S. loudmouthed 'security concern' about nuclear and missile and other issues resulted from its hostile policy towards the DPRK. Therefore, a precondition for the settlement of these issues should be the U.S. renunciation of its hostile policy towards the DPRK. As the DPRK has already clarified its principled stand towards the U.S.-proposed resumption of dialogue, it is the U.S. turn to kick the ball." (KCNA, "KCNA on U.S.-Proposed Resumption of DPRK-U.S. Negotiations," June 28, 2001)

DPRK FM Paek Nam-sun visited Australia. "We have some real concerns about their missile programs, weapons of mass destruction programs or at least about whether such programs exist," said FM Alexander Downer. "There are human rights issues we're concerned about as well." He said, "I want to focus first of all on the important broad point that we need dialogue with North Korea - I don't think there's any point in turning our backs on North Korea and wishing it away." (AFP, "North Korea Sends Its First Ever Envoy to Australia," June 27, 2001)

6/29/01 Vice FM Kim Gye Gwan has been invited to a seminar in Berkeley, a U.S. source in Seoul said. (Oh Young-jin, "N. Korea Vice Foreign Minister Invited to Attend Seminar in U.S.," Korea Times, June 29, 2001)

6/30/01 At Bush-Koizumi summit, an anonymous source told Kyodo, "President Bush, while discussing his foreign policy toward North Korea, described Kim Jong-il as 'a person you cannot trust. A leader who makes people starve to death cannot be a reliable person.'" (*Chosun Ilbo*, "Bush Expresses Distrust for N.K. Leader," July 2, 2001; Igarashi Aya, "Bush: Kim Jong-il Untrustworthy," *Yomiuri Shimbun*, June 30, 2001)

DPRK FoMin spokesman: "Some South Korean and western media have reported that the UN high commissioner for refugees office in Beijing granted refugee status to a citizen of the DPRK, Jang Kil Su and his family who illegally crossed its border with china, and whisked them off to a third country. the case is a down-the-line plot motivated by an insidious political purpose. To be correct, Jang Kil Su and his family are not refugees but those who illegally crossed the border. **When the country was under the difficult conditions those ordinary people crossed the border to go to China, ready to come back once conditions in the homeland get better.** However, **the dishonest forces and intelligence agents of South Korea displeased with the north-south reconciliation have long employed every base means to take such border transgressors to South Korea so as to use them for a insidious political purpose; the same is true of the current case.** To invent a pretext for the exile of Jang's family, they took in him to produce anti-DPRK 'drawings' to be carried by South Korean publications and then warned that he and his family might be punished because of them after their deportation. Such anti-DPRK smear campaign has been launched at a time when the desire of all the Koreans for national reconciliation, unity and reunification is growing stronger with the first anniversary of the June 15 North-South Joint Declaration as a momentum. we cannot but maintain heightened vigilance over this dishonest action. This time China officially confirmed that there is a handful of border transgressors but no issue of refugee between the two countries. nevertheless, the UNHCR office in Beijing disguised those transgressors as 'refugees,' evidently at somebody's backstage manipulation and for a certain purpose. The UNHCR office pays no deep attention to millions of real refugees whose number is increasing everywhere in the world, but talks so loudly about an ordinary issue related to the DPRK where the people are united single-heartedly. Such unfair action and interference in its internal affair can never be tolerated. The DPRK does not persecute nor punish at random those who went wrong in the past. It is reported that Jang and his family have left China at present, and we will watch which is their final destination. The UNHCR office illegally dealt with the issue of those border transgressors, the issue beyond its authority, and thus laid obstacles in the process of the inter-Korean reconciliation and incited confrontation on the Korean peninsula. It should be entirely held accountable for it." (KCNA, "DPRK Foreign Ministry Spokesman on Case of Border Transgressors," June 30, 2001)

7/2/01 Kim Jong-il paid a rare visit to the Chinese embassy in Pyongyang to mark the 80<sup>th</sup> anniversary of the Communist Party of China, North Korean media said. (*Korea Herald*, "Kim Jong-il in China Silent on N.K. Defectors," July 3, 2001)

7/3/01 Though the Bush administration has now agreed to reopen talks with North Korea, it has set demands far broader than those pressed by President Bill Clinton, raising the prospect of protracted negotiations while Pyongyang continues to sell missiles around the world. Some senior Bush administration officials hope that economic pressures will lead North Korea to seek a far-reaching accommodation with the West. But some experts worry that unless both sides indicate a willingness to compromise, the result may be deadlock while North Korea exports medium-range or even long-range missiles. In the face of a prolonged stalemate, they say, North Korea might also threaten to resume testing long-range missiles, thereby developing the means to strike

the United States. **"We need to see some progress in all areas,"** a senior administration official said. **"We are prepared to wait. We don't feel any urgency to provide goodies to them in response to their rhetoric or threats."** But while the administration is demanding more from North Korea, it has spoken in only general terms about what economic and political benefits it is prepared to give in return. "It makes sense for the administration to try to get progress on all of the issues they have identified: missile, nuclear and conventional," said Gary Samore, a senior fellow at the London-based International Institute for Strategic Studies who was a top aide for proliferation issues on Clinton's NSC. "But that is going to be difficult to achieve, especially in the absence of clear inducements," Samore said. "If a comprehensive package is not possible, the administration should look at a stand-alone deal on missile exports because the North Koreans are actively selling missiles around the world, especially to the Middle East." To compensate the North Koreans, the Clinton administration offered a presidential trip to Pyongyang, which would signify a new political relationship between the two countries, as well as hundreds of millions of dollars in annual food aid and other assistance. Clinton also agreed to a North Korean proposal to provide two or three free launches of North Korean civilian satellites annually. But time ran out before the deal could be nailed down. "There is agreement on the necessity to engage with North Korea in a constructive way, and there is agreement not to try to bury North Korea," a senior Bush administration official said. "We support the South Korean sunshine policy." But the re-engagement came with important differences. One was the broadened agenda. The Bush administration wants North Korea to start cooperating now with the International Atomic Energy Agency to resolve discrepancies over its past plutonium production. Former Clinton administration aides say it would be good for North Korea to do this because it would fulfill the nuclear deal Washington made with Pyongyang and pave the way for the light-water reactors to be completed without further long delays. But Clinton aides also note that North Korea is not legally obliged to do that until the main nonnuclear components of the light-water reactors are delivered, which is not expected until 2005 according to the current schedule. And Pyongyang may balk on early cooperation with the energy agency to keep the West guessing about its nuclear potential and maintain leverage on the United States to keep its bargain. The Bush administration also wants North Korea to ease the threat that its huge conventional military forces along the border pose to South Korea. The administration has yet to define what steps it has in mind, but they are expected to include modest confidence-building measures, like giving notice of military exercises. Even on the missile issue, the administration seems to be driving a harder bargain than Clinton officials did. The verification measures Bush officials have devised call for "challenge inspections" in which American officials would have access to a range of sites in North Korea at short notice. While stiffening demands, the Bush administration does not appear to have increased the benefits it is prepared to provide North Korea; it may even be offering less. The administration has suggested that it is prepared to take "political steps," a phrase generally taken to mean normalizing relations, organizing assistance by international financial institutions like the Asian Development Bank, and providing some aid. But wary of the perception that it is willing to pay North Korea to restrain its military potential, the administration has been vague about how much it is prepared to do and noncommittal about the satellite launches offered by the Clinton administration. A senior Bush administration official

said the Clinton administration had been too generous in trying to secure a missile accord. "I would say that we are definitely not willing to do that much for that little," the official said. "We are certainly not going to do a presidential trip. We think they were a little overeager." Some issues remain unsettled in the Bush administration and could re-emerge if the negotiations make headway, some American officials say, like how much progress to demand in the nuclear and conventional areas if a missile deal appears to be at hand and how much aid to give North Korea. "There are no preconditions or anything we can't talk about," a senior official said, referring to talks with Pyongyang. But some experts see a tough road ahead. "The Bush administration has not picked up the ball where Clinton dropped it," said Lee Sigal, the author of a book on negotiating with North Korea. "It has moved the goal posts." (Michael R. Gordon, "U.S. Toughens Terms for North Korea Talks," *New York Times*, July 3, 2001, p. A-9)

North Korea conducted a test of its Taepodong engine last week, a sign it was continuing development of the missile a year after agreeing to a moratorium on flight tests while talks continued. It could be developing the longer-range Taepodong II. "It's unclear why they conducted the test," said one intel official. "It could have been to test the capabilities of the existing engine, or there could have been other, unknown reasons." The test involved placing a large rocket booster on its side and firing the engine. It took place at the same test facility where the first test flight of the Taepodong took place in 1998. The test's effects, a large burn area, were photographed by U.S. military reconnaissance aircraft, said officials familiar with intel reports of the test. A U.S. U-2 reconnaissance jet flew over Korea July 29 in what KCNA said was "aerial espionage." (Bill Gertz, "North Korea Tests Its Missile Engine," *Washington Times*, July 3, 2001, p. 1)

Funabashi: "'Is Koizumi a nationalist? If so, should we be afraid of him?' asked a high-ranking White House official to a staff member in charge of Japanese affairs. ... Koizumi uses the expression Japan-U.S. axis and says he values Japan-U.S. relations. That's where he's different from Ishihara. ... As a politician of the LDP from Yokusuka, Koizumi took apparent pride in countering a movement to block a port call by the aircraft carrier USS Enterprise from calling at Yokusuka, thereby thwarting the anti-U.S. bases movement. ... the prime minister is proud of the prominent role his father, Koizumi Junya played in having the Diet ratify the Japan-U.S. Security Treaty as chairman of the Lower House Committee on Foreign Affairs in 1960, when Japan was in turmoil. His father also served as dir-gen of the Defense Agency in the administrations of Ikeda Hayato and Sato Eisaku." (Funabashi Yoichi, "Japan-U.S. Alliance Is Quite a Different Matter," *Asahi Shimbun*, July 3, 2001)

A small North Korean fishing boat crossed the NLL at 9 a.m. by some 0.4 nautical miles, some 7.8 nautical miles west of Yongpyeong Island, and left an hour later, the South Korean JCS announced. (*Chosun Ilbo*, "N.K. Fishing Boat Crosses NLL," July 3, 2001)

7/4/01

South Korea decided not to allow former KWP secretary Hwang Jang-yop to travel to Washington to testify before Congress. "His visit at this time could become an irritating factor to the relations between the U.S., South Korea and North Korea," an official said.

(Seo Soo-min, "NSC Decides Not to Allow Hwang's Visit to U.S.," *Korea Times*, July 5, 2001) DPRK FoMin spokesman: "assailing Hyde, chairman of the international relations committee of the U.S. House of Representatives, and other Republican congressmen for planning to 'invite' renegade and runaway Hwang Jang Yop to the United States for what they called 'hearing.' Hwang is human scum who not only abandoned his political creed but betrayed even his wife and children for the sake of his personal comfort and a despicable political imposter who likes to utter incoherent words, reversing black and white in a bid to prolong his remaining days. No matter what remarks he may make anywhere, no one will lend an ear to them. But one cannot but be surprised by the U.S. ridiculous attempt to use such a mean fellow for its anti-DPRK smear campaign. Such an anti-DPRK burlesque to be orchestrated by some hard-line conservative republican congressmen is part of the foolish moves to give a shot in the arms of the U.S. administration in its pursuance of the anti-DPRK hard-line policy and isolate and stifle the DPRK at any cost. This more clearly indicates that the U.S. talk about the 'resumption of dialogue' with the DPRK is no more than a fiction. If the U.S. stages a ridiculous burlesque by inviting such human scum as traitor Hwang Jang Yop, instead of taking an honest attitude toward the improvement of the DPRK-U.S. relations as required by the new century, this will only further worsen the bilateral relations. Such hostile and provocative anti-DPRK moves of the United States compel the DPRK to take an appropriate countermeasure." (KCNA, "DPRK Foreign Ministry Spokesman on Projected Anti-DPRK 'Hearing,'" July 7, 2001)

- 7/5/01      Aid to North Korea increased sharply this year, Hong Jae-hyung of the UnifMin said. South Korea provided 129.5 billion won worth of corn and fertilizer in the past six months, 1.7 times what it sent in same period last year. WFP, WHO and other international organizations increased their aid to \$188.08 million, up from \$59 million. (Chang Il-hyun, "Aid to North Korea Surges," *Chosun Ilbo*, July 5, 2001)
  
- 7/6/01      Dep SecState Richard Armitage told a DoS briefing, "They have recently, we believe, tested a motor engine, a rocket engine, and there is nothing in itself wrong with that. We haven't seen that they have gone back on their comments to the EU officials about 2003." Referring to the Agreed Framework, he said, "They are living up to the letter of the agreement." Asked about resumption of talks, he said, "I think they've got some more soul-searching before they are ready to come forward and meet with us, meet with Jack Pritchard, to begin the discussions." In an interview with Reuters earlier this week, Armitage said, "We're in no hurry on this. We feel the ball is in the North Koreans' court." (Reuters, "U.S.: N. Korea Honoring Pledges Despite Rocket Test," July 6, 2001)
  
- 7/5-6/01    TCOG on Cheju Island.
  
- 7/9/01      Stanley Fischer, first deputy managing director of the IMF, said the IMF is ready to provide economic aid to North Korea. Fischer said it would be possible to send a fact-finding mission to North Korea to study how to help it restructure its economy if both Koreas support it. (Shin Yong-bae, "IMF Ready to Provide Economic Aid to N.K.," *Korea Herald*, July 10, 2001)

- 7/11/01 Minister of Commerce Industry and Energy Chang Che-sik said that the ministry has been studying the possibility of supplying surplus electricity to the North in return for guarantees of transportation rights for rail cargo passing through the North. A ministry official later said it had been studying the possibility of receiving manganese or magnesium in return for the power. North Korea had requested 500,000 kw by setting up transmission towers from Munsan in South Korea to Kaesong. (*Chosun Ilbo*, "Ministry May Send Power to North Korea," July 11, 2001)
- 7/12/01 The remains of eight American soldiers unearthed by a joint U.S.-DPRK team about 60 miles north of Pyongyang were repatriated, the U.S. military said. (*Korea Times*, "Remains of 8 U.S. Soldiers Unearthed," July 13, 2001)
- 7/13/01 North Korean officials met with Edward Dong, director of the Office of Korean Affairs in New York. (Associated Press, "N. Korea Seeks More Information on Bush Talks Proposal," July 14, 2001) [North wanted Pritchard-Kim Gae-gwan talks; U.S. wanted Kelly-Kang Sok-ju]
- 4,150 South Koreans visited the North in the first half of 2001, up 43.7 percent from the same period last year. Only 145 North Koreans visited the South. (*Korea Herald*, "Visitors to N. Korea Increase by 43.7%" July 13, 2001)
- 7/14/01 In early May a top-level delegation held extraordinary negotiations in Pyongyang with Kim Jong-il. The visit was the first ever by a president of the EU. The meeting was perhaps more extraordinary for who was not present: the Americans. "It's true that we were very anxious for the negotiation track between the United States and North Korea to restart, which it thankfully has," said a senior European official close to the delegation. "Now the Bush administration has added into the calculus its determination to build a missile defense and move beyond the ABM Treaty. Our main point is that if the United States wants to abolish the old arms control regime and strategic doctrines, then it's important that it put something that we can all understand in its place." The broad outline of administration thinking suggests a radical departure. "We haven't worked out the modalities yet, because we're focusing hard on getting the concepts right," said a senior administration official. "I think it's a legitimate question to ask, however, whether arms control is still relevant in an era when the Soviet Union has disappeared and the Cold War is over." "Despite all of the arms control advocates in the Clinton administration, for instance, they did not succeed in reducing one single nuclear weapon," said the official. "Cold War-style arms control has been an abysmal failure for the past eight years because it no longer works." In picking his national security team, Bush drew heavily from a pool of talent in which the current of arms control skepticism runs deep. Defense Secretary Donald Rumsfeld, for instance, has been an arms control skeptic since his first stint as defense secretary in the 1970s. Doug Feith, the nominee for undersecretary of defense, is a veteran of the Reagan Pentagon and a protégé of former assistant secretary of defense Richard Perle, a hard-line critic of many arms control agreements. Jack D. Crouch, nominee for assistant secretary of defense for international security policy, opposed the elder Bush's decision to remove tactical nuclear weapons from South Korea and argued against the test-ban and ABM treaties. John Bolton, undersecretary of state for arms control and

international security, has publicly opposed not only the test-ban treaty but also the concept that international treaties are legally binding on the United States. The administration's new strategic review is drawing on many of the ideas contained in a January report by the National Institute for Public Policy, which argued that the United States should not be limited by Cold War-style treaties but should instead move unilaterally to reconfigure its strategic forces for the post-Cold, War era. (James Kitfield, "Is Arms Control Dead?" *National Journal*, July 14, 2001, pp. 2219-26)

- 7/16/01 An Israeli Defense Ministry delegate secretly visited Washington last week to discuss a contract allegedly signed by Egypt to buy Rodong missiles, *Haaretz* reported. A U.S. intel agency several months ago reported that the contract was in its final stages and included Rodong manufacturing technology. President Hosni Mubarak denied the report, but U.S. Congressmen raised the when FM Ahmed Maher visited Washington last month. He said there was no such contract. *Haaretz* cited a DoD source saying the contract could be for improving Egypt's SCUDs instead of for Rodongs. (Shin Young-gwan, "Egypt Denies Missile Contract with N.K.," *Chosun Ilbo*, July 16, 2001)
- 7/20/01 DPRK FoMin spokesman: "The U.S. held a missile interceptor test on July 14. An intercontinental ballistic missile launched from Vandenberg air force base in California was struck by an interceptor missile launched from Kwajalein atoll of the Marshall Islands. ...A new global arms race has, therefore, become unavoidable. The U.S. persistent moves to establish the MD despite the unanimous domestic and foreign concern and protest is aimed to contain other big powers politically and militarily and establish its sphere of unchallenged domination over them in the 21st century and seek a way out of its domestic economic crisis in arms buildup. The U.S. is citing the non-existent 'Missile Threat' from the DPRK in order to cover up its true colors. The DPRK is compelled to take a counter-action for self-defense by the U.S. deliberate provocation made to it in a bid to attain its sinister aim. The DPRK will have nothing to lose even if all the points agreed upon between the DPRK and the U.S. are scrapped." (KCNA, "U.S. Interceptor Missile Test under Fire," July 20, 2001)
- 7/23/01 China has launched a campaign of forced repatriation of North Korean refugees, according to Doctors Without Borders, which expressed "grave concern" about what will happen to the refugees when they return home. The international medical charity said that posters had appeared along the border between China and North Korea exhorting Chinese to turn in North Korean refugees and warning of steep fines for harboring a refugee. The report, citing refugees' accounts, said those sent back to North Korea "faced reprisals ranging from interrogation, reeducation and imprisonment to capital punishment." The report said, "resident living in one of the border cities reports that 50 people are being repatriated every day, compared to 20 per week in the past." (John Pomfret, "China Steps up Repatriation of North Korean Refugees," *Washington Post*, July 23, 2001, p. A-16)
- 7/24/01 DPRK FoMin spokesman: "A danger of war still persists on the Korean peninsula though 48 years have passed since the conclusion of the KAA. This is chiefly attributable to the U.S. hostile policy towards the DPRK and the U.S. forces' presence in South Korea, which militarily backs the policy. After the conclusion of the agreement,

the United States unilaterally derailed the Geneva Conference which was called to seek the pullback of all foreign troops from Korea and has since consistently pursued a policy of military confrontation towards the DPRK, systematically increasing its military presence in South Korea for nearly five decades. Due to this, situation remains so tense on the Korean peninsula in the new century, too that a war may break out any moment. If the state of armistice on the Korean peninsula is to be converted into durable peace it is necessary, first of all, to sign a peace agreement between the DPRK and the United States and put an end, on this basis, to the U.S. hostile policy towards the DPRK and the presence of the U.S. forces in South Korea which consider the DPRK as their 'principal enemy.' If the United States is truly concerned for detente on the Korean peninsula, it had better properly know what is the master key to solving the issue." (KCNA, "Withdrawal of U.S. Forces from S. Korea Urged," July 24, 2001)

7/25/01 Ho Jong, instead of FM Paek Nam-sun, headed a DPRK delegation to the ASEAN Regional Forum in Hanoi. (*Korea Herald*, "Amb. Ho Jong to Represent N. Korea at ASEAN Forum," July 21, 2001) Ho Jong held an informal dinner with ROK FM Han Seung-soo. (*Chosun Ilbo*, "Informal Meeting Held with N.K. at ARF," July 25, 2001) Japanese officials who attended the meeting quoted Ho Jong as saying, "We cannot hope for any progress in talks to which the United States is attaching various conditions." He said, "the dialogue must be resumed on an equal and fair footing." (Teruaki Ueno, "U.S., N. Korea Said to Spar over Stalled Ties," Reuters, July 25, 2001) The contact between Sec State Powell and Ho Jong, Powell said, was limited to an exchange of pleasantries. "Put all the issues on the table that you wish to and we'll talk about anything," he said he told the delegates. **"We're prepared to meet any time and any place. We're ready to go."** (George Gedda, "Powell: U.S. Set for N. Korea Talks," Associated Press, July 26, 2001)

7/26/01 Pritchard testimony: "While North Korea has not offered a direct answer to our offer of talks, they have acknowledged the President's June 6 statement and have not rejected it. ...We have told the North Koreans that we have not set preconditions for our talks with North Korea, and we are willing to discuss all issues. However, the appropriate way for us to hold our discussions is by meeting for formal talks, not by exchanging statements through our media channels. [June 6 statement released to public] ....We have taken note of Kim Jong-il's statement that he will maintain until 2003 the long-range missile launch moratorium." (Special Envoy Charles L. Pritchard, "U.S. Policy toward the DPRK" U.S. House, Committee on International Relations, Subcommittee on East Asia and the Pacific, July 26, 2001)

7/27/01 KCNA: "Leader Kim Jong-il answered questioned raised by Itar-Tass on July 24. ... We believe that the Korea-Russia relations of friendship and cooperation will be promoted remarkably in the new century, the 21st century, by the joint efforts of the governments and peoples of the two countries. Dialogue between the leaders of the states plays an important role in developing relations between countries. If the leaders maintain close relations with one another, their countries and peoples will inevitably establish friendly ties. I am going to visit Russia soon at the invitation of President Putin. I am pleased that I will be visiting Russia and meeting President Putin again in Moscow. Meeting the friendly people of Russia will give me a deep emotion. I am sure that the upcoming



Moscow summit will be an important occasion for cementing the relations between the leaders of the two countries, which were established in Pyongyang last year, and for further promoting the Korea-Russia friendship. Next, as for the question of the United States' establishment of its missile defense system, I shall touch upon the question since **the United States is provoking us in connection with the attempt. The United States is now coming out with the so-called missile threat from our country and some others in an attempt to set up the missile defense system.** We are informed that for this purpose the United States is trying to abrogate the anti-ballistic missile treaty which was concluded with Russia. The United States' attempt to establish the missile defense system has now become the target of worldwide denunciation because it may renew the arms race. We support the Russian standpoint for maintaining strategic stability through the ABM treaty. **The United States' clamor about the 'missile threat' from our country is totally unfounded. it is nothing but a lie to hide its intention to dominate other countries.** No matter how they fuss, saying, 'North Korea is threatening the United States by means of missiles,' and therefore 'the United States is trembling with anxiety and fear,' nobody will believe it. **Worse still, the new U.S. administration is now talking about the 'threat' of our conventional armed forces, not satisfied with the hullabaloo about 'North Korea's missile threat.' That is preposterous. That is another outrageous challenge to us. Our missile program is of purely peaceful nature. It threatens nobody. Implementing the peaceful missile program is an exercise of our legitimate sovereign right.** The world knows that we are not threatening the United States, but that the United States is constantly threatening us by occupying a half of our country by force of arms. **You have also asked about the prospect of normalizing relations between our country and the United States and Japan. That depends entirely on the standpoints and attitudes of the United States and Japan. The new U.S. administration has resumed the policy of isolating and stifling the DPRK in the new century, the policy that already went bankrupt in the 20th century, and is obstructing the improvement of DPRK-U.S. relations and aggravating the situation.** The hard-line policy pursued by the United States to bring pressure to bear on us is a futile attempt that failed yesterday and will fail today as well. **Our invariable standpoint is to approach good will with good will and respond to a hard line with a super hard line.** Our independent politics, our independent foreign policy is consistent and unshakable. No matter how the situation may change, and no matter what challenge we may encounter, we will keep the sovereignty and dignity of our country and confidently advance along the road we have chosen. **We will develop good-neighborly, friendly relations with all countries on the basis of mutual respect for independence, and make efforts to improve relations with the countries which have been hostile towards us, if they respect our sovereignty and discard their hostile policy towards us. A prerequisite for improving our relations with Japan is that Japan should atone for the crimes it committed against our country and nation.** To improve the relations ignoring its criminal past does not stand to reason. However, the present reactionary rulers of Japan are maneuvering recklessly to beautify and justify their shameful past and bury it for ever. **If Japan takes a sincere attitude towards the question of redressing its past considering the general trend of the world and gives up its policy and acts hostile to our country, the**

**relationship between Korea and Japan can be improved."** (KCNA, "Answers Given by Kim Jong-il to Questions Raised by Itar-Tass," July 27, 2001)

The U.N. Human Rights Committee admonished North Korea for failing to submit a report on its observance of the six main human rights treaties for the past fourteen years. "The observance of human rights is obligatory for all nations, whether they are capitalists or socialists," it said. "The committee regrets the considerable delay in submission of the report, which was due in 1987." (Erica Bulman, "U.N. Prods N. Korea on Human Rights," Associated Press, July 27, 2001)

7/30/01      The U.N. Food and Agricultural Organizations said the spring and early summer dry spell will reduce North Korea's cereal and potato harvest to 2.57 metric tons from its earlier forecast of 2.92 million tons. (*Chosun Ilbo*, ".N. FAO Says N.K. Food Problems to Worsen This Year," July 30, 2001)

Britain opened an embassy in a temporary site in the German embassy in Pyongyang, said Adrian Chapman, a British Embassy spokesman in Seoul said. (Associated Press, "Britain Opens Embassy in N. Korea," July 30, 2001)

7/31/01      Jeong Se-hyun, former vice minister of unification: "obviously, Pyongyang responded positively to the South's overtures for reconciliation and cooperation in anticipation of economic assistance from Seoul. This was the message the Seoul government and private organizations have delivered to the North on many occasions. A promise remains a promise. **Only when bilateral, as well as unilateral promises between the South and the North are kept can political and military trust be built.** Based on such trust we can expect bona fide peace on the Korean peninsula with substantial progress in arms control and reduction. **The biggest issue pertaining to assistance to the North is the provision of 500mw of electricity. Pyongyang asked for it and Seoul was willing to talk about it, but Washington requested that the talks be put on hold.** The predominant view is that **the United States judged that it negotiating leverage would be undermined if South Korea pledged to supply the electricity, and indeed did so, at the same time the United States was deciding to modify the Agreed Framework to supply a thermal plant instead of a light-water reactor,** based on a review of its North Korea policy. As the policy review has recently concluded not to change the Agreed Framework, the United States is reportedly offering a 500mw thermal plant in addition to two 1,000mw light-water reactors to North Korea. This issue, however, needs to be addressed by the two Koreas. The electricity assistance could be used to extract a guarantee that Chairman Kim Jong-il will visit Seoul as promised, or it can be made an agenda item for the second inter-Korean talks. Also it can be a contributing factor to specific discussions on the reduction of military tension between the South and the North. If this occurs, Seoul should deal with this issue thoroughly during policy coordination with Washington, whose cooperation is essential." (Jeong Se-hyun, "The Ball Is in Pyongyang's Court: Inter-Korean Relations after the Summit," *East Asian Review*, 13, No. 2 (Summer 2001) p. 19)

A director-level official of the NIS named Ahn was fired on July 23 for passing secrets over drinks to a CIA official named Yoon, a first secretary in the U.S. embassy, in return for gifts. The disciplinary measures were taken for violation of the agency's internal regulations, not because of the content and amount of the information passed. (Seo Soo-min, "NIS Agent Fired for Leaking Secrets to CIA," *Korea Times*, July 31, 2001) An, one of a handful of officials were privy to most classified information on inter-Korean dealings, was put under internal surveillance after a Japanese newspaper in April quoted a U.S. source as saying that Seoul and Pyongyang had exchanged drafts of an inter-Korean peace declaration to be made by President Kim Dae-jung and Kim Jong-il in the event of the latter's visit to Seoul. The report had triggered alarm bells inside the NIS, apparently because of the sensitivity of the alleged exchanges of declaration drafts. (Oh Young-jin, "An Case Gives NIS Black Eye," *Korea Times*, August 3, 2001)

8/2/01 A group of U.S. senators including SFRC chairman Joseph Biden (D-DL), Paul Sarbanes (D-MD), Fred Thompson (R-TN) and Arlen Specter (R-PA) who planned to visit North Korea within the next few days have had to cancel the trip at the request of Pyongyang, aides said. (*Korea Herald*, "N.K. Cancels Visit by U.S. Senators," August 2, 2001)

Russia will provide \$2 billion in aid for railway modernization in North Korea in exchange for linking the Trans-Siberian Railway, according to a government source. (Chung Byeong-seon, "Russia to Provide N.K. Aid of US\$2 Bil. For Rail Link," *Chosun Ilbo*, August 2, 2001)

Selig Harrison op-ed: "When I was recently in Pyongyang, a leading general, Ri Chan Bok, suddenly said to me over lunch, 'What we in the armed forces cannot understand is why we are not entitled to have nuclear weapons and missiles when our principal belligerent adversary, the United States, has thousands of them.' He declared, 'At this stage, I don't know anybody who believes that we need nuclear weapons, but everybody is thinking in that direction in view of the hostile attitude and hostile policies of the Bush administration.' ...If the administration does, in fact, want to resume negotiations with North Korea, the first step would be for Powell to reaffirm that the Jo-Albright declaration is still American policy. This should be accompanied by an agreement to discuss non-nuclear energy assistance. A flat refusal to provide any interim energy assistance would strengthen hard-line sentiment in Pyongyang. 'That would mean you are breaking the 1994 agreement,' FM Paek said. 'We would be driven to go our own way.' The North's demand for such assistance is understandable. In 1994, President Clinton pledged to facilitate 'interim energy alternatives pending completion of the first reactor.' At present, the United States is not even letting South Korea give Pyongyang desperately needed energy assistance that Seoul had promised. This is the principal reason for Kim Jong Il's delay in visiting the South for a second summit meeting. Encouraging South Korean energy aid to the North is the key to a resumption of both the American-North Korean and South Korean-North Korean dialogues. In addition, the United States should make good on Clinton's pledge of direct energy assistance, together with food aid, in exchange for an end to North Korean missile exports. As for a broader missile deal, I asked Foreign Minister Paek whether it is true that Kim Jong Il had offered in his meetings with Dr. Albright to freeze the testing and production of all missiles with a range over 300 miles. 'It is true

that our respected general discussed many aspects of an agreement with the secretary of state,' Paek said. 'But that was in the context of the rapid improvement in our relations that was taking place in advance of the expected presidential visit. We are not bound now by any of the elements that were then under discussion. Our attitude now depends on their attitude.'" (Selig Harrison, "Painting Pyongyang into a Corner," *New York Times*, August 2, 2001, p. A-24)

7/26-8/4/01 With Kim Jong-il is confirmed to be traveling to Moscow on the Trans-Siberian Railway in an unannounced tour prior to a summit with President Vladimir Putin. Russia is reported eager to connect the TSR system, which ends at Vladivostok to the inter-Korean railway to Pusan. (Seo Soo-min, "Kim's Visit Raised Hopes for S-N Ties," *Korea Times*, July 26, 2001) He made a one-hour stopover in Kazan on July 26, a 30-minute stop in Kazan on the 27<sup>th</sup>, a brief stop in Cita on the 28<sup>th</sup>, detrained in Suzanaka on the shore of Lake Baikal to enjoy the scenery on the 29<sup>th</sup>, made a 15-minute stop in Irkutsk on the 29<sup>th</sup>, and a 30-minute stop in Krasnoyarsk on the 30<sup>th</sup>, arrived at Yaroslavl Station in Moscow on August 3<sup>rd</sup> and departed from Leningradsky Station on the 5<sup>th</sup> after watching a demonstration at the ground control station of the Space Center, toured the Winter Palace, the Leningrad Metal Works and a brewery, then watched the ballet in Leningrad on the 6<sup>th</sup>, returned to Moscow on the night of the 7<sup>th</sup> and held the summit on the 8<sup>th</sup>, then went to Novorossiysk where he went to the Akademgorodok Nuclear Physics research center, Tskalov factory and Siberia College of Railroad Studies on the 11<sup>th</sup>. (Keys, pp.20-21) Accompanied by entourage of more than a hundred, Kim Jong-il will visit the TransMash tank factory in Omsk and attend a concert in his honor. (AFP, "North Korea's Leader to Tour Tank Factory in Omsk," July 31, 2001) Kim Jong-il plans to refer to his offer to abandon his missile program in return for aid in the joint declaration with Putin, Deputy FM Alexander Losyukov said. (Kyodo, "Kim to Refer to Missile Offer in Talks with Putin: Interfax," July 30, 2001) As the armored train of North Korean leader Kim Jong-il snakes its way across Siberia, the west is hoping that coming talks with Russian President Vladimir Putin could help restart stalled dialogue between North and South Korea. Washington also hopes to convince Pyongyang to begin discussing ways to reduce its missile threat. ...Kim's odyssey across Russia retraces a 1984 rail trip across Siberia by his father, Kim Il-sung. In contrast to his father, however, the younger Kim has declined to get out much along the way, and has mostly remained ensconced in a heavily armored railroad carriage loaded with bodyguards. He played tourist briefly Sunday, reportedly stepping outside his train to touch the waters of Lake Baikal, one of Siberia's natural wonders. On July 31 in the Siberian city of Omsk, he toured a tank factory, a library and a pork plant. But he failed to emerge during two other scheduled stops. In the Russian republic of Buryatia, his train stopped but Mr. Kim declined to come out to meet a waiting delegation that included the Buryat president, his cabinet, and a group of folk singers bearing a ceremonial cup of milk. In Novosibirsk, he skipped an audience with the family of a peasant credited with saving his father's life by falling on a hand grenade at a rally 48 years ago. When the train stopped for half an hour, Kim didn't emerge. The widow, who waited in the rain, wasn't invited aboard. A protocol official emerged from the train before it left and gave her a suitcase full of gifts. . "In his long tour of Russia, Kim Jong-il will be able to see both the bright side and dark side of embracing economic reforms," said the Korean political scientist Moon Chung-in, who has advised

Kim Dae Jung's government on its relations with North Korea. "This trip -- due to its length and mystery -- is being closely watched by our government," a senior South Korean official said. He said it could have profound implications "for North-South ties." Some in Washington and Seoul fear, however, Kim will use his trip to try to form a stronger military alliance with Russia in opposition to the U.S. and South Korea. (Alan Cuillinson and Jay Solomon, "Officials Hope Meeting of Putin, Kim Will Revive North-South Korea Talks," *Wall Street Journal*, August 2, 2001) On August 4 Kim Jong-il repeated a promise to suspend ballistic missile launchings until 2003, saying in a declaration with President Vladimir V. Putin here that his nation's missile program "does not present a threat to nations respecting North Korea's sovereignty." The declaration committed North Korea and Russia to the boilerplate language of Russian foreign policy, the "formation of a new fair world order" framed by international law and beyond the domination of any single power. But it also pointedly committed them to combat international terrorism, underscoring North Korea's insistence that it is not the unpredictable rogue nation that the United States describes. And it repeated that the 1972 Antiballistic Missile Treaty should remain the foundation of arms control efforts. In the document, the Kremlin also expressed "understanding" - though not agreement - for North Korea's demand that the United States remove its forces from South Korea, a move it says would speed reunification talks on the peninsula. The Kremlin is promoting the Trans-Siberian as a freight highway from Asia to Europe that could cut the shipping costs of manufacturers and customers on both ends by as much as half. "South Korea is the more important partner of Russia, by force of at least economic considerations, than is North Korea," Sergei Karaganov, deputy director of the Council of Europe, said this week on the Moscow news radio station Echo Moskv. "We're interested in military and technical cooperation with South Korea, first of all because they have money. Keeping in mind that there will be a process of reunification in the future, we should try to reap the maximum benefits." (Michael Wines, "North Korean, With Putin, Vows to Curb Missile Program," *New York Times*, August 5, 2001, p. 6) Kim Jong-il toured the nerve center of Russia's space program on August 6, heightening speculation that his country may develop cash-generating satellite launches. (Dave Montgomery, "N. Korea's Kim Visits Russian Facilities," *Philadelphia Inquirer*, August 6, 2001) DPRK-Russia Declaration: "The two sides stressed the importance for the international community to join efforts to oppose the threat of spread of international terrorism and belligerent separatism.

2. Taking note of the fact that the 1972 ABM treaty serves as a cornerstone of strategic stability and a basis for further reduction of strategic offensive weapons, the top leaders of the two countries expressed the resolution to make every possible contribution to strengthening the international security in the new century, too. The side of the DPRK affirmed that its missile program is of peaceful nature and, accordingly, poses no threat to any country that respects its sovereignty. The Russian side welcomed this stand of the DPRK. ...In order to carry out a series of bilateral plans, the Russian side confirmed its intention to use the method of drawing financial resources from outsiders on the basis of understanding of the Korean side.

6. Both sides declared that the work of linking the DPRK-Russia railways has entered the full-scale stage, committing themselves to exert all necessary efforts to carry out the plan for building railways linking the north and the south of the Korean peninsula, Russia and Europe on the principle of the mutual interests recognized in the worldwide

practice.

7. The two top leaders reached a consensus of views on the fact that to support the Korean people in their efforts to settle the issue of the country's reunification independently and peacefully by themselves according to the June 15, 2000, north-south joint declaration will contribute to solving the issue of Korea's reunification and held that outsiders' obstructions to this process should not be allowed. The Russian side confirmed that it respects the agreements between the north and the south of Korea in this regard and firmly supports the continuation of the inter-Korean dialogue free from foreign interference and affirmed the readiness to play a constructive and responsible role in positive process on the Korean peninsula in the future, too.

8. The DPRK explained the stand that the pullout of the U.S. forces from South Korea is a pressing issue which brooks no delay in ensuring peace and security in the Korean peninsula and northeast Asia. The Russian side expressed its understanding of this stand and stressed the need to ensure peace and stability on the Korean peninsula by non-military means." (KCNA, "DPRK-Russia Moscow Declaration," August 4, 2001)

8/8/01

Russia granted South and North Korea permission to fish for saury in waters around four Russian-held islands off Hokkaido claimed by Japan, the MOFA said. (*Yomiuri Shimbun*, "Govt.: Russia Let North Korea Fish in Waters around N. Isles," August 9, 2001)

*Rodong Sinmun* signed commentary: "The Korean peninsula is not yet free from the danger of war although nearly half a century has passed since the signing of the Korean Armistice Agreement (KAA). ...It is due to the U.S. hostile policy toward the DPRK and its forces' presence in South Korea which militarily backs the policy. The U.S. unilaterally derailed the Geneva conference called to seek the withdrawal of all the foreign forces from Korea after the signing of the KAA and has consistently pursued the policy of military confrontation with the DPRK, while systematically increasing the number of its troops present in South Korea for nearly half a century. The root cause of a war on the Korean peninsula is the U.S. imperialist aggression forces present in South Korea. It is already publicly recognized that U.S. combat forces are deployed in South Korea to launch an offensive against the north. Bellicose forces of the Bush administration are deploying new task forces and sophisticated operational equipment in and around South Korea under the pretext of 'threat' from the DPRK. As seen above, the U.S. troops present in South Korea are the main forces which deteriorate the situation and pose a threat to peace and security on the Korean peninsula. **The adoption of a peace agreement between the DPRK and the U.S. and the withdrawal of the U.S. troops** from South Korea are prerequisites for defusing the tensions, creating an atmosphere of lasting peace on the peninsula and improving the DPRK-U.S. relations. The U.S. troops are left with no justification to stay in South Korea any longer and there is no reason to refuse to adopt a peace agreement, given that the confrontation between the Soviet Union and the U.S. came to an end long ago and the June 15 North-South Joint Declaration is at the phase of its implementation. Everything depends on the U.S. attitude." (KCNA, "U.S. Urged to Opt for Signing Peace Agreement," August 8, 2001)

DPRK FoMin spokesman: "U.S. Secretary of State Powell, touring various Asian countries some time ago, said to the effect that the U.S. is waiting for an official response to its proposal for dialogue. In the June 18 statement of the spokesman for the foreign ministry and **at several New York contacts that took place in the subsequent period** the DPRK clarified its principled stand toward the resumption of the DPRK-U.S. dialogue to the U.S. side and has already made an official response to the U.S. proposal for dialogue. We can not tolerate the slanderous remarks made by the Bush administration against the DPRK's supreme headquarters at the time of its emergence. **We can never accept the agenda items of the talks unilaterally raised by the U.S. out of its intention to disarm the DPRK and stifle it and will not respond to the talks with the U.S. before it withdraws the items.** The resumption of the DPRK-U.S. dialogue will be possible when the present U.S. administration drops its anachronistic mode of thinking that belonged to the Cold War era and its stand is, at least, identical to the stand taken by the Clinton administration in its last period. We make it clear once again that the DPRK-U.S. dialogue has not yet been resumed entirely because the U.S. side has not cleared the DPRK, the dialogue partner, of its worries." (KCNA, "Answers Given by Spokesman for DPRK Foreign Ministry," August 8, 2001)

- 8/9/01      South Korea's sunshine policy is foundering in the shadow of the Bush administration's tougher approach to North Korea and Pyongyang's sullen response. "All contacts have stopped. We had expected North Korea to take up the process again, but they haven't," said FM Han Seoung-soo in an interview. (Doug Struck, "Koreas' Relations Bog Down," *Washington Post*, August 14, 2001, p. A-1)
  
- 8/11/01     Senator Joseph R. Biden Jr. (D-DL), chairman of the Foreign Relations Committee, criticized the Bush administration for adding conventional weapons to the agenda of any future talks with North Korea. Biden said that if talks resumed, the United States "should focus on first things first," referring to the potential of North Korea to build missiles capable of reaching as far as the United States. The Bush administration put the focus on conventional forces in response to intelligence reports that the North Koreans have moved 80 percent of their 1.1 million troops to within 50 miles of the demilitarized zone dividing North from South Korea. Biden is traveling with three other members of his committee, Senators Arlen Specter (R-PA), Paul S. Sarbanes, (D-MD), and Fred Thompson, (R-TN). He talked before meeting with President Kim Dae Jung. At a press briefing, Biden said he had asked President Bush if he added conventional weapons to the list of topics "as a precondition designed to be a deal-killer." Bush said that was not his intention, Biden recalled. "I assure you the president knows how that was perceived," Biden said of his conversation with Bush. "If he could do it again, it would be done differently." Biden also said he was confident that talks with the North will resume. The North's refusal to talk, he said, is "a little bit of a dance that goes on." (Don Kirk, "Biden Criticizes White House on Korea Move," *New York Times*, August 13, 2001, p. A-10)
  
- 8/14/01     North Korea and Russia signed the North Korea-Russia Railway Agreement to help modernize and operate North Korea's railways and train its railway engineers. (Hwang Seong-jun, "North Korea, Russia Ink Railroad Accord," *Chosun Ilbo*, August 15, 2001)

- 8/15/01 President Kim Dae Jung called on the United States today to "make its best efforts to resume talks" with North Korea, as peace activists flew to North Korea to help celebrate the 56th anniversary of the end of Japanese colonial rule. Observing that the Korean peace process was "stalemated," Kim said that "South-North talks are inextricably related to North Korea-United States relations." Kim also alluded to the furor created by the visit of Japanese PM Koizumi to Yasukuni shrine honoring Japanese war dead, in defiance of warnings by both South Korea and China. "How can we make good friends with people who try to forget and ignore the many pains they inflicted on us," Kim asked rhetorically. "How can we deal with them in the future with any degree of trust? Those are questions that we have about the Japanese." (Don Kirk, "South Korea Asks U.S. for Help in Peace Talks with the North," *New York Times*, August 16, 2001p. A-6)
- 8/21/01 DDI John McLaughlin: North Korea's "sales of components and complete systems have allowed other states to acquire longer-range capabilities more quickly than would have otherwise been possible—a case in point being the transfer to Pakistan of the No Dong missile, with its range of 1,300 km. North Korean technology has also been the basis of domestic development efforts in places like Iran, where the medium-range Shahab-3 is a direct descendant of the No Dong. ... Though a failure, North Korea's attempt in 1998 to use a three-stage Taepo Dong-1 as a space launch vehicle provided dramatic proof that the new long-range missile threat has moved from the hypothetical to the real. If the system were flown successfully on an ICBM trajectory, it would have been able to deliver a small biological or chemical weapon to American soil. Since then, the North Koreans appear to have moved on to a more capable system—the Taepo-Dong 2. A two-stage version of the yet-to-be-flight-tested Taepo Dong-2 could reach parts of the United States with a nuclear-sized payload, while the three-stage version could reach anywhere in Europe or the United States. As you know, the North Koreans are currently observing a self-imposed flight test moratorium. They have announced, however, that they intend to end this moratorium in 2003. Pyongyang could of course end the moratorium at any time of its choosing. In the meantime, the Taepo Dong program remains very much alive, and the North Koreans have the ability to resume tests with very little warning and deploy the missiles shortly thereafter." Deputy Director of Central Intelligence John E. McLaughlin, Remarks at the 4<sup>th</sup> Annual Space and Missile Defense Conference, Huntsville, Alabama, August 21, 2001)
- 8/23/01 KCNA: "Officials of the Bush administration are building up public opinion in a bid to create impression that the U.S. is deeply interested in the resumption of dialogue with the DPRK, saying that the U.S. 'has willingness to resume unconditional dialogue with the DPRK.' The U.S. secretary of state, during his recent junket to various Asian countries, spoke to the effect that the U.S. is waiting for the DPRK's official response to its proposal for dialogue and a spokesman for the U.S. State Department also clarified the stand that the U.S. has willingness to have an exhaustive dialogue with the DPRK without any precondition. Such concern recently expressed by the Bush administration for the resumption of the dialogue with the DPRK prompts the DPRK to comment on the U.S. present policy toward the DPRK and its true approach towards a dialogue with the DPRK. The U.S. has not yet withdrawn those agenda items for negotiations it had unilaterally put up before both sides sit together although it is



calling for the resumption of unconditional negotiations. Those agenda items are unacceptable as they are unilateral and hostile in their nature. Even the demand for the reduction of the DPRK's conventional weapons for self-defense is included there: It is quite clear that the dialogue can hardly be resumed unless those agenda items are withdrawn. ...The U.S. should clarify in principle its stand that it will not undermine the basic foundation built up with so much effort through previous bilateral talks. This will be a touchstone judging whether the U.S. has willingness for dialogue or not. In other words, it should drop its hostile attitude toward the DPRK and adopt a stand identical to that of the Clinton administration in its last period at least. To merely talk about 'resumption of dialogue' and repeat the story that it is someone's turn to kick the ball is nothing but an empty talk intended to deceive the international community. This stand of the DPRK is by no means a unilateral precondition and it represents the principle for fairest bilateral talks proved in the entire period of the DPRK-U.S. relations. The DPRK has consistently abided by this principle in dialogue with the U.S. and this will remain unchanged in the future, too. It is still the U.S. side's turn to kick the ball." (KCNA, "KCNA on U.S. Call for 'Resumption of Dialogue with DPRK," August 23, 2001)

Robert Manning: "Clearly, Pyongyang is uncomfortable with the Bush administration's posture and has tried to use it as an excuse. But the facts are that even before Bush took office on January 20<sup>th</sup>, North Korea had already halted most elements of North-South dialogue. The North's outrageous demand for 2 million kilowatts of free electricity (exactly the amount the two LWRs are to provide) was an effort to abuse Kim D.J.'s generosity. Pyongyang refused military CBMs, refused to demine the Seoul-Sinuiju railway, and suspended most other exchanges. Even now, after Secretary of State Powell first boldly offered to meet with his North Korean counterpart, and then came to Seoul and clearly reaffirmed to meet anytime, anywhere with no preconditions, and even reaffirmed to Jo-Albright communiqué, Pyongyang says that Bush's desire to discuss conventional forces is so unacceptable that it refuses. In regard to both Washington and Seoul, the ball is in Pyongyang's court. It is a world champion at playing the Blame Game, but the reality is that it is afraid to take the steps China and Vietnam have taken to revive its economy. ... Kim Dae-jung may be right that North Korea has no other choice than to change. And in fact Pyongyang is creeping toward opening and reform. But it will not happen anytime soon. ...It is time to adjust the engagement policy. Dear Leader has been tested, and so far, he is failing." (Robert A. Manning, "Time to Rethink North Korea, *Chosun Ilbo*, August 23, 2001)

8/29/01      Japan launched its first H2-A rocket, putting the program "back on track" after years of problems, including two launch failures said Yamanouchi Shuichiro, director of the National Space Development Agency. The rocket is designed to boost a 4-ton satellite into orbit. (Kenji Hall, "Japan's 1st H2-A Rocket Blasts Off," Associated Press, August 29, 2001)

8/?/01      DCI: "During the second half of 2001, Pyongyang continued its attempt to procure technology that could have applications in its nuclear programs." (CIA, *Unclassified Report to Congress on the Acquisition of Technology Related to WMD and Advanced Conventional Munitions, 1 January through 30 June 2001*)

9/2/01

KCNA: "Rim Tong Ok, vice-chairman of the DPRK's Committee for the Peaceful Reunification of the Fatherland, today sent a message to Rim Tong Won, minister of unification of South Korea, proposing to resume north-south dialogue between authorities at an early date. ...The joint declaration, a landmark of reunification reflecting the desire of the nation, has enjoyed positive support and welcome from people at home and abroad as the days go by and the will of the countrymen to fully carry it out at any cost is getting stronger. The August 15 grand national festival for reunification recently held in Pyongyang more clearly confirmed this. The north side, representing the will of all the countrymen, proposes an immediate resumption of north-south dialogue between authorities in the spirit of the joint declaration." (KCNA, "Resumption of North-South Dialogue Proposed," September 2, 2001)

North Korea offered to resume talks with South Korea. It made the offer as it awaited the arrival today of China's president, Jiang Zemin, for two days of talks in Pyongyang. Pyongyang Radio broadcast an offer by Rim Tong Ok, deputy chairman of the North's Committee for Peaceful Reunification, to resume a dialogue with the South. He called for the "speedy resumption in talks between South and North Korean government officials." Rim expects "a positive response toward our constructive proposal to come from the South," according to the broadcast. Kim Hong Jae, spokesman for the Unification Ministry in the South, issued a statement saying simply, "We welcome the North Korean proposal for the resumption of talks." A spokesman for the South Korean president's Millennium Democratic Party said the message was "most welcome, though overdue." The North's offer of talks also coincided with a heated debate in focused on the role of Lim Dong-won, the unification minister often cited as the architect of the reconciliation process, who faces a vote of confidence today in the National Assembly. Lim's detractors have blamed him for adopting a soft line with the North, most recently when he permitted more than 300 religious and peace activists to go to the North Korean capital to mark the 56th anniversary of the end of Japanese rule of the peninsula on August 15. (Don Kirk, "North Korea Offers New Talks with South; Response Is Warm," *New York Times*, September 3, 2001, p. A-4) In what was being interpreted here as an attempt to influence a key vote in the National Assembly, North Korea proposed the resumption of stalled talks as soon as possible. (Associated Press, "N. Korea Pushes to Resume Stalled Talks with the South," *Washington Post*, September 3, 2001, p. A-16)

Lim Dong-won, defeated in a no-confidence vote in the National Assembly, resigns. (Seo Soo-min, "Lim Says Sunshine Policy Must Go On," *Korea Times*, September 4, 2001)

9/4/01

South Korea plunged into a political crisis this morning after all cabinet members and senior presidential aides resigned in the wake of a National Assembly vote for dismissal of the minister in charge of the government's "sunshine policy" with North Korea. The National Assembly overwhelmingly passed a no confidence motion. The ruling party said that the 148 to 119 vote yesterday meant the end of its four-year-old ruling coalition with the conservative United Liberal Democrats, which voted against Lim with the opposition Grand National Party. "We now face a political upheaval which forces us to carry out a sweeping shake-up of the ruling camp," Kim Joong-kwon,

leader of the ruling Millennium Democratic party, said after the vote. (James Brooke, "South Korea's Cabinet Quits, Sending Government into Chaos," *New York Times*, September 4, 2001, p. A-3) Plagued by economic worries, South Koreans say they are fed up with the North Korean leader, Kim Jong Il, who accepted food aid but then cut off the family reunification visits that began last year after the summit meeting, and who demands free electricity but has refused to fulfill promises on opening north-south road and rail links. Most galling, the North Korean leader has yet to reciprocate Kim's gesture with a visit to South Korea. "The sunshine policy is failing, because the government just pushes money into North Korea," Chang Sung Hee, an assistant marketing manager, said here today. "It seems that North Korea just gets what it wants. While South Korea keeps giving this money, in the end we are getting nothing. We feel really dumb and stupid." In March, South Korean officials were angered when President Bush appeared to pull the rug out from President Kim at a joint news conference in Washington. Afterward, the North suspended all official contacts with the South. As weeks turned into months, President Kim looked increasingly desperate as he virtually begged the North Korean leader to come on down for a visit. Two days ago, , the North Koreans apparently realized that they had overplayed their hand as the South Korean National Assembly prepared to vote a motion of no confidence in Unification Minister Lim Dong-won, point man for the sunshine policy. In a clumsy last-minute move, North Korean officials wrote a letter to Lim saying that after a six-month hiatus they were ready to talk again. It was too late. The next day, President Kim's critics rode a wave of skepticism and won an overwhelming vote of no confidence. The vote fractured President Kim's parliamentary majority and prompted all cabinet ministers and senior staffers to submit resignations. But the crisis, growing as politicians are gearing for the presidential race in December 2002, makes President Kim look like a lame duck before his time. In South Korea, a president cannot run for re-election. "He is kind of stunned," said Park Nei-hei, dean of business at Sogang University. "I don't think he can push as hard as he used to. He will have lots of trouble with every issue he faces." From sidewalks to editorial columns today, the criticism largely centered on anger over the stalled sunshine policy. "We give too much," said Cheol Soo Kim, manager of a paper company. "We don't have any results after three years of talks. Only 200 family members made reunification visits." Support is eroding for aid to the North as South Koreans watch their economic growth rate slide, hitting 2.7 percent for the second quarter of the year compared with 9.7 percent in the same quarter last year. "Kim Jong Il should have honored his promise to make a return visit before the post-summit euphoria cooled down in the South," the *Korea Herald* editorialized this evening. "He should not have exploited President Kim's vision and good will." The sunshine policy is not dead, President Kim pledged today. "I will push forward with the sunshine policy without being distracted," he said at a luncheon here. "I will make efforts to improve North-South Korean relations and North Korea-U.S. relations," he said, referring to a meeting here next month with President Bush. South Koreans hope that by visiting this modern capital, within easy range of North Korean artillery, Bush will be impressed by the importance of negotiating with the North. (James Brooke, "Kim Struggles as Ministers Quit in Seoul," *New York Times*, September 4, 2001, p. A-3)

The Bush administration has reservations about Seoul's plan to provide North Korea with electricity, fearing it could be used for military purposes, a diplomatic source said yesterday. "Although Seoul and Washington officials discussed the issue recently, they failed to reach an agreement," noted the source close to the U.S. administration's foreign policy. "The Geneva accord aims to freeze the North's nuclear program in return for the U.S. providing it with electricity," he said. "If the South gives North Korea electricity, how can the accord be implemented?" (*Korea Times*, "U.S. reluctant on Seoul's Electricity Plan for N. Korea," September 4, 2001)

9/3-5/01 President Jiang Zemin in a summit meeting in Pyongyang with Kim Jong-il offered grain and other aid. China "will, as always, support more dialogue and improvement of relations between the two sides so as to realize an independent and peaceful reunification," he told Kim Yong-nam, titular head of state, Xinhua reported. "China will support all rational proposals to this end made by the Workers' Party of Korea and the DPRK government." Jiang said in a banquet speech, China would seek "further friendship" with the North "for prosperity and development both in China and the DPRK, and for peace and stability in the region and the world at large." He "expressed China's support for North Korea's efforts to improve relations with the United States, Japan, the European Union and to eventually normalize relations with all these countries or group of countries," Xinhua reported. (AFP, "China Seeks 'Rational' Reunification of Korea," September 4, 2001) KCNA: "Jiang Zemin, General Secretary of the Central Committee of the Communist Party of China and President of the People's Republic of China, left here today by a special plane after concluding an official goodwill visit to the DPRK at the invitation of Kim Jong Il, General Secretary of the Workers' Party of Korea and Chairman of the National Defence Commission of the DPRK. Kim Jong Il came out the airport and saw off Jiang Zemin. Present there were Kim Yong Nam, President of the Presidium of the Supreme People's Assembly of the DPRK, Jo Myong Rok, first vice-chairman of the NDC of the DPRK and director of the general political department of the Korean People's Army, and other senior party and state officials, Choe Jin Su, DPRK ambassador to China, leading officials of party and armed forces organs, working people's organizations, ministers and media. Chinese ambassador to the DPRK Wang Quozhang and embassy officials and Chinese students studying in the DPRK were also on hand. A farewell function took place at the airport. Kim Jong Il exchanged handshakes with Jiang Zemin and hugged him in farewell." (KCNA, "Chairman Kim Jong-il Sees off President Jiang Zemin," September 5, 2001) Informed sources said Kim Jong-il reiterated a promise to suspend missile tests until 2003. (*Chosun Ilbo*, "N.K. Reaffirms Halt to Missile Tests until 2003," September 5, 2001)

9/5/01 In an interview, Italian Ambassador Carlo Trezza said, Italy has always supported engagement with North Korea, which is the best way to reduce tension on the Korean peninsula." He noted, "We have had several talks with North Koreans in economic fields and will help North officials learn about finance and a market economy." An Italian trade mission visited Pyongyang to discuss an education project on the market economy and technology. "We are going to sign a memorandum of understanding on the issue very shortly." (Hwang Jang-jin, "Italy Will Assist North Korea on Market Economy," *Korea Herald*, September 6, 2001)

Roh Moo-hyun announced his bid for president. (Kim Kwang-tae, "Roh to Announce Presidential Bid Today," *Korea Times*, September 5, 2001)

9/5-6/01 TCOG in Tokyo: Yim Sung-joon discusses DPRK proposal to resume N-S talks; Makita Kunihiro, dir-gen for Asian Affairs, discusses Japan-Russia summit; discussion of Jiang visit to Pyongyang. (James L. Schoff, *Tools for Trilateralism* (Dulles, VA: Potomac Books, 2005), p. A9) The TCOG "welcomed the recent North Korean proposal for the resumption of dialogue between South and North Korean authorities." The joint statement said, "The U.S. delegation .... Reaffirmed that the U.S. was prepared to undertake serious discussions with North Korea without preconditions, and expressed its hope that North Korea would positively respond to its call at an early date." (AFP, "Japan, S. Korea, U.S. Welcome North's Offer to End Contact Freeze," September 6, 2001)

9/6-7/01 Inter-Korean talks will discuss a gas pipeline to link the North and South. A six-member delegation headed by Kim Jong-sool, vice pres of Korea Gas Corporation arrived in Pyongyang. (Shim Jae-yun, "Inter-Korean Talks Focus on Gas Pipeline," *Korea Times*, September 5, 2001)

9/7/01 North-South high-level talks will resume September 15 after six-month hiatus. Hong Soon-young replaced Lim Dong-won. (James Brooke, "North and South Korea to Restart High-Level Talks," *New York Times*, September 7, 2001, p. A-9)

An economic crisis lurks behind South Korea's political crisis. Growth rates are tumbling, layoffs are rising and exports are falling off a cliff. Accustomed to double-digit growth, South Korea expects 3 percent growth this year. "People feel they are being hit hard by the slowing economy; they fear losing their jobs. That is why the public is losing confidence in the president." (James Brooke, "Behind South Korea's Political Crisis, an Economy in Disarray," *New York Times*, September 7, 2001, p. 17)

9/9/01 A MoD study showed North Korea imported \$344.3 million of weapons from China, Japan, Russia and Poland since 1991, \$22 million in 1991, \$54 million in 1992, dropping to \$6.7 million in 1995 before rising to \$11 million in 1996, \$23 million in 1997, \$50 million in 1998, and \$70 million in 1999. Over the same period North Korea exported \$914 million in arms, rising since the late 1990s to \$60 million in 1997, \$63 million in 1999 and \$60 million in 2000. (Yoo Yong-won, "N.K. Arms Imports and Exports Increasing," *Chosun Ilbo*, September 9, 2001)

Kim Dae-jung's government brings tax evasion and embezzlement charges against 13 officials from six newspapers. Three owners, Bang Sang-hoon of *Chosun Ilbo*, Kim Byung-kwan of *Dong-A Ilbo*, and Cho Hee-jun of *Kukmin Ilbo*, are in jail. Ten others remain free on bond. The newspapers charge the arrests are a blow to press freedom. Payoffs and favors warp the reports of many newspapers, said Kim Joo-eun, who was a reporter at a major daily for 18 years and spent six months in prison in 1986 for writing about government censorship. "Customarily, sources will pay the reporter on their beat" several hundred dollars a month to write favorably of them, he said. It is not

unusual for a reporter to demand money from a company after writing favorably of them. (Doug Struck, "Seoul's Crackdown Leaves Newspaper Chiefs in Jail," *Washington Post*, September 9, 2001, p. A-20)

- 9/11/01 Lim Dong-won was named special adviser for foreign affairs, security and unification in Blue House one week after he resigned as unification minister under opposition party pressure. Hong Soon-young will replace him as UnifMin. (Christopher Torchia, "Key South Korea Official Gets New Job," Associated Press, September 11, 2001)
- 9/12/01 DPRK FoMin spokesman: "Terrorists' large-scale attacks made on the U.S. by blowing themselves up in planes yesterday have caught the international community by great surprise. The very regretful and tragic incident reminds it once again of the gravity of terrorism. As a UN member the DPRK is opposed to all forms of terrorism and whatever support to it and this stance will remain unchanged." (KCNA, "DPRK Stance toward Terrorist Attacks on U.S.," September 12, 2001)
- 9/?/01 Dep PermRep Han Song-ryol called Frank Jannuzi of SFRC staff to reiterate DPRK expression of sympathy and intention to ratify the two UN terrorism conventions. "The point was they understood 9/11 was drawing a stark division between the good guys and the bad guys and they wanted not to be in the bad camp and they signed on to counterterrorism conventions of the UN that they had before not ratified," said Januzzi.. (Chinoy, *Meltdown*, p. 67)
- 9/?01 North Korea contacted the U.S. immediately after the 9/11 terrorist attacks to say it regretted the attacks and did not have anything to do with them. "The North sent a 'private communication' to that effect that the U.S. via the Swedish embassy in Pyongyang," a senior South Korean official said. "The U.S. appreciated Pyongyang's prompt expression of its anti-terrorism stance." (Oh Young-jin and Son Key-young, "N.K. Sent U.S. Private Cable on Anti-Terrorism," Korea Times, September 24, 2001)
- 9/?01 Jack Pritchard raised the idea of U.S. counterterrorism experts talking to North Korea, he was told no one thought Pyongyang would have any useful information. Officials from the vice president's office and the NSC said he was just looking for a reason to engage the North. "It was just not considered a serious proposal and it was a joke, and it seriously hurt his credibility that they tried to do counterterrorism cooperation with the North Koreans," said Michael Green, NSC Asia director. "It's just so flagrantly ridiculous that the North Koreans could be helpful on counterterrorism and that we would somehow exchange things for that. It just wasn't credible." (Chinoy, *Meltdown*, p. 67)
- 9/13/01 Committee for the Peaceful Reunification of the Fatherland spokesman: "The inter-Korean ministerial talks will be resumed six months after they stalled in March. This is entirely ascribable to the initiative taken by us to solve the issue of the north-south relations independently by the efforts of the Korean nation according to the historic June 15 North-South Joint Declaration. This reflects our will for the independent reunification and painstaking positive efforts. ... The review of the past 6 months proves that if the outside interference in our national issue is allowed, the inter-Korean

relations in the process of favorable development will be frozen and deteriorate overnight. It is also a lesson taught by the long history of national division and its review. ... Whether the overall inter-Korean relations including the north-south ministerial talks develop smoothly or not entirely depends on how the south side respects the spirit of the June 15 joint declaration and maintains an independent stand. The south side should draw a proper lesson from the review of the past six months. The outside forces should no longer stand in the way of the development of the inter-Korean relations and our country's reunification in collusion with the anti-reunification forces in south korea. The anti-reunification elements swimming against the trend of the history can not go scot-free. We will as ever make every sincere effort to implement the historic June 15 North-South Joint Declaration." (KCNA, "Spokesman for CPRF on Resumption of Inter-Korean Ministerial Talks," September 13, 2001)

South Korea is seeking adoption of an inter-Korean joint declaration against terrorism, officials said. "It will be a meaningful achievement if South and North Korea jointly declare in the talks that they oppose terrorism," President Kim Dae-jung was quoted as saying in a meeting with senior presidential secretaries at Chong Wa Dae. (Shin Young-bae, "Seoul Eyes Anti-Terrorism Declaration with P'yang," *Korea Herald*, September 13, 2001)

9/14/01 Despite the terrorist attacks on the United States, Washington remains willing to engage North Korea, said the new U.S. ambassador to South Korea, Thomas Hubbard. "I can't imagine why they should have any impact," said Hubbard. He hinted there could be a delay. "Obviously we are still sorting out the situation." North Korea's prompt denunciation of terrorism "may signal it does not want any confrontation with the United States at this moment," said Lee Jong-sok, a North Korea expert at the Sejong Institute. (Christopher Torchia, "U.S. Assures Koreas on Policy," Associated Press, September 14, 2001)

9/15/01 KCNA: "The Japanese national police agency on September 10 made the provocative remarks that the 'DPRK is not merely suspected of kidnapping of Japanese but charged with the crime.' In a word, it described the controversial issue of the unidentified 'suspected kidnapping of Japanese' by the DPRK as an established fact. ...What the Japanese police authorities are seeking through this is to keep the DPRK known as a 'sponsor of terrorism' to the world community and gag the Japanese public critical of the fiction about 'suspected kidnapping.' The DPRK is opposed to all forms of terrorism. Therefore, there cannot be and has never been the abduction of Japanese by it. ...Jpana is well advised to thoroughly investigate the whereabouts of Koreans it abducted and took away in the past century and honestly settle its past on that basis, before misleading the public opinion with the new fiction about the DPRK 'being charged with the kidnapping of Japanese.'" (KCNA, "KCNA Dismisses Japan's Talk about 'Charge of Abduction,'" September 15, 2001)

9/15-17/01 At South-North Korea ministerial talks in Seoul both sides stressed implementation of the "agreed but unaccomplished" joint projects including rail and road links. "During the morning session, the two sides made keynote speeches, which contained similar proposals on several issues," a senior UnifMin official said. (Son Key-young, "Two

Koreas Push Railway Connection," September 16, 2001) A 27-member North Korean delegation was led by Kim Rying-song, a senior cabinet counselor. On his arrival, he called the terror attacks in the United States "a great tragedy that was shocking and regrettable." (Paul Eckert, "North Korean Envoys Arrive for Reconciliation Talks," Reuters, September 15, 2001) Kim discussed the attacks in the United States with South Korean officials. "It is a shocking incident which we think is very regrettable," he said. "I think the incident will have nothing to do with the South-North talks, which are supposed to handle internal national issues." (Christopher Torchia, "Koreas Unite to Condemn Attacks," Associated Press, September 15, 2001) North Korea renewed its demand for 500,000 kilowatts of electricity. (Paul Eckert, "North Korea Demands Electricity at Talks with South," Reuters, September 17, 2001) North and South Korea inched forward, announcing another round of family reunions October 16-18 and plans to push ahead with joint cross-border projects. In a joint statement rather than a joint declaration, the two sides said they agreed to work on restoring rail and road links, to consider building a railway and gas pipeline through North Korea to Russia, to try to resolve problems with a tourism project in the North and to discuss construction of an industrial park in North Korea for South Korean businesses. They agreed to hold the next ministerial October 28-31 talks in Pyongyang. "At a time when the world is getting caught up in war, it is significant to see peace upheld and exchanges and cooperation on the Korean peninsula, which is most sensitive to security issues," President Kim Dae-jung told his cabinet according to a spokesman. "The North was trying to indirectly express their position regarding the recent tragedy," said Rhee Bong-jo, assistant minister of unification. "Given that they are listed as a rogue state and possible terrorist country, I think they figured that if they show a positive and willing attitude in this round of talks, it would improve their international image. Plus, they wanted to soothe the South Korean public's fear of North Korean terrorism as well." Ryoo Kihl-jae, professor of North Korean studies at Kyungnam University said, "These talks were proposed by the North Koreans to compensate for former minister Lim's resignation. It was their gesture of support for South Korea's pro-North group." He added, "The primary target on the North's agenda was electricity. But I think they saved this for Kim Jong-il's possible return visit to the South." (Kathryn Tolbert, "Korea Talks Produce Plans for Joint Efforts," *Washington Post*, September 19, 2001, p. A-28) Rhee said the agreement called for close cooperation between South and North Korea and Russia on Russia's proposal for transportation by rail from South Korea, through North Korea and across Russia to Western Europe. The agreement also calls for review of a proposal for a natural gas pipeline that would run from the oil fields of Siberia through northeastern China to both North and South Korea. Besides coming to specific terms on the next family visits and the railroad, the negotiators agreed to hold working-level discussions on building an industrial complex in the North Korean city of Kaesong, just a few miles from Panmunjom, and on such issues as the construction of a road between North and South Korea along the peninsula's eastern coast. On another sensitive topic, the agreement also calls for an unspecified "foreign survey team" to study the Imjin River as it runs from North to South Korea. The survey would make recommendations for flood control of a waterway that has been a topic of increasingly bitter dispute. As the talks ended, the positive tone indicated that the two sides had made up for much of the ground that was lost when North Korea cut off all dialogue in March. But major differences remain between the two sides. South Korea did not



appear to have received a positive response to its suggestion that the two sides agree on a permanent site at which several million members of divided families could meet regularly, free of the ritual and fanfare that accompanied earlier family visits. The South apparently did not respond with more than pro forma politeness to the North's suggestion that the South provide badly needed electricity as well as other assistance. (Don Kirk, "As Talks End in Seoul, Two Koreas Plan More Exchange Visits," *New York Times*, September 18, 2001, p. A-5)

9/18/01

New evidence suggests North Korea has circumvented an agreement with the U.S. government to stop development of nuclear weapons in exchange for the gift of two large nuclear power generation stations. This understanding is, in turn, part of a larger effort (called the "Sunshine Policy" by the current South Korean government) to engage Pyongyang in diplomatic and commercial contacts. North Korea moved its entire nuclear development program to new underground bunkers before U.S. inspections of its old facilities began, says **a researcher at the facilities who has fled to China**, where she is in hiding. She recently contacted Lee Young Hwa, a professor at Kansai University in Japan and head of an organization fighting to bring democracy to North Korea, as well as Ishimaru Jiro, a Japanese freelance journalist specializing in North Korean news. The underground facilities where research continues unabated are made to appear from aerial photos to be nothing more than a peasant's village, the researcher, who is trying to defect to America, told her two contacts. Pakistan, the chief supporter of Afghanistan's Taliban regime, has been buying missile technology from North Korea, as has Iran. If Pyongyang is a valid enemy in the U.S. war on terrorism, how to respond? A military strike, even one limited to missiles, has diplomatic and military ramifications. However, cutting off one of ruler Kim Jong Il's main sources of finance--illegal activities in Japan--might prove easier. North Korea's government has been manufacturing large quantities of heroin, amphetamines, weapons and counterfeit U.S. dollars to finance its weapons development programs. It sells them either through criminal gangs in Japan or via Russia and China to the U.S. and Europe, the Korea experts say. Members of Japan's ruling Liberal Democratic Party also help finance the North Korean regime in exchange for bribes, the three experts say. For example, when Japan gave 500,000 tons of rice aid to North Korea last year, politicians received kickbacks from North Korea, Lee says. "I was with a North Korean official as he phoned a Japanese member of parliament and told him a shipment of free fish had been sent to a company he owns," he says. Japan's ruling party has begun preparations to bail out credit cooperatives linked to the North Korean government with payments of public money that have amounted to \$3 billion so far and could rise to over \$10 billion, according to Kiyoshi Ueda, a member of Japan's opposition Democratic Party. These banks would lend, for example, \$12 million to North Korean businessmen in Japan, and they would have to pay \$2 million of that to North Korea and to Japanese ruling party officials. "They are now trying to quietly use public money to restart these institutions with the same people in charge as those that drove them to bankruptcy in the first place," Lee says. Another chunk of money that could have helped North Korea finance its atomic weapon and missile development came from Japan's Fuji Bank, now part of Mizuho Financial Holdings, the world's largest bank, according to *The Crimes of Fuji Bank*, a book by Mineo Yamamoto. Fuji paid \$350 million to North Korean organizations in Japan in exchange for debt collection

services, according to the book, which disappeared from circulation almost immediately after it was published in 1996. Fuji refused to comment. The real risk associated with North Korea is that "nobody really knows what is going on there," says freelancer Ishimaru. "Nobody knows how much money goes from Japan to North Korea," adds the *Korea Report's* Pyon. U.S. policymakers may wish to find out. (Benjamin Fulford, "North Korea: Another Outcropping of Terrorism," *Forbes*, September 18, 2001)

*Rodong Sinmun* signed commentary: "The Japanese reactionaries are loud-mouthed about the 'success' in the test-fire of a large-size carrier rocket 'H-2A,' describing it as a rocket for 'peaceful space development.' The Japanese authorities themselves admit that the recently test-fired rocket can be used for military purposes as it is a perfect 'prototype rocket' easily convertible into an inter-continental ballistic missile. The rocket test-fire was conducted as part of moves for space militarization at a time when the moves for the revival of militarism and the conversion of Japan into a military power are being stepped up in Japan. This is one more criminal act of threatening the peace and stability in north-east Asia. What merits particular attention is that the United States and Japan are getting more undisguised in their moves to put spurs to the ongoing joint research into the Missile Defense (MD) system with the rocket test-fire as a momentum. The Japanese officials concerned with defense claim that the Japan-U.S. joint technological research into the MD is aimed to 'cope with the missile from North Korea.' The MD jointly pushed forward by the U.S. and Japan is not for 'defense' but is designed to have a military edge over other big powers and hold military supremacy. But the DPRK will certainly force Japan to pay a high price for the anti-DPRK diatribe launched in the wake of its rocket test-fire. The Japanese reactionaries have gone the length of clamoring for an independent Missile Defense system, asserting that it is necessary for Japan to continue its research into it as a 'North Korean missile crossed the airspace of Japan.' The DPRK is compelled to take a counter-measure by the moves escalated by Japan to militarize space and set up its independent missile system under the pretext of 'threat' from the DPRK. Japan's desperate attempt to develop new types of missiles targeted against the DPRK has reached a very dangerous phase. **This compels the DPRK to reconsider its stand whereby it declared a moratorium on its satellite launch.** The missile program of the DPRK is of peaceful nature but is not merciful to those who dare infringe upon its dignity and sovereignty." (KCNA, "DPRK Compelled to Take Counteraction against Japan's Moves," September 18, 2001)

9/20/01

Two intrusions into the southern part of the DMZ took place, one yesterday around 1 p.m. when about 20 North Koreans crossed the MDL about 40 meters into the DMZ and retreated after the South Koreans fired nine warning shots, and a second at 9:44 a.m. today, when 12 North Koreans advanced 30 meters south of the MDL and retreated after five warning shots were fired, according to the UNC and MoD. (*Korea Herald*, "N. Korean Soldiers Intruded into DMZ Twice Last Week," September 29, 2001) GNP lawmakers accused the government of covering up the incidents at Defense Committee hearing. "The ministry cannot avoid the suspicion that its failure to disclose the incident was politically motivated, given the atmosphere of reconciliation forged at

the inter-Korean ministerial talks," said Rep. Chung Jay-moon of the GNP. (Kim Kwang-tae, "Defense Head Grilled over N.K. Incursions," *Korea Times*, October 5, 2001)

- 9/22/01 Rep. Kang Hyon-wook, chief MDP policy-maker, said in an interview with Yonhap, "If Pyongyang makes an official request for rice aid, we can send surplus rice to them without any charge or on a long-term loan basis." Kang said the ruling party is willing to provide an "appropriate amount" from the South's surplus rice stock of 1.4 million tons. (Kim Hyung-jin, "MDP Mulls Offering Free Rice to N. Korea," *Korea Herald*, September 24, 2001)
- 9/?/01 DPRK names new representative in talks with Japan, a ranking official in the Ministry of State Security, Ryu Kwang [?], and Japan designates Tanaka Hitoshi, dir-gen of the Foreign Ministry's Asia Bureau, as his counterpart. (Oberdorfer and Carlin, *The Two Koreas*, p. 360)
- 9/24/01 KCNA: "There are highly disturbing developments in Japan in the wake of terrorist attacks on the United States. Since the incident the Japanese government, the ruling party and the 'Self-Defense Forces' have been busy submitting a bill calling for the revision of the law on the 'SDF' to the diet and adopting a new law to back the military attack of the U.S. forces. It was against this political and military background that the Japanese chief executive announced a 7-point proposal to assist the military attacks of the U.S. on September 19. Its key point is Japan's proposed official dispatch of 'SDF' overseas under the pretext of logistic assistance to the U.S. forces. As a matter of fact, terrorism that occurred in the U.S. is something very regretful and tragic. And it may be a right option taken in line with the policy of each country opposed to all forms of terrorism to make a due contribution to the efforts of the international community to eliminate the root cause of this terrorism. But the neighboring countries of Japan are becoming extremely watchful against its hectic moves because what Japan chiefly seeks is not to 'prevent terrorism and eliminate its root cause.' Japan asserts that it should make a substantial contribution through practical military actions this time, arguing that its huge financial contribution failed to get an international appreciation during the gulf war. This is not its true intention. What Japan truly seeks is to unlimitedly expand the sphere of actions of the 'SDF,' its main aggressor forces, and provide a judicial and institutional mechanism for re-invasion of Asia with the terrorist attacks on the U.S. as a momentum. ... Japan is misusing misfortune of the U.S. to pave the way for re-invasion of Asia, in other words, to legalize its moves to become a military power and realize the unlimited overseas dispatch of the 'SDF' as early as possible. This is the real intention of Japan which has evaded the settlement of its past, the most urgent issue, for more than 50 years. Japanese authorities are well advised to think twice of the disastrous consequences to be entailed by its overseas troop dispatch under the pretext of 'supporting the efforts to prevent terrorism.'" (KCNA, "KCNA Slams Japan's Moves for Overseas Troop Dispatch," September 24, 2001)
- 9/26/01 Russia named Andrey Karlov to be its new ambassador to the DPRK, Voice of Russia said. (*Korea Herald*, "Russia Names New Envoy to P'yang," September 26, 2001)

- 10/1/01 KCNA: "The recent talks prove that when the process of inter-Korean dialogue and reconciliation and cooperation is promoted smoothly it will lead to the reunification of the country. This is another indication that the reunification of Korea can surely be achieved through inter-Korean dialogue and reconciliation and cooperation and it is a task of the nation that should be carried out without fail. A stumbling block lying in the way of realizing the cherished desire of the nation is the attitude of the U.S. responsible for the issue of the Korean peninsula. ...The rapid process of reconciliation and cooperation between the north and south of Korea is facing a serious challenge in the wake of the emergence of the present U.S. government. The Bush administration, pursuant to the anachronistic hostile policy toward the DPRK, comprehensively reexamined what was agreed upon between the DPRK and the preceding U.S. administration to improve the bilateral relations, while putting pressure upon the South Korean authorities to 'adjust the tempo of inter-Korean dialogue.' It has covertly encouraged the ultra right-wing anti-reunification elements of South Korea to put a brake on the inter-Korean peace process. It is not the first time that the U.S. blocked the progress of inter-Korean relations. Whenever the atmosphere of inter-Korean reconciliation and cooperation and the desire of the Korean people for reunification mounted, the U.S. worked hard to dampen them under unreasonable pretexts. The historic lesson shows that for the smooth inter-Korean dialogue it is necessary, first of all, to terminate the interference of outsiders. The U.S. should stop throwing a wet blanket over the favorably developing inter-Korean dialogue, going against the desire and will of the Korean people for reunification. If the inter-Korean dialogue that has progressed since it was resumed with so much effort is brought to a stalemate owing to the U.S. intervention and obstructions, its consequences will be more serious than ever before." (KCNA, "U.S. Urged Not to Put Brake on Inter-Korean Dialogue," October 1, 2001)
- 10/2/01 KEDO will begin negotiations soon on delivery of core parts for the reactors. "The Korean Peninsula Energy Development Organization will be able to finalize its draft agreement with North Korea as the United States is supposed to present its own version soon," a diplomatic source said. (*Korea Times*, "KEDO, N.K. to Begin Talks for Delivery of Core Parts," October 3, 2001)
- 10/3/01 Talks in Mount Kumgang failed to fix a timetable for a proposed road to the resort there. (Joint press corps and Kim Ji-ho, "Koreas Fail to Agree on Cross-Border Link," *Korea Herald*, October 6, 2001)
- 10/?/01 Secret Japan-DPRK talks begin in Beijing (Tanaka Hitoshi holds 30 meetings with "Mr. X" until summer 2002 Hiramatsu Kenji, "Leadup to the Signing of the Japan-D.P.R.K. Pyongyang Declaration," *Gaiko Forum*, 2, no. 4 (Winter 2003), 24)
- 10/7/01 South proposes senior-level military talks October 12 and 15 to agree on cross-border rail and road regulations. (Kim Kwang-tae, "Gov't Proposes Military Talks with N.K.," *Korea Times*, October 7, 2010)

Political, academic and mass media leaders in Seoul are concerned about the repercussions for North-South relations of terrorist attacks on the symbols of U.S.

military and economic strength will affect North Korea, listed as a state sponsor of terrorism. A South Korean newspaper executive said only half-jokingly, "Strictly speaking, we, South Korea, might well be referred to as a terrorism sponsoring country, as our country is extending cooperation to North Korea." (Kawata Takuji, "S. Korea Frets Sunshine Policy May Lead to Guilt by Association," *Yomiuri Shimbun*, October 7, 2001)

10/8/01 North Korea's condemnation of terrorism at a U.N. meeting October 5 and Washington's removal of the Japanese Red Army, sheltered by Pyongyang, from its list of "foreign terrorist organizations" are seen as the latest sign of efforts to remove one of the biggest hurdles in improving ties between the two nations, officials said yesterday. "The massive terrorist attacks on the United States on September 11 [that] shocked the international community were tragic," said Li Hyung-chol, the North's ambassador to the U.N. "North Korea is moving quickly to take advantage of the change in U.S. foreign policy following the September 11 attacks, in which whether a nation supports its war on terrorism or not should become the foremost factor in U.S. definition of enemy or friend," said Kim Sung-han, professor at IFANS. "If North Korea provides practical help to the United States, it will bring a dramatic turn in their relations," said a Foreign Ministry official. (Hwang Jang-jin, "'N.K., U.S. Moves Seen As Boost for Bilateral Ties,'" *Korea Herald*, October 8, 2001)

10/9/01 DPRK FoMin spokesman: "The U.S. proclaimed what it calls 'military retaliation' after the large-scale terrorist attacks on the U.S. and has made its preparations in every way. On October 8 it launched a military operation against Afghanistan. As a consequence, the world faces another war. As already clarified, **it is the principled stand of the DPRK to oppose all forms of terrorism and any support to it and so the DPRK has been consistently opposed to terrorism. The DPRK's opposition to terrorism is aimed to promote global peace and stability and defend the sovereignty of the country and nation and protect the safety of the people and their properties.** The method of combating terrorism should be in full accord with such purpose in any case. The use of armed forces or a war to kill innocent people and aggravate regional situation and disturb regional stability contrary to the purpose can not be justified under any circumstances. We hold that the action of the U.S. should not be a source of vicious circle of terrorism and retaliation that may plunge the world into the holocaust of war. **The DPRK has so far done what it is obliged to do to combat terrorism. The U.S., however, has pursued a hostile policy toward the DPRK, still keeping it on the list of "sponsors of terrorism" under an unreasonable pretext. Under this situation the DPRK is following the situation with vigilance.** The DPRK is proud that it has increased its national defense capabilities of its own choice in every way no matter what others may say. The DPRK will closely watch the developments in full readiness to cope with any case." (KCNA, "DPRK Foreign Ministry Spokesman on Launch of U.S. Military Operation," October 9, 2001)

Vice UnifMin Kim Hyong-ki said there was agreement to send 300,000 tons of rice directly to North Korea as a deferred loan at current market prices and donate another 100,000 tons of corn through the World Food Program. A ministry official said the North had asked for 1 million tons in grain aid at the end of 2000 and the government

had already sent 300,000 tons of rice and 300,000 tons of corn. (Kim In-ku, "Government to Send 400,000 Tons of Grain to N.K.," *Chosun Ilbo*, October 9, 2001)

10/11-12/01 Assistant SecState James Kelly held meetings with President Kim Dae-jung and Deputy FM Yim Sung-joon on the 11th, and with UnifMin Hong Soon-young, and DefMin Kim Dong-shin on the 12th. "We are very much satisfied with South Korea's proposal [in support of the U.S. campaign against terrorism]," he was quoted as saying. The MoD announced on October 9 that it is sending 450 non-combat troops on medical and transport missions as soon as the U.S. requests. (Hwang Jang-jin, Seoul, Washington Reaffirm Cooperation on Terrorism," *Korea Herald*, October 13, 2001)

10/12/01 North Korea postponed a scheduled reunion of 200 separated families, citing South Korea's security alert following the 9/11 attack. (Kim Ji-ho, "N. Korea Indefinitely Postpones Family Reunions, Cites Terror Attacks," *Korea Herald*, October 13, 2001)

Committee for the Peaceful Reunification of the Fatherland spokesman: "The 6th north-south ministerial talks, the 2nd meeting of the committee for the promotion of economic cooperation and the 2nd authorities' talks to pep up Mt. Kumgang tourism are slated to be held in October following the resumption of the north-south ministerial talks in September. And the dates of exchanging the 4th visiting groups of separated families and relatives and the Seoul visit of the Taekwon-do exhibition team are coming near. **But in South Korea the whole army and police have been put on 'emergency alert' under the pretext of what is happening abroad, thus creating an unpredictable atmosphere of tension.** A 'perfect security posture' is being called for at a 'national security council meeting' or 'emergency state council meeting.' And the military authorities are 'discussing measures against the movement of the Korean People's Army' and urging their army to be fully ready to go into action. This is a dangerous act of going against the spirit of the June 15 North-South Joint Declaration, which calls for pooling efforts of the nation, and getting on the nerves of the north, a dialogue partner. **In such tense atmosphere of alertness smooth dialogue and travel can not be expected nor can there by any guarantee that an accidental event would not take place. Taking into consideration the situation prevailing in South Korea, we cannot but postpone the exchange of the 4th visiting groups of separated families and relatives and dispatch of our Taekwon-do team to Seoul for the time being.** We feel very regretful for this. It is our steadfast and consistent will to develop dialogue and negotiation with the south side. Proceeding from this stand, we will hold as scheduled the 6th north-south ministerial talks, the 2nd meeting of the north-south committee for the promotion of economic cooperation and the 2nd north-south authorities' talks to pep up Mt. Kumgang tourism slated for October. **We consider it reasonable to hold them in Mt. Kumgang area which we had already proposed and where security is guaranteed.** At the same time, we hope that the emergency alert will be lifted and a favorable atmosphere created soon in South Korea so as to exchange the visiting groups of separated families and relatives and Taekwon-do exhibition teams at an early date. We believe that the south side will positively respond to our just measure." (KCNA, "Statement of CPRF Spokesman," October 12, 2001)

- 10/14/01 North Korea alerts its armed forces. (Yu Yong-won, "N.K. Forces Also on High Alert after Terror Attacks," *Chosun Ilbo*, October 14, 2001)
- 10/15/01 PM Koizumi Junichiro visited Seoul to heal the wounds from episodes that reminded Koreans of the 35-year era of Japanese rule. Instead, he may find himself immersed in another perceived affront to Korean nationalist sentiment. The one-day itinerary includes visits to the park where Koreans began a revolt against Japanese colonialism on March 1, 1919, and the national cemetery, where hundreds of Koreans killed by the Japanese before their surrender in 1945 are buried. He is also expected to express contrition, if not an apology, for Japanese misdeeds when he sees President Kim Dae Jung and addresses the National Assembly. But such gestures come at a time when Korean fishermen have burned Japanese flags, irate over a possible Japanese deal with Russia to ban Korean boats from the waters around the Kurile Islands. Soviet forces seized the islands from Japan at the end of World War II, and Japan has claimed them ever since. "This is not a good time for President Kim to meet the Japanese prime minister," said Seok Kyu Jin, a scientist in the Ministry of Maritime Affairs and Fisheries, summarizing widespread sentiment about Mr. Koizumi's visit. "My people have deep emotions about Japan." South Korea's foreign minister, Han Seung Soo, summoned the ambassadors of Russia and Japan today to try to block a deal. If Japan and Russia were to handle the issue "in the wrong way," he said, the episode might "hurt relations between the two countries." A Korean delegation arrives in Moscow this weekend while other Korean officials have gone to Japan. The issue of the fisheries began to reverberate while Koreans were still seething over two slights for which they hold Koizumi responsible. One was his visit in August to the Yasukuni shrine. The other was his refusal to disapprove textbooks that Koreans and Chinese say glossed over atrocities committed by the Japanese before and during World War II. Japan began negotiating a deal with Russia after both Russia and Korea had ignored Japan's protest against Russia's decision to permit Korean boats to haul in 15,000 tons in the current fishing season. Japan said Russia had no right to permit Korean boats in waters around what the Japanese call their northern islands. When Korea refused to yield to its request, Japan canceled a deal under which Korean boats were allowed in waters near the Sanriku islands off Honshu, the main Japanese island. "There is no way for the Sanriku issue to be a hostage," said Cho Hwan Bok, a Foreign Ministry official. "It's a clear violation of our fishing agreement." Koreans suspect that Japan has lured the Russians with some tempting bait. "There's a black market of bringing fish into Japan," said Chu Kyu-ho, a Foreign Ministry official. "It amounts to quite a large amount. If both sides can deter that kind of smuggling, the Russians can gain quite a lot." Now the question is what can Japan do for Korea. "If Japan takes a wrong approach to this issue, bilateral relations will worsen," warned Lee Jung Il, a member of the National Assembly from governing party. Kim Young-in, also an assemblyman from the governing party, said, "Without Mr. Koizumi's true apology, he will never be welcomed by the people of South Korea." (Don Kirk, "Japanese Leader Prepares to Sail into South Korean Maelstrom," *New York Times*, October 14, 2001) "I sincerely reflect on the great deal of pain and damage Korean people suffered during Japan's colonial occupation and offer an apology from the bottom of my heart," Koizumi said at Independence Park, site of the largest colonial-era jail. He and Kim Dae-jung agreed on a government-level expert panel on history. Kim said, "History is a matter of the past

but how to understand it is a matter concerning the present and the future. Japan's failure to properly educate its young people about history might lead the people of Korea and Japan to drift further apart." Koizumi responded, "I share the spirit of the Japan-Korea partnership for the 21<sup>st</sup> century jointly declared by the two countries in 1998 and intend to look straight at history." That 21<sup>st</sup> century partnership is based on PM Obuchi Keizo's expression of apology in 1998, widely regarded as the starting point of reconciliation. Some Koreans held protest demonstrations. (Oh Young-jin, "Koizumi Offers 'Heartfelt' Regret; No Solution to Pending Issues Seen," *Korea Times*, October 15, 2001)

10/16/01 Bush to Asian newspaper editors on eve of APEC summit: "North Korea should not in any way, shape or form think that because we happened to be engaged in Afghanistan we will not be prepared and ready to fulfill our end of our agreement with the South Korean government. They should not use this as an opportunity to threaten our close friend and ally South Korea. Not only will we have troops there and have them there; we will be prepared to defend and stand side-by-side with our longtime friend, the South Korean people." He expressed disappointment at the North's failure to keep its agreement to open talks with the South. "I must tell you that I've been disappointed in Kim Jong-il not rising to the occasion, being so suspicious, so secretive." (Associated Press, "Bush Cautions N. Korea on Threats," October 17, 2001) "He won't meet with you, he won't meet with us, which kind of leads me to believe that perhaps he doesn't want to meet. So he can blame it on whomever he wants to, but it's up to him to make that decision," Bush said. "What is it about this man who refuses to – not only to talk with us, but to fulfill an agreement he made with your government [for a return visit]?" SecState Colin Powell told reporters flying with him to Shanghai, "Eventually the North Koreans will respond in a way that will allow us to go forwards because I don't think they have any other choice or future. Their economy doesn't get any better. Their agricultural situation does not get any better." (Reuters, "Bush 'Disappointed' in N. Korea's Kim," *Japan Times*, October 19, 2001), p. 4) "I've got a message for Kim Jong-il: fulfill your end of the bargain. You said you would meet – meet. ... I want to remind your readers that we offered to meet with Kim Jong-il. In June of this year we said we'll be glad to send a representative to meet with you to discuss a variety of issues. And yet he chooses not to meet with us, either. ... Secondly, I think that he needs to earn the trust of the world. I think he needs to take pressure off of South Korea and off of the DMZ. I think he needs to say – send a signal ... that he's for peace, not war. And he can do that very easily by removing conventional forces back." (Pritchard, *Failed Diplomacy*, pp. 12-13)

10/18/01 The F-X fighter acquisition could be delayed to next year. "There is no change in our position that the selection of a successful bidder of the fighter should be terminated by the end of this year," said Choi Dong-jin, assistant defmin for arms acquisition, in a briefing for reporters. "But the selection could be postponed unless our conditions are met." Boeing, Dassault, and Rosvorgenia are competing to win the project. [Boeing wanted a decision by November 15. The South was holding up the deal for U.S. approval of South Korean electricity aid for the North.] (Kim Kwang-tae, "Selection of F-X Fighter Likely To Be Delayed," *Korea Times*, October 19, 2001)



The second round of talks on the Mount Kumgang tourism project was cancelled. The DPRK proposed holding the meeting in the North for security reasons, the same reason it postponed the family reunion. (Kim In-koo, *Chosun Ilbo*, October 19, 2001)

KCNA: "Kim Ryong Song, head of the north side delegation to the north-south ministerial talks, today sent a telephone message to Hong Sun Yong, chief of the south side delegation, in connection with the fact that the authorities' talks due on Mt. Kumgang on October 19 will not be held as scheduled. Recalling that the south side repeated unreasonable assertions unacceptable to anyone while groundlessly taking issue with the sincerity of the north side, the message said: Your side suddenly 'discussed measures to cope with the movement of the north army' and put the whole army and police on 'emergency alert' one week before the exchange of the fourth visiting groups of separated families and relatives and the Seoul visit of the Taekwondo exhibition team. This is quite contrary to the fundamental spirit of the June 15 North-South Joint Declaration and the points agreed upon at the fifth north-south ministerial talks. Worse still, it is a hostile act toward our side that your side brought more air force from the U.S. under the pretext of filling up the 'military vacuum' with the humanitarian visit just ahead, though your side talks about the importance of the 'issue of separated families.' Your side is hell-bent on distorting the fact through media in the wake of the unreasonable moves. This is a perfidy to the dialogue partner. It is designed to evade the responsibility for the present situation. Our side considers that the present difficulties created by your side should be removed as soon as possible. Proceeding from this stand, our side demands your side immediately take steps to create circumstances and atmosphere acceptable to the dialogue partner by all forms of efforts if your side has a willingness to respect the spirit of the June 15 joint declaration and make reconciliation and unity with the north. We assure you that if your side shows a positive response to this just demand of ours, we are ready to exchange the visiting groups of separated families and relatives and the Taekwondo exhibition teams anytime. We also consider that talks, agreed upon between the two sides, should be held. As regards the forthcoming north-south authorities' talks to pep up Mt. Kumgang tourism, your side should no longer obstruct the holding of the talks over the issue of their venue which is not in accord with the agenda. Out of the stand to provide the progress of dialogue between the north and the south at any cost, our side proposes to hold the authorities' talks to pep up Mt. Kumgang tourism on October 25 because it is impossible to hold as scheduled the talks slated for October 19 on Mt. Kumgang. We also proposes to hold on Mt. Kumgang the 2nd meeting of the north-south committee for the promotion of economic cooperation on November 5 and the 6th north-south ministerial talks on October 28 as scheduled. We expect that your side will affirmatively respond to our reasonable proposal." (KCNA, "Telephone Message to Chief of South Side Delegation," October 18, 2001)

A series of massacres on Mount Halla, which rises over Jeju Island, between October 1948 and February of the next year are estimated to have killed 30,000 people, and rank among the worst atrocities this country has ever seen. Yet many Koreans, especially those who have never lived on Jeju Island, in the far south of the country, know little or nothing about it. Japan's history of violence toward Korea and other

neighbors still brings angry protests in South Korea. But many Koreans say the time is past due for them to begin clearing the historic skeletons out of their own closets. The Jeju massacres were part of a particularly brutal effort by the government in the southern part of Korea to root out those it suspected of being Communists on the eve of the country's civil war. American commanders in Korea were furious, and after a series of incidents their South Korean counterparts embarked on a campaign to cleanse the island of supposed Communist agitators. Although he concedes that no documentary evidence exists that the Americans knew what happened, Yang Jo Hoon, a prime ministerial appointee who heads a committee established to collect testimony about the killings, believes with many others here that the Americans must have known of, and perhaps even ordered, the crackdown. A team of South Korean researchers is in the United States now seeking proof of an American role. History textbooks here still give the Jeju massacres only cursory mention. In places like Jeju the debate about how textbooks present history has entered a second phase. In addition to demanding an accounting of atrocities by foreign invaders like imperial Japan, in one country after another local community advocates, historians and human rights groups are pressing governments to acknowledge massacres and other large-scale rights abuses committed against their own people. In South Korea, until a decade ago, the Jeju massacres were ascribed both officially and in textbooks to North Korean infiltrators. Gradually local journalists, university students and members of Parliament began pushing for recognition of what historians say really happened: a largely unfounded witch hunt that resulted in the killing of more than 10 percent of the island's population. "The National Assembly passed a law about the massacres for the first time in December 1999, and the government began to investigate this incident for the first time only the following September," Yang said. "All along," he said, "the government has known that thousands of innocent people were killed, and that's why they made a lot of noise about a Communist threat. People were threatened with jail for so much as mentioning the matter. Relatives of the dead were afraid of being labeled Communists too. "Even today, many people are still too afraid to come forward and tell us what they know." (Howard W. French, *South Koreans Seek Truth about '48 Massacre*," *New York Times*, October 19, 2001, p. A-6)

10/19/01

Bush told an APEC summit at news conference with Kim Dae-jung, "My administration wishes to begin a dialogue with the government of Kim Jong-il. Yet he has refused to accept our invitation. I would hope that he would accept not only our invitation, but seize the opportunity to bring more peaceful relations to the Korean peninsula. This is a moment in history where he can prove his worth." The comments reflected a starkly different attitude than three days earlier. He also lauded Kim Dae-jung: "I will reaffirm our support for the president's sunshine policy with North Korea. I appreciate his leadership on this very important issue." (Associated Press, "Bush Seeks Meeting with N. Korea Leader," October 19, 2001) President Kim appears to be changing his tactic of trying to turn around President Bush. He did not push his sunshine policy when the two met. "President Kim neither tried to persuade Bush to be more forthcoming toward North Korea nor did he seek his understanding of the approach," a senior Blue House official said. "The meeting was focused on terrorism." It is speculated that Kim has come to realize that impatience is not a virtue when dealing with Bush. (Oh Young-jin, "Kim Set to Change Tactics over N.K. Issue," *Korea Times*, October 19, 2001)

- 10/21/01 President Jiang Zemin told a news conference, "If North Korea expresses their desire to take part in APEC-related activities, then we will give them our welcome and support." South Korean FM Han Seung-soo told Reuters Television, "Our position was to let North Korea open the door and by participating in some of the activities arranged by APEC, I am sure that North Korea will benefit greatly. At the moment I don't think North Korea has any intention to take part, but in due course we hope they will do so." (Reuters, "APEC Ready to Open Door to North Korea: Jiang," October 21, 2001)
- 10/23/01 DPRK FoMin spokesman: "Shortly ago U.S. President Bush once again indiscreetly pulled up the DPRK. At a news conference held prior to the APEC summit he told the lie that the DPRK does not respond to the DPRK-U.S. dialogue though Washington stands for it. He went the length of speaking ill of its supreme leadership, saying it is too doubtful and shrouded in secrecy and it refuses to keep the promise and he is a person quite not understandable. Putting aside the political motive of his utterance, Bush's remark cannot but be interpreted as an imprudent statement unbecoming for the president of a 'superpower.' It is a senseless attitude away from even elementary diplomatic etiquette for the head of state of the U.S. to speak ill of the leader of other country, who is stranger to him, for no reason. It is universally known that it was none other than Bush who began casting a string of doubts, saying he feels skeptical about the North Korean leader as soon as he assumed the presidential office and it was again his administration which put the DPRK-U.S. dialogue which was under way to a stalemate. All this happened not long before but a few months ago. Ignoring his past behavior, he argued that the DPRK is so suspicious and that it should do what it has committed itself to do. This is as ridiculous as the pot calling the kettle black. Such reckless deed tells that he has no image as a politician, to say nothing of that of a head of state. Then, how can we trust the United States though it makes honeyed words? A thaw was brought to the frozen DPRK-U.S. relations with much effort. But they got refrozen and the bilateral dialogue came to a rupture entirely due to Bush and his administration with deep-rooted conception of hostility towards the DPRK. In the last period of the Clinton administration, the two countries became brisk in dialogue and published even a joint communique that promised an end to the hostile relations between the two sides and even a joint statement against terrorism. Visits of special envoys and personal letters were exchanged between the leaders of the two countries. Understanding and confidence were built so deeply that their summit was high on the agenda. Moreover, included in the itinerary of President Clinton's scheduled visit to Pyongyang as a core was discussion over the DPRK's important decision to solve in the bilateral interests the issue of the DPRK's missiles which are regarded as 'threat' to the U.S. However, the new U.S. administration broke all those agreements as soon as it took office. An early solution of our missile issue was uncomfortable to this administration which attaches priority to the establishment of 'Missile Defense' system intended for world supremacy. It felt a more urgent need to make an enemy called 'rogue state.' As seen above, the present administration has not an iota of will of continuity. Therefore, this administration can not be trusted. Such view of ours has been more clearly proved by Bush's recent remark. The Bush administration proposed last June to 'resume' the suspended dialogue with the DPRK. This proposal, too, is, in essence, a brigandish demand intended to unilaterally disarm the DPRK. Without

removal of the hostile relations, it urges the DPRK, which is technically at war with the U.S., to reduce its conventional armed forces unilaterally. The proposal is nothing but a noose as it did not clear a dialogue partner of its apprehension but raised the matter unacceptable to it in a bid to torpedo the dialogue itself. The U.S. administration has repeatedly claimed that the U.S. forces would be kept in South Korea for an indefinite period. In particular, it is radically beefing up its armed forces in South Korea under the pretext of the ongoing war in Afghanistan. Nevertheless, it urges the DPRK to withdraw its conventional armed forces unilaterally as an expression of its will for peace. Such demand is the height of ignorance and shamelessness as well as impudence. This hostile policy of the Bush administration toward the DPRK cooled at once the atmosphere of relaxation in north-south relations which was provided with much trouble by the historic north-south summit meeting and the June 15 North-South Joint Declaration. The U.S. has bound South Korea with iron chains of 'allied country' and 'cooperation,' subordinated north-south relations to its hostile policy toward the DPRK and established a complicated procedure whereby South Korea should get U.S. prior approval as regards the internal affairs of the nation to be consulted between the north and the south, thus exerting a serious negative influence on the implementation of the joint declaration. Under the pretext of the U.S. 'anti-terrorist' war new arms and equipment are now being massively shipped into South Korea and 'emergency alert' declared throughout it, creating a warlike situation. **Because of danger to personal safety under the dangerous situation in South Korea which has joined the U.S. in the Afghan war, the Seoul visit of heads of state of other countries was cancelled and the projected exchange of home visits of separated families between the north and the south had to be put off for the time being.** In a word, the obtaining situation caused by the Bush administration is making it impossible to implement the agreed points between the north and the south. As already clarified, **we do not oppose dialogue itself with the U.S. But our position is to develop relations with the U.S.** It is common sense that **continuity and consistency should be preserved to a certain extent in the U.S. diplomatic policy, too.** But it is a problem that the Bush administration is different from it. It is a foolish calculation if the U.S. thinks its demands for conventional arms cut will be accepted by a country pursuing the policy of independence. It would be normal and rational only when the DPRK-U.S. dialogue discuss, to begin with, practical problems related to the implementation of the agreed framework and the joint communiqué signed between the two governments. **We consider the resumption of the DPRK-U.S. dialogue to be a matter that may be discussed only when the Bush administration takes at least the same position as taken by the Clinton administration in its last period.**" (KCNA, "Spokesman for DPRK Foreign Ministry Slams Bush's Remark," October 23, 2001)

10/24/01

At a seminar co-hosted by the Korea Press Foundation and Georgetown University special envoy Jack Pritchard said the Bush administration had urged North Korea to provide it with intel on its contacts with Middle East countries, including weapons transactions, criticizing Pyongyang for not fully cooperating with the U.S.-led fight against terrorism. [Cf., Chinoy, *Meltdown*, p. 67]Pyongyang does not understand the meaning of the change from Clinton to Bush. The Bush administration is now focusing on the North's conventional weapons and will not upgrade the level of talks without feasible and practical results. He said it was time for North Korea to execute the NPT in

accordance with the Agreed Framework. (Ju Yong-jung, "Bush Envoy Warns N.K. on Non-Nuclear Treaty," *Chosun Ilbo*, October 25, 2001) ["Two things the North Koreans have not well understood: the political change in administrations and this administration's concerns. ...We were on the verge of a deal in principle [on missiles]. Later on there would be an exchange on verification. This administration wants to discuss the details on verification before getting a deal. ...Also it is concerned that the LWR would get far enough along and no compliance so the administration wants a focus on compliance. ...Many in the U.S. are frustrated with North Korea's tactics, paying for bad behavior. ...There is also a concern with the level of participation. The previous administration was feverish. ...The President was leaning so far forward he nearly fell over. ...There is much to do before we consider that level of participation. ...Perry concluded deterrence was rock solid and did not focus on the conventional force posture. This administration put that front and center. ... The north made a decision to reengage with the south so as not to be seen as reacting to Jiang's pressure by talking to the U.S. first. ... If they were to take this [terrorism] seriously, they would be stepping forward to provide whatever information they have. ... We would expect them to begin cooperating with the IAEA soon. ...We're not dismissing anything that North Koreans want to talk about."]

10/25/01

Pak Ku-po and his companion would not make it in international business circles. They have no name cards and one of them does not even want to give his name. They claim they know nothing about the place where they are based- "we're just newcomers here" - but promise to be more forthcoming "the next time we meet." Their secretiveness is perhaps understandable as they work for Zokwang Trading, a state-owned North Korean company in Macau, which in the past has been accused of being involved in the distribution of counterfeit money, arms smuggling and terrorist training. North Korea had been accused of state-sponsored terrorism long before Afghanistan decided to give shelter to Osama bin Laden and the seeds of the present conflict in Central Asia were sown. But now things are supposed to have changed, and Zokwang and other North Korean trading companies-and there are many of them throughout East Asia-claim they are legitimate business operations. Pak, for instance, says that Zokwang is involved mainly in the export of North Korean ginseng to Asian countries, and sweaters and other knitwear to France and Canada. Over the past few years, North Korea has embarked on a vigorous commercial drive across the globe, and, for the first time, it is making serious attempts to attract foreign investment. Is Pyongyang finally turning to capitalism to save the world's last Stalinist state? Ri To Sop, North Korean consul general at the recently established diplomatic mission in Hong Kong, is firm in his assurances. "Our Dear Leader has told us that this is a new millennium, and that we should not do things in the old way. There will be changes. just wait and see," he says. The "Dear Leader," North Korea's reclusive supremo, Kim Jong Il, visited China in May this year, where his hosts took him to see the stock exchange in Shanghai. In July, he embarked on a 10-day epic train journey through Siberia to Moscow and St. Petersburg, where he visited sites commemorating the 1917 communist revolution, but also held talks with Russia's new, born-again capitalist leadership. The trip was hailed by South Korean Foreign Minister Han Seung Soo: "[This is] a very positive development because it is an indication that North Korea is willing to open up." The main force behind North Korea's commercial drive is, perhaps not surprisingly, the

country's powerful military. In June, a North Korean defector described the North Korean People's Army as the country's biggest "foreign-exchange earner." From early spring this year, servicemen have been made to engage in a variety of export-oriented projects including mushroom harvesting, gold mining, medicinal-herb collection and crab fishing. The ruling Korean Workers' Party is also reported to be operating more than 40 restaurants in six countries as a means of raising hard currency. The first North Korean eatery opened in Austria as early as in March 1986, but in recent years more have followed in China, Russia and Indonesia. According to South Korean intelligence, North Korea will soon open restaurants also in Bulgaria and Australia. Even more imaginatively, a local Chinese trading company in the Chinese city of Dandong, just across the border from North Korea, acquired in September the exclusive right to sell North Korean medicines in the international market including a brand called Cheongchun No. 1, which is a homemade North Korean version of Viagra. In Thailand, a North Korean-owned company, Wolmyongsan Progress Joint Venture, has for years been engaged in mining activities near the Burmese border in Kanchanaburi, west of Bangkok, while Kosun Import-Export, which is based in the Thai capital itself, is permitted to trade in rice, rubber, paper, tapioca and clothing. Kosun is located in a discreet office on the top floor of an eight-storey building in a Bangkok suburb. The company is also involved in property, apparently owning the building and renting out flats and office space. At first glance, it seems that North Korea's dive into the world of capitalism is paying off. North Korea does not release any trade or economic figures, but according to data collected by South Korea's state-run Korea Trade-Investment Promotion Agency, or Kotra, from the North's main trading partners-China, Japan, Thailand and Hong Kong-its external trade in 2000 jumped by 33.1% to \$1.96 billion from a year earlier. It was the second straight year that North Korea saw its trade volume expand and that, too, at a much higher rate than the modest 2.6% increase in 1999. "Unless we help North Korea develop and strengthen its economy, both countries would collapse if they were reunited," says a South Korean diplomat on condition of anonymity. "The South would not be able to take care of the North. The gap is just too wide today." The cost of reunification was first discussed in South Korea shortly after East and West Germany - at a tremendous price - became one country in 1990. According to Marcus Noland, a researcher at the Institute for International Economics, Washington, South Korea would have to invest as much as \$3.17 trillion in order to avoid an abrupt influx of people to the South and to upgrade living standards in the North-significantly more than West Germany had to pay to raise living standards in East Germany to an acceptable level. A closer look at Kotra's upbeat trade figures for North Korea also reveals a somewhat less rosy picture. In 2000, North Korea exported \$556 million worth of machinery and chemical goods-while importing \$1.4 billion worth of food, computers and vehicles. The North's perennial trade deficit is expected to worsen this year as the country has to increase imports of rice, corn and other grains. According to the Bank of Korea, North Korea's foreign debt totals \$12.3 billion and Pyongyang's credit rating is the lowest in the world. There is no doubt that it is the dire straits that North Korea has found itself in which have forced its government to resort to commerce, not any real change of mind in the inviolability of the country's austere socialist system. According to a study by Heather Smith and Yiping Huang of the Australian National University, the present food crisis in North Korea was caused by the disruption in trading ties with former communist allies in the

late 1980s The former Soviet Union ceased providing aid in 1987. More devastatingly, they emphasize, both the former Soviet Union in 1990 and China in 1993 demanded that North Korea pay standard international prices for goods, and that it pay in hard currency rather than through barter trade, as previously had been the case. This affected petroleum imports to the degree that they declined from 506,000 tons in 1989 to 30,000 tons in 1992. Subsequently, North Korea embarked on its overseas capitalist ventures. According to a Western diplomat who follows developments in North Korea, the country's embassies abroad were mobilized to raise badly needed foreign exchange. This, he says, was done partly in the name of the diplomats themselves, or through locally established trading companies, which in reality are offshoots of bigger, Pyongyang-based state trading corporations. "Not only do the embassies have to be self-sufficient, they are also expected to send money back to the government in Pyongyang," the diplomat says. "How they raise money is immaterial. It can be by legal or illegal means. And it's often done by abusing diplomatic privileges." The sad truth is that the North Koreans are desperate and prepared to do anything to make money, and Bangkok seems to be emerging as a centre for many of their activities. Western intelligence officials based in the Thai capital are aware of the import and sale of luxury cars, which are brought in duty-free by North Korean diplomats. Another way of raising money is to insure a cargo consignment at a disproportionate level, and then report the goods lost. "This is usually done through international insurance markets, and there is little the companies can do but to pay up," the diplomat says. And earlier this year, fake \$100 notes turned up in Bangkok. The police believed that the North Korean embassy was responsible as some of its diplomats were caught trying to deposit the forgeries in local banks. The North Korean diplomats were warned not to try it again. In a more novel enterprise, the North Koreans in Bangkok were reported to be buying second-hand mobile phones-and sending them in diplomatic pouches to Bangladesh, where they were resold to customers who cannot afford new ones. And even where businesses tend to be more legitimate, North Korea has managed to attract some rather unusual investors. As early as 1991, the North Koreans established a "free economic and trade zone" in Rajin-Sonbong along the Tumen River near the border with China and Russia. Some 746 square kilometers were set aside for "foreign capitalists" but there have been very few takers apart from pro-Pyongyang ethnic Koreans from Japan, who have invested because of patriotic duty rather than any expectations of quick returns. In fact, there is only one major foreign investor in the entire zone: Hong Kong entrepreneur Albert Yeung Sau Shing, who controls the Emperor Group, which has interests in gold, securities, property and entertainment in Hong Kong and China as well as a banking venture in Cambodia. In October 1999, Yeung opened the \$180 million Seaview Casino Hotel in Rajin-Sonbong. Although locals are banned from entering the establishment, the Emperor Group is betting that wealthy Chinese and Russians will come there to gamble. The casino has 52 slot machines and 16 gaming tables offering everything from blackjack and baccarat to roulette. In Hong Kong, Yeung is best remembered for his acquittal at his dramatic trial for criminal intimidation in 1995 when all five witnesses called by the prosecution testified that they did not remember anything. Yeung was accused of having kept a former employee prisoner after threatening to break his leg. Even the victim himself said he could not remember what had happened. In the same year, Macau gambling tycoon Stanley Ho also opened a

casino in North Korea, but in the capital itself. Ho's \$30 million Casino Pyongyang is located in the Yanggakdo Hotel, where his partner is Macau businessman Wong Sing-wa. His company, the Talented Dragon Investment Firm, in 1990 became Pyongyang's unofficial consulate in Macau with authority to issue North Korean visas. Wong, who has interests in several Macau casinos, made headlines in early 1998, when a Lisbon-based weekly newspaper, the Independent, protested over his presence in a delegation from Macau that was being received by the Portuguese president. The paper cited a Macau official as saying that Wong had "no criminal record, but we have registered information that links him to organized crime" in Macau. With such business partners, it is obvious that the North Koreans have a long way to go before they acquire a better understanding of how capitalism really works. Nor has North Korea, despite its efforts, managed to attract a large number of new investors. In July this year, a delegation of representatives from 17 Hong Kong companies went to North Korea on a trip initiated by the new consulate in the special administrative region. But though they showed some interest, no commitments were made. In October, the Singapore Confederation of Industry sent a 25-member delegation to North Korea to look into business opportunities, but little investment is expected from there as well. In recent years, only one Singapore company, Maxgro Holdings, has concluded a joint-venture agreement with North Korea. Maxgro intends to plant 80 million paulownia trees on 20,000 hectares of state-owned land and the project is meant to produce wood for furniture, veneers and musical instruments. But at a value of only \$23 million, it is hardly going to turn things around in North Korea. And, as the fake dollars in circulation in Bangkok show, old habits die hard. In fact, North Korea's main export item remains ballistic-missile technology. There are especially two North Korean companies that have attracted the attention of Western diplomats: the Changgwang Sinyong Corporation and the Lyongaksan General Trading Company. In the 1990s, Changgwang was sanctioned by the U.S. government for exporting ballistic-missile technology to Pakistan. In July this year, Changgwang was once again sanctioned by Washington, this time for providing Iran with the same technology. According to Western diplomats, Lyongaksan, which like Changgwang is controlled by the North Korean military, sends people under commercial cover to countries such as Syria and Libya, where they in reality sell weapons systems. According to a report which the Seoul-based Korean Institute for Defense Analyses released in April, North Korea has exported at least 540 missiles to Libya, Iraq and other Middle East countries since 1985. Libya recently bought 50 Rodong-1 missiles with a range of 1,000 kilometers. Cash starved North Korea has not hesitated to sell weapons to whoever wants to buy them, including terrorist groups. A video of an attack last year by the Liberation Tigers of Tamil Eelam on a Sri Lankan navy vessel shows speedboats which appeared to be of North Korean origin. The rebels also appeared to be using a North Korean variant of the Russian 107 millimeter Katyusha rocket launcher. And in late 1990, North Korea sold Burma 20 million rounds of 7.62 millimeter rifle ammunition, which intelligence sources say ended up in the hands of the United Wa State Army, a drug-trafficking group which is active in the Burmese sector of the golden triangle. Unlike North Korea's more mainstream trading companies, its sale of ballistic missile technology and military hardware raises millions of dollars, which - minus commissions for the North Korean "businessmen" in the field - flow back into Pyongyang's coffers. "There is no evidence to suggest that this money is used to put food upon the tables of North



Korea's starving people," quips a Western diplomat. North Korea, which depends on international aid to feed its people, has imported \$340 million worth of military hardware over the past decade, according to South Korean security officials. This may be less in absolute terms than what South Korea spends on its military. But the much-poorer North spends 14.3% of the country's GDP on its military compared to the 3.1% spent by the South. So, for the time being, missiles rather than mushrooms make up the backbone of the North Korea's exports. If some capitalist seeds have been sown during the present drive to shore up the economy, it will take some time for a new business mentality to emerge. Kim Jong Il, it seems, is not yet about to become another Deng Xiaoping. But in a world ever more concerned with the spread of biological, chemical and nuclear weapons, states that are known, or suspected, to possess them will find themselves facing intense scrutiny-if not outright isolation. North Korea, thus, has very good reason to come in from the cold. (Bertil Lintner with Yoon Suh-kyung, "Coming in from the Cold?" *Far Eastern Economic Review*, October 25, 2001, pp. 60-65)

- 10/?/01      HFO deliveries in metric tons: for 2000 Jan 21,998; Feb -- , Mar 44,072; Apr 22,049; May --; June 44,765; July 53,968; Aug 21,981; Sep 85,707; Oct 76,993; Nov 23,189; Dec --; **Jan 54,319; Feb 50,959** Total 500,000 for 2001 Feb 4,828; Mar 54,468; Apr 54,782; May 53,827; June 53,998; July 44,877 Total 266,780 (*KEDO Annual Report 2000-2001*, Appendix 1)
  
- 10/25/01      GNP defeated three MDP candidates in three by-elections, sparking rebellion among young lawmakers in the party. (Oh Young-jin, "Kim Wrestles with internal Rebellion," *Korea Times*, November 1, 2001)
  
- 10/26/01      North Korea said it was no longer interested in dialogue or improved relations with the United States. The most common explanation for the recent flush of North Korean hostility involved comments made by President Bush. North Korea responded by saying its people are determined to make Bush "pay dearly for his remarks." Despite its tone, the statement did not seem to raise concerns in South Korea. "We believe the recent North Korean responses are largely rhetoric, rather than a substantive policy response," said MOFAT spokesman Kim Euy-taek. (Howard W. French, "Secretive North Korea Suddenly Turns Testy," *New York Times*, October 27, 2001, p. A-5)

*Minju Joson*: "Some time ago Bush told the lie that the U.S. wants to have dialogue with the DPRK, but the latter has not responded to it and said this or that about what the Korean people value more than their lives. His remarks prove that he does not know any elementary etiquette and has no common sense as a statesman, not to speak of a head of state. The DPRK, therefore, cannot but take a very serious view of them. The DPRK-U.S. relations have been cooled down again and the DPRK-U.S. dialogue came to a stalemate. All this is attributable to the vicious hostile policy of the Bush administration toward the DPRK. The 'resumption' of the bilateral dialogue proposed by the Bush administration in June is, in essence, a product of a sinister purpose to shift the responsibility for the rupture of dialogue onto the DPRK, not for the resumption of dialogue. **Now that the U.S. tries to disarm the DPRK, while persistently pursuing the hostile policy toward the DPRK, the DPRK is not**

**interested in any dialogue and improvement of relations with the U.S.** The DPRK cannot remain a passive onlooker to the anti-DPRK behavior of the Bush administration which has no political sense. The DPRK is an independent country where the leader, the party and the people form a harmonious whole. The people and army of the DPRK never tolerate any attempt to do harm to it. They hardly repress indignation at Bush's remarks. They are determined to make him pay dearly for his remarks. **The Bush administration should make a sincere apology to the Korean people for Bush's reckless remarks and adopt at least the same stand as taken by the preceding administration in its last period. Only then will an atmosphere for unbiased DPRK-U.S. dialogue be created.**" (KCNA, "Bush Remarks under Fire," October 26, 2001)

10/27/01 South Korean businessmen and tourists are common sights in Yanji. For the last nine years, since South Korea established diplomatic relations with China, they have helped fuel a capitalist revolution here paralleling that in commercial centers along China's eastern and southeastern coast. But the boom in this city of 430,000 people -- the capital of Yanbian Korean Autonomous Prefecture, population 2.2 million, 40 percent of whom are ethnically Korean -- depends almost entirely on money from South Korea, rather than from Chinese investment or trade. "This city is vitalized by the South Korean economy," said Kim Chin Kyung, president of the Yanbian University of Science and Technology. The influence and wealth of South Korea is a stark contrast to the poverty of Yanji's much closer neighbor, North Korea, about 15 miles away across the Tumen River frontier. That contrast is reflected here in the many North Korean refugees who depend on the region's 250 Christian chapels and churches to help them while they hide from Chinese police. "The North Koreans come here to escape," Kim said, "and the South Koreans come here for enjoyment." Some 1,200 South Koreans have invested about \$600 million in business ventures in the Yanbian Korean Autonomous Prefecture, one of 30 such areas where ethnic groups that live in compact communities administer their internal affairs. The prefectural government lists 482 local companies owned by South Koreans -- restaurants, textile enterprises, Chinese medicine businesses, construction materials concerns -- but the true number is probably higher. South Koreans often form business relationships with Korean-Chinese friends and relatives without bothering to provide details for bureaucrats, who tend to be viewed with suspicion. For four months every year, from the beginning of June to the end of September, the region thrives still more on South Korean tourists who come to climb the 9,000-foot Mount Paektu. Its crest -- actually a collection of jagged peaks looming above a two-mile-wide crater lake -- is the highest point on the Korean peninsula, a holy place where, according to the North Korean propaganda machine, Kim Jong Il was born. (Most historians say he was actually born in or near Khabarovsk, Russia.) The local government estimates that more than 120,000 tourists will visit Yanji this year, up slightly from last year's total of 117,200, with 81 percent from South Korea. Many come to visit relatives, but Mount Paektu is the big draw in the summer; a dozen hotels and lodges cater to those who want to spend more than one day in the mountains, and souvenir shops and restaurants thrive until the autumn blizzards. Just as important to the local economy are Korean-Chinese making the opposite journey, who travel to South Korea on tourist visas to take short-term jobs, according to Kim Chin Kyung, who founded the Yanbian University of Science and Technology nearly a

decade ago with the needs of indigenous Koreans in mind. "People go to South Korea as illegal workers," Kim said. "When they come back, they bring in the money. They open stores, open up the markets." Counting money from both South Korean visitors to China and Korean-Chinese visitors to South Korea, Yu Shin Il, an economics professor at Mr. Kim's school, estimates that about \$80 million a year comes here from South Korea, equivalent to half the local government's budget or 5 percent of the local gross domestic product. But capital infusions on a larger scale, in the form of South Korean businesses setting up shop here, have not been so lucrative -- or by some accounts, lucrative at all. Despite promises in the prefecture's official investment guide of an "excellent investment environment, infrastructures and our most preferential measures," investors say that high value-added and business taxes undermine the local government's professed "investment preferential policy." "It's a semi-socialist market," said Kim, who was born in South Korea and was for many years a businessman in the United States. "The South Korean businesses are unable to adjust." Even so, economic planners see a bigger future for the region built around the development of the Tumen River, which separates North Korea and China near this city, and further downstream, forms the border between North Korea and Russia. Eventually, they say, the river valley will be an important trade conduit and will attract substantial investment. "The natural conditions are very good," said Jia Hong Bo, a retired ambassador who now serves as a government economic adviser here. "If the three governments can cooperate, it can develop fast." Professor Yu is skeptical of the chances for that. "Tumen River development is almost stopped because of North Korea," he said. "They're afraid if they open the area, maybe their political system will collapse." (Don Kirk, "Koreans in China Find Their Capitalist Roots," New York Times, October 27, 2001, p. C-7)

10/29/01 *Rodong Sinmun* signed commentary: "At a recent news conference held prior to the APEC summit he told the lie that the DPRK does not respond to the DPRK-U.S. dialogue though Washington stands for it. ... Bush's imprudent statement unbecoming for the president of a 'superpower' only tarnishes the image of the U.S. Indeed, Bush is an incompetent and rude president who is senseless and ignorant as he does not know even elementary diplomatic etiquette and lacks diplomatic ability. It is natural that things cannot go well in the U.S. as long as such a person administers state politics as its top leader. ... The Bush administration's 'proposal for resuming dialogue' and call for 'reducing conventional armed forces' of the DPRK are, in essence, aimed to disarm the DPRK and torpedo the DPRK-U.S. dialogue. The Bush team declared 'emergency alert' while massively beefing up the U.S. armed forces present in South Korea under the pretext of filling up the 'military vacuum' caused by the military offensive operation against Afghanistan. This is a clear proof that the U.S. hard-line policy to stifle the DPRK has not changed even a little because it is a move to escalate the military pressure and war posture against the DPRK. It is the Bush administration that has chilled the atmosphere of detente between the north and south of Korea which was created with much effort thanks to the inter-Korean summit meeting and the June 15 North-South Joint Declaration. Such being a hard reality, the Bush administration is wholly to blame for this. ... It is necessary for the U.S. to have a correct conception and stand toward the DPRK if the former is to have the dialogue with the latter. **The U.S. should neither consider the dialogue as a sort of benefit to the**

**other party nor use it for achieving a political aim. The DPRK is of the view that the DPRK-U.S. dialogue should discuss, to begin with, the issues of putting into practice the points of the agreed framework and the joint communiqué.”** (KCNA, “Bush’s Remark Assailed,” October 29, 2001)

South Korea accepted the North’s proposal to hold the sixth inter-ministerial talks at Mount Kumgang. (Seo Soo-min, “Seoul Accepts Mt. Kumgang as Venue for Ministerial Talks,” *Korea Times*, October 30, 2001)

- 10/30/01 North Korea says it will ratify the International Convention for the Suppression of the Financing of Terrorism, according to European diplomats who visited the country. (Associated Press, “N. Korea Said Committed to Terror Pact,” October 30, 2001)
- 11/1/01 A company based in Shenyang and supported by the North Korea government installed servers in Pyongyang in early October and is running an experimental e-mail service to exchange messages with North Korean government agencies and trade companies. It has ten subscribers so far. (Choe Sang-hun, “Website Offers E-Mail Links to N. Korea,” Associated Press, November 1, 2001)
- 11/?/01 Senior EU official tells Jack Pritchard the North Koreans had “hinted” they were on the verge of entering into talks with the United States. They confirmed they would sign another UN convention on terrorism – on financing. The issue of loss of face was confirmed to a former U.S. official who was also in Pyongyang around the same time – early November. (Pritchard, *Failed Diplomacy*, p. 15)
- 11/3/01 DPRK FOMin spokesman: “It is a well known principled position of the DPRK that it is opposed to all forms of terrorism and to whatever any aid to it. We have made every possible effort to combat worldwide terrorism. As part of it we have decided to sign the ‘international convention for the suppression of the financing of terrorism,’ an important instrument of the international anti-terrorism struggle. We have also decided to accede to the ‘international convention against the taking of hostages.’ This means that the DPRK has basically acceded to all the existing major international anti-terrorism conventions. We will make consistent efforts to fight terrorism in the future, too.” (KCNA, “DPRK Accedes to Major Anti-Terrorism Conventions,” November 3, 2001)
- 11/4/01 “Three to four research fellows at the North’s Institute of Agricultural Technology will go to a research center on agriculture in Atlanta early this month,” a South Korean government source said. The U.S. recently permitted a three-member North Korean delegation to attend a CSCAP meeting in Washington. (*Korea Herald*, “North Korean Farming Experts to Visit U.S.,” November 5, 2001)
- 11/5/01 North and South agree to four-day ministerial talks at Mount Kumgang November 9-12. Originally scheduled October 28-31, they were postponed after Pyongyang asked for a change of venue. (Hwang Jang-jin, “Seoul, Pyongyang to Hold Ministerial Talks Nov. 9,” *Korea Herald*, November 5, 2001)

- 11/?/01 Z Division report that North Korea begins building uranium enrichment plant with help from Pakistan.
- UnifMin Hong Soon-young told the Unification, Foreign Affairs and Trade Committee of the National Assembly that while humanitarian aid is independent from other factors, it is fact related to separated family reunions. (Choi Byeong-muk, "Minister Links N.K. Rice to Family Exchanges," *Chosun Ilbo*, November 6, 2001)
- 11/7/01 South Korea and the U.S. have decided to postpone Foal Eagle joint exercises to next spring when it will be held with Reception, Staging Onward Movement and Integration exercises.. "After consultations with the South Korean Defense Ministry, we agreed to link the two joint annual drills to form RSO&I/FE 2002," said U.S. Army Maj. Gen. Geoffrey D. Miller, deputy commanding general for operations, 8<sup>th</sup> Army. (Kang Seok-jae, "S, Korea, U.S. Delay War Games," *Korea Herald*, November 7, 2001)
- 11/8/01 President Kim Dae-jung resigned as MDP head to take responsibility the party's loss in last month's election. (Howard W. French, "President Quits as Party Leader," *New York Times*, November 9, 2001, p. A-6)
- 11/9/01 North Korea is trying to sell missiles to three or four countries in Asia and the Middle East, said a Bush administration official. The official declined to identify the countries, but Egypt is said to have reached agreement ion a sale. (George Gedda, "N. Korea Said Trying to Sell Missiles," Associated Press, November 9, 2001)
- North Korea is developing a new cruise missile, U.S. intelligence officials said. The new missile's engine was tested in September at a development facility and the marks from the rocket's exhaust were detected by U.S. reconnaissance. One official said it was either a surface-to-surface or a surface-to-air missile. A second official said it appears to be a new anti-ship missile. [?] (Bill Gertz and Rowan Scarborough, "Inside the Ring," *Washington Times*, November 9, 2001, p. 9)
- 11/10/01 In a meeting with FM Han Seung-soo, who is president of the 56<sup>th</sup> session of the General Assembly, after addressing the UNGA, President George W. Bush said inclusion of North Korea in international society and recognizing it as a "normal nation" is very important and welcomed Pyongyang's decision to join two U.N. counter-terrorism conventions. (Kim Jae-ho, "U.S. President Bush Meets with Foreign Affairs Minister," *Chosun Ilbo*, November 11, 2001)
- The failed Chongin Tokyo credit union extended Y2.6 billion in shady loans to a senior member of Chongryun, well-placed sources said. Most of the loans have soured and the repayments could not even cover the interest, according to Chongin Tokyo sources and credit union documents. The loans were extended over a 20-year period to Kang Yong-gwan, a member of Chongryun's central committee. Kang said the loans were made to him personally because Chongryun was not qualified to receive them, but that the used by the organization. "It is impossible to personally borrow 2.5 billion yen," Kang said. "But the loans were made possible because Congryun accepted the responsibility to repay the money. Chongin Tokyo does not view these as

nonperforming loans as long the organization [Chonryun] exists." (*Asahi Shimbun*, "Pro-Pyongyang Member Got 2.6 Billion Yen in Shady Loans," November 10, 2001)

11/11/01 President Kim Dae-jung had lunch with former President George Bush. (Korea Herald, "President Kim Meets Bush Senior," November 11, 2001)

11/12/01 *Rodong Sinmun* signed commentary: "The Bush administration should properly approach the DPRK and refrain from escalating the military confrontation and tensions on the Korean peninsula if it has a true will to resume the DPRK-U.S. dialogue. The DPRK will closely watch whether the U.S. will move to create an atmosphere of dialogue and build confidence or not and do what it should do, depending on it. Though the ruling quarters of the U.S. are repeatedly talking about an 'unconditional dialogue' with the DPRK, they are persisting in the acts getting on its nerves. The commentary cites instances to prove this. The U.S. put the U.S. forces in South Korea on 'high alert' under the pretext of 'coping with an emergency' on the Korean peninsula and shipped task forces and equipment from its mainland into South Korea and deployed them in the forward areas, it says, and continues: Bush made extremely provocative remarks against the DPRK, telling sheer lie as regards the issue of 'resuming the dialogue.' Recently the U.S. hurled mud at the DPRK over the 'religious issue,' hurting its feelings. This attitude has nothing to do with the dialogue and only made problems more complicated. If the U.S. has a true will to resume the dialogue with the DPRK, it should properly approach the dialogue and begin with creating an atmosphere favorable to it and building confidence. This is the most urgent task before the u.s. and a process to which it should give top priority. The DPRK-U.S. dialogue can be resumed only if the U.S. changes its attitude toward the DPRK and takes practical measures to create this atmosphere and build confidence." (KCNA, "U.S. Urged to Take practical Measures for Resumption of DPRK-U.S. Dialogue," November 12, 2001)

Li Hyong-chol on behalf of North Korea signed two U.N. treaties against terrorism, the 1999 convention barring the financing of terrorism and the 1979 convention against taking of hostages, said Kwon Sei-young, director of MOFAT's Special Policy Bureau. (Associated Press, "North Korea Signs Anti-Terror Treaties," November 29, 2001)

North Korea named Vice FM Pak Kil-yon as its new ambassador to the U.N., a diplomatic source Seoul said. He was U.N. ambassador from 1985 to 1991 and Vice FM for the Middle East since 1996. (Shin Yong-bae, "N.K. Vice Foreign Minister Pak Tapped as Envoy to the U.N.," *Korea Herald*, November 12, 2001)

11/13/01 KCNA: "The Democratic People's Republic of Korea decided to sign the 'international convention for the suppression of the financing of terrorism' and 'international convention against the taking of hostages.' This means that the DPRK has basically acceded to all the existing major international anti-terrorism conventions. This measure once again clearly shows the principled consistent position of the DPRK that it is opposed to all forms of terrorism and to whatever any aid to it. The DPRK, regarding the dignity of the man as most valuable, has made all its efforts to combat all forms of terrorism which are in contravention of world peace and stability, national

independence and respect for sovereignty, social justice and humanitarian ideal and waged a principled struggle to root out terrorism. Dominationist high-handed and arbitrary practices, national and social inequality, distrust, conflict and antagonism caused by religious prejudice and extremism, etc. are the root cause of international terrorism. Unilaterally resorting to a violent retaliatory war, under the pretext of combating terrorism turning a blind eye to this root cause, would not help prevent the vicious cycle of violence accompanied by severe destruction and death of innocent civilians. The DPRK will, therefore, cooperate with the international community in the fight against terrorism, firmly adhering to the principled position on terrorism in the future, too. The international community and the world public opinion have positively appreciated this measure, a manifestation of the DPRK's consistent position and efforts, as a significant step forward in the efforts to strengthen the worldwide cooperation in the fight against terrorism and criticized the anachronistic nature of the U.S. hostile policy towards the DPRK. The U.S. was also reported to have welcomed the measure taken by the DPRK. **But it is undisguisedly inciting mistrust and antagonism towards the DPRK, still keeping it on the 'list of sponsors of terrorism.'** If the U.S. has a true will to drop its unreasonable hostile policy towards the DPRK and improve the DPRK-U.S. relations, it should not repeat only empty words but respect and implement what had been agreed with the DPRK and take even a single practical measure at least. This bilateral confidence alone would make the dialogue between the DPRK and the U.S. constructive and promote the process of improving their relations. This would also be greatly helpful to the international cooperation in the fight against terrorism." (KCNA, "KCNA on Principled Stand of DPRK on Terrorism," November 13, 2001)

11/9-14/01 High-level talks between North and South Korea broke off at dawn today "without producing final results on anything," a South Korean official said. The collapse of the talks provided another embarrassment for South Korea's president, Kim Dae-jung, whose public support has been plunging and who has pledged to devote his remaining 14 months in office to pursuing reconciliation with the North. The talks, which were aimed in part at working out a plan to allow more visits by aging relatives hoping to be reunited, have been going on since November 9 at a North Korean resort, Diamond Mountain, several miles north of the boundary separating the two countries. "We left in a hurry," said the official, who was in contact with members of the South Korean team, saying the negotiators had to catch a boat that would take them home. The decision to hold the talks at Diamond Mountain, rather than in either Seoul or Pyongyang, was itself considered a significant concession by South Koreans. The North Koreans insisted on the site, charging that they would not be safe in the South. South Korea made a second concession in accepting North Korea's proposal for holding the next set of family reunions at Diamond Mountain, rather than in Seoul and Pyongyang, where three previous reunions of family members have taken place. (Don Kirk, "Unification Talks between the Two Koreas Break off Abruptly," *New York Times*, November 15, 2001, p. A-7) The North-South ministerial talks started out on a bad note as the DPRK chief delegate Kim Ryong-song said in his keynote speech that the recent military training and security alerts were directed at the North. According to a South Korean delegate, the North insisted it could not hold up its end of the June 15<sup>th</sup> joint declaration and the fifth ministerial talks under such conditions. In response, UnifMin

Hong Soon-young said the security alert was not aimed at the North and proposed that they discuss schedules of immediate implementation of the family reunions, building of rail and road links and the Kaesong complex. (*Chosun Ilbo*, "6th Ministerial Talks Stall," November 9, 2001) KCNA: "At the talks the head of the north side delegation made a keynote speech first. It is the basic spirit of the joint declaration to settle the issue of the country's reunification independently by the concerted efforts of the nation and it is a specially important issue at present to respect and encourage this spirit, he said, and went on: It was in that spirit and from the stand of trusting the south side that the north side has had consultations to resume the ministerial talks and develop cooperation and exchange under the complicated situation around Korea and made every possible effort to implement the points which were agreed upon at the 5th ministerial talks including the exchange of the visiting groups of separated families and relatives and Taekwondo exhibition teams. In spite of such positive stand and efforts on the part of the north side, the south side created an unexpected dangerous situation by seriously provoking its dialogue partner and placing "cooperation" with outside forces above that between compatriots. This made it impossible to implement the points agreed upon by both sides. Such developments were attributable to the U.S.-toeing policy of the south side bereft of an independent stand. This policy followed by the south side, rendering it impossible to implement the points agreed upon at the 5th ministerial talks is little short of totally negating the basic spirit of the joint declaration the keynote of which is independent national reunification and ignoring the common interests of the nation. There is no change in the south side's stand though nearly one year and a half has passed since the adoption of the joint declaration. Regarding the north as its "principal enemy," the south side has taken dangerous military steps and committed provocations against it, straining the situation. Moreover, it is arresting, detaining and persecuting members of pro-reunification movement organizations and patriotic figures on charges of being 'elements benefiting the enemy.' A particular mention should be made of the fact that the south side sent its delegation abroad on a mission to ask someone to lead the north to 'reform' and 'opening.' This is an intolerable grave challenge to the north as this behavior totally ignores the joint declaration which calls for recognizing the systems in the north and the south and working for reunification on the basis of the co-existence of the systems and defames the dignity of the north and its system. All these facts compel the north side to express serious worry about the destiny of the joint declaration rather than about the issue of implementing the points agreed upon at the 5th ministerial talks, the head of the north side said, demanding the south side make clear its stand. There is no change in the stand of the north side to respect the joint declaration, implement the agreed points of both sides at an early date and settle the issues through dialogue, he said, calling upon the south side to positively respond to the north side's call for steps to defuse the present tense situation and atmosphere including the lifting of the 'emergency alert,' first of all, and set again the timetable for the implementation of the agreed points now at a stalemate." (KCNA, "Sixth Inter-Korean Ministerial Talks Open," November 9, 2001) The second day of talks ended after just 40 minutes with no progress. (Reuters, "Koreas Fail to Make Progress in Talks," November 10, 2001) North Korea said it would allow more family reunions only if the South took its military off alert by the end of November. (Choe Sang-hun, "N. Korea Puts Conditions on Reunions," Associated Press, November 10, 2001) KCNA: "At



the talks the head of the north side said that at the first-day talks it advanced a just proposal for settling the principled issues arising in removing grave hurdles lying in the way of inter-Korean relations, preserving the June 15 North-South Joint Declaration and improving those relations but the south side did not make any clear response to this. ...The wrong attitude of the south side found its expression first of all in the fact that it pursued confrontation with the north in contravention of the basic spirit of the joint declaration which calls for settling the issue of reunification independently by the concerted efforts of the Korean nation and it fully revealed its intention to do harm to the fellow countrymen in the north, noisily talking about "cooperation with outsiders" and its "principal enemy", he said, and went on: We are not sitting at the negotiating table with the south side for an empty talk away from the joint declaration. If the south side takes a practical step to tide over the prevailing grave situation, the north side is ready not only to set again the timetable for visits between the north and the south now at a stalemate but reach good agreements for cooperation and exchange between both sides. He advanced a draft joint press release of the north side reflecting the need for the south side to refrain from laying obstacles in the way of implementing the joint declaration to the letter and positively developing the dialogue, cooperation and exchange and containing timetables for the implementation of the points agreed upon at the 5th ministerial talks including the issue of exchanging the visiting groups of separated families and relatives depending upon the south side's lifting of the "emergency alert" within November." (KCNA, "Second Day of 6<sup>th</sup> Inter-Korean Ministerial Talks," November 10, 2001) Despite a favorable change of mood, the two sides failed to agree on a joint press statement and extended their talks for another day. "At the core of the debate is what expressions to be used in the Southern chief delegate's closing speech [regarded Seoul's security alert]," said Rhee Bong-jo, the South's spokesperson. (Joint Press Corps and Seo Soo-min, "S-N Talks Extended by One Day," *Korea Times*, November 12, 2001) KCNA: "Our side set forth reasonable proposals and even a draft joint press release from its stand to overcome the present difficulties by the concerted efforts of the nation under any circumstances in the basic spirit of the June 15 North-South Joint Declaration and has made every possible effort to reach an agreement. But it was the intention of the south side to go back without making the talks fruitful. It took a very insincere approach to the talks from their outset as evidenced by the fact that it was compelled to produce a draft agreement. The delegation of our side, however, made sustained sincere efforts with patience and magnanimity to break the deadlock and make talks yield fine fruits. Our side led the talks to reach an agreement on a series of important points including the proposal to let two groups of separated families and relatives reunite with each other separately, spending two nights and three days on Mt. Kumgang before and after December 10 out of respect for the south side's will. However, without any reason and ground and self-righteously the chief delegate of the south side totally negated the joint press release agreed upon and drafted by working delegates of the two sides, and took such a rude posture as intending to go back at night. The talks were registered as the longest-ever talks in the history of inter-Korean dialogue as they lasted six nights and seven days. But they proved fruitless as the chief delegate of the south side scuppered the important agreed points including exchange of visiting groups of separated families and relatives, which is the concern of the entire nation and the ardent desire of

those concerned. The prospect of the inter-Korean ministerial talks has become gloomy after all. This is entirely attributable to the south side's insincerity and, especially, to its chief delegate's arrogant deed and dishonest attitude. We are compelled to reexamine the credentials of the south side's chief delegate as our dialogue partner in the future. The whole course of the current talks has clearly shown who truly respects and honestly implements the June 15 joint declaration and who negates it and hinders the development of the north-south relations. None of our fellow countrymen will overlook this situation and the south side should own full responsibility for it and apologize to the nation for this. We will keep an eye on the south side's attitude." (KCNA, "North Side's Delegation Issues Statement," November 14, 2001)

11/15/01      The number of ambassadors in Pyongyang is now 17. Ambassadors from Iran and the Czech Republic returned home after North Korea ordered their dismissal and have yet to be replaced. The Dutch and Belgian ambassadors also serve in Seoul. Canada's and Spain's also serve in Beijing. Twelve countries sent new ambassadors this year: Russia, Poland, Denmark, Namibia, Pakistan, Madagascar, Mongolia, Yemen, Philippines, <Mali, Cuba and Equatorial Africa. Countries that have yet to post ambassadors there include Germany, Luxembourg, Greece, Brazil, Kuwait, Bahrain, Turkey and the EU. (Shim Sun-ah, "New Envoys Take up Posts in N.K.," *Korea Times*, November 15, 2001)

The breakdown of North-South talks has put reconciliation on hold. "The government should completely review its North Korea policy, which hurts people's pride and national interests, said a GNP spokesman. (Kim Ji-ho, "Sunshine Policy Fading after Talks Break down," *Korea Herald*, November 15, 2001) "We think it is regrettable that the North-South ministerial talks failed to produce good results, particularly the failure to set family exchanges," said presidential spokesman Oh Hong-gun. "However there is no alternative policy to the 'sunshine policy' of pursuing reconciliation and cooperation between South and North Korea." (Reuters, "South Korea Says No Alternative to Engaging North," November 15, 2001)

11/18/01      The Joint Chiefs of Staff announced that a North Korean patrol boat crossed the NLL in the West Sea at 8:35 a.m. 6.5 miles west of Baekryong Island. It intruded 1.8 nautical miles into South Korean waters for 36 minutes in what is the 12<sup>th</sup> such incident. It headed back to its base when approached by a 1,800-ton frigate and two high-speed interceptor boats. It appeared accidental, officials commented, because it was chasing a Chinese fishing boat, which it towed to its base. (Yoo Yong-won, "Northern Patrol Boat Crosses NLL," November 18, 2001)

11/19/01      Under SecState for Arms Control and International Security John R. Bolton in an address to the BWC Conference said, "The United States believes that North Korea has a dedicated national-level effort to achieve a BW capability and that it has developed and produced, and may have weaponized, BW agents in violation of the convention." (*Arms Control Today*, "U.S. Names Countries Thought to Be Violating BWC," December 2001, p. 22) South Korea's Defense Minister told the National Assembly, "North Korea has 2,500 to 5,000 tonnes of biochemical weapons in six storage facilities." (Reuters, "S. Korea Reported Giving Estimate of North's Germ War Stocks," November 20, 2001;

John R. Bolton, "Names: Qaida, Iraq, North Korea, Libya, Syria, Sudan," *International Herald Tribune*, November 25, 2001, p. 6)

Despite Senator Robert G. Torricelli's insistence that he did almost nothing for a political donor who claims to have given him expensive gifts and cash, Torricelli (D-NJ) strongly recommended the man for a contract on a sensitive nuclear-reactor project in North Korea. In a letter to a senior United States official, Torricelli also asked the Clinton administration to press the North Korean government to repay a huge debt it owed to the contributor, David Chang. Since last year, Torricelli, his lawyers and his aides have repeatedly denied that he tried to resolve the debt problem for Chang or his company, Nikko Enterprises, or did anything more for Chang than he would for any constituent. But on Sept. 22, 1995, Torricelli wrote to a senior State Department official, Robert L. Gallucci, that he was "greatly concerned" about Chang's debt. "I hope you will join me in urging the North Korean government to settle their account with Nikko Enterprises," Torricelli wrote. The letter, a copy of which was obtained under the Freedom of Information Act, could be important to federal prosecutors who are investigating whether Torricelli took tens of thousands of dollars in unreported gifts and cash from Chang after Torricelli's election to the Senate in 1996. In a plea bargain last year, Chang admitted to obstructing justice and giving \$53,700 in illegal contributions to Torricelli's campaign. Since then, he has told investigators he made the gifts to secure the senator's assistance in recovering some or all of the \$71 million he said he was owed by North Korea for grain shipments to that country in the early 1990's. Gallucci, the recipient of Torricelli's other letter, was an ambassador at large for the State Department and was the Clinton administration's senior negotiator with North Korea. He was also chairman of the Korean Peninsula Energy Development Organization, or KEDO, which had been created the previous March to carry out the accord by which South Korea, the United States and Japan paid for the construction of two light-water nuclear reactors in North Korea in return for the country's dismantling of nuclear energy plants that could have been used to produce weapons-grade plutonium. Chang had long wanted some part of the job of building the nuclear reactors, and he was able to get a small contract transporting fuel-rod disposal equipment into North Korea from China. Still, he knew virtually nothing about nuclear energy, and his small commodities-trading firm employed only a handful of people, several of his former employees said in interviews. Yet by the time Torricelli wrote to Gallucci, the job of building the two light-water reactors had been given to the main utility company in South Korea, where the government had agreed to pay most of their estimated \$4.6 billion cost. Former employees of Chang said he continued to make middling efforts to secure a technical-consulting contract from KEDO that ultimately went to Duke Engineering & Services Inc., of Charlotte, N.C. Chang's former employees and several business associates said he and his company were utterly unqualified to take on the consulting contract. Torricelli was also vague in his letter about Nikko's qualifications for the job, other than to note Chang's previous experience dealing with the North Korean government (in the unpaid grain transactions). Nevertheless, Torricelli strongly recommended Nikko to be the "project coordinator." "I wholeheartedly recommend Nikko Enterprises and, in particular, their senior vice president, David Chang," Torricelli wrote. "I hope you will give Nikko Enterprises every consideration for this position." Torricelli's recommendation

apparently made no difference. Although Chang and an associate, Daniel J. Murphy, met with senior KEDO officials the next year, Nikko never presented a formal bid for the contract, a spokesman for the organization, Marc Vogelaar, said. Gallucci had almost nothing to do with deciding the contract, and within days of Torricelli's letter, he was off to a new post overseeing a peace accord for Bosnia. "This wasn't even a blip -- it wasn't on my screen," Gallucci said in an interview. "I don't think there was anything more that came of any of this." (Tim Golden, "Torricelli Backed Donor's Bid for a Korean project, a Letter Shows," *New York Times*, November 19, 2001, p. F-1)

South Korea returned a North Korean fishing boat and two crew members found adrift in the East Sea November 18. (*Korea Herald*, "N. Korean Boat, Crew Returned," November 20, 2001)

A total of 425,000 tourists from South Korea, including 938 non-Koreans have toured Mount Kumgang since the project began November 18, 1998. There were 10,544 visitors in 1998, 213,009 in 1999 and 54,596 so far this year. (*Korea Times*, "425,000 People Tour Mt. Kumgang So Far," November 19, 2001) A UnifMin official said the government would not provide any subsidies to the Mount Kumgang tourism operation, which is facing suspension because of Hyundai's financial problem. (Kim In-gu, "Seoul Says No to Kumgang Subsidies," *Chosun Ilbo*, November 21, 2001)

11/20/01 Zogby International polls found 61 percent of Americans favored dialogue with North Korea. Only 31 percent favored a hard-line policy. (Oh Young-jin, "Majority of Americans Support Dialogue with N. Korea: Survey," *Korea Times*, November 20, 2001)

South Korea and the international community should pay more attention to rehabilitating North Korea's agricultural infrastructure to help relieve food shortages, scholars told an academic forum. "Efforts to alleviate the food crisis in the North have been largely confined to food donation. For a long-term solution, we should focus on systemic support to revive the shattered agricultural structure and develop technology," said Kim Byung-chul, senior researcher at the Rural Research Institute of the Korea Agricultural and Rural Infrastructure Corp. (Hwang Jang-jin, "Efforts Urged to rebuild Agricultural Infrastructure in North Korea," *Korea Herald*, November 20, 2001)

11/21/01 North Korea submitted applications to the World Intellectual Property Organization to join two international agreements, the Strasbourg Agreement Concerning International Patent Classification concluded in 1971 which now has 51 members and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure with 30 members. (*Korea Herald*, "N. Korea Joins Int'l Pacts," December 17, 2001)

11/22/01 The top executive of the World Health Organization said today that North Koreans were dying at a rate that was more than 40 percent higher than in 1994 when the country was hit by the first of a series of devastating floods and famines. The official, Dr. Gro Harlem Brundtland, arriving in Seoul after installing a permanent representative from the organization in Pyongyang, said "we have reason to believe" that the annual number of deaths has risen to 9.3 per 100 people from 6.3 per 100

people seven years ago. With health conditions likely to worsen in most of the country outside Pyongyang, Dr. Brundtland said she had asked President, Kim Dae Jung, to provide additional medical aid. South Korea has already given \$500,000 for fighting malaria, she said, but the president did not give a definite answer on further assistance. On the basis of their visit and other evidence, WHO officials said they had the clear impression that life was improving only for the privileged residents of Pyongyang. Smoke was rising again from some of the factories in Pyongyang, said one official, but "in the countryside conditions are appalling." WHO officials said that in one town they would not name they had photographed and videotaped malnourished children waiting in line for food handouts. Outside Pyongyang "there is no change," said Jon Liden, a WHO adviser, even though "the humanitarian crisis has eased in Pyongyang." (Don Kirk, "North Korean Death Rate Is Said to Be Up Sharply Since 1994," *New York Times*, November 22, 2001, p. A-5)

11/23/01 South Korea announced today that it had test-fired a missile that was believed by defense analysts to have the capability of landing almost anywhere in North Korea. The missile was launched from a site about 125 miles south of Seoul at a target about 30 miles to the west of the Byongsan Peninsula on the west coast, according to Yonhap. "Its impact on the target was confirmed," Yonhap reported. The missile fell harmlessly in the Yellow Sea off South Korea's west coast after having traveled only 62 miles, well below the 187-mile limit set by the multilateral Missile Technology Control Regime that South Korea joined in March after years of negotiations with the United States. It was only after lengthy negotiations that the United States agreed last year to remove a restriction that had limited Seoul's testing to a range of no more than 110 miles. The Defense Ministry waited several hours before announcing the test -- the first since last year -- and in a circumspect statement it said only that the missile "fell on a designated place in the several minutes after its firing." The timing of the test raised the question of whether the South was deliberately sending a signal to North Korea that it was prepared for any increased threat following the failure of talks between ministers from the two Koreas last week and months of heightened tension. South Korea has test-fired missiles a number of times, and American officials have long suspected that the missiles were capable of going farther than they traveled in the tests. Washington, concerned that South Korean missile development would increase tensions between the North and South, has opposed the program. (Don Kirk, "South Korean Launches Missile in Its First Test Since Last Year," *New York Times*, November 23, 2001, p. A-5) Kyodo reported that South Korea had test-fired a missile with a 600km range, despite Tokyo's being informed by Washington and Seoul that the test was within MTCR guidelines. Analysts noted that Japan initially may have leaked wrong information regarding the test, although later the Self Defense Agency released a statement confirming U.S. and Korean information. (*Chosun Ilbo*, "Tokyo Misreports Test Missile Range," November 23, 2001)

11/25/01 With the Taliban badly battered in Afghanistan, and Osama bin Laden on the run, the biggest parlor game in Washington has now boiled down to one question: What will Phase II of the war look like? At the very top of the list would sit Iraq, of course. Conservatives in and out of the administration have been talking about making Saddam Hussein a target almost from the first week of the war. But there is a hint of talk

about another secretive, totalitarian nation with a troublesome history of nuclear and germ warfare: North Korea. For two months, the odd regime in Pyongyang had rarely been mentioned, even though the C.I.A. has long suspected that it has amassed enough nuclear material for two or three atomic weapons. The silence ended last week. John R. Bolton, the under secretary of state for arms control and international security affairs, named Iraq and North Korea as the two nations the United States has concluded are actively developing germ weapons, in violation of a global treaty. He added Iran, Libya and Syria as countries strongly suspected of following suit. "The purpose of naming the names today was to put the international spotlight on them," Bolton said. "Prior to Sept. 11, some would have avoided this approach. The world has changed, however, and so must our business-as-usual approach." It would be easy to read too much into Bolton's statement. Naming names is quite different from demanding inspections and punishing those who play shell games or refuse to open their doors. It could be a feint. "Why not get everyone we dislike on notice?" asked Ashton B. Carter, the Harvard professor who was in the midst of negotiations with the North during the Clinton administration. He said that since Sept. 11, "the North Koreans have been laying as low as they can." Still, North Korea is an immensely complicated case, and it poses perhaps the most interesting test of how far Mr. Bush is willing to push his war on terrorism and his vow to make sure that weapons of mass destruction do not threaten America or its allies. North Korea has mixed weapons production and intimidating tests of its medium-range missiles with peace gestures, including negotiations that nearly brought President Clinton to Pyongyang a year ago. President Kim Jong Il abandoned his father's habit of sponsoring terrorism, but he still makes his money by trading in missile technology, notably with America's newest friend, Pakistan. It wants Western aid and trade, but believes its fearsome stockpile of weapons is the only way to hold Washington's attention. So from the Bush team's first days in Washington, North Korea has divided the administration's "engagement" camp (led by Secretary of State Colin L. Powell) from hard liners who urge that the country must be isolated and, if possible, pushed to the brink of collapse. Mr. Powell lost round one of that debate, and prevailed in round two. Then came September 11, which may change everything. No one doubts that the North has behaved badly. The 1994 nuclear crisis on the Korean Peninsula was set off by Pyongyang's refusal to allow international inspectors into its huge nuclear reprocessing site at Yongbyon, north of the capital. The Air Force floated a proposal to take out the nuclear facility in an air strike (it insisted that the resulting nuclear contamination would be minimal), but William J. Perry, then the secretary of defense, warned President Clinton that the approach "was highly likely to start a general war." Then, just when Clinton was on the verge of imposing what amounted to an economic embargo on the country, and reinforcing the 40,000 American troops on the Korean Peninsula in case things turned ugly along the DMZ, a partial deal was reached. Ultimately, North Korea allowed inspectors into Yongbyon, and froze the fuel production from a reactor that the C.I.A. believes had already yielded enough weapons-grade material to produce a few nuclear weapons. (Whether they have been assembled is anyone's guess.) In return, the Western allies agreed to help North Korea build a new generation of "proliferation resistant" nuclear power plants. But construction has proceeded at a dead slow pace, the country is starving, and after 11 months in office the Bush team has yet to hold a serious meeting with North Korean officials. Now comes the hard part. Does Bush try

to revive the talks, and with it the Clinton-era offer that North Korea could get itself off the State Department's terrorist list, opening up the possibility of economic aid? Or does he heed conservative advisers who see in North Korea a chance to make an example of a non-Islamic country that poses a threat to two close allies, South Korea and Japan? After all, the intelligence community has a long list of suspect sites it would love to see north of the DMZ. It's a tough call," said one senior administration official. "There is no link to Al Qaeda," he said, and no evidence of active proliferation of weapons since Sept. 11. South Korea, intent on reviving its own rapprochement with the North, would resist any effort to make its menacing neighbor the next target of the war on terrorism. China and Japan are equally uninterested in creating a crisis. But, the official said, "you can't say you are serious about neutralizing weapons of mass destruction and ignore Kim Jong Il." (David E. Sanger, "After the Taliban, Who? Don't Forget North Korea," *New York Times*, November 25, 2001, p. C-5)

11/26/01

Bush: **"Afghanistan is still just the beginning. If anybody harbors a terrorist, they're a terrorist. If they fund a terrorist, they're a terrorist. If they house terrorists, they're terrorists. I mean, I can't make it any more clearly to other nations around the world. If they develop weapons of mass destruction that will be used to terrorize nations, they will be held accountable. ... Q: ... are you now extending this to countries like North Korea, other places where we have had evidence over the years that there's been development of such weapons? BUSH:** Well, clearly, in terms of North Korea, we want North Korea to allow inspectors in to determine whether or not they are. We've had that discussion with North Korea. I made it very clear to North Korea that, in order for us to have relations with them that we want to know, are they developing weapons of mass destruction, and they ought to stop proliferating. So part of the war on terror is deny terrorist weapons getting--I mean, weapons be used for means of terror--getting in the hands of nations that will use them." (Rose Garden Ceremony honoring aid workers held captive in Afghanistan, November 26, 2001, On Politics, *Washington Post*)

11/27/01

North and South Korean troops had a brief exchange of fire in the DMZ. There were no injuries on either side, the Joint Chiefs of Staff spokesman said. The spokesman said North Korean soldiers fired two or three shots with a 7.62 caliber machine gun toward a South Korean guard post, 770 meters away, at 10:42 a.m. near Paju. One bullet shattered a window and the others hit a wire fence. The South fired 15 shots in return, and sent a warning message by loudspeaker. (Hwang Jang-jin, "South, North Exchange Fire at Border," *Korea Herald*, November 28, 2001)

In a press conference yesterday President Bush said the U.S. would not tolerate North Korea unless it stops developing suspected WMD. "To be sure, the U.S. move is expected to darken the prospects of improving inter-Korean relations, which have already been strained in the wake of the breakdown of the sixth ministerial meeting," said a MOFAT official. (Shim Jae-yun, "Hawkish Bush Darkens S-N Ties," *Korea Times*, November 27, 2001)

North Korea asked countries including the UK, Australia and Belgium to withdraw from the 15-member Military Armistice Commission toward the end of October. It

dispatched Lt. Gen. Lee Chank-bok from the Panmunjom Representative Office to Beijing to deliver letters of some of MAC members' foreign minister via the South Korean embassy, according to embassy sources. (Shin Yong-gwan, "Pyongyang Seeks Countries' Withdrawal from MAC," *Chosun Ilbo*, November 27, 2001)

Congress has asked administration officials to testify behind closed doors on reports that North Korea is providing Egypt with long[?]-range missiles even as the administration plans to sell Egypt 53 Harpoon BlockII satellite-guided anti-ship missiles, the Washington Post reported. Sen. Joseph Biden (D-DL) and Rep. Thomas Lantos (D-CA) have questioned the Harpoon deal as a potential threat to Israeli ships. (Barry Schweid, "Congress Checks N. Korea Reports," Associated Press, November 27, 2001)

President Kim Dae-jung urged the United States and North Korea to hold direct talks. "Both sides have many things to tell each other, so I hope that both sides, U.S. and North Koreans, will be able to sit face to face and discuss these issues." (Reuters, "South Korea Urges 'Face-to-Face' U.S.-North Talks," November 27, 2001)

11/26-27/01 TCOG in SF: Kelly discusses implications of GWOT; Yim Sung-joon discusses N-S talks; Tanaka Hitoshi discusses Japan-DPRK talks. "They took positive note of North Korea's decision to sign the two U.N. terrorism conventions," The statement said. (Kim Ji-ho, "Allies Urge North Korea to Dispel Concerns about Nuclear Program," *Korea Herald*, November 29, 2001)

11/29/01 DPRK FoMin spokesman "as regards the U.S. evermore undisguised hostile attitude toward the DPRK: Not content with the ceaseless mud-slinging at the DPRK over issues of 'human rights,' 'religion,' 'biological and chemical weapons' and the like, the united states has recently linked the DPRK with terrorism and even raised the issue of 'verifying the possible development of weapons of mass destruction' in a bid to bring pressure to bear upon it, the spokesman said, and went on: This goes to prove that some forces in the United States, in fact, do not want the dialogue for the solution of the problems, though they are giving lip-service to the 'resumption of dialogue with the DPRK without preconditions.' This compels the DPRK to follow their attitude with particular vigilance. The DPRK has nothing to do with terrorism and has made every possible effort to combat it. Nevertheless, the U.S. is becoming all the more undisguised in its hostile policy toward the DPRK, keeping it on the list of 'sponsors of terrorism.' It is quite nonsensical for the U.S. to talk about cooperation with the DPRK in its anti-terrorism operation after labeling the DPRK as a 'sponsor of terrorism.' **The building of the light water reactors due to be provided to the DPRK by the U.S. by 2003 under the 1994 agreed framework is being indefinitely delayed.** The U.S. is unreasonably demanding the DPRK receive an 'inspection' just as a thief turns on the master with a club, instead of feeling responsible for this and complying with the DPRK's just demand for the compensation for the loss of electricity. **All facts indicate that the prospect of the negotiated settlement of the issue has, in fact, become gloomy.** Under this situation **the DPRK cannot sit idle but is left with no option but to take necessary counter-measures.**" (KCNA, "Spokesman for the DPRK Foreign Ministry Assails U.S. Evermore Hostile Attitude," November 29, 2001)



North Korea threatened "countermeasures" today against the United States because Washington insists on "raising questions over our human rights record and religion, and demanding an inspection of weapons of mass destruction." While neither the United States nor North Korea has gone so far as to suggest military action, the exchange contributed to an overall sense of unease here that has been building ever since the breakdown of North-South ministerial-level talks earlier this month. Many commentators blamed the United States for increasing tensions unnecessarily. "United States pressure is disturbing," said Kim Jae Il, a spokesman for President Kim's Millennium Democratic Party. "The situation is building toward a crisis." *JoongAng Ilbo*, a major daily that is often critical of President Kim's efforts at reconciliation with the North, said, "The United States should not drive North Korea into a corner with strong words or tactics." The defense minister, Kim Dong Shin, sought to allay fears of an outbreak of hostilities, telling the National Assembly, "The United States will not try to stage an independent war against North Korea." Against this background the unification minister, Hong Soon Young, warned of "a sense of crisis" among North Korea's leaders as a result of the seemingly hard-line American position. (Don Kirk, "North Korea Threatens U.S. over Demand for Arms Inspections," *New York Times*, November 30, 2001, p. A-7)

Long murky, the flow of money from Japan to North Korea has suddenly burst into the daylight, becoming as visible as battered riot police vans, bloodied heads and protesters chanting in Japanese: "Stop the unfair investigation!" Overcoming hundreds of protesters, Tokyo police investigators carried out their first raid ever on the General Association of Korean Residents, or Chongryon, which has served for nearly half a century as North Korea's de facto embassy in Japan. Japanese officials said that the action was taken to retrieve documents for an investigation into a multimillion-dollar embezzlement case. But the raid reverberated with political overtones and was seen as further chilling the already frosty relations between Japan and North Korea. "This financial investigation is just a pretext for the Japanese police to investigate what is a virtual embassy," said Kim Myong-chul, an author and journalist here whose views often reflect those of North Korea's government. "The Japanese police quite obviously want to disband the organization." Yamasaki Taku, secretary general of the ruling Liberal Democratic Party, said that the site of raid, the Chongryon, "had been functioning as a constant diplomatic channel to North Korea, until now." With the raid, he added, "this function will be significantly hampered." The police search of the building in central Tokyo followed arrests earlier in the week of seven long-term residents of Korean origin, including Kang Young-kwan, who had worked in the finance department of the group for the last 40 years. Before his arrest, *Asahi Shimbun* asked Kang if the Chongryon sent large amounts of money to support the North Korean government, an allegation made by a former association official. Kang, a member of the group's central committee, replied: "I ignore such matters. Such things could never happen." But Japanese bank investigators are trying to determine how a network of credit unions that was always clear in its sympathy for the North Korean government lost as much as \$8 billion during the 1990's. Over the last decade, half of those small banks failed, forcing the Japanese government to pay \$4.2 billion to protect depositors. Today's *Nihon Keizai Shimbun* estimates that it will ultimately cost the government \$8 billion to protect depositors. Critics of these banks charge that

much of the money was funneled to North Korea, which was starved for aid after losing its primary supporter, the Soviet Union. Defenders of the banks say the credit unions were pulled down by the major financial downdraft that now threatens the entire Japanese banking sector. Just this month, Japan's four largest banks set aside billions of dollars to cover bad loans. The arrests could worsen Japan's relations with North Korea, Ha Su-gwang, another Chongryon official warned. (James Brooke, "A Police Raid Exposes North Korea's Long-Hidden Support Network within Japan," *New York Times*, November 30, 2001, p. A-6)

(KCNA, "DPRK FM Spokesman on Japan's Unprecedented Suppression of Chongryon," November 30, 2001)

- 12/3/01      KEDO signed an agreement with North Korea guaranteeing the quality of two nuclear reactors it is building there. Charles Kartman and Kim Hee-mun signed the accord in Pyongyang. (Jae-suk Yoo, "KEDO Signs Accord with North Korea," Associated Press, December 3, 2001)
  
- 12/1-4/01    FM Paek Nam-sun and Vice FM Choe Su-hon told an EU delegation during their visit to Pyongyang that North Korea intends to join five more anti-terrorism conventions, South Korean officials said, after being briefed by Borje Liunggren, Swedish ambassador in charge of Asian affairs, who led the delegation. (Hwang Jang-jin, "North Willing to Sign 5 More Anti-Terror Pacts," *Korea Herald*, December 11, 2001)
  
- 12/4/01      President Kim Dae-jung met with PM Tony Blair at 10 Downing Street . "The two leaders also decided to seek ways for South Korean and British to jointly pursue investments in North Korea," said Chung Tae-ik, Kim's top foreign policy adviser. (Shin Young-bae, "Kim Blair Agree to Pursue Joint Business Ventures in North Korea," *Korea Herald*, December 4, 2001)
  
- 12/7/01      The Mount Kumgang tourism project is on the brink of cancellation. Hyundai Asan cancelled two trips of the Seolbong Ferry scheduled for December 8 and 17. The Ferry may no longer be able to operate. Chung Mong-hun, chairman of Hyundai Asan, and Kim Yoon-kyu, president of the firm, met with North Korea's Chosun Asia-Pacific Association last month to discuss overland tourism but the talks did not make much headway. (Kim In-mak, "Mount Kumgang Project on Brink of Cancellation," *Chosun Ilbo*, December 7, 2001)
  
- 12/9/01      *Rodong Sinmun* signed article: "The DPRK takes a serious note of very belligerent diatribes made by U.S. rulers and media when they designated the DPRK as the target of the second round of 'anti-terror war' and underscored the need to give 'priority to war' with the war in Afghanistan reaching the final stage 'Resumption of the DPRK-U.S. dialogue with no preconditions' on the lips of some forces of the U.S. was a peace hoax and the U.S. deployment of more task forces in South Korea on the plea of filling up 'vacuum of combat power' was designed to conduct an operation in the wake of the war in Afghanistan. The U.S. still describes the DPRK as a 'sponsor of terrorism' for no reason in a bid to provoke a war on the Korean peninsula as they did in Afghanistan on the plea of combating 'terrorism.' It fails to honor any obligation in the relations with

the DPRK. It, far from being aware of its own responsibility for the indefinite delay of the construction of light water reactors quite contrary to the DPRK-U.S. agreed framework and accepting the just demand of the DPRK, brings pressure to bear upon the DPRK to accept inspection and cries out for a war. **Under the situation the negotiated settlement of the issue can no longer be expected.** There is a limit to the DPRK's patience. **The U.S. designation of the DPRK as the target of the post Afghanistan war operation compels the Korean people to be in full combat preparedness to lay down their lives for the country. The DPRK is not Afghanistan. The DPRK is ready for defense and attack.** The DPRK's striking power and the sphere of its strike do not know the limits. The U.S. survived the Persian Gulf War and the war in the Balkans and is carrying out the war in Afghanistan without difficulties, but things will be different in the case of the second Korean war. If the U.S. imperialists opt for a war on the plea of 'combating terrorism,' all the means of defense and attack in the DPRK will mete out unimaginably telling blows to the aggressors and teach them what will be the end of the kingpin of terrorism. (KCNA, "U.S. Imperialists Warned Not to Act Rashly," December 9, 2001)

12/13/01 Cambodian King Norodom Sihanouk could serve as a go-between in facilitating reopening of talks on Korean reconciliation, Prince Norodom Ranariddh, the king's son said. (*Korea Herald*, "Seoul Requests Cambodia's Help in Restarting Talks with N. Korea," December 13, 2001, p. 3)

12/14/01 The U.S. is making contact in the New York channel. "Washington is seeking to realize top U.S. envoy for North Korea affairs, Jack Pritchard's visit to the North," a MOFAT official said. "During the New York meeting, U.S. officials explained that the U.S. call on the North to show progress in the nuclear, missile and conventional issues has not been the prerequisite for resuming the negotiations," another MOFAT official said. "We are eager to realize the envoy's visit. Although the North has yet to respond, we expect the communist nation to react positively." (Shim Jae-yun, "U.S. Renews Effort for Dialogue with N.K.," *Korea Times*, December 14, 2001)

Washington and Seoul are developing divergent views concerning the magnitude of the threat posed by North Korea's weapons programs. One senior South Korean diplomat, alarmed at Bolton's remarks, contacted the State Department to learn if he had been prompted by any new intelligence on North Korea's biological weapons. "We were told there was no such evidence," the official said. "We don't have hard evidence that North Korea has stockpiled chemical and biological weapons." Suh Jae-jean of the Korea Research Institute for National Unification said, "North Korea utilizes its weapons, including missiles and biological agents, for purposes of negotiation rather than real use." Many North Korea watchers in Seoul allege the U.S. is overdramatizing Pyongyang's missile threat and particularly the possibility that it may have developed a Taepodong-2 missile capable of hitting Alaska. Last year, the Federation of Atomic Scientists released satellite photographs of the main missile launch facility at Musudan, which it described as "a facility barely worthy of note, consisting of the the most minimal imaginable test infrastructure." "My view continues to be that North Korea's missile program has essentially been a diplomatic negotiating chip," said John Pike who wrote the FAS analysis. "It was basically a way for the North

Koreans to engage the U.S. after the collapse of the Soviet Union.”: (John Larkin, “Seoul Balks at U.S. Push to Link North to Terror,” *Asian Wall Street Journal*, December 14, 2001, p. 1)

- 12/15/01 With elections still a year away, the emergence of a crowd of presidential hopefuls first in the opposition party and then in the ruling party is inevitably being seen as a signal of the end of Kim Dae-jung’s once formidable powers. “The president’s popularity is way down and his party has lost major elections three times in a row,” said Park Shinil, a GNP official. “Most importantly, his favorite dream of all, his sunshine policy toward North Korea, is totally stalemated. Even people in his own party are calling Kim Dae-jung a lame duck.” (Howard W. French, “South Korea Sees Prospects of Its Leader Steadily Ebb,” *New York Times*, December 15, 2001, p. A-8)
- 12/16/01 A leading Italian scientist has warned that provision of nuclear power plants will not reduce North Korea’s electricity shortage unless its dilapidated power grid is fixed. “Upgrading the power grid in the DPRK is a necessity not only for the DPRK economy as a whole, but it is also a prerequisite for the success of the light-water reactor project,” Maurizio Martellini, sec-gen of the Landau Network-Centro Volta, a scientific NGO, said in a report, “The Rehabilitation of the Electric Power Grid in the DPRK,” presented at a Korea-Italy joint seminar at the National Assembly. The 2,000 megawatts to be generated by the two LWRs could not be distributed by the existing grid, he predicted. (Kim Kwang-tae, “N. Reactor Not to Improve N.K. Power Shortages: Nuclear Scientist,” *Korea Times*, December 16, 2001)
- 12/17/01 North Korea sent conflicting signals this weekend toward South Korea and the United States. While China and Russia have sharply criticized President Bush’s decision to withdraw from the 1972 Antiballistic Missile Treaty, the North Korean state media said today only that the announcement was “arousing great apprehension from the international community.” The commentary, carried by KCNA, added no criticism of its own. But on December 15, *Rodong Sinmun*, the newspaper of North Korea’s governing party, said relations between the United States and North Korea have reached “the point of explosion primarily because of the Bush administration’s policy to stifle” North Korea. By their vagueness, the latest North Korean commentaries suggested that North Korea might be open to dialogue with the United States as well as South Korea. Underlining this view, a large North Korean delegation arrived here this weekend for unpublicized talks with the Korea Electrical Power Corporation, of South Korea. The 25-member delegation from North Korea occupied an entire floor of a luxury hotel here while an equally large South Korean delegation filled the floor below. North Korea has repeatedly rejected Mr. Bush’s demand for inspection of its facilities that might produce chemical, biological and nuclear weapons. But Charles Kartman, the executive director of the Korean Peninsula Energy Development Organization, which is responsible for building the reactors, said during a recent stopover here after visiting Pyongyang that he expected a renewed American-North Korean dialogue. “The dialogue must resume by early next year,” said Kartman, even though “there’s going to be a clearing of underbrush that will be necessary.” Jack Pritchard, who succeeded Kartman as special envoy, has contacted North Korea’s United Nations mission about reopening talks that have been stalled for nearly a year,

South Korean officials said. (Don Kirk, "North Korea Is Muted on ABM Pact," *New York Times*, December 17, 2001, p. A-6)

Korean Democratic Women's Union central committee spokeswoman yesterday issued a statement "slamming Japan for making much fuss about 'suspected kidnapping' as part of its anti-DPRK campaign these days. The spokeswoman recalled that the Japanese reactionaries passed the "anti-terrorism special law" which legalizes the dispatch of the 'self-defense forces' overseas, timed to coincide with Japan's much fuss about 'suspected kidnapping' aimed to groundlessly keep the DPRK on the list of 'terrorist states and sponsors of terrorism.' The central committee of the Korean Democratic Women's Union on behalf of all the Korean women bitterly condemns Japan's anti-DPRK smear campaign over 'suspected kidnapping' and the enactment of the 'anti-terrorism special law' as a vicious challenge and an unpardonable criminal act against the world progressives and the women who demand Japan apologize and compensate for its past crimes and oppose its overseas expansion, the spokeswoman said, and went on: The Japanese authorities should bear in mind that if they persistently pursue the hostile policy toward the DPRK, vociferating about the non-existent issue of 'suspected kidnapping,' and opt for turning Japan into a military power, they will meet a more miserable end than what it sustained in the past. Japan should sincerely apologize and compensate for its past crimes as soon as possible as demanded by the people of Korea and the rest of the world, face up to the trend of the present times and stop acting rashly." (KCNA, "Japan's Fuss about 'Suspected Kidnapping' Condemned," December 17, 2001)

The UNDP has begun disarmament education for officials from the DPRK Foreign Ministry's Disarmament and Peace Institute with \$237,000 in financial support from Sweden, according to South Korea officials, who cited a November report by the Pyongyang office of the U.N. Office for the Coordination of Humanitarian Affairs. (*Chosun Ilbo*, "UN Providing Assistance for N.K. Disarmament," December 17, 2001)

A 20-member North Korean delegation led by Kim Hi-mun, dir-gen of the LWR bureau, began a two-week nuclear energy training session in Uljin at the invitation of KEDO. "During thir two-week stay, the North Kopeans will visit the Uljin nuclear power pants, the model for the KEDO reactors now under construction in North Korea, and receive training at the training center there," said a KEDO official. The will later visit the Kori nuclear power plants and training center in Pusan and Doosan Heavy Industries in Changwan, where some of the key LWR components are being made. (Seo Soo-min, "N.K. Officials Visit South for Nuclear Safety Training," *Korea Times*, December 17, 2001)

12/18/01 North Korea will need "at least several years" to complete its first nuclear weapons, although the North has extracted enough plutonium, 22 to 26 pounds, for one or two bombs, South Korea's Ministry of Defense said. It has also conducted at least 70 nuclear-related high explosives tests between 1983 and 1993. It continued tests until 1998 but has yet to acquire the components necessary to make dependable devices. "Even if it has manufactured an explosion device, it will still be low in dependability and

it will take the North at least several years to turn the system into a weapon." (Choe Sang-hun, "South Korea Releases Nuke Report," Associated Press, December 18, 2001)

12/19/01 Warnings by the Bush administration that North Korea could be a target of the war on terrorism have raised concern in South Korea. President Bush repeated a warning on December 12 that "America's next priority" would be to focus on "rogue states" that are "clearly the most likely sources of chemical and biological and nuclear weapons for terrorists." Bush's remarks prompted a firestorm in North Korean media. *Rodong Sinmun* reported that the United States is planning to attack and that Americans would find the "Korean people to be in full combat preparedness to lay down their lives for their country." Lee Chung-min, political scientist at Yonsei University, said, "I think the harsh rhetoric is really just that - harsh rhetoric." Hamm Taik-young, director of international affairs at Kyungnam University's Graduate School of North Korean Studies, said, "North Korea doesn't want to be pushed. They have the attitude that they have to be tough. There's a test of will going on here." Some analysts point out that Pyongyang has repeatedly signaled its willingness to trade in its weapons for aid and diplomatic relations. "There's a deal waiting to be done. The North Koreans are banging on our door 90 ways from Sunday. But the Bush administration doesn't want to talk to them," said Leon V. Sigal, director of the Northeast Asia Cooperative Security Project at the Social Science Research Council in New York, who was in Seoul this week for a closed government meeting on disarmament. "There are clear signals North Korea is trying to be more cooperative," said Yang Sun-mook, a ruling party official. "It's very disappointing. The United States delivers ultimatums and threats, and of course North Korea feels it has to react." "If the U.S. keeps up its hostile attitude, it will cripple Kim Dae-jung," said Rhoo Kihl-jae, political scientist at Kyungnam University's Graduate School of North Korean Studies. "Public opinion is very negative toward the United States right now. There's a feeling the U.S. has hindered North-South relations. If America tries to make North Korea a scapegoat for terrorism, there will be a big problem." (Doug Struck, "U.S. Warnings Worry Seoul," *Washington Post*, December 19, 2001, p. A-34)

12/20/01 The Red Cross Society of the DPRK announced it is suspending its search for "missing Japanese persons" that two sides agreed in 1999 it would try to locate. "I think [the suspension] is related to the credit union case," FM Tanaka Makiko told a news conference. Izumi Hajime, professor at the University of Shizuoka, said Pyongyang may be trying to extort food aid from Japan in return for resuming the search but a high-ranking MOFA official flatly denied Japan would make any concessions: "This issue will never be used as a negotiating card." Izumi said, "Unless Japan consistently makes it clear resolution of the abduction issue is essential for normalizing bilateral ties, North Korea may think it enough to go through the motions of a search." (*Asahi Shimbun*, December 20, 2001)

The United States plans to donate \$52.4 million in food, including 50,000 metric tons of wheat, to North Korea through the World Food Program, a U.N. official said. (George Gedda, "U.S. Plans Food Aid for N. Korea," Associated Press, December 20, 2001)

12/21/01 South Korea will provide 100,000 tons of corn next year through the World Food Program to aid North Korea, UnifMin Hong Soon-young announced. (Kim In-ku, "Government to Provide 100,000 Tons of Corn to N.K." *Chosun Ilbo*, December 21, 2001)

South Korea announced it had cancelled the terrorism alert instituted at the start of the war in Afghanistan, removing a prime obstacle to talks with the North, (Don Kirk, "Talks with North Could Follow as South Korea Lifts Troop Alert," *New York Times*, December 22, 2001, p. A-5)

12/23/01 Japanese patrol boats sink a North Korean ship. "The cause of the suspicious ship's sinking remains unknown," Deputy Cabinet Secy Abe Shinzo told Kyodo. "It is possible the crew members themselves sank the ship deliberately." It was spotted on December 21 by Japanese aircraft and again early on the 22<sup>nd</sup>. (Reuters, "Japan Reports Its Ship Sank an Intruder," *New York Times*, December 23, 2001, p. A-12) PM Koizumi called for increased vigilance after the Coast Guard exchanged heavy fire with a vessel suspected of being a North Korean spy ship before it sank just inside the EEZ claimed by China. The Japanese ship, Inasa, fired warning shots, but the vessel continued to flee. Two crewmen on the deck of the ship opened fire with automatic weapons wounding two Japanese crewmen. So did crewmen in the wheelhouse. In response, the Inasa fired "186 rounds in self-defense," Sagamoto Shigehiro, a chief of the Coast Guard's Guard and Rescue Department, said. During the gun battle, a large explosion, apparently unrelated to the firing, was heard aboard the ship, Japanese sailors reported. Shortly after, the ship sank and 15 crew members were seen jumping into the water. (James Brooke, "Koizumi Calls for Vigilance after Japan Sinks Suspicious Boat," *New York Times*, December 24, 2001, p. A-9) "The Japan Coast Guard was attacked by rockets for the first time," said Sakamoto. "It was the most dangerous mission ever conducted by the coast Guard." The North Koreans used shoulder-held launchers to fire rockets at two Japanese ships. Coast Guard officials said today that the boat closely resembled aerial photographs of a North Korean boat that transferred 640 pounds of amphetamines to a Japanese fishing boat in August 1998. According to the National Police Agency 44 percent of drugs seized in 1999 originated in North Korea. "It seems that North Korean spy vessels play a role not only in transporting agents but also drugs," a National Police Agency spokesman said. (James Brooke, "Japan Says a Mystery Boat Fired Rockets at Its Ships," *New York Times*, December 25, 2001, p. A-3) On December 27 North Korea denounced the sinking as "a crime" and "nothing but the brutal piracy and unpardonable terrorism of a modern brand that could be committed only by the samurais of Japan in defiance of international laws." (James Brooke, "North Korea Calls Japan's Sinking of Mystery Boat 'Brutal Piracy,'" *New York Times*, December 27, 2001, p. A-9) The Defense Agency began monitoring coded radio communications in the East China Sea after U.S. military sources passed on information that ships on apparent spy missions had left North Korea in early December, agency officials said. Officials refer to such tips as "voices from heaven." The agency subsequently had a MSDF P3C reconnaissance plane from a base in Kagoshima Prefecture fly over the area from time to time. (*Yomiuri Shimbun*, "U.S. Tipoff Warned of 'Spy' Ships," December 27, 2001) Nihon Keizei reported the boat radioed a message home that it was about to blow itself up. (Jae-suk Yoo, "U.S.-North

Koreas Relations Studied," Associated Press, December 31, 2001) DPRK FoMin spokesman: "Some days ago, the Japanese authorities used force of arms to sink a ship in other country's territorial waters with the mobilization of many patrol boats and planes under the pretext of chasing an 'unidentified ship.' No matter what details of the incident are, Japan's open military action committed beyond its territorial waters proves that Japan's moves for remilitarization and overseas expansion have reached a very perilous phase. What should not be overlooked is that the Japanese authorities are groundlessly linking the DPRK with the incident in a bid to mislead public opinion. This is an unpardonable smear campaign against the dignified DPRK. The DPRK is compelled to maintain the highest degree of vigilance against a series of plots hatched by the Japanese authorities to escalate their anti-DPRK campaign. The DPRK will take relevant countermeasures depending on the future attitude of Japan toward the incident." (KCNA, "Japanese Authorities' Allegations Dismissed," December 27, 2001) Op[osition politicians are questioning whether the coast guard acted properly in firing on a North Korean boat. "It is extremely doubtful if use of weapons on the open sea is within Japanese policy," said Nakanishi Sekisuke, a Social Democratic Party official, who demanded parliamentary hearings on the incident. "The shooting was outside Japan's territorial waters and outside the authority of the coast guard law." "The problems begin when we do not act on legal frameworks, but on political decisions," said Sakairi Kazuo, a retired vice admiral and former chief of staff of the Japanese navy and now an adjunct fellow at the Pacific Forum Center for Strategic and International Studies. "We have to remember our history." (Doug Struck, "Sinking Renews Debate on Japan's Military," *Washington Post*, December 28, 2001, p. A-15)

- 12/24/01 Emperor Akihito is looking forward to the World Cup to be co-hosted by Japan and South Korea as an opportunity to enhance "understanding and mutual trust between the Japanese and Korean people." "It is regrettable, however, that Japan's exchanges with Korea have not all been of this kind," he said. "This is something that should never forget." "I, on my part, feel a certain kinship with Korea, given the fact that it is recorded in the "Shoku Nihongi" (Chronicles of Japan, compiled in 797) that the mother of Emperor Kammu (reign 781-806) was of the line of King Muryong (reign 501-523) of the Kingdom of Paekche." Paekshe is one the three kingdoms of ancient Korea, said to have existed from 18 B.C. to 660 A.D. (*Asahi Shimbun*, "Emperor Says He Feels a 'Kinship' with Koreans," December 24, 2001)
- 12/27/01 The central government and Okinawa prefecture authorities agreed to build a proposed military-civilian airport on a reef off the coast of Henoko district in Nago, Okinawa, marking progress toward resolving the issue of relocating the U.S. Marines' Futenma Air Station. Japan and the United States agreed in 1996 to return Futenma in Naha in five to tens years on condition that Japan provide an alternative facility. (*Yomiuri Shimbun*, "Reef Chosen for U.S. Base Relocation," December 28, 2001)
- 12/30/01 A group of 20 North Korea officials led by a cabinet minister left for Pyongyang after a two-week tour of nuclear power plants in Uljin, training centers in Gori near Busan, parts factories including Doosan Heavy Industries and Construction in Changwon, the Korea Power Engineering Company in Yongin responsible for reactor design, and the Korean Institute of Nuclear Safety in Daedock Valley near Daejeon, in a trip organized



by KEDO. (Kim Ji-ho, "North Korean Nuclear Officials Return Home Tomorrow after Two-Week Trip," *Korea Herald*, December 29, 2001)

12/31/01 Nuclear Posture Review: "U.S. military forces themselves, including nuclear forces will now be used to dissuade adversaries from undertaking military programs or operations that could threaten U.S. interests or those of allies and friends." (p. 9) "North Korea, Iraq, Iran, Syria, and Libya are among the countries that could be involved in immediate, potential, or unexpected contingencies. All have longstanding hostility toward the United States and its security partners; North Korea and Iraq in particular have been chronic military concerns. All sponsor or harbor terrorists, and all have active WMD and missile programs" (p. 16). "Nuclear weapons could be employed against targets able to withstand non-nuclear attack, for example, deep underground bunkers or bio-weapon facilities" (p. 12-13). (Nuclear Posture Review, December 31, 2001)

12/?/01 KEDO: "The 559,613 metric tons of HFO delivered [in the period ending December 31, 2001] included 105,278 metric tons needed in January and February 2001 to complete the supply of 500,000 metric tons for the 2000 HFO year. The remaining 454,335 metric tons is applied toward the 500,000 metric tons for the 2001 HFO year, leaving 45,665 metric tons to be delivered in early 2002. (Note: This shipment was completed in February 2002 and 2002 HFO year shipments began in March, just prior to the printing of this Annual Report.) The amounts delivered in metric tons were 54,319, in January, 55,787 in February, 54,319 in March, 54,782 in April, 53,827 in May, 53,998 in June, 44,877 in July, 42,002 in August, 45,173 in September, 46,109 in October, none in November, and 54,271 in December at a cost of \$90,654,986. (KEDO, *Annual Report 2001*)

12/?/01 NIC: "Key Judgments: North Korea's multiple-stage Taepo Dong-2, which is capable of reaching parts of the United States with a nuclear weapon-sized (several hundred kg) payload, may be ready for flight-testing. North Korea in May 2001, however, extended its voluntary moratorium on long-range missile flight-testing until 2003, provided that negotiations with the United States proceed. A Taepo Dong-2 test probably would be conducted in a space launch configuration, like the Taepo Dong-1 test in 1998. The North continues to develop missiles. ... North Korea has hundreds of Scuds and No Dong missiles and continues to develop the longer range Taepo Dong-2, which will enable the North to target the United States. In May 2001, however, Kim Chong-il unilaterally extended the North's voluntary flight-test moratorium—in effect since 1999—until 2003, provided negotiations with the United States proceeded. *Taepo Dong-2*. The multiple-stage Taepo Dong-2—capable of reaching parts of the United States with a nuclear weapon-sized payload—may be ready for flight-testing. The North probably also is working on improvements to its current design. The Taepo Dong-2 in a two-stage ballistic missile configuration could deliver a several-hundred-kg payload up to 10,000 km—sufficient to strike Alaska, Hawaii, and parts of the continental United States. If the North uses a third stage similar to the one used on the Taepo Dong-1 in 1998 in a ballistic missile configuration, then the Taepo Dong-2 could deliver a several-hundred-kg payload up to 15,000 km—sufficient to strike all of North America. A Taepo Dong-2 flight test probably would be conducted as an SLV with a third stage to place a small payload into the same orbit the North Koreans tried to achieve in

1998. The 1,300-km-range No Dong remains the longest-range ballistic missile North Korea has deployed. The Intelligence Community judged in the mid-1990s that North Korea had produced one, possibly two, nuclear weapons, although the North has frozen plutonium production activities at Yongbyon in accordance with the Agreed Framework of 1994. North Korea also has chemical and biological weapons programs. North Korea is nearly self-sufficient in developing and producing ballistic missiles and has demonstrated a willingness to sell complete systems and components that have enabled other states to acquire longer range capabilities earlier than would otherwise have been possible and to acquire the basis for domestic development efforts.” (National Intelligence Council, *Foreign Missile Developments and the Ballistic Missile Threat through 2015*, December 2001)

12/?/01

DCI: “Ballistic missile-related cooperation from entities in the former Soviet Union, North Korea, and China over the years has helped Iran move toward its goal of becoming self-sufficient in the production of ballistic missiles. Such assistance during the reporting period has included equipment, technology, and expertise. Iran, already producing Scud short-range ballistic missiles (SRBMs), is in the late stages of developing the Shahab-3 medium-range ballistic missile (MRBM). ...During this time frame, Pyongyang has continued attempts to procure technology worldwide that could have applications in its nuclear program. The North has been seeking centrifuge-related materials in large quantities to support a uranium enrichment program. It also obtained equipment suitable for use in uranium feed and withdrawal systems. North Korea probably has produced enough plutonium for at least one, and possibly two, nuclear weapons. Spent fuel rods canned in accordance with the 1994 Agreed Framework contain enough plutonium for several more weapons. North Korea also has continued procurement of raw materials and components for its ballistic missile programs from various foreign sources, especially through North Korean firms based in China. North Korea continues to abide by its voluntary moratorium on flight tests, which it has said it would observe until at least 2003. In April 2001, Pyongyang signed a Defense Industry and Military-Technical Cooperation Agreement with Russia, laying the groundwork for potential arms sales and transfers to North Korea. Weapons sales and deliveries will remain dependent on Pyongyang's ability to pay. ...The suspension of UN sanctions in 1999 has allowed Libya to expand its efforts to obtain ballistic missile-related equipment, materials, technology, and expertise from foreign sources. Outside assistance—particularly from Serbian, Indian, Iranian, North Korean, and Chinese entities—has been critical to its ballistic missile development programs. Libya's capability probably remains limited to its Scud B missiles but with continued foreign assistance it will probably achieve an MRBM capability—a long-desired goal—or extended-range Scud capability. ...Syria's liquid-propellant missile program has and will continue to depend on essential foreign equipment and assistance—primarily from North Korean entities and Russian firms. Damascus also continued its efforts to assemble—probably with considerable North Korean assistance—liquid-fueled Scud C missiles. ...Throughout the second half of 2001, North Korea continued to export significant ballistic missile-related equipment, components, materials, and technical expertise to the Middle East, South Asia, and North Africa. Pyongyang attaches high priority to the development and sale of ballistic missiles, equipment, and related technology. Exports of ballistic missiles and related technology are one of the North's

major sources of hard currency, which fuel continued missile development and production." (DCI, *Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 December 2001*, January 2002)

1/1/02      In its annual New Year's message North Korea said, "It is necessary to bring about a radical phase in the efforts for the country's reunification this year." (Reuters, "North Korea Keeps South Guessing on 2002 Ties," January 1, 2002)