



NORTH KOREA CHRONOLOGY 2005

Northeast Asia Cooperative Security Project
Social Science Research Council

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1/2/05 New Year's editorial calls on Koreans to wage a common struggle for peace and warns, "The U.S. moves against the DPRK have become ever more pronounced and they are increasing the danger of war on the Korean peninsula," it reads. "The U.S. should give up its attempt to stifle the DPRK by force of arms and make a switchover in its hostile policy." (Reuben Staines, "N. Korea Warns U.S. in New Year Address," *Korea Times*, January 2, 2005)

Sidewalk stalls selling snacks and beer, the new face of North Korea, say recent visitors. "There are real changes going on, but unless North Korea is given access to international assistance, they are not going to succeed," says Peter Beck of International Crisis Group. (Burt Herman, "Cautious Development Looms in North Korea," Associated Press, January 2, 2005) "This year, North Korea decided to start a household-based arable system nationwide which would group two or three households in a single unit," said a high-ranking Chinese official, scaling up last year's pilot project of de facto family farming. (Shin Suk-ho, "North Korea Likely to Start Household-Based Arable System in March," *Dong-A Ilbo*, January 3, 2005)

1/4/05 Southeast Asian security authorities say North Korea sold arms to an al Qaeda-funded Mindanao extremist group Moro Islamic Liberation Front in 1999 and 2000, and attempted to sell submersibles between 1999 and 2002. Rym Kyu-do, a North Korean arms dealer, signed a contract with the Front's vice chairman for \$2.2 million including 10,000 M16s, 200 assault rifles, grenades with two checks for a total of \$1 million . (Kurose Yoshinari "N. Korea Sold Arms to Moro Extremists," *Yomiuri Shimbun*, January 4, 2005)

Jang Jae-on, Red Cross head in DPRK in Christmas eve message expresses appreciation for 100,000 tons of fertilizer sent this fall and asks South to continue aid. (*JoongAng Ilbo*, "North Korea Wants More Southern Aid," January 4, 2005) UN aid in 2004 totaled \$127 million in 2004, 61 percent of target. (*Chosun Ilbo*, "UN Gives N. Korea \$127 Million in 2004," January 3, 2005)

Vice FM Yachi Shotaro, known as hardliner on North Korea, tell a press conference, "As relatives of abductees are aging, the abduction issue, a humanitarian problem, should be resolved as soon as possible and before the nuclear issue." (Kyodo, "N. Korea's Abduction Should Be Settled before Nukes," January 4, 2005)

Funabashi: On 60th anniversary of the end of WWII, "It appears that history, which used to play a supporting role, has become the leading player on the East Asian international political scene, where the past is more unpredictable than the future." (Funabashi Yoichi, "Tokyo's East Asia History Creating Mistrust," *Asahi Shimbun*, January 4, 2005)

New Komeito leader Kanzaki Takenori says, "North Korea' insincere attitude offends us. We should consider economic sanctions based on the results of the investigation." On January 1, Katayama Toranosuke, LDP secy-gen, said, "Japanese politicians and the Foreign Ministry are being regarded with contempt by North Korea. We have to take a different approach and should think about imposing [sanctions]." (*Yomiuri Shimbun*, "Kanzaki Says Sanctions Needed on N. Korea," January 4, 2005)

1/5/05 Dae-jung in KBS interview calls for 2nd inter-Korean summit "as there has been a setback in resolving the North Korean nuclear problem." (Reuben Staines, "Kim Dae-jung Calls for Summit to Break Nuclear Deadlock," *Korea Times*, January 5, 2005)

1/6/05 PM Wen Jiabao says Seoul's "peace and prosperity" policy has Beijing's "full support," calling it "essential" to peace in Korea and success in six-party talks. (Ryu Jin, "Beijing Backs Seoul's Nuclear Stance," *Korea Times*, January 6, 2005)

North Korea promises \$150,000 in relief aid to South Asian tsunami victims. (*JoongAng Ilbo*, "North Korea Offers Aid to Quake Victims," January 6, 2005)

Funabashi: Economic integration offers an ideal opportunity for Japan "to build a relationship of trust and reconciliation with Asia." (Funabashi Yoichi, "War Reflection Can Form New Identity," *Asahi Shimbun*, January 6, 2005)

1/7/05 John Bolton to be replaced by Robert G. Joseph as undersecretary of state for arms control and international security. (Barry Schweid, "State's Top Security Official Replaced," Associated Press, January 7, 2005) Robert B. Zoellick will be Deputy Secretary. (Steven R. Weisman, "Rice Is Said to Pick Trade Negotiator as Deputy," *New York Times*, January 7, 2005)

U.S. will provide ROK intelligence with the sound signatures of North Korean submarines, which it had previously refused to do. (Yoo Yong-woo, "U.S. to Share Intelligence on N. Korean Submarines," *Chosun Ilbo*, January 7, 2005)

Secretary of State-designate Rice was briefed by David Asher on Illicit Activities Initiative. "Condi was fascinated by the idea of the potential to hurt the North Koreans," recalls a participant, so much so that one skeptical State Department senior official [Reiss], in hopes of cooling her ardor, asked Asher whether IAI could bring about regime change. No, said Asher. It was just leverage. (Chinoy, *Meltdown*, p. 255)

1/8-11/05 Rep. Tom Lantos (D-CA), Curt Weldon (R-PA), Silvestre Reyes (D-TX), Solomon Ortiz (D-TX), Roscoe Bartlett (R-MD), and Fred Upton (R-MI) in Pyongyang, first Codel allowed by Department of State to visit since 2003. "They indicated that they view their nuclear program as important, but I had the very strong impression that they are ready to discuss the matter because they understand that we are determined to do so," Lantos told reporters in Beijing on his return. "The composition of the U.S. administration should be evident by now," he said. "There is no conceivable reason for anyone to expect a significant change of U.S. policy toward the Korean peninsula." (John Ruwitch, "U.S. Congressmen Has Impression N. Korea Ready to Talk," Reuters, January 11, 2005; Anthony Faiola, "N. Korea Says It's Ready to Resume Nuclear Talks," *Washington Post*, January 15, 2005, p. A-15) KCNA: "The U.S. congress delegation said it came to know well about the DPRK's stand, expressing the stance that the U.S. does not antagonize the DPRK nor has any intention to invade the DPRK and overthrow its system. The DPRK side assured the U.S. side that the DPRK would opt for finding a final solution to all the outstanding issues between the two countries, to say nothing of the resumption of the six-party talks and the nuclear issue, if what U.S. congressmen said would be formulated as a policy of the second Bush administration." (KCNA, "U.S. Congress Delegation Leaves," January 14, 2005) **Curt Weldon** on Radio Free Asia **quotes Kim Gae-gwan as telling the delegation that it was a nuclear weapons state, but that its nuclear arsenal was defensive in nature and "we do not wish to preserve it [nuclear capability] forever." He told a forum in Washington, "The president of the country said that he foresaw the day when America and North Korea would be friends."** (Kyodo, "N. Korea Has No Intent to Keep Nuke Programs Forever: Weldon," January 18, 2005; Reuters, "N. Korea Reportedly Says It Has Atom Bombs," January 22, 2005) A senior UnifMin official said, "The credibility of the remarks should be checked thoroughly." (Joo Sang-min, "N. Korea Says It Possesses Nuke Weapons," *Korea Herald*, January 24, 2005) Weldon told reporters in Tokyo, "If there is no inflammatory rhetoric, I predict they will return [to six-party talks] following the Chinese New Year in early February." (AFP, "U.S. Lawmaker Says North Korea Is Watching U.S. Rhetoric," January 18, 2005)

1/10/05 KCNA: "Goodwill with goodwill, hard line policy with tougher measures and 'punishment' with severe punishment -- this is the invariable answer of the Democratic People's Republic of Korea. ...The Bush administration, calling the DPRK a part of 'axis of evil,' designated it as a target of nuclear attack. The U.S. ruptured the DPRK-U.S. Agreed Framework and replied to the DPRK's efforts for a DPRK-U.S. non-aggression treaty with 'blockade,' threat of 'military punishment' and arrogant stand that it might

have contact but no negotiations with the DPRK. And it set the International Atomic Energy Agency in motion to internationalize the campaign to stifle the DPRK. The DPRK government thwarted such moves of the U.S. with the statement dated January 10, 2003 on its withdrawal from the Nuclear Proliferation Treaty. The Korean peninsula still remains the most dangerous hot spot in the world." (KCNA, "DPRK's Invariable Reply," January 10, 2005)

1/11/05 South's humanitarian aid to North hit record high of \$256.2, 62.6 percent increase over 2003. (Pu Hyong-gwon, "Aid to North Korea Last Year Reached Record High at \$256.2 Million," *Chosun Ilbo*, January 11, 2005)

1/12/05 International symposium hosted by the Uri Party Foundation releases a peace declaration urging comprehensive diplomatic solution. (Lee Joo-hee, "Global Opinion Leader Discuss Korean Peace," *Korea Herald*, January 14, 2005)

Chinese security agents raid news conference by GNP legislators in Beijing urging leniency for North Korean refugees, leading to 13-hour standoff. (Philip P. Pan, "Chinese Agents Storm Briefing by South Korean Legislators," *Washington Post*, January 13, 2005, p. A-16)

1/15/05 Three weeks have passed since Tokyo lodged protest over Pyongyang's reinvestigation of ten abductees, but after visiting Yachi Shotaro, Yokota Shigeru, Megumi's father, says, "I'm more hopeful because someone who has taken a tough stance toward North Korea has become a high-ranking official of the Foreign Ministry." Yachi is close to Abe Shinzo, acting secy of LDP, and FoMin officials say Yachi has the initiative in dealing with the North now, even though Tanaka Hitoshi remains in office. On December 27 high-ranking FoMin and National Police Agency officials secretly visited the Cabinet Legislation Bureau to discuss legal problems in the event of sanctions. On December 30, DPRK FoMin spokesman canceled working-level talks with Japan, accusing Tokyo of fabricating DNA tests on ashes. (*Yomiuri Shimbun*, "North Korea's Inaction Vexing; With No Response on Abductions, Sanctions Appear Inevitable," January 15, 2005) Abe in speech calls for bill modeled on U.S. North Korea Human Rights Act. (Kyodo, "Human Rights Bill Aimed at N. Korea May Be Needed," January 15, 2005)

1/16/05 In laws adopted in August 2004, North mandates arrests for human rights violations. "North Korea is trying to deliver a message to the world that it is also trying to adjust to international standards, said Paik Hak-soon. (Park Song-wu, "N. Korea Revises Legal Code to Promote Human rights," *Koreas Times*, January 16, 2005)

1/17/05 In a bid to restart six-party talks, the U.S is considering providing HFO "indirectly" to North Korea through KEDO but "first North Korea should return to the talks without any precondition and respond to our proposals," a senior administration official said. "KEDO can be a very useful vehicle for managing energy assistance to North Korea." (Ota Masakatsu, "U.S. Eyes Compromise Deal of Giving Fuel to N. Korea thru KEDO," Kyodo, January 17, 2005)

Treaty establishing diplomatic relations between Japan and ROK in 1965 declassified. Japan had opposed disclosure, not wanting North Korea to raise the compensation issue or South Koreans to sue. (Park Song-wu, "Pyongyang-Tokyo Relations Unaffected by Treaty Release," *Korea Times*, January 17, 2005)

1/18/05

In confirmation hearing, Condoleezza Rice calls North Korea, along with Belarus, Burma, Cuba, Iran and Zimbabwe "outposts of tyranny." [So much for Weldon's watch US rhetoric.] (Reuben Staines and Park Song-wu, "Rice's N.K. Rhetoric Prompts Concern," *Korea Times*, January 19, 2005)

National Assemblymen who visited Washington in December quote Stephen Hadley, "The United States demands regime transformation, not regime change of North Korea." A high-ranking official in charge of North Korea policy asked, "What does 'regime transformation' imply?" replied, "Could you have mistaken it for 'leadership transformation'?" He went on, "If National Security Adviser-designate Hadley mentioned regime transformation, he might have referred to an 'evolution.' ... The ultimate goal of regime transformation is denuclearization. In other words, the incumbent North Korean regime must be induced to make a strategic choice of dismantling the nuclear program. On the other hand, the Sunshine policy focuses on the economic sector (encouraging the North to open up for exchanges). The time frame also differs. The Sunshine policy requires a huge amount of patience to take time and encourage the North's change. However, the nuclear issue is an urgent one." Another high-ranking official said, "We cannot rule out the possibility of five-way talks. Still, the consensus must be reached among the rest of the parties other than the U.S. Would they show up for the talks?" (Kim Jung-Ahn, "U.S., 'We Have Different Time Frame for N. Korean Peninsula Policy,'" *Dong-A Ilbo*, January 18, 2005)

A South Korea group, Civil Coalition for Human Rights of the Kidnapped and Defectors from North Korea, releases 35-minute video footage of dissident activity in North including handwritten poster saying, "Down with Kim Jong-il! People let's all rise up and drive out the dictatorship." (Choe Sang-hun, "Group Publicizes Alleged Dissident Actions," Associated Press, January 18, 2005)

1/20/05

North allows rescuers on a patrol boat from the South to enter its waters for the first time, along with Japan and Russia, to search for the crew of a cargo ship that sank in the East Sea with 14 on board. (Reuben Staines, "N.K. Cooperates in Marine Rescue," *Korea Times*, January 20, 2005)

KCNA: "Human Rights Watch, which claims to be a U.S. non-governmental human rights organization, in an 'annual report on human rights' released on Jan. 13 dealing with human rights performances in at least 60 countries once again pulled up the DPRK over 'the issues of political offenders' and 'defectors from the north.' This is nothing surprising to us as it used to let loose a string of trite vituperations against the DPRK as a tool serving the successive U.S. administrations in the implementation of their 'human rights policies.' We term the Human Rights Watch's malignant mud-slinging at the DPRK over its human rights performance as sheer sophism fully representing the U.S. hostile policy toward the DPRK. It is beyond doubt that it cannot

act otherwise away from the U.S. stand as it came into being in America. But it would be well advised to take issue with human rights abuses in its own country before saying this or that about other countries as it put up the signboard of 'defense of human rights.'" (KCNA, "KCNA Refutes U.S. Accusations against DPRK," January 20, 2005)

Takebe Tsutomu, LDP sec-gen, in speech says, "People in North Korea have been suffering from human rights infringement, and it is unforgivable from a human rights standpoint. We need to consider issues of North Korea by taking into account the possibility of collapse." (Kyodo, "Japan Needs N. Korean Policy with Eye to Fall of Kim Regime: Takebe," January 20, 2005)

1/21/05

Bush's 2nd Inaugural Address: "America's vital interests and our deepest beliefs are now one. ...So it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world. This is not primarily the task of arms... America will not impose our own style of government on the unwilling. Our goal instead is to help others find their own voice, attain their own freedom, and make their own way."

In a poll conducted January 15-16, more than 80 percent of Japanese favored sanctions on North Korea. (Yomiuri Shimbun, "80% Support Sanctions against North Korea," January 21, 2005)

Gazprom CEO Alexei Miller had talks with DPRK PM Pak Pong-ju, Vice Premier for Industry Ro Tu-chol and Oil Minister Ko Deng-sik, the company said. (Alex Nicholson, "Gazprom Chief Meets with N. Korean PM," Associated Press, January 21, 2005)

1/?/05

ROK rejects CONPLAN 5029 mapping out how alliance would respond to collapse contingencies, such as coup, civil war, famine, disorder, refugee flows across the DMZ, saying it could limit "South Korea's exercise of its sovereignty." Lee Jong-seok took the lead. "So a con-plan or an op-plan, designed to make sure instability in the North doesn't spill into the South, is somehow going to limit South Korean sovereignty?" a senior U.S. military officer complained. "What it was really about was they were practicing something they got very good at ... premature capitulation to the North." "It could have given the wrong signal to the North." said a former Blue House official who defended Seoul's stance. "We did not want to alarm the North unduly." (Chinoy, *Meltdown*, p. 232)

1/24/05

Celll phones marketed Chinese telecom companies and border trade with China could break down North Korean isolation. (Rebecca MacKinnon, "Chinese Cell Phones Spawn an Information Boom," *International Herald Tribune*, January 24, 2005, p. 8)

Christopher Hill expected to be assistant secst for Asia and the Pacific. (Murray Hiebert, "Tough Task: U.S. Policy in Asia," *Wall Street Journal*, January 25, 2005)

KCNA: "Referring in detail to how the remains of Megumi Yokota were examined in Japan, the memorandum released by KCNA dismisses the results of the examination as a sheer fabrication because there are too many doubts as to the 'objective and

correct results of examination' the Japanese government claimed conducted by the most competent research institution. ... The first doubt is that the Police Science Institute failed to get results of a DNA test but Teikyo College succeeded in obtaining them though both of them were entrusted to examine the same pieces of bones. One may call the 'results of the examination' by Teikyo College a 'miracle' but it is hard to believe that 'the results' claiming the remains of one person were those of "two persons" are scientific. What matters here is that the Japanese government regarded only the 'results of DNA test' conducted by Teikyo College as absolute without scientifically clarifying the reason why the Police Science Institute failed to get results of the DNA test despite the fact that the institute with a long history and rich experience has been engaged in examination with the world's latest equipment. In case the results of the examination made by one of the two different research institutions of the same object are held absolute, they should be considered as ones lacking scientific nature and objective validity. The second doubt is the method applied to examine the remains. Dead bodies are usually cremated at the temperature of 1,200 degrees C on an average in the DPRK. Teikyo College claimed it made a DNA test of bones by the method of collecting cells from the remains which were burnt at the high temperature of 1,200 degrees C and cultivating and increasing them. This is hard to believe. The third doubt is that the results of analysis given in the 'report on the DNA test' made by Teikyo College of her remains are incoherent. The base composition of nucleotide which consists of DNA of the remains of one person should appear in the same form. But it is strange that the composition appeared in three forms and a bone chip among them is analyzed as a mixture. If one is forced to accept such results of examination of the remains, one should regard the remains as those of three or more persons. But this is also contradictory to Japan's conclusion that the remains are not Megumi Yokota's but 'bones of two other persons.' Particularly the results of the first and the second analysis of the fifth bone are different from each other. One cannot but conclude that there was a plot from outside as they are quite contradictory to each other from a scientific point of view. The 'test report' of the college noted it is clear that 'the fifth bone is within the analysis limit and posed a problem as regards its regenerative nature.' This tells that it cannot scientifically guarantee the 'results of the examination.' If such a sensitive test was made of the remains burnt at the high temperature of 1,200 degrees C to extract DNA from them, there should have been a DNA test of those who handled the remains with their hands while examining substance on the surface of bone chips. But this was not done. ... No matter how hard Japan may work to attain its political purpose by resorting to the despicable method of making profound confusing of right and wrong, it can never evade the responsibility for having faked up the results of the examination of the remains of Megumi Yokota and damaged the image of the DPRK. Japan should bear this in mind. Now that the Japanese government insisted that the remains it received are not Megumi Yokota's, it should return them in their original state as demanded by the DPRK more than once, thoroughly probe the truth about the faked results of the examination and sternly punish those responsible for it." (KCNA, "KCNA Slams Plot Hatched by Japan against DPRK," January 24, 2005)

- 1/?/05 James D. Seymour, "China: Background Paper on the Situation of North Koreans in China, A Writenet Report Commissioned by the U.N. High Commissioner for Refugees, Protection Information Section, January 2005)
- 1/25/05 LDP to have former PMs Nakasone, Miyazawa, Hashimoto, Mori, former cab secy Fukuda head committees to draft new constitution. (Kyodo, "Former Leaders to Draft New Constitution," January 25, 2005)
- 1/27/05 Pres Roh, ex-PM Mori Yoshiro, at opening ceremony of Korea-Japan Friendship Year, 40th anniversary of diplomatic relations. (*Korea Times*, "Korea-Japan Friendship Year, January 28, 2005, p. 2)
- 1/28/05 ROK MoD says it will no longer designate North Korea the "main enemy." (*Korea Times*, "'Main Enemy' to Be Removed," January 29, 2005, p. 2)
- ROK tries to dissuade Japan from sanctions. An official said, "We want ther Japanese government to work hard to prevent any negative influence on the multilateral nuclear talks." (Reuben Staines, "Seoul Seeks to Persuade Tokyo against Sanctioning N.K.," *Korea Times*, January 29, 2005, p. 2)
- 1/31/05 J.D. Crouch named deputy NSA, John Rood, senior director for counterproliferation.
- 2/1/05 KCNA radio quotes Kim Jong-il: "I will hold up Father President's instructions." He "stressed that if he falls short of completing the revolution, it will be continued by his son and grandson." (James Brooke, "North Korea Is Said to Plan for Dynasty's Next Generation," *New York Times*, February 1, 2005, p. A-4)
- 2/1-2/05 Michael Green delivered a hand-written letter from President Bush to President Hu Jintao that was very direct about the need for China to be serious about North Korea. After that there was a subtle change among Chinese leaders that North may have detected. (Kim Jung-ahn, "'NK's Statement of Nuclear Weapons, a Preemptive Strike on China?'" *Dong-A Ilbo*, February 16, 2005)
- 2/2/05 Extensive tests at Oak Ridge lead American intelligence agencies conclude North Korea sold nearly two tons of uranium hexafluoride to Libya, according to one official "with a certainty of 90 percent or better, this stuff's from North Korea," not Pakistan. A recently retired Pentagon official said the finding was "huge because it changes the whole equation with the North. It suggests we don't have time to sit around and wait for the outcome of negotiations. It's a scary conclusion because you don't know who else they may have sold to." Leonard Specter of Monterey Center for Nonproliferation Studies: "It means the North Koreans have built a facility to process uranium." U-234 concentration varies in mines, so can compare samples. A scientist who consults for USG says Pakistan could have sold uranium hexafluoride plant to North. (David E. Sanger and William J. Broad, "Tests Said to Tie Deal on Uranium to North Korea," *New York Times*, February 2, 2005, p. A-1) Michael Green and William Tobey (NSC Nonproliferation staff) told officials in Asia about the intelligence, a U.S. official said, adding, "This was not a conclusion reached by the CIA" or INR. "This was lab

technicians from DOE." (Glenn Kessler, "North Korea May Have Sent Libya Nuclear Material, U.S. Tells Allies," *Washington Post*, February 2, 2005, p. A-1) Evidence could point to Pakistan. Canister containing the UF₆ had traces of plutonium from Yongbyon, but it originated from Pakistan. IAEA has not concluded UF₆ came from North. "In order to come to this conclusion, you need a sample from North Korea and no one has a uranium sample from North Korea," said one official investigating the network. "The Pakistanis won't allow any samples of their UF₆, either." David Albright says, "We can't exclude the possibility that the UF₆ was made in Pakistan." (Glenn Kessler and Dafna Linzer, "Nuclear Evidence Could Point to Pakistan," *Washington Post*, February 3, 2005, p. A-18) "Uranium is made up of several different isotopes, including Uranium-235 (used in nuclear weapons at high levels of enrichment), Uranium-238, and Uranium-234, which is very rare. Reports indicate that US experts compared the U-234 percentages in the Libyan material against known samples of uranium from around the world. As the US does not have samples of uranium from North Korea, the experts concluded that the sample must have come from North Korea by process of elimination. This raises the possibility, however, that the Libyan material comes from another uranium mine for which the US has no sample or record, or that the uranium ore was exported from North Korea, converted to UF₆ in another country, and then shipped to Libya. Pakistan has large-scale UF₆ conversion capabilities and was at the heart of the A.Q. Khan supply network. Recent press reports indicate that several canisters of UF₆ are believed to be missing from the A.Q. Khan laboratories in Pakistan, a charge Pakistani officials have denied. In addition, technical experts have confirmed that U-234 content can vary greatly even within the same mine or even within the same sample of ore, raising the possibility that the uranium sample does come from a known source. ... According to media sources, the UF₆ shipping containers moved from Libya to the United States revealed samples of plutonium that match those previously taken in North Korea. This suggests some link between North Korea and Libya (possibly through an intermediary country such as Pakistan) but could be the result of cross-contamination between the canisters and other equipment. UF₆ containers are routinely packaged for transport in larger over packs and shipping crates, many of which can be used for a variety of functions. Although the circumstantial link cannot be ruled out, the plutonium samples would not in themselves provide a conclusive link that the uranium contained in them was produced or, indeed, was ever in North Korea." (Jon Wolfsthal, "Not So Fast," Carnegie Endowment, February 10, 2005) In an effort to increase pressure on North Korea, the Bush administration told its Asian allies in briefings earlier this year that Pyongyang had exported nuclear material to Libya. That was a significant new charge, the first allegation that North Korea was helping to create a new nuclear weapons state. But that is not what U.S. intelligence reported, according to two officials with detailed knowledge of the transaction. North Korea, according to the intelligence, had supplied uranium hexafluoride -- which can be enriched to weapons-grade uranium -- to Pakistan. It was Pakistan, a key U.S. ally with its own nuclear arsenal, that sold the material to Libya. The U.S. government had no evidence, the officials said, that North Korea knew of the second transaction. Pakistan's role as both the buyer and the seller was concealed to cover up the part played by Washington's partner in the hunt for al Qaeda leaders, according to the officials, who discussed the issue on the condition of anonymity. In addition, a North Korea-Pakistan transfer would not have been news to

the U.S. allies, which have known of such transfers for years and viewed them as a business matter between sovereign states. The Bush administration's approach, intended to isolate North Korea, instead left allies increasingly doubtful as they began to learn that the briefings omitted essential details about the transaction, U.S. officials and foreign diplomats said in interviews. North Korea responded to public reports last month about the briefings by withdrawing from talks with its neighbors and the United States. The United States briefed allies on North Korea in late January and early February. Shortly afterward, administration officials [Michael Green, for one], speaking to *The Washington Post* on the condition of anonymity, said North Korea had sold uranium hexafluoride to Libya. The officials said the briefing was arranged to share the information with China, South Korea and Japan ahead of a new round of hoped-for negotiations on North Korea's nuclear program. But in recent days, two other U.S. officials said the briefings were hastily arranged after China and South Korea indicated they were considering bolting from six-party talks on North Korea. The talks have been seen as largely ineffectual, but the Bush administration, which refuses to meet bilaterally with Pyongyang, insists they are critical to curbing North Korea's nuclear program. The White House declined to offer an official to comment by name about the new details concerning Pakistan. A prepared response attributed to a senior administration official said that the U.S. government "has provided allies with an accurate account of North Korea's nuclear proliferation activities." Although the briefings did not mention Pakistan by name, the official said they made it clear that the sale went through the illicit network operated by Pakistan's top nuclear scientist, Abdel Qadeer Khan. But the briefings gave no indication that U.S. intelligence believes that the material had been bought by Pakistan and transferred there from North Korea in a container owned by the Pakistani government. They also gave no indication that the uranium was then shipped via a Pakistani company to Dubai in the United Arab Emirates and on to Libya. Those findings match assessments by the International Atomic Energy Agency, which is investigating Libya separately. Libya gave up its nuclear weapons program in December 2003. Since Pakistan became a key U.S. ally in the hunt for al Qaeda leaders, the administration has not held President Pervez Musharraf accountable for actions taken by Khan while he was a member of Musharraf's cabinet and in charge of nuclear cooperation for the government. "The administration is giving Pakistan a free ride when they don't deserve it and hurting U.S. interests at the same time," said Charles L. Pritchard, who was the Bush administration's special envoy for the North Korea talks until August 2003. "As our allies get the full picture, it doesn't help our credibility with them," he said. (Dafna Linzer, "U.S. Mised Allies about Nuclear export," *Washington Post*, March 20, 2005, p. A-1) Siegfried Hecker said, "Whether Khan was packing cylinders that had been in North Korea or whether the hexafluoride came from North Korea is not clear." and others were convinced that China was the key. "They really believed that we could create an intelligence case that would get the Chinese to put pressure on the North Koreans to dismantle their program," recalled a senior official, "when it was very, very, very clear that the Chinese had no intention of doing that. The Chinese had exactly the opposite philosophy. They weren't going to bring down the regime." A South Korean official said, "I was very angry. I showed some displeasure to Green. 'What are allies all about? Do you have to go the U.S. position through the *New York Times*? If you are going to come to Korea, you should come to us. Is that new onfo you showed to the

New York Times, or just another twist and turn?" (Chinoy, *Meltdown*, pp. 230-32) The IAEA reported in May that Libya ordered 20 metric tons of uranium hexafluoride from a proliferation network run by former Pakistani nuclear official Abdul Qadeer Khan. Tripoli ultimately received approximately 1.6 metric tons of the material. U.S. officials believe that North Korea was also a customer of the Khan network. Malaysia's inspector general of police reported in 2004 that uranium hexafluoride was shipped from Pakistan to Libya in 2001. According to the IAEA, Tripoli received one shipment of the material in 2000 and another in 2001. The agency has not disclosed the material's origin. Experts from the IAEA examined the material before it was shipped from Libya to the United States. A Department of Energy official confirmed February 22 that the evidence implicating Pyongyang included traces of plutonium on the storage container, as well as isotopic tests on the uranium. The plutonium reportedly matched samples taken from North Korea's frozen reactor site. However, in interviews with *Arms Control Today*, knowledgeable sources expressed skepticism that Pyongyang was Tripoli's uranium supplier. For instance, the Energy Department official stated that the reported evidence does not indicate that the material originated in North Korea, adding that there is a "certain leap of faith involved" in the assessment. The official did say, however, that the uranium hexafluoride is not from Pakistan. A recent Department of State briefing for congressional staff did not dispel doubts about the intelligence, a source familiar with the issue added February 24. A diplomatic source in Vienna said February 21 that the IAEA has "evidence" that North Korea was the supplier but has found "nothing conclusive" and is still investigating the matter. As for the reported U.S. findings, the source said IAEA experts did not find plutonium traces when they tested the container. IAEA experts judge the U.S. "methodology" to be neither "credible nor reliable," another Vienna diplomat close to the agency said February 19. North Korea has indigenous supplies of natural uranium, but whether it can produce uranium hexafluoride is unclear. A former State Department official familiar with North Korea's nuclear programs told *Arms Control Today* February 22 that, as of October 2002, there was no evidence that North Korea possessed a facility for producing uranium hexafluoride. North Korea does have a facility for producing uranium tetrafluoride, a uranium compound that is then converted to uranium hexafluoride, that was frozen under the Agreed Framework, the official said. However, Gary Samore, who headed nonproliferation efforts for the White House during the Clinton administration, said North Korea could "probably start making hex [uranium hexafluoride] fairly quickly," *Nuclear Fuel* reported in September 2003. The status of North Korea's centrifuge facility efforts is also unclear. The CIA said in November 2002 that North Korea was "constructing a centrifuge facility" capable of producing enough fissile material for "two or more nuclear weapons per year" as soon as "mid-decade." But subsequent reports have been increasingly vague. For example, a CIA report to Congress covering the last half of 2002 says only that North Korea "had begun acquiring material and equipment for a centrifuge facility" with the apparent "goal" of building a plant. Similar reports covering 2003 say nothing about the program. A congressional source familiar with the program told *Arms Control Today* Feb. 7 that North Korea is apparently making little progress on its centrifuge program, although Pyongyang has probably acquired many of the necessary components for a centrifuge facility. Washington is focused on stopping Pyongyang's acquisition of a list of certain critical items, the source said, adding that U.S. intelligence indicates Pyongyang probably lacks some of

these items. (Paul Kerr, "Examining North Korea's Nuclear Claims," *Arms Control Today*, March 2005)

Teikyo University's Yoshii Tomio, one of Japan's leading forensic experts, says there are several reasons why he managed to extract DNA from all five of his samples. These include the fact that he used a highly sensitive process called the nested polymerase chain reaction (PCR), which amplifies DNA twice instead of once as in the conventional PCR, and the possibility that the original samples were of better quality than those at the other lab. Nevertheless, Yoshii, who has no previous experience with cremated specimens, admits his tests are not conclusive and that it is possible the samples were contaminated. "The bones are like stiff sponges that can absorb anything. If sweat or oils of someone that was handling them soaked in it, it would be impossible to get them out, no matter what." (David Cyranoski, "DNA Is Burning Issue as Japan and Korea Clash over Kidnaps," *Nature*, February 3, 2005; David Cyranoski, "Cremated Remains Fail to Prove Fate of Japanese Girl Abducted in 1977," *Nature*, February 2, 2005)

Michael Green in Seoul to inform South of UF6, brings letter from Bush to Roh. (Ryu Jin, "Official to Convey Bush's Letter to Roh," *Korea Times*, February 2, 2005) MOFAT official questions intelligence on UF6 to Libya. "The U.S. wants to advance the stalled nuclear negotiations to a new phase by putting the spotlight on North Korea's activities." He said hard-liners appeared to have leaked the classified briefing to strengthen their hand. "It reveals fierce internal competition between the hawks and doves in the U.S. administration." (Reuben Staines, "Seoul Questions Report on NK Nuke Export to Libya," *Korea Times*, February 3, 2005)

Kim Dae-jung at Yonsei says North will completely give its nuclear program if it can improve relations with the U.S. "the North wants to become a second China," he said. "Pyongyang hopes to introduce a market economy while maintaining its current [political] system. For this goal [Pyongyang] will need to improve its relations with Washington." (Park Song-wu, "Better NK-US Relations Key to Nuke Issue," *Korea Times*, February 2, 2005)

2/3/05

Michael Green in Beijing, delivers letter from Bush to Hu Jintao, meets with FM Li Zhaoxing, Dep FM Dai Bingguo on Libya UF6. (Kyodo, "Letter from Bush Delivered to China's Hu," February 3, 2005) The letter, in the words of a U.S. official, "was written to underscore the greatly heightened urgency" of the Libya problem. "The Chinese advised that we not demonstrate to the North how anxious everyone is about this," said one senior Asian diplomat deeply involved in six-party talks. "But the Chinese also seemed surprised by the quality of the scientific evidence." The plutonium traces on the outside of canister was a "fingerprint," containing different mixes of isotopes that would identify the type of reactor in which it was made, say two scientists who consult for intelligence agencies. (David E. Sanger and William J. Broad, "U.S. Asking China to Increase Pressure on North Korea to End Its Nuclear Program," *New York Times*, February 9, 2005, p. A-8)

Japan is reluctant to impose sanctions for fear it could impede six-party talks. A revised law on liability for oil pollution damage, passed after a North Korean freighter ran aground off Hitachi and spilled fuel in 2002, could disqualify North's ships from entering ports. North ships made 1,415 port calls in 2002, but only 2.8 percent had indemnity insurance. Ministry of Agriculture, Forestry and Fisheries investigates whether North Korean clams are being kept at Japanese clams farms for several weeks, then relabeled as Japanese for sale. (Takahara Kanako, "Japan Plans to tighten Screws on North Korea," *Japan Times*, February 4, 2005)

Bush calls Koizumi to talk about Iraq, North Korea, says spokesman Scott McClellan. (AFP, "Bush, Koizumi Seek Renewed North Korea Talks," February 4, 2005)

2/5/05

Roh in ten-minute telephone call to Bush sees need to "double their efforts" to restart six-party talks. Bush thanked Roh for troops in Iraq.

Gallucci, Reiss rebut Sig Harrison on HEU program: "The United States, for a number of years, has had well-founded suspicions that North Korea has been working on the enrichment of uranium. Indeed, in both 1999 and 2000, the Clinton administration was unable to certify to Congress that North Korea was not pursuing a uranium-enrichment capability. (This fact alone should dispel claims of partisanship on this point.) In mid-2002, the Bush administration obtained clear evidence that North Korea had acquired material and equipment for a centrifuge facility that, when complete, could produce enough weapons-grade uranium for two or more nuclear weapons per year. Harrison asserts that North Korea could not have financially afforded such items. He is mistaken. ...Abdul Qadeer Khan (who ran a black-market nuclear supply ring from Pakistan) has confessed to providing North Korea with centrifuge prototypes and blueprints, which enabled Pyongyang to begin its centrifuge enrichment program. North Korea's decision, apparently reached in 2000, to begin acquiring materials in larger quantities for a uranium-enrichment facility with several thousand centrifuges suggests that its R&D-level enrichment endeavors have been successful. Likewise, its procurement of equipment suitable for use in uranium hexafluoride feed and withdrawal systems also points to planning for a uranium-enrichment facility. Pyongyang has yet to address these points and denies the existence of uranium-enrichment activities of any kind. Second, in April 2003, French, German, and Egyptian authorities intercepted a 22-ton shipment of high-strength aluminum tubes acquired for North Korea by a German firm. In November of that year, a representative from Urenco, the European uranium-enrichment consortium, testified in a German court that the dimensions of those tubes--which were intercepted en route to North Korea--matched the technical requirements for vacuum casings for a Urenco centrifuge. A German newspaper reported that North Korea had attempted to circumvent German, and presumably Chinese, export controls by claiming that the tubes were intended for a Chinese company, Shenyang Aircraft Corporation. It is particularly noteworthy that the specifications for the German aluminum tubes are essentially identical to those used by a Malaysian company in manufacturing outer centrifuge casings for Libya's formerly clandestine gas-centrifuge uranium-enrichment program. Details on those tubes were publicized in the February 2004 press release issued by the Malaysian Inspector-General of Police. Notwithstanding this accumulation of evidence in the public record, could it still be

possible, as Harrison argues, that all of this activity was directed solely at achieving a low-enriched uranium (LEU) capability? Hardly. Harrison's speculation is based on a fundamental misstatement of the technology involved. It is not "much easier" to make LEU than it is to make highly enriched uranium (HEU), as Harrison claims. It typically takes three times as much separative work to enrich uranium from its natural state to 5 percent LEU than it does to enrich LEU to 90 percent HEU. It also makes little economic and technical sense to assert, as Harrison does, that North Korea was planning to produce LEU fuel for the light-water reactors it anticipated getting from the Korean Peninsula Energy Development Organization (KEDO) under the 1994 deal Pyongyang had struck with Washington. Harrison also argues that North Korea lacks the capability to produce enough electricity for a "multi-centrifuge" uranium-enrichment facility. This is not correct. Unlike the gaseous-diffusion plants the United States constructed during the Manhattan Project, enrichment plants using Urenco-type centrifuges are not significant consumers of electrical power. The same electricity-generating facilities used for normal commercial operations are more than adequate to power gas-centrifuge operations." (Mitchell B. Reiss and Robert L. Gallucci, "Red-Handed," *Foreign Affairs*, March/April 2005, pp. 142-45)

Richard Garwin: "Selig Harrison argues that 'it is much easier to make low-enriched uranium (LEU)--the fuel needed to power light-water plutonium reactors--than it is to make weapons-grade highly enriched uranium (HEU), as Washington has accused Pyongyang of doing.' In fact, the centrifuge method is as easily used for producing HEU (nominally 95 percent U-235) as it is for making LEU (typically 4.4 percent U-235 in U-238). The performance of a gas centrifuge is measured by its yield of separative work units (SWU). Each of the centrifuges used in Pakistan or in the European enrichment enterprise, Urenco, may be assumed to produce about 3 SWU per year. The commercial nuclear-fuel market values an SWU at about \$100. Technically, the number of SWU that would normally be used to produce a kilogram of U-235 as HEU (about 1.05 kg of HEU) is 232 SWU. The number of SWU that must be invested to make 1 kg of U-235 as LEU (in 22.7 kg of LEU) is about 151 SWU. In both cases one is assumed to start from natural uranium (0.711 percent U-235) and discard depleted uranium with 0.25 percent U-235. Harrison argues that 'a relatively small number of centrifuges is needed to make LEU, but the production of HEU in quantities sufficient for nuclear weapons requires the continuous operation of hundreds--or thousands--of centrifuges over a long period.' If one assumes a Urenco centrifuge with a capacity of 3 SWU per year, then the production of LEU containing one metric ton of U-235--enough to replenish for a year a single large reactor producing a million kilowatts of electrical power (the standard-size reactor such as was being built by KEDO in North Korea)--would require 1,000 kg times 151 SWU/kg, or 151,000 SWU. At 3 SWU per year per centrifuge, this would require 151,000 divided by 3, or slightly more than 50,000 centrifuges working for a year. And the next year the plant's output would supply the following year's replacement fuel, and so on. Alternatively, these same 50,000 centrifuges could provide 150,000 divided by 232, or 647 kg of U-235 as HEU. One gun-type bomb using some 60 kg of U-235 as HEU would require 13,920 SWU. Although it is not trivial to make a centrifuge, once that art has been mastered, or once centrifuges have been procured from abroad, it is a much bigger task (by a power of ten) to make a year's worth of LEU to fuel a modern large power reactor than to enrich

the 60 kg of HEU for a single gun-type bomb. Making the LEU for a single power reactor would require one year of operation of 50,000 centrifuges; on the other hand, fewer than 5,000 centrifuges would be required to operate for a year to make enough fuel for a gun-type bomb.' Harrison quotes me as estimating that '1,300 high-performance centrifuges would have to operate full time for three years to make the 60 kilograms of fissile material needed for a basic ('gun-type') nuclear weapon.' This quote is correct. Three years of 1,300 centrifuges operating at 3 SWU per year would provide 11,700 SWU. The above 13,920 SWU requirement would thus take 3.57 years (or 13,920 divided by 11,700 multiplied by 3), or 3 years, if each of the 1,300 centrifuges can deliver 3.56 SWU per year. If one assumes that an implosion-type weapon uses 20 kg of HEU, then 1,300 centrifuges could produce the requisite HEU in about 14 months. According to Harrison, Accomplishing that would require an enormous sustained input of electricity, without fluctuation or interruption. Moreover, the operation of a multi-centrifuge 'cascade' requires a high-powered motor with a speed twice that of a MiG-21 jet engine. North Korea cannot produce engines even for its Russian-supplied MiGs, and it has only limited, highly unreliable electricity capabilities. It is therefore unlikely that the country is able at present to build or operate the equipment needed, over a long period, to produce weapons-grade uranium. This passage gives very much the wrong impression. Each centrifuge is driven by its own built-in motor. A centrifuge's power consumption is something like 100 kilowatt-hours per SWU (about \$5 of the \$100 price of a commercial SWU). Thus a machine producing 3 SWU per year consumes 300 kWh over a period of 8,766 hours, for an installed power of about 35 watts. This is less than that used by a 40-watt light bulb, and something like that required for a small desk fan. A park of 1,300 centrifuges needs 45 kWh, less power than a small car. There are many small computer centers that demand uninterrupted power, and commercial suppliers sell such systems with multiple small diesel generators for primary power or emergency backup. Nevertheless, I support Harrison's advocacy of a "plutonium first" approach. If this includes North Korea's rapidly rejoining the NPT, with IAEA inspections, the scope of the enrichment effort would become clear, and the security threat could be brought under control in the context of a broader agreement. (Richard Garwin, HEU Done It, *Foreign Affairs*, March/April 2005, pp. 145-46)

- 2/6/05 Fifteen North Korean defectors who had settled in South in detention for trying to cross U.S. border from Tijuana, says L.A.-based Association of People from Five North Provinces. (*Chosun Ilbo*, "15 N. Koreans Nabbed Crossing U.S.-Mexican Border," February 6, 2005)

- 2/7/05 Bolton lashes out at China for not stopping firms from selling missile technology to Iran, other rogue states, opposes European effort to end Tiananmen arms embargo. (Barry Schweid, "Bolton Vows Moves to Block Arms Technology," Associated Press, February 7, 2005)

- 2/8/05 First products made jointly by North and South Korea in Kaesong, stainless steel pots, went on sale at a department store recently and sold out in two days. (Norimitsu Onishi, "Koreas Forge Economic Ties to Ease Tensions on Their Own," *New York Times*, February 8, 2005, p. A-1)

North warns South of “premeditated provocative acts” saying it “infiltrated” a battleship into West Sea waters south of Kuwol Hill in the past two days pushing the standoff into a “touch-and-go” situation. (AFP, “North Korea Warns South Korea of Dangers of Sea Border Dispute,” February 8, 2005)

2/9/05

“There are two words the Bush administration doesn’t want you to think about: North Korea. ... President Bush has been startlingly passive as North Korea has been churning out nuclear weapons like hotcakes. ... Mr. Bush seems to recognize that his policy has failed - that’s why he isn’t talking much about North Korea now, at least publicly ... The risk is that Mr. Bush will respond to the failure of his first term’s policy by adopting an even harder line in the coming months, seeking Security Council sanctions (he won’t get them) and ultimately imposing some kind of naval quarantine. That would only strengthen Mr. Kim’s grip on power, as well as risk a war on the Korean peninsula.” (Nicholas D. Kristof, “Bush Bites His Tongue,” *New York Times*, February 9, 2005, p. A-23)

At a World Cup qualifying match in Saitama, Japan, when 3,600 North Korean fans started to beat drums, wave red flags and cheer, many of the 56,000 in the stands leaped to their feet with an uncharacteristic display of emotion and shouted, “Nippon!” (Anthony Faiola, “Foes on the Field, and Beyond,” *Washington Post*, February 10, 2005, p. A16)

2/10/05

DPRK FoMin statement: “As we have clarified more than once, we justly urged the U.S. to renounce its hostile policy toward the DPRK whose aim was to seek the latter’s ‘regime change’ and switch its policy to that of peaceful co-existence between the two countries. We have closely followed with patience what policy the second-term Bush regime would shape after clarifying the stand that in that case it would be possible to solve the nuclear issue, too. However, the administration turned down our just request and adopted it as its policy not to co-exist with the DPRK through the president’s inaugural address and the state of the union address and the speech made by the secretary of State at the Congress hearing to get its approval, etc. **The remarks made by senior officials of the administration clarifying the official political stance of the U.S. contained no word showing any willingness to co-exist with the DPRK or make a switchover in its policy toward it. On the contrary, they have declared it as their final goal to terminate the tyranny, defined the DPRK, too, as an ‘outpost of tyranny’ and blustered that they would not rule out the use of force when necessary.** ... We have hitherto clearly expressed the position that, as long as the United States does not pick fights with our system and does not interfere in our domestic affairs, we, too, will not promote anti-Americanism and treat it as a friendly nation and have made every effort possible to resolve the nuclear issue and improve DPRK-US relations. However, the United States mistook this as our weakness and defiled our highly dignified system, which our people chose, and dared to commit terrible acts of interference in domestic affairs. ... The DPRK Foreign Ministry clarifies as following to cope with the grave situation created by the U.S. hostile policy toward the DPRK: First. We have wanted the six-party talks but **we are compelled to suspend our participation in the talks for an indefinite period till we have recognized that**

there is justification for us to attend the talks and there are ample conditions and atmosphere to expect positive results from the talks. ...There is no justification for us to participate in the six-party talks again given that the Bush administration termed the DPRK, a dialogue partner, an 'outpost of tyranny,' putting into the shade the hostile policy, and totally negated it. Second. The U.S. disclosed its attempt to topple the political system in the DPRK at any cost, threatening it with a nuclear stick. This compels us to take a measure to bolster its nuclear weapons arsenal in order to protect the ideology, system, freedom and democracy chosen by its people. It is the spirit of the Korean people true to the Songun politics to respond to good faith and the use of force in kind. We had already taken the resolute action of pulling out of the NPT and **have manufactured nukes for self-defense** to cope with the Bush administration's evermore undisguised policy to isolate and stifle the DPRK. **Its nuclear weapons will remain nuclear deterrent for self-defense under any circumstances. ... The DPRK's principled stand to solve the issue through dialogue and negotiations and its ultimate goal to denuclearize the Korean Peninsula remain unchanged.** (KCNA, "DPRK FM on Its Stand to Suspend Its Participation in Six-Party Talks for Indefinite Period," February 10, 2005)

Han Song-ryol in invw with *Hangyore* says, "It is important for the United States to change its hostile policy on North Korea." He adds, "**We are coming forward if the causes and conditions are met for the six-party talks. If the United States wants to have direct dialogue with us, that signals a change in the U.S.'s hostile policy toward the North.**" Failure to do so "means the United States would not recognize us but aims to destroy our regime." He denounced the administration's failure to use the New York channel. "Under these circumstances, we cannot see they have an intention to coexist with us." (Yonhap, "N.K. Urges U.S. to Adopt Bilateral Dialogue on Nuke issue," February 11, 2005)

"It's rhetoric we've heard before," said WH spokesman Scott McClellan. "We remain committed to the six-party talks. We remain committed to a peaceful diplomatic resolution of the nuclear issue with regards to North Korea." (Anthony Faiola and Philip P. Pan, "N. Korea Declaration Draws World Concern," *Washington Post*, February 11, 2005, p. A-1) Jin Linbo, senior research fellow with the China Institute of International Studies in Beijing, said, "The North Koreans and Kim Jong-il want to put pressure on the U.S. because they feel the U.S. has not been serious." [no, tit for tat for Libya briefings, IAI, threat of sanctions] (Sonni Efron and Bruce Wallace, "North Korea Escalates Its Rhetoric," *Los Angeles Times*, February 11, 2005)

2/11/05

FM Ban Ki-moon in Washington notes Pyongyang's commitment to "solve the issue through dialogue and negotiations." (Choi Soung-ah and Shin Hae-in, "Seoul Still Pushing for N.K. 'Dialogue,'" *Korea Herald*, February 12, 2005) Vice Fm Lee Tae-shik tells Uri Party executive committee, "If the North makes further moves, things could get worse ... [if] they either extract more plutonium from nuclear reactors in Yongbyon or sneak the plutonium out of North Korea." (*Dong-A Ilbo*, "U.S. 'Insistence on Nuclear Arsenal Means Isolation for North Korea,'" February 11, 2005) Cheney tells Ban not to reward North with trade, fertilizer. There was a move afoot to put economic pressure on. (James Brooke and David E. Sanger, "Japan Urges North Korea to Rejoin

Disarmament Talks," *New York Times*, February 11, 2005, p. A-6). Ban says Seoul will "continue to provide rice and fertilizer unless the situation deteriorates" and so will work on Gaeseong. (Park Shin-hong and Choi Jie-ho, "Aid to Continue; Hardliners Urge Tougher Stance," *JoongAng Ilbo*, February 14, 2005)

PM Koizumi reiterated caution about sanctions to reporters in Sapporo, "We are going to persuade North Korea by arguing that the scrapping of nuclear programs would best serve its interests. We will also ask the [North Korea] to return to the talks." (Kyodo, "Koizumi to 'Persuade' N. Korea into Scrapping Nuke Program," February 11, 2005) A senior FoMin official said, "The abduction issue is at a deadlock." (Takahara Kanako, "'Pyongyang's Nuclear Move Weakens Threat of Sanctions over Abductions,'" *Japan Times*, February 11, 2005)

By heightening the stakes in a two-year standoff, North Korea has signaled it has little interest in giving up its nuclear programs for relatively minor upfront concessions from the Bush administration -- and appears to be gambling that the United States and its allies will ultimately accept the idea of a nuclear North Korea. ... "This will make our job easier," said an administration official who favors a tougher approach. "North Korea is supporting the hard-liners' well-earned derision of this whole process." ... Some administration officials noted that, in declaring it would indefinitely suspend participation in the talks, North Korea also said it still has the "ultimate goal" of a denuclearized Korean peninsula and would "solve the issues through dialogue and negotiations." They said it is a hopeful sign that North Korea intends to return to the talks. But other analysts said that language may have been aimed at China and South Korea, giving them one more reason to sidestep a confrontation. ... "There aren't good options here," said Charles L. Pritchard, a Brookings Institution fellow who until August 2003 was a special envoy for the North Korea talks. "They still have Iran on their hands, and I don't think they can take North Korea on in a confrontational manner." (Glenn Kessler and Anthony Faiola, "In Pyongyang, Raising the Ante," *Washington Post*, February 11, 2005, p. A-21)

2/12/05 SecState Rice meets with PRC FM Li Zhaoxing, who argues sanctions and pressure will only complicate and destabilize issue, a stance reiterated by the FoMin spokesman on February 17. (Shirley A. Kan, *China and Proliferation of WMD and Missiles*, Congressional Research Service Report, November 15, 2006, p. 26)

Total amount of money transferred from Japan to DPRK through official routes plunged 34.5 percent to Y2.667 billion in FY 2003 from 2002, Y2.58 billion in cash carried by travelers. In FY 2000 travelers took in Y4.01 billion. In 2001 bank remittances were Y101 million, down from \$587 million in FY 2001. (Kyodo, "Money Transfer to N. Korea from Japan Falls Drastically in FY 2003," February 12, 2005)

2/13/05 Bush administration has new "tool kit" to pressure North Korea that some officials describe as building blocks for a broader quarantine, like tracking and freezing financial transactions, to pressure the North. Officials deny it is an effort to topple the regime but say the North has stepped up illicit activities. White House spokesman Scott McClellan calls them "complementary to our continued diplomatic efforts."

Robert Joseph drafted the most recent proposal before he left the NSC staff in November. Bush, who frequently calls Kim Jong-il "immoral" and "a tyrant," recently told Roh Moo-hyun how Kim lets his people starve. "Roh said to him, 'Yeah, he's a bad guy, but we don't have to say it in public,'" said one official who has reviewed notes of the sessions. Bush responded, "'Alright, I won't say it publicly,'" or words to that effect, and so far he hasn't." (David E. Sanger, "U.S. Is Shaping Plan to Pressure North Koreans," *New York Times*, February 14, 2005, p. A-1) Furious at the story, Rice told aides, "I don't like leaks," banging the table for emphasis. (Glenn Kessler, *The Confidante: Condoleezza Rice and the Creation of the Bush Legacy* (New York: St. Martin's Press, 2007), pp. 26-27)

2/14/05

SecState Rice, meeting with FM Ban Ki-moon in Washington, pledged to continue diplomatic means to pressure North Korea. Ban told Rice the North may be bluffing, a contention amplified in Seoul by UnifMin Chung Dong-young, who told the National Assembly that the North had claims to have nuclear weapons at least ten times before. "We see it as a claim to own nuclear weapons, not an official statement of being a nuclear weapons state." He characterized the statement as a bargaining ploy intended to "compel the United States to change its stance." Ban said, "With this increased and intensified diplomatic effort, I am confident that in the end [the] North Koreans will come back to the dialogue table." (Joel Brinkley and James Brooke, "Rice Assures South Korean of U.S. Pressure on North," *New York Times*, February 15, 2005, p. A-9) "There was no such talk" about hard-line options, Ban told a briefing for reporters. "It's time to focus our efforts to resume the talks." In a meeting with Ban, SecDef Donald Rumsfeld and Deputy SecDef Paul Wolfowitz expressed the hope that Seoul would stop providing aid. "We've given assistance on a humanitarian basis so far, considering the symbolic meaning of inter-Korean projects, such as the construction of the Kaesong industrial park," Ban told reporters. "But large-scale joint economic projects will be impossible unless the nuclear problems are resolved." Ban said the government had not yet decided whether to meet the North's request of 500,000 tons of fertilizer. "We explained to the U.S. side that we'd make a decision after taking various situations into account," he said. "U.S. officials didn't make any recommendations or proposals to this, and I believe they understood our position." "I know there are people talking [about] the so-called red line," UnifMin Chung said in a lecture to women's rights groups. "Drawing a line, however, would make the room for possible options even narrower." (Ryu Jin, "S. Korea Rules out Sanctions on N.K.," *Korea Times*, February 16, 2005) Rice urged North Korea's neighbors not to provide incentives to it to return to six-party talks. "We and others agree that North Korea is making a mistake by staying away. We and others agree that one should not reward that mistake," DoS spokesman Richard Boucher told reporters after Rice met with Ban. (Glenn Kessler, "U.S. Urges Nations Not to Reward N. Korea," *Washington Post*, February 15, 2005, p. A-15)

2/15/05

Christopher Hill named U.S. six-party negotiator yesterday, says at breakfast in Seoul, "We are very dedicated to trying to find a diplomatic solution." (Reuters, "U.S., S. Korea Envoys Stress Diplomacy on North," February 15, 2005)

UnifMin Chung Dong-young tells National Assembly, "Without a nuclear test, it is too early to call North Korea a nuclear state." (Park So-young and Brian Lee, "Too Soon to Call North a Nuclear State: Chung," *JoongAng Ilbo*, February 15, 2005)

NIS tells National Assembly North Korea cannot mount nuclear warheads on missiles. (*Korea Times*, "NIS Says N.K. Can't Mount A-Bombs on Missiles," February 15, 2005) South Korean news report says new 1000-km range SCUD-ER has improved precision. (Reuters, "U.S., S. Korea Envoys Stress Diplomacy on North," February 15, 2005)

Hong Seok-hyun, new ROK ambassador to the US, in first news conference, expressed the need to offer incentives to North Korea: "Methods can be different, but our goal is to make the North become a member of the international community through denuclearization of the Korean Peninsula, and to this end, carrots should be provided for its economic development." His comments came hours after DoS spokesman Richard Boucher ruled out any inducements to bring the North back to six-party talks. (Seo Hyun-jin, "Amb, Hong: N.K. Should Be Offered Incentives," *Korea Herald*, February 16, 2005)

Robert B. Zoellick, nominated to be deputy secstate, told his Senate confirmation hearing that North Korea's recent announcement that it now possesses nuclear weapons might have been a bluff. "I would be careful about reading too much into the North Koreans' most recent statement. He then listed several possible political motives, including "pounding one's chest" for the benefit of its citizens. It "could have been, as they have done in the past, sort of a demand to get additional compensation." He added, "It could have been related to the fact that the Chinese were scheduled to come, and they have played a key role in terms of economics and assistance." (Joel Brinkley, "U.S. Official Says North Korea Could Be Bluffing on Nuclear Arms," *New York Times*, February 16, 2005, p. A-9)

2/16/05

DCI Porter Goss told a Senate Intelligence Committee hearing, "North Korea could resume flight testing at any time ... including longer range missiles capable of reaching the United States." (AFP, "North Korea Could Resume Missile Tests: CIA Chief," February 16, 2005) Vice Adm Lowell Jacoby, DIA director, testified, Taepo-dong might be ready testing and "could deliver a nuclear warhead to parts of the United States in a two-stage variant and target all of North America with a three-stage variant." (Shirley A. Kan, *China and Proliferation of WMD and Missiles*, Congressional Research Service Report, November 15, 2006, p. 20)

In Diet debate, PM Koizumi did not propose sanctions. "North Korea wants to solve the problem by peaceful means," Koizumi told the session "We'll come up with a specific response at the right time in the right method, taking Pyongyang's attitude into consideration. But we're not in a position to impose sanctions immediately," said. FM Machimura Nobutaka. "It's an option in case North Korea doesn't respond to our diplomatic efforts, but we're not going to do it right away." (Takagi Masanobi, "Gov't in Diplomatic Impasse with N. Korea," *Yomiuri Shimbun*, February 16, 2005)

Outgoing U.S. ambassador to Japan Howard Baker said Japan should refrain from unilaterally imposing sanctions on North Korea but instead urge China and Russia to take joint action. "If Japan decides to impose sanctions, I feel confident America will support it. But I also feel that sanctions are seldom effective unless it's a multilateral undertaking." (Sakamoto Takashi, "Baker Urges Caution on N. Korea Sanctions," *Yomiuri Shimbun*, February 17, 2005)

President Roh Moo-hyun told a meeting of his security ministers, "North Korea should return to six-party talks soon. If it has any claims to make, it should present them at the negotiating table. If it has different positions, it should put them forth and resolve problems in a reasonable manner." A senior official who attended the meeting said, "We believe we should not overreact to the current situation. North Korea seems overly worried about the security of its regime, so we will try to help North Korea understand the situation in a balanced way." (Seo Hyun-jin and Choi Soung-ah, "Roh Urges N. K. to Resume Talks," *Korea Herald*, February 17, 2005)

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E.O. 12958: DECL: 02/23/2015

SUBJECT: COMMANDER OF UN FORCES IN KOREA GENERAL LAPORTE
DISCUSSES NORTH KOREA WITH AUSTRALIAN FM DOWNER

¶1. (C) SUMMARY: In a meeting with Australian Foreign Minister Alexander Downer on February 16, U.S. General Leon LaPorte, Commander of the UN Command in Korea, described the dramatic changes taking place in the ROK, in particular at the Demilitarized Zone (DMZ), where the UN Command's role is also changing rapidly. He outlined the significant transformation of the U.S. and ROK forces and gave context to the drawdown of 12,500 troops from South Korea, a "rock solid" U.S. ally. While agreeing that the Six-Party Talks should continue, Downer thought the international community ought to do more to pressure the DPRK, such as by invigorating Proliferation Security Initiative (PSI) activities against the North Koreans. As LaPorte described the current conventional war-fighting capabilities of the DPRK military, Downer speculated on the actual number of nuclear warheads Pyongyang might possess. Downer suggested that aid that could prop up the DPRK's failing infrastructure should be withheld in order to bring an end to the regime's tyranny. End Summary.

¶2. (C) General LaPorte briefed FM Downer, at his request, on the current status of the Korean Peninsula. Explaining that he was visiting Australia and New Zealand in his role as UN, and not U.S., Commander, LaPorte noted the significant changes taking place in the ROK. The Demilitarized Zone (DMZ), after 50 years as the world's most heavily defended turf, had also changed dramatically over the past 18 months. While only handfuls of people had traversed the DMZ previously, now hundreds, and potentially thousands, were doing so daily, thanks to the construction of two super highways and railway lines linking the two sides. The UN Command's role was to enforce the armistice and facilitate crossings, so its role was changing as well. This was a result of the Roh Government's outreach policy to the North Koreans. LaPorte praised the ROK as a "rock solid" ally of the U.S.

¶3. (C) Asked by Downer about the downsizing of U.S. Forces in Korea, LaPorte explained that a total of 12,500 U.S. troops would be withdrawn from a total of 37,500

over five years. Five thousand had already departed. Meanwhile, technological capabilities were dramatically improving. The U.S. forces had been spread among 100 camps and stations across South Korea. Where they had once been "at the end of a dusty trail," many of the U.S. bases were now surrounded by urban developments and therefore needed to be reconfigured. As both U.S. and ROK forces transformed and consolidated their bases to reduce irritants to local communities, certain military tasks were also being transferred to ROK forces. Because the U.S. military was an all-volunteer force, it was significant that the consolidation of bases would enable improvements to the quality of life for the stationed troops, which would in turn facilitate recruitment.

¶4. (C) Downer agreed that capabilities were more important than numbers of troops in this era, but he asked whether all South Koreans agreed that this was the right time to downsize. LaPorte said some Korean conservatives were concerned, but after 50 years it was time to readjust the U.S. force structure. The USG's commitment and adherence to the 1953 Mutual Defense Treaty with the ROK remained steadfast, and USFK were being transformed in cooperation with the ROKG and the South Korean people. He pointed to a USD 11 billion investment in improving U.S. forces' capabilities in the ROK.

¶5. (C) Downer asked for details on ROK forces. LaPorte told him there were 780,000 in uniform, and about 450,000 of those were army. He said the South Korean conscripts were quite well-equipped and trained. Downer asked COL Moug, the Australian Defence Attache in Seoul who attended the meeting, for details of interaction between the Australian Defense Force (ADF) and ROK forces. Moug replied that most interactions were high-level exchanges, although several South Korean exchange students were also at Australian Defense Academies. He noted that the two countries' Special Forces officers had expressed interest in exercising together.

¶6. (S/NF) FM Downer asked if it was correct that DPRK forces could unleash artillery shells and missiles into the Seoul basin and inflict tremendous damage before UN forces could neutralize their capability. **LaPorte said there were some 250 North Korean underground artillery positions within range of Seoul** which could fire high-explosive or chemical-filled shells. DPRK missiles could reach all of South Korea and Japan. However, the North Koreans' ability to win a conventional war was doubtful. Even with 1.2 million under arms, its air force and naval capabilities were limited. The DPRK had 18 MIG-29s; the other airplanes were much older. Its tanks were mostly old T-55s. DPRK pilots averaged 12 hours of flight training per year, while U.S. and ROK pilots received 12 - 15 hours per month. Sustainability and logistics capabilities were "not there," LaPorte stated. The artillery, though old, was the main threat. So the DPRK's leverage, Downer surmised, was the damage it could inflict on Seoul. LaPorte concurred, calling it the "tyranny of proximity." "Not that any of us believe in pre-emption," Downer chuckled, but what could the UN forces do if they thought it was necessary? General LaPorte emphasized that all of the Combined Forces Command (CFC) operational plans were premised on reacting to a North Korean attack.

¶7. (C) Downer stated that the universal line that the Six-Party Talks (6PT) had to resume was correct, but they also had to be effective. He thought there ought to be ways to bring additional pressure to bear on the DPRK leadership. He assumed Japan

would be the first to apply sanctions; the rest of us needed to have plans in place, he urged. How the North Koreans would react to Japanese sanctions was anybody's guess, Downer said. General LaPorte noted that U.S. Ambassador to Korea Chris Hill had been named to replace EAP/AS James Kelly, and would take over the U.S. lead on the 6PT as well. The General expressed the USG's desire to continue the 6PT process and find a diplomatic solution, pointing out the irony of the accusations about U.S. unilateralism when the U.S. was working hard to keep the negotiations with the DPRK multilateral. North Korea would like nothing better than bilateral negotiations with the U.S., he remarked.

¶8. (C) Downer said bilateralizing the talks with the DPRK would be a huge mistake, not least because it was China which had the most leverage on North Korea. He noted that China wanted to play the role of honest broker and that was not good enough; Beijing had to understand that it had to bring its leverage to bear on Pyongyang. In addition, new strategies had to be devised to further constrain the North Koreans. The Foreign Minister called the PSI a worthy initiative, mentioning that Australia was a core player. Perhaps, he suggested, the PSI could be brought to bear more vigorously, although the North Koreans would "cry blue murder" in Beijing.

¶9. (S/NF) The FM asked General LaPorte how many nuclear warheads he thought the DPRK had: two or three? Downer and his Senior Adviser Haynes mentioned that IAEA DG ElBaradei had said Pyongyang could have as many as six, based on the number of fuel rods the North Koreans possessed. LaPorte thought the DPRK had the capacity to make more than two or three warheads, given the amount of plutonium "harvested" before the 1994 agreement and based on the DPRK's own claim of having reprocessed the 8,000 spent fuel rods after the agreement had ended. It was a high-risk strategy, he observed, that the North Koreans thought would lead to a big payoff but most likely would not. Downer agreed, noting it only strengthened the resolve of the international community. LaPorte commented that North Korea's ambiguity about whether it had nuclear weapons had served it well in the past. Now that it had confessed to having them, countries that had been sitting on the fence would have second thoughts.

¶10. (C/NF) Asked to describe how the U.S. forces and the UN Command structure worked, LaPorte and COL Kevin Madden of the UN Command's Military Armistice Commission, explained that a U.S. General served as the UN Commander and the U.S. Secretary of Defense served as the UN Command's Executive Agent. The UN Command in Korea reported annually to the UN Security Council and could do so more often if it wished. LaPorte emphasized that the transportation corridors through the DMZ represented the greatest change to the way South Koreans, at least, had lived for the past 50 years. Downer and Madden compared their personal experiences in Pyongyang, with Downer calling the DPRK capital "pathetic" with its darkened streets, cracked pavements and unmowed grass. LaPorte concurred that the DPRK infrastructure, including the power grid and rail lines, was decrepit. In closing, Downer remarked, "let the whole place go to s--t, that's the best thing that could happen." Speaking off the top of his head, he added that aid should not be given that would prop up the infrastructure. If U.S. officials wanted to hear the "bleeding hearts" view of "peace and love" with respect to North Korea, Downer joked, they only had to visit his colleagues in New Zealand. Downer said he personally agreed with President Bush that tyranny had to be ended.

¶11. (C) UN/U.S.: Commander of the UN Command in Korea, General Leon LaPorte; COL Kevin Madden of the UN Command's Military Armistice Commission; and Embassy Polmiloff. Australia: FM Alexander Downer; his Senior Adviser Bradley Haynes; Australian Defence Attache in Seoul COL John Moug; and DFAT Korea Section Executive Officer Charles Adamson. STANTON

- 2/16/05 Wi Sung-lac, minister in the ROK embassy in Washington, and Han Sung Ryol, DCM of the DPRK UN mission, held talks in New York on how to restart six-party talks, a South Korean lawmaker said. "According to what I heard, Ambassador Han has cited the U.S. continuation of hostile policies toward North Korea as the reason for not attending the talks," said Won Hee-ryong of the GNP. (Kyodo, "N., S. Korean Diplomats Discussed Nuke Issue in N.Y.: Legislator," February 21, 2005)
- 2/17/05 Deputy FM Song Min-soon and Ambassador Christopher Hill made separate diplomatic swings into Beijing to try to revive stalled six-party talks. "This is a procedural trip for both the envoys to individually discuss ideas that can become a cornerstone to convince North Korea back to the discussion table without preconditions," said a MOFA official. ROK Ambassador to China Kim Ha-joong said that in dealing with North Korea, China holds a "greater card" than the world thinks. "But the only question is whether China will use that card or not this time." He said, "China provides the most aid for North Korea, but does not come out and openly say 'we have this kind of major card' to Pyongyang. It is difficult to get an exact account on how much Beijing is providing North Korea as it has never made this public, but in actuality 70-80 percent of all foreign goods circulating in North Korea comes through China." (Choi Soung-ah, "S. Korea, U.S. Swing Diplomacy to China," *Korea Herald*, February 18, 2005)
- 2/18/05 North Korea will return to talks about its nuclear weapons program if the United States pledges "coexistence and noninterference," the North's envoy to the United Nations said. Deputy Ambassador Han Song Ryol told the newspaper *JoongAng Ilbo*, "We have no other option but to have nuclear weapons as long as the Americans try to topple our system." Recalling Secretary of State Rice's reference to "outpost of tyranny," Han said her comment "defines U.S. policy." He said, "There are two preconditions for our return to six-party talks. The United States must promise us coexistence and noninterference, and it must make us believe that we can expect concrete results from these talks in making the Korean Peninsula nuclear weapons-free and ending the hostile U.S. policy toward us." He added, "If the United States withdraws its hostile policy, we will drop our anti-Americanism and befriend it. Then why would we need nuclear weapons?" (Alexa Olesen, "Report: North Korea Doesn't Want U.S. Talks," Associated Press, February 19, 2005)
- 2/19-22/05 Wang Jiarui, dir of CPC Intl Liaison Department, in Pyongyang, passes request from Hu Jintao to Kim Jong-il to resume six-party talks. (Shirley A. Kan, *China and Proliferation of WMD and Missiles*, Congressional Research Service Report, November 15, 2006, p. 26) The dispatch by China of a high-level envoy this weekend to persuade the North Koreans to return to talks on their nuclear weapons would seem to present it with an ideal opportunity. China's economy is growing enormously, casting shadows in every

direction. Its fast-modernizing military has the attention of every power, regional or global. No other country, meanwhile, enjoys the kind of long, unbroken friendship that China has nurtured for over five decades with North Korea. In short, all the pieces would seem to be in place for Beijing to score its first big coup in global diplomacy, brokering an end to the nuclear threat on the Korean peninsula. The only problem with this optimistic scenario is that it is shared by almost no one in China. For now, the Chinese remain reluctant to take major diplomatic risks on North Korea, convinced that this longtime ally, a country that Chinese soldiers shed blood in large numbers to defend, will never turn against them. Analysts say that Beijing's top priority is to maintain quiet on its frontier, and that it would take a more aggressive tack only if tensions between Washington and North Korea were to increase seriously. Beyond such doubts, however, lingers an even more fundamental reason for the reluctance of China to take the lead in this crisis: its deep-seated skepticism about the United States' strategic designs in the region. "If we cut off aid and the Koreans are unified on South Korean terms, that would be a big disaster for China," one analyst said. "The U.S. would insist on basing its troops in the northern part of the peninsula, and China would have to consider that all of its efforts going back to the Korean War have been a waste." Other experts here look cynically on Washington's insistence on Chinese leadership in the North Korean face-off, seeing it as part of a broader effort by the United States to entangle Beijing in a growing web of international arrangements, the better to limit Chinese influence. Meanwhile, most Chinese international security experts insist that the United States holds the two most important keys to resolving the North Korean problem: ending a state of hostility that dates from the earliest days of the cold war and providing tangible assurances to North Korea that Washington does not seek the government's overthrow. "Although many of our friends see it as a failing state, potentially one with nuclear weapons, China has a different view," said Piao Jianyi, an expert in international relations at the Institute of Asia Pacific Studies in Beijing. "North Korea has a reforming economy that is very weak, but every year is getting better, and the regime is taking measures to reform its economy, so perhaps the U.S. should reconsider its approach." This widely held picture of a slowly, painfully reforming North Korea suggests a broad sympathy for North Korea among Chinese intellectuals and policy makers. For many, North Korea's experience echoes China's fitful reforms of a generation ago. "In the late 1960's, China also had a lack of transparency," Piao added. "It was also threatening to other countries and, as Westerners would say, it was an oppressive country. But one threatens others because one feels threatened, and in that perspective, you can better understand North Korea." Many experts in Chinese affairs say the main emphasis of the country's foreign policy remains avoiding turbulence wherever possible in international relations, the better to realize its economic ambitions. "As far as the Chinese are concerned, the bottom line is stability," said Robert Sutter, a former national intelligence officer for East Asia, and author of the coming book "China's Rise in Asia." "They've been really concerned about the danger of war in Korea, and that is why they got busy behind the six-party talks, not because they wanted to be seen as any great Asian player. Still, putting a lot of pressure on North Korea would be hard for them, and I don't think they want to take those risks." But if caution remains the cornerstone of China's policy toward North Korea, Beijing wants to keep up at least the appearance of being a responsible power and attentive to regional problems. Moreover, some voices here have begun to insist

that traditional diplomatic approaches no longer meet its current interests. The nuclear situation on the Korean peninsula is unlike anything China has faced before, said Zhang Liangui, a foreign affairs expert at the Central Party School, in Beijing. The new development "might lead to nuclear competition in northeast Asia, which is the most important region in the world for China," he said, adding, "We must treat this with the greatest seriousness." Other Chinese experts go further. Shen Dingli, vice president of the International Relations Institute at Fudan University in Shanghai, said China's priorities in the international face-off were clear: keeping North Korea from collapsing, and keeping American troops south of the 38th parallel, the line that divides the two Koreas. But he complained of Chinese timidity in limiting itself to a host's role for the talks. "China still does not have a mentality for leading the world, and has no reflexes for pushing the U.S. and North Korea to do something," Shen said. "This crisis is a reminder that we must raise the level of our diplomacy quite a bit still. If China is not wary of the old passive approach to the world and doesn't learn how to be more pushy, we will only have ourselves to blame." (Howard W. French, "China Uneasy in Korea Role, Wary of U.S.," *New York Times*, February 19, 2005, p. A-1) Kim Jong Il told a Chinese envoy, Wang Jiarui, head of the CCP International Department, that he would be willing to resume diplomatic negotiations over his country's nuclear program, but only when "conditions are ripe," according to state media reports in China and North Korea. Kim also said North Korea would return to the talks only if the United States showed "sincerity." Kim's seemingly softer stance, if characteristically vague and open ended, was taken after North Korea jolted diplomatic efforts this month by announcing for the first time that it already possessed nuclear weapons and would not return to disarmament talks. "The D.P.R.K. has never opposed the six-party talks, nor will it withdraw from the talks," Kim said. (Jim Yardley, "North Korean Said to Be Willing to Resume Talks," *New York Times*, February 22, 2005, p. A-6) Kim Jong-il told Wang that North Korea had produced nuclear weapons, but according to the source, he did not say how many or when they were made. (Kyodo, "N. Korea's Kim Admitted Nuke Weapons to China Envoy: Source," March 1, 2010) "Ning Fukui, China's special envoy on the North Korean nuclear issue, gave an in-depth briefing on Wang Jiarui's visit to Pyongyang to ambassadors of the relevant countries," a South Korean official said. Ning, who accompanied Wang on his trip, reported that North Korea was the U.S. to state it has "no hostile intent" before talks can resume. Its "conditions" for talks were a comprehensive security guarantee rather than material rewards. (Ryu Jin, "N. Korea Wants Pledge of 'No Hostility,'" *Korea Times*, February 24, 2005) Kim expressed anger toward comments by SecState Rice describing North Korea as an "outpost of tyranny," adding that he wants to "hear an explanation about what the intention behind it is," one of diplomatic sources said. Kim said that the United States has taken a "heavy-handed approach" toward his country in the last three rounds of six-party talks, the source said. When Wang said North Korea can discuss issues directly with the U.S. within the framework of six-party talks, Kim described the talks as "meaningless" if the United States does not show it is will to negotiate with the North on equal terms. Kim said the North would show "trustworthy sincerity" if the U.S. dropped its hostile policy and provide a security guarantee. (Kyodo, "N. Korea Sets Four Conditions for Returning to Six-Way Talks," February 28, 2005) Kim told Wang the "DPRK has never opposed the six-party talks but made every possible effort for their success, but added "we will go to the negotiating table any time if there are mature

conditions for the six-party talks thanks to the concerted efforts of the parties concerned in the future." (B.C. Koh, "North Korea's 'Bombshell' Declaration," *IFES Forum*, March 2, 2005)

KEDO met with North Korean representatives and ask permission to take construction equipment and technical documents out of the country. The North opposed it pending resolution of the issue of compensation, said Ku Hyun-mo who conducted the talks on behalf of KEDO. (*Korea Times*, "KEDO and N.K. Hold Talks on Nuclear Reactors," February 24, 2005)

2/20/05

In an effort to increase pressure on North Korea, the Bush administration told its Asian allies in briefings earlier this year that Pyongyang had exported nuclear material to Libya. **It was Pakistan that sold the uranium hexafluoride to Libya.** The U.S. government had no evidence, the officials said, that North Korea knew of the second transaction. Pakistan's role as both the buyer and the seller was concealed to cover up the part played by Washington's partner in the hunt for al Qaeda leaders, according to the officials, who discussed the issue on the condition of anonymity. The Bush administration's approach, intended to isolate North Korea, instead left allies increasingly doubtful as they began to learn that the briefings omitted essential details about the transaction, U.S. officials and foreign diplomats said in interviews. In an effort to repair the damage, Secretary of State Condoleezza Rice is traveling through East Asia this weekend trying to get the six-nation talks back on track. The impasse was expected to dominate talks today in Seoul and then Beijing, which wields the greatest influence with North Korea. (Cf. 2/2/05) (Dafna Linzer, "U.S. Mised Allies about Nuclear export," *Washington Post*, March 20, 2005, p. A-1)

DIA estimates that North Korea has made 12 to 15 nuclear weapons, *Newsday* reported today. (*Chosun Ilbo*, "N. Korea Has 12 to 15 Bombs: DIS," February 21, 2005)

2/21/05

Just as China's state news agency was berating Japan for its "wild behavior" in joining the United States to express their "common strategic objectives" in Taiwan, the news came that Japanese trade with China jumped 27 percent last year, hitting a record high of \$168 billion. It was only the latest example of a troubling dynamic in the countries' relations: white hot economics and deep freeze politics. The joint United States-Japan declaration on Taiwan, buried last week in a long, seemingly bland statement of cooperative security objectives, left many Chinese analysts outraged. "Japan colonized Taiwan for half a century," one Chinese expert based here said Monday, hardly containing his anger. "When Japan talks about Taiwan, we think they have no right to talk." He asked to remain unidentified because he did not want to criticize Japan publicly. Fear of a rising China prompted Hosoda Hiroyuki, the government's chief cabinet secretary, to ask the European Union on Monday to retain its embargo on arm sales to China. "The sale of advanced weaponry would fuel tensions and is a concern for Japan," he said. The Chinese argue that Japan must adapt to a new reality in Asia. Recalling China's occupation of Taiwan and its depredations on the mainland, the Chinese analyst, a graduate of American and Chinese universities, said: "For almost two centuries, Japan had a weak and divided China. Now we have a nearly integrated, strong China. The Japanese are not ready for

that." For Taiwan, which was delighted by Tokyo's surprise announcement, the best strategy is to form an alliance to check China. Taiwanese officials note that South Korea recently renewed direct flights between Seoul and Taiwan, a link broken over a decade ago. And they eagerly endorse the stalled six-party talks on North Korea's nuclear weapons, which aim to preclude North Korea from even considering a military option. "With regards to China, we hope that there is a military encirclement so China will not go for a military adventure as well," Koh Se-kai, Taiwan's representative to Japan, said in an interview on Monday. Speaking fluent Japanese acquired during a three-decades-long exile here that ended in the 1990's, he added: "The United States and Japan announced their interest in the Taiwan straits issue. We welcome it for it seems to be the first step for such an encirclement." To the east of Taiwan, Japanese islands already feel Chinese pressure: Chinese drilling last fall for gas in an area claimed by Japan, a Chinese submarine caught in November trying to slip through Japanese territorial waters, and a continuing effort by China to have a Japanese island declared a rock, a legal strategy that would deprive Japan of thousands of square miles of economic rights. Discarding the language of diplomacy, FoMin spokesman Takashima Hatsuhsa said in an interview on February 21 that the inclusion of Taiwan in the security list was a consequence of those actions. China has been increasing its military budget by 10 percent annually for the past 10 years, continued Takashima, whose government is actually cutting its defense spending this year. Briefing reporters in Washington on Saturday, Takashima, the Japanese spokesman, said that in the event of war between Taiwan and China, Japan would limit itself to providing logistical support, saying: "Surely, Japan would support American action, but we wouldn't join the military action itself. It is prohibited by the Constitution." Yet, one observer left Tokyo last week with words of caution for Japan and China. "The biggest challenge to Japan is going to be how it arranges its relationship with China," Howard H. Baker Jr. told a small news briefing February 23 before stepping down as American ambassador here. "Japan is a superpower. China is on its way to being a superpower. They are both rich, they both have a history and tradition in this region. And they don't much like each other." (James Brooke, "Japan's Ties to China: Strong Trade, Shaky Politics," *New York Times*, February 22, 2005, p. A-9)

2/22/05 Bush administration refuses to use the words "no hostile intent." A White House official said last week that there was "no hidden meaning" behind Bush's not using the phrase -- just that the president wanted to be more specific in dealing with North Korea's fear of a military attack. Powell and Bush "are two different men using different words," he said. (Glenn Kessler, "Three Little Words Matter to N. Korea," *Washington Post*, February 22, 2005, p. A-10)

Congressional Research Service, *Korea: U.S. Korean Relations - Issues for Congress*, Larry Nicksch, February 22, 2005.

2/24/05 North Korea has yet to build a HEU plant, the National Intelligence Service estimated. In a report to the National Assembly, the NIS said, "We judge that North Korea has not yet built or possessed HEU nuclear bombs as it has not yet reached the stage of building the HEU factory." (Yonhap, "N.K. Uranium Nuclear Bombs," February 24, 2005) "We believe North Korea has not reached the stage of building a HEU plant

because of enhanced efforts by the international community to stop it from securing key equipment," it said. (AFP, "N. Korea Has No Working Facility for Enriched Uranium," February 24, 2005)

South Korea plans to finish construction of an inter-Korean rail line on the east coast by year's end to support the Mount Kumgang tourism project, MinUnif Chung Dong-young said. "The government will try to reach a deal with the North's military for the safety of travelers," he told a National Assembly hearing on inter-Korean relations. As of January, 872,332 tourists have visited Mount Kumgang since the project began in November 1998. (Park Song-wu, "Seoul to Finish S-N Railroad by Dec.," *Korea Times*, February 24, 2005)

KCNA: "The Japanese government recently sent a document refuting the memorandum released by the Korean Central News Agency dated January 24 to the DPRK through its embassy in Beijing. In the paper Japan told rubbish that it has not made any scientific clarification as regards the KCNA comment that the results of the DNA test of the remains of Megumi Yokota are false, it can never accept what the DPRK side described as a fabrication, it demands an early probe into the truth through the repatriation of surviving abductees and that the Japanese government is compelled to take a strong counteraction unless its demand is met. Japan even stated that it has willingness to have a working-level meeting to explain its paper refuting the KCNA memorandum, if the DPRK wishes. In this regard the DPRK embassy in Beijing on February 24 officially notified the Japanese embassy there of the following stand of the DPRK: We can never accept the document as it is nothing but a poor excuse. It deserves not even a passing note because it lacks a scientific proof. We feel disgusting at Japan which fabricated the case by falsifying truth. We, therefore, have no intention to discuss the issue with the Japanese government. We strongly urge the Japanese government once again to probe the truth behind the fabrication of the results of the DNA test of the remains of Megumi, punish those responsible, apologize to her bereaved family and return the remains without delay. As far as the Japanese government's talk about "strong counteraction" is concerned, it may do as it pleases. The DPRK side, too, will take a corresponding action." (KCNA, "Japan's Refutation of KCNA Memorandum Termed Poor Excuse," February 24, 2005)

At a reception hosted by Iran's ambassador to Pyongyang, Yang Hyong-sop, vice president of the DPRK Supreme Assembly, said, "The peoples of the DPRK and Iran have established friendly and cooperative ties and supported and closely cooperated with each other on the road of the struggle for independence against imperialism." KCNA on February 18 quoted Iran's president as supporting the DPRK's "struggle to secure peace and stability." (Associated Press, "North Korea, Iran Praise Mutual Friendship, Struggles," February 26, 2005)

Rep. Curt Weldon (R-PA) met with Han Song-ryol, deputy DPRK ambassador to the U.N. in New York, an aide to Weldon said. (Kyodo, "U.S. Congressman Contacts N. Korean Diplomat in N.Y.," February 24, 2005)

2/25/05

KCNA: "The Shimane Prefectural Assembly of Japan is now making quite a noise over the adoption of "an act" for the institution of "Day of Takeshima (Tok Islet)", twanging the harp of "the centenary of the enrollment of Tok Islet in Shimane Prefecture". A *Minju Joson* analyst [today] ridicules this as a far-fetched argument and disgraceful behavior which can be committed only by Japan without an equal in the world in robber-like evil-mindedness. Citing historical materials proving that Tok Islet belongs to the Korean territory, the commentary says: Japan's imprudent claim that the islet belongs to it reveals its deep-rooted brigandish nature and wild ambition for territorial expansion. In bringing forward again 'the claim to the islet' Japan seeks to secure a pretext and chance to stage a comeback to Korea. Its scheme to invade Korea again by grabbing the islet at any cost is an intolerable act of freely insulting and encroaching upon the dignity and sovereignty of the Korean nation. The Korean nation today is not the nation which the Japanese imperialists could massacre and fleece as they pleased in the past. It is the unshakable will of the Korean nation to settle accounts with the Japanese imperialists for all its crimes in forcing misfortunes and sufferings of all descriptions upon the Koreans after illegally occupying Korea. Japan would be well advised to face the reality squarely and stop at once its foolish acts of inviting troubles to itself." (KCNA, "Japan's Aggrandizement Ambition Assailed," February 25, 2005)

In a report to Congress, the State Department said the number of North Korean defectors in China decreased from 75-125,000 in 2000 to 30-50,000 currently. DoS representatives visited China and South Korea from January 31 to February 4 to discuss procedures for accepting defectors in the U.S. (Kwon Soon-taek, "U.S. Department of State Submits First Report on North Korean Defectors to Congress," *Dong-A Ilbo* February 25, 2005) China detained and "forcibly" repatriated "several thousand North Koreans" in 2004 despite threats of torture and execution back home. (Murayama Kohei, "China Returned Several Thousand North Koreans in 2004: U.S. Report," *Kyodo*, February 25, 2005)

2/26/05

At TCOG in Seoul, Christopher Hill, Song Min-soon, Sasae Kenichiro discuss how to bring DPRK back to talks. "We urged the North to return to the talks without delay, and stressed that the talks are a forum to discuss all issues including North Korea's concerns," said Deputy FM Song of South Korea. (Jack Kim, "Anything up for Discussion, North Korea Told," Reuters, February 26, 2005) "What we mean by wide-ranging forum of discussions is that it would include the format that North Korea wants," said Deputy FM Song Min-soon, meaning direct meetings with U.S. negotiators on the sidelines of six-party talks. (Jack Kim, "Incentives, Pressure to Bring N. Korea to Talks," Reuters, February 28, 2005)

300 South Korean soldiers, who were part of the first of 2,000 to be sent to Iraq, returned home. (Yonhap, "First South Korean Troops Return Home from Iraq," February 26, 2005)

Rodong Sinmun signed commentary: "Acting Secretary General of the Liberal Democratic Party of Japan Abe in a recent lecture blustered that 'now is the time for Japan to impose economic sanctions upon north Korea,' saying 'it should apply them against it even this month. ... This is the escalation of the rash anti-DPRK campaign

kicked up by the Japanese ultra-right conservatives, pursuant to the U.S. policy. ...The undisguised option taken by the Japanese reactionaries to impose economic sanctions upon the DPRK is a deliberate, premeditated and grave provocation as it is intended to further strain the DPRK-Japan relations of confrontation and spark a new war on the Korean Peninsula. This is little short of a formal declaration of political and military showdown with the DPRK. The hostile relations between the DPRK and Japan are inching close to a dangerous situation on the eve of a war, after going beyond the tolerance limit. This compels the DPRK to take a decisive counter measure. Its army and people regard sovereignty as their life and soul and do not allow anyone to infringe upon it even a bit. They will strongly react to Japan's action to impose sanctions upon the DPRK with self-defensive retaliatory measures. Japan will be wholly to blame for the catastrophic crisis in the bilateral relations." (KCNA, "Japan Strongly Warned against Its Application of Sanctions against DPRK," February 26, 2005)

2/28/05

Acting LDP sec-gen Abe Shinzo told a symposium on North Korea imposing sanctions on the North is the only way to move forward on abductions. "This may not have a crucial impact, but there is no other way at this point when there is no possibility of progress." (Kyodo, "Sanctions on N. Korea Are the Only Way Forward: Abe," February 28, 2005)

China, initially skeptical, now agrees with U.S. assessments that North Korea has a uranium enrichment program to develop nuclear weapons, according to well-placed sources. In June, Chinese delegates unofficially told their U.S. counterparts during a working dinner at the third round of six-party talks, and in August at a seminar in New York, that Beijing knew of Pyongyang's uranium enrichment program, but did not consider it a matter of concern. Later, Chinese officials informed Washington through official channels that Beijing shared Washington's view of North Korea's uranium enrichment program. The Chinese relayed its change of stance on a number of occasions including the APEC forum in November in San Diego, when Deputy FM Dai Bingguo visited the United States in January, and when Michael Green, NSC senior director for Asia, visited China in January. [Seeking to enrich uranium, not yet doing it.] (Sakajiri Nobuyoshi, "China Now in Sync with U.S. on N. Korea," *Asahi Shimbun*, February 28, 2005)

3/1/05

In a speech marking the anniversary of the March 1 Independence Movement of 1919, President Roh Moo-hyun said, "Japan needs to apologize and compensate for its past wrongdoings." Remarks by Japan's ambassador to South Korea, Takano Toshiyuki that the Dokto islets are Japanese territory on February 22 triggered protests from civic organizations across the country. "I call on the Japanese to understand the sufferings of the Korean people forced to serve as comfort women and laborers during the colonial period." The prime minister's office has established a task force of officials and citizens on the issue, he said. "But I acknowledge the government has paid little attention to the problem so far. For instance, although the normalization of bilateral relations [in 1965] was inevitable, the government at the time was not supposed to address compensation for individual victims." (Shim Jae-yun, "Roh Calls on Japan to Compensate World War II Victims," *Korea Times*, March 1, 2005) Roh said, "We need to bring to light the historical truth, apologize and reflect, pay compensation should there

be things that need to be compensated, and reconcile." The remarks are a departure from his previous position that he would not make a formal diplomatic issue out of the history of the two countries during his tenure. (*Chosun Ilbo*, "An End to Korea's Cozying up to Japan?" March 1, 2005)

A new law took effect requiring that all ships over 100 tons that enter Japanese ports have insurance, a disguised form of sanction against North Korea. The Mangyongbong-92 ferry called off a port call in Niigata because of difficulty obtaining insurance. (*Japan Times*, "Japan Implements Veiled Sanctions against North," March 2, 2005)

Reiss: "**Q.** Do you think the North Koreans will ever give up the nuclear program? **A:** I think it is conceivable. If you listen to the North Koreans very carefully, one theme that consistently comes across is their concern security. The number one issue for Kim Jong-il is regime survival. The question is, can you craft a deal in which they give up their entire nuclear program in return for some type of security assurances or guarantees that Mr. Kim and the regime will remain in place. They emphasized this theme about 18 months ago, and President Bush actually said he was in favor of giving them a multilateral security assurance. ... **Q.** Why do you say 'multilateral' security guarantee? **A.** The administration put a lot of time and thought into this. The multilateral security assurance is one that all the parties would sign up to. This would provide much greater assurances to Pyongyang than would a bilateral agreement with the U.S. There would be 'witnesses' to the fact that the U.S. has provided security assurances to North Korea. If the North Koreans really want a bilateral agreement with the U.S., they should come back to the table and say so, explain why, and we'll see if we can reach an agreement. It could simply be they want a bilateral security agreement because it elevates them to the same stature as the world's greatest power, the United States. It could be prestige and 'face,' and nothing more than that. ...**Q.** In hindsight, what was good about the 1994 Agreed Framework, and where were its shortcomings? **A.** The Framework froze the greatest immediate threat, the plutonium in the fuel rods stored at the Yongbyon facility. It would be unfair to say that the Framework did not have limited success. But it was limited. The opportunity created was never exploited. The Clinton administration neglected the issue, and Pyongyang was duplicitous in that it pursued a uranium nuclear program. The Framework was not popular among many Republicans, and the administration decided not to take on the Republicans over North Korea. KEDO lost momentum." (*The Oriental Economist*, "China Must Pressure North Korea," Interview with Mitchell Reiss, March 2005, pp. 12-13)

3/2/05

KCNA: "We will go to the talks any time if the U.S. takes a trustworthy sincere attitude and moves to provide conditions and justification for the resumption of the six-party talks. The DPRK Foreign Ministry declared this in a lengthy memorandum released [today] to explain the reason why it maintains such stand on the talks. ...How can we sit at the negotiating table with the U.S. given that the U.S. has rejected the government of the DPRK. **The U.S. should apologize** for his above-said remarks and withdraw them, renounce its hostile policy aimed at a regime change in the DPRK and clarify its political willingness to co-exist with the DPRK in peace and show it in practice. It is

foolish of the U.S. to calculate that the DPRK will come out to the talks and yield to it under its military pressure. **The DPRK's demand that the U.S. renounce its hostile policy toward the DPRK and rebuild the groundwork of the talks is not a precondition.** If the U.S. truly wants a negotiated solution to the DPRK-U.S. nuclear issue, it should rebuild the groundwork of the talks it had destroyed unilaterally, renounce its hostile policy aimed at a regime change in the DPRK through practical actions and opt for co-existing with the DPRK. The DPRK urges the U.S. to make a switchover in its policy towards the DPRK. The DPRK's principled stand to achieve the goal of denuclearizing the Korean Peninsula and seek a negotiated peaceful settlement of the nuclear issue still remains unchanged." (KCNA, "DPRK's Stand on Six-Party Talks Reclarified," March 2, 2005)

DPRK FoMin memo: "The DPRK is left with no justification to sit at the negotiating table with the U.S. for the six-party talks or bilateral talks. **The basic key to the solution of the nuclear issue between the DPRK and the U.S. is for the U.S. to make a switchover from its hostile policy toward the DPRK to a policy of peaceful co-existence with the DPRK** as the issue is a product of the extremely hostile policy of the Bush administration. **The second-term Bush administration, just as it did in its first-term, adopted it as its policy not to co-exist with the DPRK but bring down the political system chosen by the Korean people themselves, thus eliminating any justification for the DPRK to participate in the six-party talks.** ... Speaking at the inaugural ceremony of the second-term president on January 20, Bush declared that it is the ultimate goal of ending tyranny in the world. He blustered that the U.S. would spread liberty and democracy of American style to the whole world and, to this end, would not rule out the use of force, when necessary. In his state of the union address on February 2 he, not mentioning the six-party talks and the peaceful settlement of the nuclear issue, once again vociferated about an 'end to the tyranny,' asserting that the U.S. will force north Korea to abandon its nuclear ambition. U.S. State Secretary Rice made it clear in which countries tyranny should be terminated as claimed by Bush at the U.S. Senate confirmation hearing on January 18, 2005, two days before his inaugural address. ... Whenever it took a step for self-defense to cope with the U.S. stepped-up policy to isolate and stifle it, the DPRK opened the step to the world and has built nuclear deterrent in a transparent manner, informing the U.S. of it each time. We are also not bound to any international treaty or law as far as the missile issue is concerned. Some forces claim that the DPRK's moratorium on the missile launch still remains valid. It is imperative for the U.S. to rebuild the groundwork of the six-party talks and create conditions and atmosphere for their resumption as quickly as possible. ... U.S. Secretary of State Rice told reporters on February 3 that all parties to the six-way talks will have to persuade north Koreans to choose a strategic option for abandoning its nuclear program by accepting CVID. On the same day, a spokesman for the U.S. Department of State said that the proposal made by the U.S. at the third round of the talks is valid and it is high time north Korea returned to the negotiating table to discuss it. As for the 'proposal,' it is, in essence, the demand that the DPRK dismantle its nuclear program first, the assertion veiled by what it called 'landmark.' It makes no mention of the principles of 'words for words' and 'action for action,' which had been accepted by the U.S., too, and especially of the U.S. promise to renounce its hostile policy. That was why on July 24, 2004, the DPRK, through a

spokesman for its Foreign Ministry, dismissed the 'proposal' as one not deserving even a passing note. Later, this stand of the DPRK was officially notified to the U.S. side at the DPRK-U.S. contact in New York on August 11, 2004. On July 21, 2004, less than one month after the third round of the talks, U.S. Congress passed what it called 'North Korean Human Rights Act' to legally provide a financial and material guarantee for the activities to bring down the system in the DPRK. Under this act, U.S. Congress is to allot 24 million U.S. dollars every year to individuals and organizations supporting the activities for 'freedom' and 'improvement of human rights performance.' Out of this fund two million dollars will be spent every year to massively smuggle transistors into the DPRK and extend the broadcasting time of Radio Free Asia to 12 hours. On October 21, 2004, a spokesman for the White House announced that the 'act' endorsed by President Bush would focus on defectors from the north Korean regime. Commenting on the nature of this 'act,' radio Voice of America, too, said that the U.S. decision to allocate 24 million U.S. dollars every year as part of its official government budget, the first of its kind, is meaningful in that it has laid down the groundwork for putting pressure on the north Korean regime in two aspects of nuclear and human rights. The 'act' is a strategy aimed to overthrow the system of north Korea under the pretext of 'protection of defectors' from it, it added. ... At the working meeting of PSI member nations held in Norway early in August 2004 when preparations were made for the fourth round of the six-way talks, the U.S. decided to stage naval blockade exercises in the waters off Japan between October 26 and 27. And it did not hide the fact that the exercises were targeted against the DPRK. The U.S. secretary of State flew into Tokyo on Oct. 23, three days before the start of the exercises and stated that PSI exercises are an expression of concern of the international community over north Korea and a drill to check its bad behavior. On the day the exercises were kicked off, Under-Secretary of State Bolton told aboard a combat ship that clear is the threat from north Korea, the exercises are so efficient as to make businesses give up trade with north Korea and other countries involved in the proliferation of weapons and they are of weighty significance as they are the first drill in the north Pacific. ... On June 29, 2004, right after the third round of the six-way talks, the U.S. Department of Defense announced a plan to deploy three squadrons of F-117 Stealth fighter-bombers of the U.S. Air Force in south Korea within three months and started their deployment. And it announced that it would permanently keep two Aegis destroyers equipped with the latest missile system in the East Sea of Korea, and deployed them to be ready for action. Having already listed the DPRK as one of 'its targets of nuclear preemptive attacks,' the Bush administration announced that it worked out 'New Operation Plan 5026' and 'OPLAN 5027-04' from the beginning of 2004 and since stepped up the shipment of huge armed forces into south Korea, The U.S. announced a 'combat power buildup program,' which calls for investing 11 billion U.S. dollars in south Korea, in May 2003 and increased the investment up to 13 billion dollars under the signboard of 'relocation of combat forces' in the middle of 2004 to massively ship the latest war equipment into it. What is more serious is that the U.S. declared it would supply new type missiles capable of penetrating underground facilities in the DPRK to the U.S. forces in south Korea on a priority basis. ... The U.S. spread more than once misinformation that the DPRK secretly sold uranium hexafluoride and fluorine gas to Iran, it is going to hand over special motors for nuclear plants to it and that Pyongyang transferred nuclear substance to Libya via Pakistan. This is nothing but an attempt to

charge the DPRK with the 'proliferation of nuclear substance' in a bid to tarnish its image and create an atmosphere for bringing international pressure to bear upon it. The DPRK has never made any deal in the nuclear field with neither Iran nor Libya nor any other country. [...] ... All these moves of the U.S. are a clear manifestation of its hostile policy toward the DPRK. The DPRK's demand that the U.S. roll back its hostile policy and rebuild the groundwork of the six-party talks is not a precondition. The Bush administration has not taken any practical measure to rebuild the groundwork of the third round of the six-party talks. ... Washington is sadly mistaken to think that the DPRK would meekly dismantle its nuclear weapons it has made with much effort. The DPRK clarified in an answer given by a spokesman for the Foreign Ministry on August 23, 2004, and on other occasions that the U.S. should not dream of forcing it to lay down its arms. The U.S. had better bear this deep in mind. Japan is now behaving without discretion, talking about 'unconditional return to the talks' and 'sanctions,' pursuant to the U.S. policy. By nature, Japan has no qualification to participate in the six-party talks as it is a faithful servant for the U.S. ... The Bush administration may not show any sincerity and while away time, repeatedly talking about the resumption of the six-party talks despite the just demand of the DPRK. That would do the DPRK nothing bad. The Bush administration has so far undisguisedly pursued hostile policy toward the DPRK in a bid to topple its system. This overturned the groundwork of the six-party talks and removed all conditions and justification for holding dialogue, blocking the settlement of the nuclear issue. These acts are bound to be recorded in history and the U.S. will have to pay dear prices for them." (KCNA, "Memorandum of the DPRK Foreign Ministry," March 2, 2005)

U.S. Marines will not take part in annual RSOI (Reception, Staging, Onward Movement) joint exercise this year because of deployments in Iraq and relief operations in South Asia. (Joo Sangmin, "Joint South Korea-U.S. Drill to Be Scaled down," *Korea Herald*, March 2, 2005)

3/3/05

U.S. reconnaissance aircraft flying near North Korea in December detected traces of krypton 85, a byproduct of reprocessing nuclear fuel rods to extract plutonium. U.S. officials believe it came from one of two sources. One is that North Korea has a secret facility. The other is that it encountered problems with reprocessing at Yongbyon. (Sakajiri Nobuyoshi, "Hints Of Secret Plant in N. Korea," *Asahi Shimbun*, March 3, 2005)

KCNA: We will go to the talks any time if the U.S. takes a trustworthy sincere attitude and moves to provide conditions and justification for the resumption of the six-party talks. The DPRK Foreign Ministry declared this in a lengthy memorandum released Wednesday to explain the reason why it maintains such stand on the talks. The memorandum cites concrete facts to prove that the U.S. is wholly to blame for the fact that the talks have not yet been resumed and the solution to the nuclear issue between the DPRK and the U.S. has been delayed. The following points have been stressed in the memorandum: The DPRK is left with no justification to sit at the negotiating table with the U.S. for the six-party talks or bilateral talks. The second-term Bush administration, just as it did in its first term, adopted it as its policy not to co-exist with the DPRK and bring down the system chosen by the Koreans themselves, thus eliminating any justification for the DPRK to participate in the six-party talks. Bush,

instead of retracting his remarks listing the DPRK part of "an axis of evil," termed the government in the DPRK installed by its own people an "outpost of tyranny", singling it out as the object to be removed to the last, outcries worse than those remarks. How can we sit at the negotiating table with the U.S. given that the U.S. has rejected the government of the DPRK. The U.S. should apologize for his above-said remarks and withdraw them, renounce its hostile policy aimed at a regime change in the DPRK and clarify its political willingness to co-exist with the DPRK in peace and show it in practice. It is imperative for the U.S. to rebuild the groundwork of the six-party talks and create conditions and atmosphere for their resumption as quickly as possible. However, it has gone so shameless as to demand the DPRK come out to the six-party talks, asserting that there are mature conditions for them, while escalating political and diplomatic pressure and military threat to it. This reminds one of the "gunboat diplomacy" pursued by big countries to occupy smaller countries in the past 18th- 19th centuries. It is foolish of the U.S. to calculate that the DPRK will come out to the talks and yield to it under its military pressure. The DPRK's demand that the U.S. renounce its hostile policy toward the DPRK and rebuild the groundwork of the talks is not a precondition. If the U.S. truly wants a negotiated solution to the DPRK-U.S. nuclear issue, it should rebuild the groundwork of the talks it had destroyed unilaterally, renounce its hostile policy aimed at a regime change in the DPRK through practical actions and opt for co-existing with the DPRK. The DPRK urges the U.S. to make a switchover in its policy towards the DPRK. The DPRK's principled stand to achieve the goal of denuclearizing the Korean Peninsula and seek a negotiated peaceful settlement of the nuclear issue still remains unchanged." (KCNA, "DPRK's Stand on Six-Party Talks Reclarified," March 3, 2005)

China's chief negotiator ^PT Wu Dawei had separate meetings with U.S. negotiator Christopher Hill and UnifMin Chung Dong-young. "The two sides shared an understanding on North Korea's concerns with returning to the negotiating table," a senior government official said. (Choi Soung-ah, "China's Wu Meets Hill, Chung on N.K.," *Korea Herald*, March 4, 2005)

PM Koizumi Junichiro said North Korea is exploring ways to return to six-party talks. "We are working toward that end and I think North Korea will be drawn into it." (Kyodo, "Japan Sees N. Korea Moving toward 6-Party Talks," March 3, 2005)

He arrived at the entrance to a North Korean government-owned restaurant and karaoke club here in the Chinese capital with a handshake and a request. "Call me Mr. Anonymous," he said in English. This North Korean, an affable man in his late 50s who spent much of his career as a diplomat in Europe, has been assigned to help his country attract foreign investment. With the U.S. and other countries complaining about North Korea's nuclear weapons program and its human rights record, it's a difficult task, he admitted. "There's never been a positive article about North Korea, not one," he said. "We're portrayed as monsters, inhuman, Dracula ... with horns on our heads." "Now that we are members of the nuclear club, we can start talking on an equal footing. In the past, the U.S. tried to whip us, as though they were saying, 'Little boy, don't play with dangerous things.'" A colleague, a 55-year-old man also visiting from North Korea, nodded. "This was the right thing to do, to declare ourselves a

nuclear power. The U.S. had been talking not only about economic sanctions, but regime change," he said. "We can't just sit there waiting for them to do something. We have the right to protect ourselves." "We were hoping for change from the U.S. administration. We expected some clear-cut positive change," the North Korean said. "Instead, Condoleezza Rice immediately committed the mistake of calling us an outpost of tyranny. North Koreans are most sensitive when they hear that kind of remark." He believes that Americans have the wrongheaded notion that North Koreans are unhappy with the system of government under Kim Jong Il. "We Asians are traditional people," he said. "We prefer to have a benevolent father leader." The North Korean admitted that "it is no secret that we have economic problems," and he said North Koreans were themselves largely to blame because they let their industry become too dependent on the socialist bloc countries. After the Soviet Union collapsed in 1991, trade fell sharply. "Electricity is a real problem. We have only six hours a day," said the North Korean, who lives in an apartment in a choice neighborhood of Pyongyang, the capital. "When you are watching a movie on TV, there might be a nice love scene and then suddenly the power is out. People blame the Americans. They blame Bush." He said as North Korea worked to change its state-run economy, it would look to China as an example and seek to change gradually. "In the past, we were revolutionaries. But now we prefer evolution to revolution," he said. "We will try to learn from China's successes and failures." As for international negotiations aimed at getting North Korea to give up its nuclear arms program, he said he thought Pyongyang would probably show up at the next round of talks. But his country would prefer to negotiate directly with the United States, he said, rather than in six-party discussions that also include China, South Korea, Japan and Russia. He said the Americans' insistence on including six countries had caused undue complications. "If we sort out the problems with America, everything else will fall into place. The problems with Japan can easily be sorted out," he said. The North Korean criticized some Japanese politicians' efforts to link the nuclear talks to the question of Japanese citizens kidnapped by North Korea in the 1970s and 1980s. "This was something done by a few overly enthusiastic people long ago," he said. "We tried to make amends. Now people like Shinzo Abe are using it for political purposes and destroying the interests of millions of people." The most important point the North Korean said he wanted to convey in the conversation was that his nation was a place just like any other. "There is love. There is hate. There is fighting. There is charity.... People marry. They divorce. They make children," he said. "People are just trying to live a normal life." (Barbara Demick, "N. Korea, without the Rancor," *Los Angeles Times*, March 3, 2005)

The State Department has decided to delay its budget request for the North Korean Human Rights Act for FY2005. Diplomatic sources said, "The State Department wants to get the six-party talks back on track. To that end it will try to refrain from asking for or executing any budget regarding the North Korean Human Rights Act, both of which might annoy North Korea." (Kim Seung-ryun, "U.S.: Too Much Emphasis on Human Rights Might Derail the Efforts to Solve the Nuclear Issue," *Dong-A Ilbo*, March 4, 2005)

3/4/05 U.S. and North Korean representatives met at Panmunjom to discuss a U.S. mission to recover MIA remains. (Associated Press, "U.S., N. Korea Meet to Discuss War Remains," March 4, 2005)

South Korea decided to postpone indefinitely next week's visit by FM Ban Ki-mon to Japan to protest introduction of a bill in Shimane prefectural assembly to designate a commemorative day for Takeshima [Tokdo] island. (Kyodo, "S. Korea Shelves Foreign Minister's Japan Visit over Isle Row," March 4, 2005)

North Korea delayed the opening of the Supreme People's Assembly scheduled for March 9. (Lee Young-jong and Ser Myo-ja, "North Delays Session of Its Assembly," March 5, 2005)

3/?/05 Rice: "Before departing for Asia, I'd engaged the President and [NSA] Steve Hadley in a 'heart-to-heart' about the North Korean problem. The President needed to be comfortable with the idea that we might have to talk to the North Koreans to achieve what we wanted. It was surely a long shot, but maybe Kim Jong-il could be induced, step by step, to give up his nuclear ambitions in exchange for benefits, which would also be doled out step by step. For instance, Kim's agreeing to let inspectors return might bring renewed fuel deliveries. If that succeeded, we might start down a political track: action for action. We wouldn't give up very much until the North Koreans acted, my diplomats would need room to maneuver in negotiations, and Washington's micromanagement, so evident in the first term, needed to end. The President could trust me to keep my own negotiators in line. To make the strategy work, we'd have to do three things. First, we'd have to unite the other five parties so that the North couldn't get benefits from any if its didn't live up to its obligations. ...The second precondition for a workable strategy, it seemed to me, was making its clear to all the players that a change in regime policy, rather than the regime itself, would be sufficient to begin negotiations - for the time being. The North Korean leader was loathsome; could the President stomach an approach that might leave Kim in power if only the dictator changed direction? And third, we needed to pursue the development of defensive measures, specifically: blocking the sale of North Korean nuclear materials, denying overflight rights for suspicious cargo, and bolstering the missile defense systems of our allies in East Asia. The diplomatic and defensive tracks worked together, as we reinvigorated the Six-Party Talks. The President thought long and hard about it, and then he delivered one of his strategic insights that always surprised me - even after years of experiencing it. 'Well, maybe we'd have to put up with him for a while,' he said. 'But that place can't stand true sunshine.' ...Then he said something quite startling: 'Maybe we could call his bluff and offer him a peace treaty if he gives up his weapons and opens up to the world.' That was a little further than I was willing to go, but I asked my counselor, Philip Zelikow, and Bob Zoellick to start thinking about the idea." (Rice, *No Higher Honor*, pp. 348-49) Rice: "We first discussed the new approach in an NSC meeting in early 2005. ...Not surprisingly, the Vice President was not persuaded, but he didn't dismiss the notion out of hand. Don [Rumsfeld], on the other hand, was remarkably supportive. 'Sometimes when you've got an insoluble problem [North Korean nukes], it is best to enlarge it - make it bigger,' he said helpfully. He promised to have the Pentagon look into what post-Korean War security arrangements

might look like, both bilaterally and multilaterally. Don's interest was sparked too by his view that the South Koreans needed to take more responsibility for their own defense and free up our forces. That was certainly one way to bring about that redistribution of obligations. The President didn't say much at the first session; he simply took in the arguments. But one evening at dinner in the White House, he turned to the issue again. 'Do you think Kim will give up his weapons if he thinks we'll let him survive?' he asked. I replied honestly that there was no way to know the answer to that question without testing the authoritarian leader. 'Let's test him then,' the President said. 'Are you going to be comfortable with what we'll have to do?' Steve [Hadley] asked, suggesting that such overtures would mean that 'regime change' was off the table. 'No,' the President said. 'It's just regime change by other means. He'll never survive if that place opens up.'" (pp. 524-25)

3/6/05

China FM Li Zhaoxing, expressed doubt about the quality of American intelligence on North Korea's nuclear program and said the United States would have to talk to North Korea one-on-one to resolve the standoff. Li's assessment, made at an extended news conference during China's annual legislative meeting, amounted to a double slap at the United States. Washington has repeatedly sounded the alarm about North Korea's nuclear efforts and has pressed China, North Korea's only significant ally, to be more active in seeking a solution. President Bush last month sent a high-level envoy to Beijing to present fresh intelligence data that the Bush administration contends shows that North Korea's nuclear program is more advanced than previously thought and that it has been selling nuclear materials around the world. One task of the envoy, Michael Green, the official handling Asian affairs at the National Security Council, was to dispel Chinese skepticism about the quality of American intelligence, administration officials and Asian diplomats said at the time. But when asked by a Japanese journalist to describe China's understanding of North Korea's nuclear program, including whether the country had produced nuclear fuel from enriched uranium as well as plutonium, Li answered pointedly and with a hint of sarcasm. "Concerning whether North Korea already has nuclear weapons or anything about the question of uranium enrichment, I think that here you may know more than I do," Mr. Li said. "Or to put it another way, I definitely don't know any more than you do." Li's comments suggest that since the Bush administration accused North Korea of violating a bilateral agreement on its nuclear arms program more than three years ago, China has come no closer to accepting Washington's contentions that North Korea already has as many as eight or nine plutonium-based nuclear bombs and is aggressively pursuing a second, less easily monitored method of producing nuclear fuel through enriching uranium. Last June, Zhou Wenzhong, one of Li's top deputies at the Foreign Ministry, said in an interview with the *New York Times* that he questioned the validity of American intelligence and criticized the United States' strategy for dealing with the Korean issue. Several senior administration officials later told reporters that the Times report of the interview was inaccurate and that the Chinese had assured them it did not reflect their views. Li said the North Koreans, after having made contradictory statements about whether they would take part in the talks, had assured China that they intended to press on. "There is some news I can announce, which is that the North Korean side indicated that it remains willing to continue participating in the six-party talks and that the respective sides can demonstrate sufficient sincerity," he said. But he

also implied that China's role was limited to arranging the talks. "These are both sovereign countries," Li said. "They are the two major parties concerned. So it is for those two countries to increase trust and build mutual understanding." (Joseph Kahn, "China Questions U.S. Data on North Korea," *New York Times*, March 7, 2005, p. A-7)

3/8/05

In a commencement speech at the Air Force Academy, President Roh Moo-hyun said, "I clearly state that U.S. Forces Korea should not be involved in disputes in Northeast Asia without our consent." "We will never compromise on this." "The point is that we understand U.S. global strategy for employment of rapid deployment forces," a senior aide to Roh said, acknowledging "strategic flexibility." "It is acceptable if the United States moves some its forces to Iraq or any other conflict area on condition that the troop redeployment does not have a critical effect on the Korean Peninsula." He added, "However, such a U.S. redeployment should be restricted if it involves regional conflicts in Northeast Asia." Roh also said, "Korea sought peace one hundred years ago to no avail because it did not have the power to defend itself. But it is different now as we are currently strong enough to protect ourselves." He saw South Korea's role as a balancer: "We will safeguard peace in the region as an important balancing factor in Northeast Asia. For this purpose, we will take the lead in building a cooperative security structure in the region and working together closely with other neighboring countries based on the Korea-U.S. alliance." (Yonhap, "Role of U.S. Forces Korea in Terms of Northeast Asia," *Vantage Point*, 28, No. 4, p. 15; Shim Jae-yun, "President Opposes Role for USFK in Regional Conflict," *Korea Times*, March 8, 2005)

Newly named six-party negotiator Christopher Hill said at lecture at the National Strategic Institute in Seoul, "The six-party process can also be looked at a mutual purpose that could eventually lead to a greater sense of multilateral relationship [among the member countries]." (*Korea Herald*, "Hill Says 6-Party Talks Should Grow into Multilateral Asia, U.S. Meetings," March 9, 2005)

3/10/05

PM Koizumi Junichiro, in a 15-minute phone conversation with President Bush, urged unconditional resumption of six-party talks. (Kyodo, "Koizumi, Bush Agree N. Korea Must Return to Talks Unconditionally," March 10, 2005)

The European parliament adopted a resolution calling for EU inclusion in six-party talks, the first time it has done so. "The DPRK has said they would welcome our participation," a source close to the parliament said. "I'm not claiming it would automatically get them back to the negotiating table, but it would certainly make it easier, and [if] situations will be changed, they can come back more easily, in a face-saving way." The source added, "I've personally talked to Kim Yong Nam about this in the past, and he has indicated they have no problem with EU participation." (Kyodo, "EU Parliament Calls for EU Entry to Six-Way Talks on N. Korea," March 10, 2005)

Glyn Ford and Kwon Soyoun: "The European Union is increasingly showing a new independent stance on foreign-policy issues as the logic of its industrial and economic integration plays out in the international arena. Already the EU has taken a distinct and independent approach to both the Israel-Palestinian conflict and the nuclear crisis in Iran. Now it has broken ranks over the Korean Peninsula, fed up and concerned with

the failure to resolve the ongoing crisis over North Korea's development of nuclear arms. Reflecting this new stance, the European Parliament this week passed a comprehensive resolution on the Nonproliferation Treaty (NPT) and nuclear arms in North Korea and Iran: It urges the resumption of the supply of heavy fuel oil (HFO) to North Korea in exchange for a verified freeze of the Yongbyong heavy-water reactor, which is capable of producing weapons-grade plutonium, to avoid a further deterioration in the situation. At the same time it is calling for the European Council and Commission to offer to pay for these HFO supplies. It urges the Council of Ministers to reconsider paying 4 million Euros of the suspension costs for KEDO (the Korea Energy Development Organization) to South Korea to ensure the continued existence of an organization that could play a key role in delivering energy supplies during a settlement process. It demands that the Commission and Council request EU participation in future six-party talks, making it clear that the EU will in the future adopt a "no say, no pay" principle in respect to the Korean Peninsula. Having already placed more than \$650 million worth of humanitarian and development aid into the North, it is no longer willing to be seen merely as a cash cow. This view was backed in the debate by the Luxembourg presidency and follows a line initially enunciated by Javier Solana's representatives last month in the Parliament's Foreign Affairs Committee. It urges North Korea to rejoin the NPT, return to the six-party talks and allow the resumption of negotiations. The EP cannot substantiate U.S. allegations that North Korea has an HEU (highly enriched uranium) program or that North Korea provided HEU to Libya. It has called for its Foreign Affairs Committee to hold a public hearing to evaluate the evidence. "Once bitten, twice shy" is the consequence of U.S. claims that Iraq possessed weapons of mass destruction. The world order is changing; the EU – like China – is emerging as a significant global power economically with the euro challenging the dollar as the global currency (even prior to the latest enlargement from 15 to 25 member states, the EU's economy was bigger than that of the United States). Speaking at Stanford University earlier this month, former U.S. foreign policy adviser Zbigniew Brzezinski pointed out that the EU, U.S., China, Japan and India will be the major powers in the new emerging global order. Since the new Asia will have three out of the five major players, he stressed the importance of engaging with it. How will those already in play respond? Some may claim that statements by North Korea welcoming the EU's involvement and participation are merely polite, inoffensive small talk that cannot be taken seriously. Yet there have been a spate of pro-EU articles appearing in Rodong Sinmun, the daily newspaper of the Central Committee of the Korean Workers Party, since 2001. Of 128 EU-related articles between 2001 and 2004, a majority praised Europe's independent counter-U.S. stance, emphasized its increasing economic power and influence, and heralded its autonomous regional integration. Rodong Sinmun portrays the EU as the only superpower that can check and balance U.S. hegemony and America's unilateral exercise of military power. North Korea's perception of the EU is well reflected in articles such as: "EU becomes new challenge to U.S. unilateralism"; "Escalating frictions (disagreements) between Europe and U.S."; "European economy (euro) dominating that of the U.S."; "Europe strongly opposing unilateral power play of U.S.," and so forth. Concurrently, North Korea has pursued active engagement with the EU by establishing diplomatic relations with 24 of the 25 EU member states (the exception being France). It is not necessary to read between the lines to recognize North Korea's genuine commitment to engagement

with the EU based on its perception of the EU's emerging role on the world stage. The Republic of Korea has publicly welcomed the prospect of EU involvement, while China wishes to go further and engage in bilateral discussions with the EU on its new policy toward the North. Russia will follow the majority. The problem is with Japan and the U.S. In Japan, opinion is split by hardliners in the Liberal Democratic Party who view problems with North Korea as a convenient excuse to justify the abandonment of the Peace Constitution. They don't want a quick solution until crisis has catalyzed the transformation of Japan into what advocates call a "normal" country. The U.S. expects an EU financial commitment, but not EU participation. The neocons believe that EU participation would change the balance of forces within the talks inexorably toward critical engagement rather than confrontation. The question is whether the EU's offer will point the U.S. into a corner or trigger a breakthrough. Will U.S. fundamentalists outmaneuver the realists who favor a diplomatic rather than military solution? Only time will tell." (Glyn Ford and Kwon Soyong, "Pyongyang under EU's Wing," *Japan Times*, March 17, 2005)

Gen. Leon LaPorte, commander of USFK, testified to the Senate Armed Services Committee, "The regime's continued development of a three-stage variant of the Taepodong missile, which could be operational in the next decade, could also provide North Korea with the capability to directly target the continental United States or provide the regime's clients with an intercontinental capability that could undermine the stability of other regions." (Yonhap, "N.K.'s Taepodong Missile Could Be Operational by 2015: LaPorte," *Korea Times*, March 10, 2005)

3/11/05

DoS: "Significant numbers of North Koreans started seeking refuge in China during the mid-1990s, many with the apparent primary motive of seeking food. Their numbers probably peaked in 1998 and 1999. During that time, the border between China and North Korea was not aggressively policed. The few reliable sources indicate that cases of *refoulement* (i.e., the involuntary repatriation of North Koreans to North Korea without benefit of a requested asylum adjudication) occurred, but relatively infrequently. In 2000, credible estimates of the number of North Koreans in China ranged between 75,000 and 125,000. Despite repeated approaches by the United States and others, China refused (and continues to refuse) to abide by its obligations as party to the 1951 Convention relating to the Status of Refugees and its 1967 Protocol to grant UNHCR access to North Koreans who seek asylum in China and to permit screenings of persons asserting a need for protection." (DoS, Bureau of Population, Refugees and Migration, "The Status of North Korean Asylum Seekers and the U.S. Government Policy toward Them," March 11, 2005)

Assistant Secretary of State Robert Charles, in charge of international narcotics and law enforcement affairs, noting a discrepancy between North Korea's exports of about \$650 million and imports of \$1 billion annually, said "50 percent of the imports are paid for through sources of revenue that are not legitimate or legal and that the majority of the illegitimate revenue is likely to be directly tied to drugs." He said, "We ... have a very strong view that illegal drugs, in particular heroin and methamphetamine stimulants, are probably the biggest illegal revenue generator in terms of the overall net revenue that is used to make external purchases." He added, "It

is certainly highly likely again that there is a shift toward drug revenue because drug revenue occurs in the dark of the night." He cited an estimate by "one Western intelligence service" that the North's opium output rose from 3 tons in 1992 to 50 tons in 1998. [?](Lisa Yukio Thomas, "N. Korea Steps up Drug Trafficking to Cover Trade Deficit," Kyodo, March 11, 2005)

3/15/05

DPRK FoMin spokesman: "As already known, the U.S.-led large scale war exercises are scheduled to be staged in south Korea from March 19 to 25. U.S. elite forces in south Korea, its mainland and abroad and Kitty Hawk and other huge nuclear strike forces are expected to participate in these maneuvers to be staged under the simulated conditions of an "emergency" on the Korean Peninsula. The exercises will be nuclear war exercises aimed to invade the north to all intents and purposes in view of their nature, scope and contents. It is not secret that the U.S. is spending a huge amount of fund for researches into smaller nukes aimed to destroy underground bunkers of the DPRK and staging mock nuclear bomb dropping drills by introducing into south Korea even aircraft of the U.S. Air Force stationed in Japan, Guam and other places, to say nothing of the U.S. forces in south Korea. The situation in the Korean Peninsula and the rest of Northeast Asia is growing tenser as the U.S. is contemplating staging three dimensional nuclear war exercises involving even nuclear strike groups this time. We have already clarified our principled stand that we would seek a negotiated peaceful settlement of the nuclear issue between the DPRK and the U.S. and go out for the six-party talks to be resumed after their deadlock if conditions are mature and demanded the U.S. retract its remarks denying the dialogue partner, show its trustworthy sincerity and move. Nevertheless, the U.S. responded to this just demand of the DPRK with the large-scale nuclear war drills. The projected saber rattling, in the final analysis, clearly proves once again the hypocrisy of the U.S. assertion that it has neither hostility towards the DPRK nor intention to attack or invade it. The U.S. double-dealing behavior is an open challenge to the sincere efforts of the parties concerned and the international community as well as the DPRK that sincerely desire the peace and security in the Korean Peninsula. It is obvious that there is no change in the real intention and the aggressive nature of the Bush administration keen to bring down the system in the DPRK chosen by its people, strongly opposed to its ideology. Through the war exercises the U.S. also seeks to develop the U.S. forces in south Korea into "task forces operating in the wide region" and thus extend anytime their operational scope to the areas around the Korean Peninsula, not confining it to the north. All facts go to clearly prove that the U.S. is chiefly to blame for straining the situation in the peninsula and the rest of Northeast Asia. The U.S. can never evade the responsibility for the deteriorating situation. The U.S. nuclear war exercises are touching off bitterer anti-U.S. sentiment among the servicepersons and people of the DPRK. The DPRK will take necessary counter-measures including the bolstering of its nuclear arsenal to cope with the extremely hostile attempt of the U.S. to bring down the system in the DPRK though it is the Korean people's own choice. The reality testifies to the fact that the DPRK's nuclear weapons serve as powerful deterrent to keep the equilibrium of forces in the region, avert a new war and ensure peace." (KCNA, "DPRK FM Spokesman Denounces U.S.-S. Korea Joint War Exercises," March 15, 2005)

DoD Nuclear Doctrine would apply to North Korea: "(1) **Geographic combatant commanders may request Presidential approval for use of nuclear weapons for a variety of conditions.** Examples include:

- (a) An adversary using or intending to use WMD against US, multinational, or alliance forces or civilian populations.
- (b) Imminent attack from adversary biological weapons that only effects from nuclear weapons can safely destroy.
- (c) Attacks on adversary installations including WMD, deep, hardened bunkers containing chemical or biological weapons or the C2 infrastructure required for the adversary to execute a WMD attack against the United States or its friends and allies.
- (d) To counter potentially overwhelming adversary conventional forces, including mobile and area targets (troop concentration).
- (e) For rapid and favorable war termination on US terms.
- (f) To ensure success of US and multinational operations.
- (g) To demonstrate US intent and capability to use nuclear weapons to deter adversary use of WMD.
- (h) To respond to adversary-supplied WMD use by surrogates against US and multinational forces or civilian populations." (U.S. Department of Defense, Doctrine for Nuclear Operations, DoD Joint Publication 3-12, March 15, 2005, p. III-2)

KEPCO begins supplying electricity to Kaesong Industrial Complex. (Yonhap, "S. Korea to Begin Supplying Electricity to N.K. Complex Tuesday," March 13, 2005)

Halfway through a video from North Korea, the camera pans on a propaganda portrait of Kim Jong Il, North Korea's leader, magnificent in his general's dress uniform with gold epaulets. Scribbled in black ink across his smooth face is a demand for "freedom and democracy." If genuine, the graffiti speaks of political opponents willing to risk execution to get their message out. If staged, the video means that a North Korean hustler was willing to deface a picture of the "Dear Leader" to earn a quick profit by selling it to a South Korean human rights group. Either way, the 35-minute video is the latest evidence that new ways of thinking are stealing into North Korea, perhaps corroding the steely controls on ideology and information that have kept the Kim family in power for almost 60 years. The construction of cellular relay stations last fall along the Chinese side of the border has allowed some North Koreans in border towns to use prepaid Chinese cellphones to call relatives and reporters in South Korea, defectors from North Korea say. And after DVD players swept northern China two years ago, entrepreneurs collected castoff videocassette recorders and peddled them in North Korea. Now tapes of South Korean soap operas are so popular that state television in Pyongyang, North Korea's capital, is campaigning against South Korean hairstyles, clothing and slang, visitors and defectors have said. "In the 1960's in the Soviet Union, it was cool to wear blue jeans and listen to rock and roll," said Andrei Lankov, a Russian exchange student in the North at Kim Il Sung University in 1985, who now teaches about North Korea at Kookmin University here in the South. "Today, it is cool for North Koreans to look and behave South Korean, as they do in the television serials. That does not bode well for the long-term survival of the regime." Interest in

the political hold of the Kim family has spiked since the North's claim that it has nuclear bombs and will continue to boycott disarmament talks. Analysts of the North usually focus on the governing elite, and some cracks have appeared there in the past year: the demotion of Kim Jong Il's brother-in-law, the defection of a few high-ranking military officers, the huge explosion that destroyed a rail station a few hours after Kim's train had passed through, and what appears to be the start of a succession battle among his three sons. Analysts are debating the importance of Kim's visits to military bases, which accounted for almost two-thirds of his 92 publicly divulged appearances last year, compared with one-third in 2003. With North Korea closed to American journalists, it is hard to decipher whether Kim is shoring up his power base in the army out of fear of a foreign attack or of an internal coup. Past predictions that Kim's power was ebbing have not been borne out. "We have very meager intelligence resources, and we're sort of flying blind," Howard H. Baker Jr. said on February 16 in Tokyo, in his final news briefing as American ambassador to Japan. "My country has no alternative but to assume that Kim Jong Il will continue in power. There won't be any significant change in the governance of that country." Reviewing North Korea's political elite, "we see no big change," said Suzuki Noriyuki, director of Radio Press, a Japanese government monitoring service that focuses on the North Korean media. "But the bigger worry for him should be not in the core part of his power structure, but any move of distrust or dissatisfaction with the regime among the general public," Suzuki said. He cited a recent joint editorial published in North Korea's three most important newspapers "strongly warning against the flow of information from outside the country, warning against the inflow of capitalist elements through travel outside." In the recording studio of a radio station here, Seong Min Kim, a former North Korean Army captain who is now the director for the South Korean radio station Free NK, explained how Chinese cellphones in North Korea have enabled him to nurture sources there. "He just dials 0082 to get the Korean-speaking Chinese operator, then makes a collect call to here," Mr. Kim said of one source. The prepaid cellphones are usually paid for by journalists in South Korea, he said, and the North Koreans go along largely out of curiosity or to try to make business deals. He added: "They are getting more and more tech savvy. Now they are asking for cellphones with cameras attached." At a human rights conference here on February 15, defectors estimated in interviews that about one-third of the defectors in South Korea regularly talk to family members back in North Korea, calling owners of prepaid Chinese cellphones at a prearranged time. To counter this, North Korea has reportedly started border patrols using Japanese equipment that can track cellphone calls. Reporters tell stories of their contacts who only make calls from their private garden plots in the hills, burying the cellphone in the ground after each call. While Chinese cellphones only work a few miles inside North Korea, the videocassette phenomenon has reportedly spread throughout the nation, reaching into every area where there is electricity. "They are within the reach of the average family," said Dr. Lankov, who regularly interviews recent defectors. "They watch, almost exclusively, smuggled and copied South Korean movies and drama. Only a few weeks after airing here, they will go throughout North Korea." More than showing middle-class family lifestyles, which can be staged in a studio, the soap operas also provide images of a modern Seoul - the forest of high-rise buildings, the huge traffic jams, the late-model cars. With such images showing a stark contrast with primitive conditions in North Korea, Kim ordered the formation of a special

prosecutor's office last November to arrest people who deal in South Korean goods, largely videotapes, or who use South Korean expressions or slang, analysts in South Korea say. To crack down on home viewing of imported videotapes, the North Korean police developed the strategy of encircling a neighborhood in the evening, cutting off electricity, then inspecting players to find videotapes stuck inside, according to Young Howard, international coordinator of the Network for North Korean Democracy and Human Rights, a Seoul-based group. Recent defectors have also told Howard that police cars with loudspeakers have patrolled neighborhoods, warning residents to maintain their "socialist lifestyle" and to shun South Korean speech and clothing and hairstyles, he said. Aggressive moves by the United States have added to the information leaking into North Korea. Last fall, Congress unanimously approved the North Korea Human Rights Act, which provides for increased Korean-language radio broadcasting to North Korea and for helping North Korean refugees in China. The law has been a favorite target of harsh denunciations from North Korea. In January, the official radio network blamed the United States for societal decay, accusing Washington of increasing the broadcasting hours of Radio Free Asia toward North Korea and "massively infiltrating" into North Korea "portable transistor radios and impure publications and video materials." Inside North Korea, social, political and economic controls have been eroded by two other changes over the past decade: private markets and a breakdown in travel restrictions, Dr. Lankov said. "You have private money lenders, you have inns, you have brothels, you have canteens," he said, adding that most North Koreans survive through a combination of foreign aid and a fledgling private economy. Draconian controls on internal travel and on travel to China have been breaking down, he said, and hundreds of thousands of North Koreans have traveled to and from Korean-speaking areas of China, exposing them to a thriving market economy and more South Korean television broadcasts. "They are gradually learning about South Korean prosperity," Dr. Lankov said. "This is a death sentence to the regime. North Korea's claim to legitimacy is based on its ability to deliver the worker's paradise now. What if everyone sees that it is not delivering?" (James Brooke, How Electronics Are Penetrating North Korea's Isolation," *New York Times*, March 15, 2005, p. A-3)

3/16/05

Seoul will issue a new doctrine defining future relations with Tokyo as a provincial council in Japan finally approved a controversial ordinance on Wednesday in an apparent move to stake claim to the Tokto (Dokdo) islets. In a clear shift from its past "low-key" attitude toward Japan, South Korea will take a firm and resolute policy line in dealing with the neighboring country while trying to reinforce its "effective occupancy" of the tiny islets, according to government officials. Despite fierce protests from Korean people, Shimane Prefectural Council endorsed the measure making February 22 a day to remember Tokto, a move to which Japan's central government has so far shown a hands-off attitude. The Ministry of Foreign Affairs and Trade immediately issued a strong protest against what it called an "infringement of our territorial sovereignty," calling in a top Japanese diplomat in Seoul to ministry headquarters. "We once again strongly demand the ordinance be immediately repealed," Lee Kyu-hyung, the ministry's spokesperson, said in a statement. "It is clear that Tokto is historically, geographically and legally our territory. And a prefectural ordinance does not affect the current status of the islets at all." As part of efforts to strengthen its

effective dominion over Tokto, the South Korean government decided to ease the current regulations restricting tourists and other ordinary citizens from entering the rocky, virtually uninhabited islets. "The government will extensively ease the regulations as long as Tokto's environment and the safety of visitors are guaranteed," Yoo Hong-joon, head of the Cultural Heritage Administration, said in a news conference. Designated the nation's Natural Monument No. 336, Tokto is a group of volcanic islets located some 87 kilometers east of Ullung Island of South Korea and 157 kilometers northwest of the Japanese island of Oki, which belongs to Shimane Prefecture. Japan's provocative move on Tokto, coupled with a history dispute over a Japanese schoolbook that justified the 1910-45 Japanese colonial rule of the Korean Peninsula, touched off diplomatic tensions between the two nations in recent weeks. The National Security Council will convene a standing committee session to adopt new "keynotes and principles" in dealing with future provocations from Japan, which will be announced as a new doctrine, according to officials. In the meantime, political circles took their own countermeasures as civic groups and ordinary citizens continued to stage massive protests across the country, including one in front of the Japanese Embassy in downtown Seoul. Officials said Seoul does not want the territorial dispute to blow up at a time when relations with Tokyo are better than ever. The two sides designated 2005 as the "Korea-Japan Friendship Year" to mark the 40th anniversary of the normalization of diplomatic ties. "We will continue to work for future-oriented relations between the two nations, while responding sternly to any inappropriate speech or actions by Japanese leaders" Ban Ki-moon, minister of foreign affairs and trade, said in a press briefing. (Ryu Jin, "Seoul Urges Tokyo to Scrap 'Tokto Bill,'" *Korea Times*, March 16, 2005) South Korea filed an official complaint over a Shimane prefectural assembly vote designating Takeshima Day. Deputy FM Song Min-soon summoned Urabe Toshinao, DCM in Japan's embassy, to hear the complaint. (Yonhap, "S. Korea Files Official Protest with Japan over Territorial Dispute," March 16, 2005) Angry swells of South Koreans have protested at the Japanese Embassy for more than a week burning the flag of the Rising Sun and expressing emotions so deep that some demonstrators have cut off their fingers. Riot police blocked a group of ex-military commandoes from blowing up a propane gas tank at the embassy's gates. The wrath is the product of a territorial dispute over an uninhabited island chain known as Takeshima in Japanese and Dokto in Korean. Japan's ambassador in Seoul ignited the quarrel this month by reiterating his country's claim to the islands. "The Japanese Government is claiming territorial rights on our land that was annexed forcefully through the process of invasion and colonization and recovered after liberation," said Chung Dong-young, head of the National Security Council. "This is not just a territorial issue but an act that denies history ... and tries to justify aggression." (Anthony Faiola, "Japanese Claims Touches Raw Nerve in South Korea," *Washington Post*, March 20, 2005, p. A-17)

DPRK FoMin spokesman "as regards a string of vituperation let loose by U.S. State Secretary Condoleezza Rice against the DPRK. Rice, when interviewed by Reuters and the *Washington Times* recently, told rubbish that she would not apologize for the remark terming the DPRK "an outpost of tyranny." By repeatedly demanding that the U.S. state it has no hostile intent toward north Korea Pyongyang is throwing up smoke screens in its continued refusal to return to the six-country talks on its nuclear program

and the U.S. would not be going to play the north Koreans' game, she said. It is quite illogical for the U.S. to intend to negotiate with the DPRK without retracting its remarks listing its dialogue partner as "an outpost of tyranny." This is, in the final analysis, little short of indicating its will not to hold the six-party talks. She can make nothing but such outcries as she is no more than an official of the most tyrannical dictatorial state in the world. Such woman bereft of any political logic is not the one to be dealt with by us. Her reckless remarks showed to the world what type of a woman she is. She has thus once again laid bare the U.S. hostile intention not to co-exist with the DPRK and isolate and pressurize it. It is, therefore, entirely just for the DPRK to steadily bolster its nuclear arsenal for self-defense in order to protect its ideology and system and the peace and stability in the region as it has already clarified. She would be well advised to give up such a foolish attempt to plug a third party into the U.S. move to put pressure on the DPRK, though belatedly, properly understanding that no pressure can ever work on the DPRK. It is inconceivable for the DPRK to go out for the talks before it is delisted as "an outpost of tyranny." The U.S. had better behave realistically and wisely **if it truly wishes to have the six-party talks.**" (KCNA, "Spokesman for DPRK FM Blasts U.S. State Secretary's Reckless Remarks," March 16, 2005)

In a meeting with former undersecretary of state Arnold Kanter in Washington, GNP chairman Park Guen-hye proposed that Washington offer "bold incentives" to Pyongyang. "Economic aid and the establishment of diplomatic relations between the U.S. and North Korea are options that can be considered," she was quoted as saying. (Jung Sung-ki, GNP Leader Calls for Bold Offers for NK," *Korea Times*, March 16, 2005) In a speech over lunch at the Heritage Foundation, a Washington-based think-tank, Park asked the United States to take a "forward-looking" stance in engaging the North by dispatching a special envoy to the communist country to dispel the distrust between Washington and Pyongyang. "It would be important for the U.S. and North Korea to engage in bilateral dialogue within the framework of the six-party talks," Park said. "In this context, I hope that the U.S. will take on a more positive attitude toward frank talks with North Korea and look into ideas, including sending high-ranking Congressmen or government officials to the North." The GNP leader also proposed that the Bush administration take a "bold and comprehensive approach" to persuade the North to abandon nuclear ambitions, reaffirming her changed attitude toward the nuclear issue shown in previous talks with senior U.S. officials, including Douglas Feith, undersecretary of defense for policy. She said, "We need to set forth a detailed and realistic proposal that might touch on issues such as a security assurance for the Pyongyang government, economic support and the normalization of ties with the U.S. government." However, Park, who is a member of the Defense Committee of the National Assembly, made it clear that those international measures will be implemented only when North Korea abandons its nuclear weapons program, calling on all parties in the six-nation talks to speak with one voice to resolve the 29-month-long stalemate over Pyongyang's nuclear program. "We need to make North Korea realize that its nuclear gamble was a very foolish choice," she said. The disarmament talks include the two Koreas, the U.S., Japan, Russia and China. (Jung-Sung-ki, "GNP Leader Requests US Envoy to NK," *Korea Times*, March 18, 2005)

Some 50 government officials and academics from Japan, U.S., South Korea, Japan and Russia met for two days to discuss how to manage any agreements on verifying and dismantling North Korea's nuclear programs. Participants included Charles Pritchard, former U.S. special envoy to North Korea, and Joseph DeTrani, U.S. special envoy to six-party talks, Saiki Akitaka, deputy dir-gen. of the Asian and Oceanian Bureau of MOFA and Mannami Manabu, deputy dir-gen. of the JDA Defense Policy Bureau. North Korea did not attend. (Kyodo, "Informal 6-Party Nuke Talks Open in Shanghai," March 16, 2005)

- 3/17/05 DIA Director Vice Adm. Lowell Jacoby told a Senate Armed Services Committee hearing, "With declining or stagnant conventional military capabilities, we believe North Korea considers nuclear weapons critical to deterring the United States and the Republic of Korea." "Kim Jong-il may eventually agree to negotiate away parts of his nuclear weapons stockpile and program and agree to some type of inspection regime," he said. "But we judge Kim is not likely to surrender all of his nuclear weapons capabilities." He added, "We do not know under what conditions North Korea would sell nuclear weapons or technology." He reiterated the DIA's assessment that North Korea "may be ready for testing" its upgraded Taepodong 2 missile capable of delivering a nuclear warhead to "parts of the United States in a two-stage variant and target all of North America with a three-stage variant." (Kyodo, "N. Korea Unlikely to Give up All Nuclear Capabilities: Pentagon," March 17, 2005)
- 3/18/05 SecState Condoleezza Rice pressured China to persuade North Korea to return to nuclear arms talks as she launched a drive across Asia on Friday to revive the negotiations. Rice said China, North Korea's biggest benefactor, needed to use its leverage over its fellow-communist neighbor to bring Pyongyang back to six-party talks. "I'll leave to the Chinese what leverage they use or what mechanisms they use, but I do think it is important that the diplomacy that the Chinese do with the North Koreans be effective," Rice told reporters aboard her plane as she flew to Tokyo halfway through her first trip to Asia as secretary of state. After starting in South Asia, Rice's trip will now be dominated by North Korea as she visits in successive days Japan, South Korea and China, who differ with the United States over tactics for the talks. While U.S. officials complain talks' host Beijing should do more to pressure Pyongyang, Chinese diplomats want Washington to tone down its rhetoric that they say is undermining their efforts to get the talks resumed. (Reuters, "Rice Presses China for Fresh North Korea Nuke Talks," March 18, 2005)
- 3/?/05 Zarate: Ron Noble, the secretary general of Interpol and a former treasury assistant secretary "suggested that we think about an 'Orange Notice' to the private sector coming from Interpol, which would advise the key industries impacted - especially the producers of large-scale industrial printers ... The Orange Notice, published in March 2005, warned the international community and the private sector not to sell banknote production equipment to North Korea." (Juan Zarate, *Treasury's War: The Unleashing of a New Era of Financial Warfare* (New York: Public Affairs Press, 2013) p. 234)

3/19/05

Rice, on her first foray into Asia as secretary of state, outlined a new U.S. vision of Japan's increasing importance as a global power and challenged China to open its political system and work harder to "embrace some form of genuinely representative government." In a speech to about 500 professors and students at Sophia University here, Rice offered an expansive view of Japan's role in the world -- including unambiguous support for its campaign to win a permanent seat on the U.N. Security Council -- that suggested the administration viewed the longtime U.S. ally as a counterbalance to the rising regional influence of China. Rice said the United States welcomed "the rise of a confident, peaceful and prosperous China," but she warned that China must be "willing to match its growing capabilities to its international responsibilities," referencing in particular its economic dealings with Sudan and Burma, both repressive regimes. Administration officials have privately -- and occasionally publicly -- challenged the Chinese to reform their political system. But Rice's address was an effort to place a warning that China's leaders should adapt their society and political system within the broader strategic framework of U.S. economic, political and security policy in Asia. Rice, who was to travel to Seoul later Saturday and then to Beijing on Sunday, repeatedly recalled President Bush's campaign for worldwide democracy, saying that "instead of closed societies or economies, instead of spheres of influence, we stand for an open world." Rice, who flew here Friday from Pakistan as part of week-long tour of Asia, offered noticeably softer language on North Korea, which has refused to return to six-nation talks on ending its nuclear programs because of what it calls the administration's "hostile policy." Rice said the United States would not "be silent about the plight of the North Korean people, about the nature of the North Korean regime." But she said that a U.S. offer to settle the nuclear dispute was open to negotiation -- and that North Korea should grab the opportunity now. At the six-party talks, "the North Korean government can find the respect it desires and acquire the assistance it needs, if it is willing to make a strategic choice for peace," Rice said. But she said North Korea must return to the talks immediately, suggesting that administration patience with North Korea was running out. Rice challenged China to put more leverage on its neighbor. "China has a particularly important opportunity and responsibility here," she said, adding that she would address the North Korean issue when she traveled to Beijing. (Glenn Kessler, Rice Puts Japan at Center of U.S. Vision of Asia," *Washington Post*, March 19, 2005, p. A-16) Rice at Sophia University: "No one denies that North Korea is a sovereign state." "We have said repeatedly that we have no intentions of attacking or invading North Korea." (Secretary of State Condoleezza Rice, "Remarks at Sophia University, March 19, 2005)

The Bush administration intends to squeeze North Korea on drug trafficking and counterfeit money operations, says a high-ranking U.S. official. The initiative, which is aimed at forcing North Korea to abandon its nuclear activities, will be on the agenda in coming days as Secretary of State Condoleezza Rice meets with top officials in Japan, China, and South Korea, the official told *Asahi Shimbun*. (Sakajiri Nobuyoshi, "U.S. Bid to Stanch North's Drug Funds," *Asahi Shimbun*, March 19, 2005)

SecState Rice stepped off her airplane in Seoul, boarded an Army Black Hawk helicopter and immediately flew to this underground command bunker from which military commanders would direct any war against North Korea. The visit, a pointed

reminder of American military capacity on the peninsula, came just hours after a speech in Tokyo in which Ms. Rice repeated that the United States has no intention of attacking North Korea. But Rice's aides are also making it plain that the administration has run out of patience with North Korea's continued refusal to rejoin nuclear disarmament talks. A senior official traveling with Rice said she was trying to send a clear message that it was time to bring talks over the North's nuclear weapons program "to a satisfactory conclusion." Rice's action was a departure from diplomatic protocol on several levels. It is highly unusual for a secretary of state's first destination in a country to be a military site instead of a diplomatic event, especially an American installation instead of a South Korean one. Past presidents and secretaries of state and defense have traveled to frontline defenses against North Korea, but not to any underground bunker. And they have usually been careful not to come across as bellicose, accompanying their moves with conciliatory language, in part not to alarm South Koreans. In contrast, almost everything about Ms. Rice's tour was direct. As she spoke in the bunker, its huge monitor screens and banks of computers were acting as the nerve center for annual war games being conducted by 20,000 American and South Korean troops practicing for an invasion. While her first move on Korean soil was aimed directly at North Korea, the major push of her visit is to persuade China to "squeeze the North," as one aide said. China is North Korea's only ally, and Rice arrives there tomorrow. The United States and other parties to the disarmament talks say they are concerned that China is holding back, declining to pressure North Korea as effectively as it could. "I hope China can play an even more important role," Machimura Nobutaka, the Japanese foreign minister, said during a joint appearance with Rice in Tokyo earlier today. Yesterday, Rice said, "Well, I assume that because China says it wants a nonnuclear Korean peninsula" that "they are trying to be effective in their diplomacy." But she added that she would urge the Chinese to do more "when I get to Beijing." (Joel Brinkley, "Visiting Korea Base, Rice Sends Forceful Reminder to the North," *New York Times*, March 20, 2005, p. A-1)

Rice in Seoul met Chung Dong-yong, who tried to explain why the North resented "outpost of tyranny" and similar remarks. "The characteristic of this regime is that if your attack the leader, those people who are under him start competing to express their loyalty to him," making compromise out of the question. He recalled that Rice "just listened." (Chinoy, *Meltdown*, p. 237)

3/20/05

In an effort to increase pressure on North Korea, the Bush administration told its Asian allies in briefings earlier this year that Pyongyang had exported nuclear material to Libya. That was a significant new charge, the first allegation that North Korea was helping to create a new nuclear weapons state. But that is not what U.S. intelligence reported, according to two officials with detailed knowledge of the transaction. North Korea, according to the intelligence, had supplied uranium hexafluoride -- which can be enriched to weapons-grade uranium -- to Pakistan. It was Pakistan, a key U.S. ally with its own nuclear arsenal, that sold the material to Libya. The U.S. government had no evidence, the officials said, that North Korea knew of the second transaction. Pakistan's role as both the buyer and the seller was concealed to cover up the part played by Washington's partner in the hunt for al Qaeda leaders, according to the officials, who discussed the issue on the condition of anonymity. In addition, a North

Korea-Pakistan transfer would not have been news to the U.S. allies, which have known of such transfers for years and viewed them as a business matter between sovereign states. The Bush administration's approach, intended to isolate North Korea, instead left allies increasingly doubtful as they began to learn that the briefings omitted essential details about the transaction, U.S. officials and foreign diplomats said in interviews. North Korea responded to public reports last month about the briefings by withdrawing from talks with its neighbors and the United States. In an effort to repair the damage, Secretary of State Condoleezza Rice is traveling through East Asia this weekend trying to get the six-nation talks back on track. The impasse was expected to dominate talks today in Seoul and then Beijing, which wields the greatest influence with North Korea. The new details follow a string of controversies concerning the Bush administration's use of intelligence on weapons of mass destruction. In the run-up to the Iraq invasion in March 2003, the White House offered a public case against Iraq that concealed dissent on nearly every element of intelligence and included interpretations unsupported by the evidence. A presidential commission studying U.S. intelligence is reviewing the case, as well as judgments on Iran and North Korea. The Senate Select Committee on Intelligence also is reviewing evidence on nuclear, chemical and biological programs suspected in Iran and North Korea. The United States briefed allies on North Korea in late January and early February. Shortly afterward, administration officials, speaking to the *Washington Post* on the condition of anonymity, said North Korea had sold uranium hexafluoride to Libya. The officials said the briefing was arranged to share the information with China, South Korea and Japan ahead of a new round of hoped-for negotiations on North Korea's nuclear program. But in recent days, two other U.S. officials said the briefings were hastily arranged after China and South Korea indicated they were considering bolting from six-party talks on North Korea. The talks have been seen as largely ineffectual, but the Bush administration, which refuses to meet bilaterally with Pyongyang, insists they are critical to curbing North Korea's nuclear program. The White House declined to offer an official to comment by name about the new details concerning Pakistan. A prepared response attributed to a senior administration official said that the U.S. government "has provided allies with an accurate account of North Korea's nuclear proliferation activities." Although the briefings did not mention Pakistan by name, the official said they made it clear that the sale went through the illicit network operated by Pakistan's top nuclear scientist, Abdel Qadeer Khan. But the briefings gave no indication that U.S. intelligence believes that the material had been bought by Pakistan and transferred there from North Korea in a container owned by the Pakistani government. They also gave no indication that the uranium was then shipped via a Pakistani company to Dubai in the United Arab Emirates and on to Libya. Those findings match assessments by the International Atomic Energy Agency, which is investigating Libya separately. Libya gave up its nuclear weapons program in December 2003. Since Pakistan became a key U.S. ally in the hunt for al Qaeda leaders, the administration has not held President Pervez Musharraf accountable for actions taken by Khan while he was a member of Musharraf's cabinet and in charge of nuclear cooperation for the government. "The administration is giving Pakistan a free ride when they don't deserve it and hurting U.S. interests at the same time," said Charles L. Pritchard, who was the Bush administration's special envoy for the North Korea talks until August 2003. "As our allies get the full picture, it doesn't help our credibility with them," he said.

Pritchard, now a Brookings Institution fellow, and others had initially raised questions about the Libya connection when it became public last month. No one in the administration has been willing to discuss the uranium sale publicly. In testimony to Congress last month, CIA Director Porter J. Goss spoke extensively about North Korea's nuclear arsenal and capabilities. But he gave no indication the intelligence community believed that North Korea had supplied nuclear materials to Libya, that it was capable of producing uranium hexafluoride or that it was a member of the nuclear black market. Two years ago, U.S. officials told allies that North Korea was trying to assemble an enrichment facility that would turn uranium hexafluoride into bomb-grade material. But China and South Korea, in particular, have been skeptical of those assertions and are becoming increasingly wary of pressuring North Korea. The National Security Council briefings in late January and early February, by senior NSC officials Michael J. Green and William Tobey, were intended to do just that by keeping the spotlight solely on North Korea. Pakistan was mentioned only once in the briefing paper, and in a context that emphasized Pyongyang's guilt. "Pakistani press reports have said the uranium came from North Korea," according to the briefing paper, which was read to *The Post*. After initial press reports about the briefing appeared last month, Pyongyang announced that it possessed nuclear weapons and would not return to the six-party talks. Pritchard said North Korea's reaction was "absolutely linked" to the Green-Tobey trip. The United States tried to persuade North Korea to return to the talks, but without success. The North Korean leadership responded with a list of conditions, including a demand that Rice apologize for calling it an "outpost of tyranny." During the first stop on her Asian tour, Rice used noticeably softer language on North Korea, telling a Tokyo audience that the U.S. offer was open to negotiation, and that North Korean leader Kim Jong Il should grab the opportunity. (Dafna Linzer, "U.S. Mised Allies about Nuclear Export," *Washington Post*, March 20, 2005, p. A-1) February reports from the *Washington Post* and *New York Times* revived allegations that North Korea shipped uranium hexafluoride to Libya. Tripoli disclosed this material following its December 2003 decision to give up its nuclear weapons efforts, which included a uranium-enrichment program. The IAEA reported in May that Libya ordered 20 metric tons of uranium hexafluoride from a proliferation network run by former Pakistani nuclear official Abdul Qadeer Khan. Tripoli ultimately received approximately 1.6 metric tons of the material. U.S. officials believe that North Korea was also a customer of the Khan network. Malaysia's inspector general of police reported in 2004 that uranium hexafluoride was shipped from Pakistan to Libya in 2001. According to the IAEA, Tripoli received one shipment of the material in 2000 and another in 2001. The agency has not disclosed the material's origin. Experts from the IAEA examined the material before it was shipped from Libya to the United States. The February 2 *Times* and *Post* reports quoted U.S. officials asserting that laboratory tests on both the uranium hexafluoride and its storage container indicate that the material originated in North Korea. A Department of Energy official confirmed February 22 that the evidence implicating Pyongyang included traces of plutonium on the storage container, as well as isotopic tests on the uranium. The plutonium reportedly matched samples taken from North Korea's frozen reactor site. However, in interviews with *Arms Control Today*, knowledgeable sources expressed skepticism that Pyongyang was Tripoli's uranium supplier. For instance, the Energy Department official stated that the reported evidence does not indicate that the material originated in North Korea, adding that

there is a "certain leap of faith involved" in the assessment. The official did say, however, that the uranium hexafluoride is not from Pakistan. A recent Department of State briefing for congressional staff did not dispel doubts about the intelligence, a source familiar with the issue added February 24. A diplomatic source in Vienna said February 21 that the IAEA has "evidence" that North Korea was the supplier but has found "nothing conclusive" and is still investigating the matter. As for the reported U.S. findings, the source said IAEA experts did not find plutonium traces when they tested the container. IAEA experts judge the U.S. "methodology" to be neither "credible nor reliable," another Vienna diplomat close to the agency said February 19. North Korea has indigenous supplies of natural uranium, but whether it can produce uranium hexafluoride is unclear. A former State Department official familiar with North Korea's nuclear programs told *Arms Control Today* Feb. 22 that, as of October 2002, there was no evidence that North Korea possessed a facility for producing uranium hexafluoride. North Korea does have a facility for producing uranium tetrafluoride, a uranium compound that is then converted to uranium hexafluoride, that was frozen under the Agreed Framework, the official said. However, Gary Samore, who headed nonproliferation efforts for the White House during the Clinton administration, said North Korea could "probably start making hex [uranium hexafluoride] fairly quickly," *Nuclear Fuel* reported in September 2003. The status of North Korea's centrifuge facility efforts is also unclear. The CIA said in November 2002 that North Korea was "constructing a centrifuge facility" capable of producing enough fissile material for "two or more nuclear weapons per year" as soon as "mid-decade." But subsequent reports have been increasingly vague. For example, a CIA report to Congress covering the last half of 2002 says only that North Korea "had begun acquiring material and equipment for a centrifuge facility" with the apparent "goal" of building a plant. Similar reports covering 2003 say nothing about the program. (Paul Kerr, "Examining North Korea's Nuclear Claims," *Arms Control Today*, March 2005, pp. 30-31) In the 15 months since Libya turned over to the United States nearly two tons of illicit uranium it had planned to use in atomic weapons, the radioactive material has become a pivotal, if mysterious, piece of evidence for investigators unraveling the nuclear black market. The Bush administration, joined by United Nations inspectors, now say the uranium most likely came from North Korea and helps to build a case that the North has exported dangerous nuclear material to Libya, and perhaps beyond. The officials drew on scientific tests, secret documents and interviews with key players in the black market, which taken together are potentially highly incriminating. But the evidence is also circumstantial. In interviews this week, administration officials and foreign diplomats disclosed that Libyan officials had also surrendered financial ledgers to the United States that provide a guide to the front companies involved in the nuclear network set up by Abdul Qadeer Khan, the Pakistani scientist. One large payment, American officials contend, was directed to North Korea, presumably for the uranium hexafluoride that arrived in Tripoli in 2001. But American and foreign officials who have seen the financial documents or been briefed on them say they do not prove a direct payment from Libya to the North Korean government. In short, a year into the investigation of the case of the uranium cask, what is still missing, in the words of one senior American official, is "the knockout piece of evidence." And that, in the minds of some critics, has left the Bush administration's case open to continuing doubt, particularly given the intelligence failures before the Iraq war. Last week, for the first

time in public, the White House declared that the uranium came from North Korea. "The fact that nuclear material found its way out of North Korea to any destination is a source of serious concern for the United States," said Scott McClellan, the White House spokesman, in a letter to *The Washington Post*. The letter denied that American officials visiting Asia had focused on the North Korean connection to draw attention from the fact that Khan's network in Pakistan - an American ally - had acted as a middleman. There are still many questions that allies and others have raised, and the administration has been unable or unwilling to fully answer. Jon B. Wolfsthal, a Korea expert at the Carnegie Endowment for International Peace in Washington, said the administration's public case was too weak for outsiders to react to with anything but doubt, given the intelligence failures over Iraq. "This is clearly within the realm of possibility," he said of the uranium sale to Libya. "But there's a big difference between that and saying it happened." A European diplomat familiar with the I.A.E.A.'s investigation of the uranium shipment said a growing number of clues suggested that the source of the uranium was indeed North Korea. "There is a North Korean connection here," he said. "But what it is exactly is a mystery." The story began in late 2003, when Libya surrendered its nuclear program and led American, British and I.A.E.A. officials to the cask of uranium. It was flown to Washington in early 2004. In February 2004, Malaysia published a report - based on interviews with Buhari Sayed Abu Tahir, the chief operating officer of Khan's network - that the uranium hexafluoride had been flown to Libya aboard a Pakistani airplane in 2001. The findings of the Malaysian report, and the involvement of the Khan network in the uranium shipment, were widely reported. News of a possible North Korean link to the shipment emerged last spring when European investigators, quoted in the *New York Times*, said their interviews with members of the Khan network had pointed them in that direction. In late May, the International Atomic Energy Agency reported that Libya's receipt of 1.87 American tons of uranium hexafluoride was a down payment on an order for 20 metric tons, equivalent to 22 American tons. That amount was never delivered because Libya had abandoned its program, but experts said that was roughly enough to make 10 small nuclear warheads. Meanwhile, American officials also began to suspect North Korea was the source, partly because chemical traces on the outside of the cask indicated that it had been at the North's main nuclear site, Yongbyon. The United States had plutonium samples from that site. But as one American official said, "proving the container had been there is different from proving that the uranium inside it" also came from North Korea. Joseph Cirincione, director of the nonproliferation project at the Carnegie Endowment, said the traces of plutonium might simply indicate that North Korea shipped an empty canister to Pakistan, and that it was filled there, or someplace else. "If you look hard at these pillars, there are alternative explanations," he said. "They don't disprove the government claims but they raise doubts about their certainty." Similar questions in Washington touched off a months-long scientific study last year at the Oak Ridge National Laboratory to determine whether the uranium hexafluoride was truly of North Korean origin. The results of that study are classified, officials say. They are also short of definitive. American officials apparently did not have a sample of North Korean uranium to compare with the uranium from Libya. Instead, through a process of elimination, they ruled out Pakistan as a source and eventually concluded that there was no other logical answer. Some experts have questioned that conclusion, saying it is unclear whether North Korea made the uranium hexafluoride

itself, or merely supplied the raw uranium to Pakistan, which then made the highly toxic chemical. It is well known that the North routinely makes a precursor known as uranium tetrafluoride at a plant near Yongbyon. Federal experts said converting that to the final product was relatively simple. "It's not a big step for North Korea to make uranium hexafluoride," said a nuclear scientist who regularly consults for intelligence agencies. The Bush administration has charged that North Korea is secretly pursuing a uranium enrichment program. The Chinese have expressed their doubts, perhaps because they really do not believe the evidence, or perhaps to keep the lines of communication with North Korea open. And so far, American officials have not identified for their allies any facility in North Korea that they believe makes uranium hexafluoride. "So if North Korea has a facility, does it really work?" Cirincione asked. More recently, United States officials have tried to follow the money trail. They argue that Libyan funds made it to companies or banks linked to North Korea. One foreign diplomat said I.A.E.A. investigators were digging through the same financial records that the United States had examined, and traced the money flow through money launderers to Khan front companies and "various bank accounts all over the world." But banking secrecy, he added, had impeded making firm links to North Korea despite "a couple places pointing to the D.P.R.K.," or the Democratic People's Republic of Korea, but gave no further details. Asked if he thought the United States was exaggerating the financial tie between the shipment and North Korea, he said, "It's not hyping." But he insisted the case was still circumstantial. (David E. Sanger and William J. Broad, "Using Clues from Libya to Study a Nuclear Mystery," *New York Times*, March 31, 2005, p. A-12)

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SecSt Rice in Beijing, sees President Hu, urges resumption of six-party talks. Later she tells press, "China has the closest relationship with North Korea," that "it is not a U.S.-North Korean issue," and that "there are other options in the international system." [or else] (Shirley A. Kan, *China and Proliferation of WMD and Missiles*, Congressional Research Service Report, November 15, 2006, p. 26) Chinese were unwilling to increase pressure on the North and expressed some sympathy for its stance on the "outpost of tyranny" remark. They propose the U.S. soften its June 2004 offer by offering fuel oil as soon as the North gave up its weapons, but that was unacceptable to the administration. During the Asia trip, Hill told Michael Green bilateral talks were necessary but Green warned him Rice was ready to take that step. When Hill floated the idea with Rice, aide Jim Wilkinson said, "You can't do that. We'll get killed." Rice said, "Maybe, you'll get your chance to go to Pyongyang, Chris, but they have to earn it." She was willing to let him meet bilaterally in the context of six-party talks. (Glenn Kessler, *The Confidante*, p. 74) Chinese government leaders have offered Secretary of State Condoleezza Rice no assurances that they will step up pressure on North Korea to return to nuclear disarmament talks, senior officials traveling with her said. For the last week, at every stop on her six-nation Asian tour, Ms. Rice has urged China to be more forceful with North Korea, as she did again on Monday, saying, "China, in particular, has an important role to play." Japan's foreign minister, Machimura Nobutaka and South Korea's, Ban Ki Moon, also indicated during her visit that China may be in the best position to be persuasive. But in meetings here yesterday and today with President Hu Jintao, Prime Minister Wen Jiabao and other government leaders, the officials said, Rice got nothing more than bland assurances that the Chinese officials would talk to the North Koreans again, without suggesting that they would

apply any particular pressure. The Chinese did say that a senior North Korean official was to visit Beijing later this week. If China does not increase the pressure on North Korea, it could undermine what has been a central plank of President Bush's strategy to enlist the help of North Korea's neighbors to contain its nuclear program. A refusal by China to take more aggressive steps could also empower those in the administration who believe that negotiations with the North are futile. Perhaps responding to the lukewarm response from the Chinese, at the end of her visit here Rice said for the first time that the United States was beginning to think about what might be done should North Korea continue to refuse to talk. "We at this point we are committed to the six-party talks," Ms. Rice said at a news conference today. "But it goes without saying" that if North Korea's position does not change, "we will have to look at other options." The officials would not say what action might come next, but one foreign diplomat with knowledge of the discussions said the parties would probably take their dispute to the United Nations Security Council. North Korea walked away from the talks last June, just after the other five parties - the United States, Japan, South Korea, China and Russia - offered the North Koreans security assurances, aid, fuel and other inducements if they would give up their nuclear weapons program. North Korea has not responded specifically to the offer but said last month that it had nuclear weapons and would not return to the talks. The senior officials who discussed the matter declined to be identified because they did not want to upstage Rice. They said China had asked Rice before she began her trip to restate the offer in public so North Korea could see what it had to gain by returning to the negotiations. She did that several times, most recently at a news conference in Seoul yesterday: "The North Koreans know that the United States has said repeatedly that we have no intention of invading or attacking North Korea. And, in fact, if North Korea is prepared to make a strategic choice, we have said that within the context of the six-party talks, there could be security assurances for North Korea." One senior official noted that China might still decide to put new pressure on North Korea, even though nothing was said during Ms. Rice's meetings to suggest that. "We exchanged our points," he said, "and now we hope they will take them back and make a decision." China has said it favors a non-nuclear Korean peninsula, while also emphasizing that it wants peace and stability on its northeastern border. It has engaged intensive diplomacy to arrange multiparty negotiations to address the issue, a crucial contribution when the Bush administration was bogged down in the Iraq war. But it is not clear that the Chinese see the problem in the same terms the Bush administration does. Chinese officials have repeatedly cast doubt on American intelligence estimates that North Korea has eight or nine workable nuclear devices. The Chinese have expressed ambiguity about whether North Korea has a secret program to extract nuclear fuel from uranium in addition to its better known effort to make bombs from plutonium. But it is those estimates that American officials say makes action urgent. Some local analysts say that Chinese leaders may be more worried about the possibility that the reclusive North Korean regime might suddenly collapse, or that the United States might decide to strike militarily, than they are by the possibility that the North has a small number of so-far untested nuclear warheads. The officials said the Chinese repeated the explanation they have often given: that they do not have as much influence with North Korea as is widely believed, an assertion that many American and foreign officials say they discount. But this time, the officials said, the Chinese also expressed their own frustrations with the North

Koreans' recent behavior. The Chinese also urge the United States to offer "flexibility" to North Korea, an official said. "Flexibility" is regarded as code for offering incentives or concessions to the North Koreans. South Korea has also offered that view in the past. During her news conference, Rice emphasized the positive elements of her discussions with the Chinese leaders, but she also alluded to some other frustrations. "We had extensive discussions," she said, "about the need to enforce intellectual property rights." That means stopping the sale of pirated software, movies and compact discs. A senior State Department official, briefing reporters Saturday night, said that Prime Minister Wen had recited "Chinese efforts in each of these fields in terms of prosecution for intellectual property fraud, or movement on structural reform." (Joel Brinkley, "China Balks at Pressing the North Koreans," *New York Times*, March 22, 2005, p. A-10)

3/22/05

North Korean Premier Pak Pong Ju said that Pyongyang will return to the six-way talks on its nuclear ambitions when "conditions are mature," while Wen urged North Korea to rejoin the negotiations, calling the framework the "realistic choice" for solving the nuclear standoff, China's state-run media reported. Wen and Pak made the comments in a meeting at the **Great Hall of the People** on the first day of Pak's six-day visit to China, which is taking place amid increased international efforts to bring North Korea back to the multilateral nuclear talks. Pak told Wen that North Korea "does not oppose and has not abandoned the six-way talks" and it is "ready to participate in the **six-party talks** any time if conditions are mature," China Central Television reported. "The six-way talks is currently the realistic choice for achieving a peaceful solution, through dialogue, to the issue of denuclearization of the Korean Peninsula," Wen was quoted as saying. "It matches the interests of relevant parties, and should continue." China's call follows a trip to Beijing by U.S. Secretary of State Condoleezza Rice. Rice also said at a press conference yesterday that the **United States** will find "other means" to press for denuclearizing the Korean Peninsula if the North continues to refuse to attend the negotiations. "Your visit this time will be an important one," Wen told Pak at the outset of the meeting. "We hope to exchange views in a frank manner about our common concerns." Pak is to meet with Chinese President **Hu Jintao** and **Jia Qinglin**, the Chinese Communist Party's No. 4 leader and chairman of the National Committee of the China People's Political Consultative Conference, tomorrow. (Aoki Naoko, "N. Korea Will Return to 6-Way Talks If Conditions Right: {ak," Kyodo, March 22, 2005)

At a graduation ceremony of the Korea Third Military Academy, President Roh Moo-hyun said **Korea's new role was of a stabilizer for peace and prosperity not just on the Korean Peninsula, but in East Asia as a whole.** "Korea will calculate and cooperate if need be, and move forward with its proper authority and responsibility," he said. His comments were being read as a pointed reference to the country's alliances with the U.S. and Japan rather than a mere statement of principle. Among core figures in the administration, there is growing dissatisfaction with U.S. and Japanese policies in East Asia, including North Korea. A high-ranking government official said the East Asian order in which Korea plays one leg of the three-way alliance with the U.S. and Japan was a product of the Cold War. He said Korea could not be locked into such a framework forever. In other words, Korea wants to extract itself from a standoff centered on the Korean Peninsula between a "southern alliance" of South

Korea, the U.S. and Japan and a "northern alliance" of North Korea, China and Russia. Another high-ranking government official cautioned the president was not talking about breaking the Korea-U.S. alliance. But as tensions rise between the U.S. and Japan on one hand and China and North Korea on the other, Seoul will not be cornered into an exclusive alliance with Washington, he added. He said the East Asian confrontation between three-way alliances needed to come to an end. President Roh believes the major East Asian powers need to move toward a multilateral security system based on the Korea-U.S. alliance and is asking the U.S. to play a positive role in this, he said. "The president believes that if the current situation is left as it is, it might lead to a new Cold War structure in East Asia," he said. When Roh met with U.S. Secretary of State Condoleezza Rice on March 20, he told his visitor that while the U.S. was in a position to view the development of a particular order in East Asia as a strategic tool, for Korea it was a matter of destiny. That amounted to asking Washington for an alliance that was inclusive, not exclusive, the official explained. The official said Roh was deeply concerned that Japan is hostile to both China and North Korea and raising the level of tension. These concerns formed part of the background to President Roh's new doctrine of Korea-Japan relations, he added. President Roh's address today can be seen as a warning that Seoul cannot be counted on if the U.S. and Japan insist on a strategy of pressure on China and North Korea. It was in an address to another graduation ceremony, of the Air Force Academy on March 8, that the president made clear his opposition to the deployment of the USFK in possible conflicts with China. (*Chosun Ilbo*, "Roh Hints at New East Asian Order," March 22, 2005)

3/25/13

The ruling Uri Party lost its majority with just 146 seats in the 293-member National Assembly after five of its members lost seats as a result of court rulings. The GNP holds 120 seats. (Seo Dong-shin, "Ruling Party Loses Parliamentary Majority," *Korea Times*, March 25, 2005)

Six days after Condoleezza Rice's visit to Command Post Tango, *The Atlantic* convened a North Korea war game of its own, in Washington, D.C. The assembled knowledge was extensive, and the range of Washington viewpoints more or less complete—hawk to dove, right to left, neocon to realist. Colonel Sam Gardiner led the proceedings. (Gardiner has run war games for more than twenty years at the National War College and various other military institutions; the strategy that General Tommy Franks used to seize Baghdad in 2003 had its origins in a game Gardiner had designed some fifteen years earlier.) The premise of the game was a meeting of the "Principals Committee"—the highest-ranking national-security officials of an imaginary U.S. presidential administration—to generate recommendations for the president. Gardiner explained that he would be presenting to the principals a military briefing from the perspective of the commander of the U.S. Pacific Command (PACOM). Playing the part of the CIA director was David Kay—a man well equipped for this job. In the early 1990s Kay served as the chief nuclear-weapons inspector for the IAEA and the United Nations Special Commission in Iraq, and in June of 2003 he was asked by the actual CIA director to lead the Iraq Survey Group that searched for (and never found) WMD in Iraq after the U.S. invasion. The secretary of state in this exercise was Robert Gallucci. The dean of the Edmund A. Walsh School of Foreign Service, at Georgetown University, Gallucci

has extensive real-world experience in dealing with North Korea. In 1994 he served as the Clinton administration's chief negotiator with the North Koreans during the crisis that ultimately produced the Agreed Framework. Gallucci did not have to overtax his imagination for this simulation: he had been present at the real versions of such meetings in the White House, including one in June of 1994, when the president considered ordering military strikes on the Yongbyon reactor. Lieutenant General Thomas McInerney, who spent thirty-five years in the U.S. Air Force as a pilot, a commander, and a strategic planner, played the role of Chairman of the Joint Chiefs of Staff. McInerney conducted flight reconnaissance missions during the Cuban Missile Crisis, and later completed four tours of duty in Vietnam. From the late 1970s to the early 1990s he served predominantly in the Pacific theater. While there he watched by means of satellite photography as the North Koreans constructed bunkers and artillery installations in the mountains north of Seoul. A military analyst for Fox News, McInerney last year argued in *Endgame: The Blueprint for Victory in the War on Terror* (written with Paul E. Valletly) that the key to stopping the spread of terrorism is regime change. McInerney thinks we should invade not only North Korea (if it doesn't give up its nuclear program) but also Syria (if it doesn't end its support of terrorism and surrender the WMD that he believes were smuggled there from Iraq) and Saudi Arabia (if Islamic radicals seize power there). Filling the newly created position of director of national intelligence was Jessica Mathews, the president of the Carnegie Endowment for International Peace. (Mathews and McInerney had clashed over Iraq, and their animosity was easy to see; this lent extra verisimilitude to the exercise, since personal disputes over policy often color debates within administrations.) Mathews directed the National Security Council's Office of Global Issues from 1977 to 1979, and served as deputy to the undersecretary of state for global affairs under President Clinton. Rounding out the Principals Committee was Kenneth Adelman, who would be serving as secretary of defense. A current member of the Defense Policy Board, Adelman has held a number of positions in Republican administrations. In the mid-1970s he was assistant to President Ford's secretary of defense, Donald Rumsfeld; later he was a key member of Ronald Reagan's foreign-policy team, serving for two years as deputy UN ambassador and for four years as head of the Arms Control and Disarmament Agency. Like Gallucci and Mathews, Adelman is a veteran of real NSC meetings. "Let's play," Sam Gardiner said. He announced that he had a memo from the Pentagon asking for a review of the status of our plans for North Korea. He reminded the group that it had been two and a half years since we had told the North Koreans we knew about their clandestine uranium-enrichment program, and nearly two years since international six-party talks had begun—yet the crisis had if anything only deepened. ...Gardiner paused to get initial assessments from the Principals Committee. CIA Director David Kay responded first, noting that what confounds policymaking on North Korea is how little anyone actually knows about the country. "We *believe* a lot," he observed. "We actually *know* very little." Kay thought that the principal objective of U.S. intelligence at this point should be to determine the extent of any connection between North Korea's nuclear program and groups outside the country. Secretary of State Gallucci spoke next. "This is a country," he said, "that has exported ballistic missiles when no other country on earth is exporting ballistic missiles—a country that has threatened explicitly to export nuclear material." What is so frightening about this prospect, Gallucci said, is that traditional deterrent methods won't work. "If there's an incident," he continued,

"the worst we can imagine, the detonation of a weapon in an American city, will we have attribution? Will we be able to track it back to North Korea? Is there any deterrence against [the export of nuclear materials] by a desperate state?" Secretary of Defense Adelman disagreed with the idea that we don't know what North Korea's intentions are. "We *do* know what North Korea's strategy is: it is obviously to deter us from attacking them like we attacked Iraq." Adelman said he thought there was "no hope" of changing North Korea's behavior through conventional diplomacy. "Having talks as an objective of U.S. policy is a diplomatic move that gets you nothing," he said. "I know Winston Churchill said it's better to jaw-jaw than to war-war, but there's lots of jaw-jawing that leads to war-war, or that has nothing to do with war-war. So let's not spend time on whether we should get back to 'talks.'" Instead, Adelman said, we should try to induce the Chinese to lean on the North Koreans to give up their nuclear program. How? By scaring them with the prospect of a nuclear South Korea, a nuclear Japan, and possibly a nuclear Taiwan. Once the Chinese recognize that they'll soon be looking at multiple nuclear powers in the region if they don't force the North Koreans to disarm, Adelman argued, they'll be compelled to use leverage against North Korea—by, for example, cutting off its food and fuel supplies.

Director of National Intelligence Mathews returned to Kay's point regarding how little we really know of North Korea. We know far less about North Korea's nuclear program than we do about Iran's, she said. "Uncertainty is the thing that has to underlie the rest of our discussion. There's very little we can say that we know with confidence, either politically or technically, about North Korea." She agreed with Kay and Gallucci about the real danger to our national security: "This is a regime that will sell anything." And she disagreed with Adelman about whether the Chinese could effectively influence the North Koreans. The Chinese, she pointed out, would be reluctant to do anything that might topple the regime and cause a huge flow of refugees across their border. Finally, Mathews said that we have never really tested whether the right combination of political promises, security assurances, and economic aid would induce the North Koreans to give up their nuclear weapons. "I'm not saying they *would* give up their nuclear weapons," she said. "I'm saying we don't know the answer to this absolutely crucial question." Before we resort to more extreme measures, she said, we ought to try to answer it. She proposed that we begin by offering to sign a treaty formally ending the Korean War. (Hostilities ceased in 1953 with the signing of an armistice and the drawing of the DMZ, along the 38th parallel—but no peace treaty was signed, which means that technically the United States and North Korea are still at war.) "That would say something to a paranoid regime," Mathews continued. "It doesn't mean anything to us; we don't think the Korean War is still going on. But it says something to them. It may be a very valuable bargaining chip, and we've never spent it." Joint Chiefs Chairman McInerney agreed that the greatest national-security threat posed by North Korea was nuclear transfer, and he echoed Gallucci's concern that deterrence will not protect against nuclear terrorism. General McInerney was more willing than the other principals to contemplate military action, and more sanguine about how easy a war with North Korea would be to win. "I don't think we're concerned that they could overrun the South, because they can't," he said. "Militarily, we are far superior to them. Would there be a lot of carnage? Yes, there'd be a lot of carnage. Would we win? Yes, we would win. Would we win quicker than we did in Operation Iraqi Freedom? Optimistically, I'd say we could. More likely, it would take an extra month. But the fact

is, we would win." To prevent North Korea's nuclear capability from creating an imbalance of power, McInerney proposed stationing U.S. nuclear weapons in South Korea and Japan. During the Cold War, he explained, various NATO countries "sat alert" on U.S. nuclear weapons. The weapons were on European aircraft, but the United States dictated when they could be deployed. North Korea, he conceded, has the potential to use Seoul, which lies only thirty-five miles south of the DMZ, as a "hostage"—to threaten to turn it into that "sea of fire." But he strenuously disagreed that this means "a military option is not thinkable," as some U.S. policymakers say. "A military option is clearly thinkable, and doable," he argued. "If threatened with the transfer of nuclear weapons from North Korea to terrorists, we *have* to do something." Gardiner, in his role as PACOM commander, resumed his briefing. He displayed a map of Korea that depicted the expected North Korean attack routes. Because of the mountainous terrain along the border, the conventional forces of the People's Army would be limited to a few corridors that would be highly vulnerable to U.S. air power. The bottom line: we could easily repel a conventional ground attack. But, he continued, there are two degrees of desirable victory: "swiftly defeating" the bad guys, and "winning decisively." In a swift defeat escalation is controlled; victory is rapid enough that the conflict remains limited and conventional. In winning decisively the scope of the victory and the number of troops on the ground are sufficient to carry out postwar stability operations. In Iraq, U.S. forces swiftly defeated the enemy (the war was quick and didn't metastasize) but did not win decisively (a big reason why the military aftermath of Operation Iraqi Freedom has been so protracted). Gardiner explained that to control escalation in North Korea, the United States, using its air power, would first have to take out North Korea's aging air force. Though many enemy aircraft are bunkered in mountain redoubts, this would be easy. But one major problem could keep us from taking rapid control of the peninsula: chemical weapons. Citing congressional testimony given by General Leon LaPorte, the commander of U.S. forces in Korea, Gardiner said that North Korea's chemical weapons could be a "showstopper." "The chemical-weapon thing is big," he said. "We have reason to believe that the chemical weapons are with the forward artillery units that are targeting Seoul. If we don't get those early, we end up with chemicals on Seoul." Next Gardiner projected a PowerPoint slide showing the range of a Taepo Dong 1 missile overlaid on a map of East Asia. It demonstrated that such a missile launched from the Korean peninsula could reach not only Tokyo, Okinawa, and Beijing but also the U.S. base in Guam. To prevent escalation, Gardiner said, we would need to take out the No-Dong and Taepo Dong missile sites quickly—which would not be easy, because we don't know where those missiles are. Many are hidden in underground bunkers throughout North Korea. The PACOM commander's conclusion: "It's a difficult target set, but we can do it." We would also, of course, need to take out the nuclear sites. Gardiner flashed a map of North Korea's known nuclear-related facilities on the screen, and then showed a series of satellite photos of various WMD targets. Many of the targets were tucked away in underground tunnels or at least partially obscured by what arrows on the photos labeled as "hill masses." "You begin to see how difficult a target set this is," Gardiner said. "Is that a euphemism for undoable?" Secretary of Defense Adelman asked. "No, not at all," Gardiner said. General McInerney practically jumped out of his chair to say "No!" Gardiner continued, explaining that the first few days of the fight would be critical if we were to have any chance of protecting Seoul. To do so, we

would have to get the chemical-delivery systems, the missile sites, and the nuclear sites before the North Koreans had a chance to use them. To accomplish all this we would need to carry out 4,000 air sorties a day in the first days of the conflict. In Iraq, in contrast, we had carried out 800 a day. Director of National Intelligence Mathews disagreed that Seoul could be shielded: "My understanding is that we *cannot* protect Seoul, at least for the first twenty-four hours of a war, and maybe for the first forty-eight." McInerney disputed this, and Mathews asked him to explain. McInerney: "There's a difference between 'protecting' Seoul and [limiting] the amount of damage Seoul may take." Mathews: "There are a hundred thousand Americans in Seoul, not to mention ten million South Koreans." McInerney: "A lot of people are going to die, Jessica. But you still prevail." Mathews: "I just think we've got to be really careful. We've got to protect Seoul. If your daughter were living in Seoul, I don't think you would feel the U.S. military could protect her in those first twenty-four hours." McInerney: "No, I do. I believe that we have the capability—whether from pre-emption or response—to minimize the casualties in Seoul." Mathews: "'Minimize' to roughly what level? A hundred thousand? Two hundred thousand?" McInerney: "I think a hundred thousand or less." Only a hard-nosed military strategist, of course, can contemplate 100,000 casualties as coolly as McInerney did. He went on to argue that—assuming 4,000 sorties a day, and given our current targeting technology, combined with the fact that the artillery systems firing on Seoul would be fairly concentrated around the DMZ—we would be able to mitigate the lethality of North Korean strikes on Seoul. Gallucci added that the North Koreans would be foolish to waste their artillery on Seoul. "It is insane for them if they are engaged in ground combat," Gallucci said. "They're going to be in desperate need of that artillery for support of ground operations." McInerney agreed: "If they try to use Seoul as an artillery target, we would destroy their army that much quicker." Secretary of Defense Adelman was skeptical that the North Koreans would use the same strategy to "break through" that they had when they successfully overran the South in 1950. David Kay reminded everybody that one key difference between 1950 and today is that North Korea may now have "between one and ten nukes, and adequate delivery methods," meaning "they can take out Seoul without using a single artillery round—and I haven't seen anything here that shows we can mitigate *that*." When McInerney began to argue that maybe we could disable their nuclear missiles before they were fired, Kay retorted, "Our record of attacking mobile missiles in Iraq is not very good." "That's why our policy must clearly state that for every nuke they use, we will use a hundred," McInerney said. The other members of the Principals Committee seemed taken aback by this statement. Gardiner tried to resume his briefing by summing up the sentiment of the committee. "None of the military options is easy—" Adelman interrupted. "That's a euphemism. Let's talk directly: it would be disastrous." Mathews agreed. "We can only reach the targets we know about. You can't target targets you don't know about, and there are a whole bunch of them." "And some targets we do know about, but we don't know where they are," Kay added. "And that's most of the missile force." The consensus was that Seoul could not be guaranteed protection. And McInerney, who dissented from that consensus, was projecting up to 100,000 casualties in South Korea in the first few days. Gardiner moved on to the next phase of his briefing, which involved placing the North Korean situation in the context of the U.S. military's other global commitments. President Bush, he reminded the principals, has said that "all options are on the table"

with respect to Iran. But if all options (including invasion) are truly on the table for dealing with Iran, Gardiner announced, "then I have to tell you that we cannot do this operation—either in defense or pre-emption—on the peninsula." There simply aren't enough available troops. Hundreds of thousands of troops are tied up because of Iraq. Tens or hundreds of thousands more would be required for Iran, even if we intended only to make a credible show of force rather than actually invade. Gardiner also pointed out that U.S. military planners have called for a drawdown in the number of American troops stationed in South Korea over the next few years—from 37,500 in 2004 to 25,000 by 2008. Because of our overwhelming air and naval superiority, we still have the "overmatching" capability to defeat a conventional attack. But, he said, "I can't assure that we can swiftly defeat or win decisively." He also said that as the size of his force diminished, he was losing his capacity to deter a North Korean attack. David Kay observed that since the greatest national-security threat, everyone agreed, was not a North Korean invasion of South Korea but, rather, the North Korean transfer of nuclear material to terrorists, the essential question was how big a force was needed for a pre-emptive attack, not how big a force was needed to deter invasion. Gardiner argued that we have the capability to deter the North Koreans from either course by threatening to launch nuclear weapons at them. He emphasized that he wasn't recommending that we launch nukes—only saying that a nuclear deterrent might work on the peninsula the way it did with the Soviet Union during the Cold War. McNerney agreed, and once again proposed lending some of our nuclear weapons to South Korea and Japan as a deterrent against the North. Gardiner recommended a strategy short of that: we should announce publicly, he suggested, that we are moving nuclear weapons—along with nuclear-capable aircraft and missiles—to Guam, and then keep them there as a deterrent while so many of our troops are tied down elsewhere. Adelman said, "We have got to decide in this group whether to recommend to the president that we use the standard deterrence approach we have used for years"—that is, keeping a strong conventional force on the peninsula—"or whether we want to take a different approach and have less U.S. involvement in this thing." Adelman recommended the latter course, which he said would compel the South Koreans, the Japanese, and the Chinese to deal with the problem. "You're forgetting the whole history of U.S. nonproliferation policy," Mathews said. "You're encouraging Japan to go nuclear." "I'm not forgetting," Adelman said. "I may be overriding it." Nobody else was comfortable with the idea of a nuclear Japan; Kay and Mathews objected that it would undermine long-standing U.S. policy, and McNerney objected because he thought existing treaties obliged us to keep Japan and South Korea under our own nuclear umbrella. Mathews proposed that they move on to the next item, since it was clear that "on this point we're going to have to go to the president with divided opinion." Before moving on, however, Gardiner wanted to come to consensus about where to draw the "red line" (or lines), the crossing of which would trigger international sanctions—and perhaps ultimately a pre-emptive strike by U.S. forces. There was some discussion of whether a nuclear-weapons test would constitute a red-line violation. For Gallucci, it was the transfer of fissile material. "That needs not only to be laid down as a red line but reinforced repeatedly," he said. "Would you do a pre-emptive attack if transfer happens?" Adelman asked. "I would mean what I said: 'We will not tolerate that. And we will act against you.' That's all I would tell them." "But in this room what would you say?" Gardiner asked. Gallucci responded haltingly. "I would strike at

whatever facility—within the context of our capabilities, the protection of Seoul. And I would ask for good advice on how we would do this to protect ourselves. But I would, either immediately or in the fullness of time, use force to end that regime." McInerney was blunter. "I would say to the North Koreans, 'If a nuclear weapon or weapons go off in the United States, you are a target'"—even if we don't know for sure that North Korea was responsible. Gallucci didn't want to do that. "The idea that if a nuclear weapon were detonated in an American city without attribution, we would tell North Korea we were going to attack them, does *not* sound like the United States of America. We have to do better than that. And I don't want to wait, by the way, for the detonation of a weapon. Let me be clear here: the trigger for my action is not detonation; the trigger is incontrovertible evidence that the North Koreans have transferred fissile material to a terrorist group." "But you'll not get that incontrovertible evidence," McInerney said. "That's my point." "I believe we have to begin to act before that happens," Gallucci said. "I would advocate—and I am now going to use softer language—moving toward the use of military force to deal with the accumulation of fissile material even *before* transfer. When exactly you do that—I think that's got to be squishy. I'm not prepared to tell you exactly when that is." After a break in the proceedings, the game resumed. Gardiner explained how our understanding of the North Korean situation has changed in light of our experience in Iraq. Specifically, we now know how catastrophic "victory" can be. If the Kim regime were to collapse, the most urgent national-security priority would be securing all chemical, nuclear, and biological weapons facilities, to prevent smugglers and terrorists from seizing them. There would also be, he said, a monumental refugee and "internally displaced person" problem—North Koreans flooding south toward Seoul and north into China—that could become a large-scale tragedy if chemical weapons had been unleashed. And there would be the additional challenges—now quite familiar to us from Iraq—of restoring public security, figuring out how to reform existing security forces, establishing the basic outlines of a functional national government, and preventing a widespread humanitarian disaster. Ken Adelman strongly disputed that the collapse of the Kim regime would be a problem. "When you win the lottery, you've got to worry about your tax payment. I'm just saying these are wonderful problems to have." "If you're prepared for them," Kay said. Gardiner presented some numbers. Given the North Korean population of 23 million, and the number of U.S. troops it has taken to (not very successfully) maintain order and prevent looting in Iraq (population: 26 million), he estimated that it would take 500,000 ground troops to carry out stability operations. "These don't all have to be Americans, but if the historical record is correct we've got to have five hundred thousand somebodies in the North," he said. Gardiner then came back to the question of timing. He displayed a graph that charted targeting difficulty and threat on the vertical axis against time on the horizontal axis. The graph showed that as time passes, and North Korea develops more nuclear weapons, the targeting challenges for the U.S. military grow considerably. It's hard enough to take out one or two—or eight or ten—nuclear devices if we don't know exactly where they are. The task of destroying fifteen or twenty, or eighty or a hundred, before any of them can be launched becomes substantially harder. And the threat that one of them will be sold to a terrorist greatly increases. "The problem of time is a *very* serious one," Gardiner said. Gardiner summarized his assessment so far, and gave his PACOM recommendation to the Principals Committee. "The targeting dilemma is growing," he said. "We need to begin

to plan seriously for the pre-emption option." There was a moment of stunned silence. "What did you just say?" Adelman asked. "We should prepare to pre-empt and change the regime in North Korea" within the next twelve to eighteen months, Gardiner said. "From a military perspective, to kick this can down the street doesn't make sense." McInerney said pre-emption wouldn't be necessary if we had a strong enough nuclear deterrent. And Mathews said she thought everyone was too obsessively focused on the Korean threat, at the expense of attention to other dangers we risked exacerbating. "We have forty-five years of trying to build a world that's safe from nuclear weapons," she said. "I think we ought to keep in mind that we have an equal threat long-term having five or six nuclear powers in Asia. I think it does mean the collapse of the nonproliferation regime, and that's a serious threat to U.S. interests." Kay remained more concerned about what would happen if the North Korean government fell. "The collapse of a nuclear, chemical, and biologically armed state is a serious national-security threat not just for us but for the whole world. We ought to have a contingency plan for what happens if that regime collapses. Because if you don't, Iraq is going to look like child's play." Gardiner asked everyone to summarize. Based on the discussion in this meeting, what would they recommend that the president do? David Kay went first. "The first thing that's clear to me out of this discussion is the importance of reinvigorating the diplomatic approach. Now, we may disagree to some degree about whether it can be a solo Chinese effort as opposed to a combined effort, but I think we all agree: of all the alternatives we've explored, a diplomatic approach that *led* to something would be far better, and less risky, than any of the others. The president has got to be told he's got to try to do this seriously—and it's better to do it sooner rather than later." Kay also observed that the North Korean crisis places an extraordinarily heavy burden on the intelligence system. If we agree that we would have to respond if North Korea transferred nuclear material to terrorists or accumulated more fissile material, then we've got to be able to know with a high degree of confidence when those things have occurred. To simply say we think the lines *may* have been crossed is not enough. Once the red line gets crossed, Kay said, "then you do have to start thinking about pre-emption. You also have to think about what happens if you win." Robert Gallucci agreed about the need to "do something." He argued that we should use the Chinese "as aggressively as we can, within reason"—as long as we also recognize that for diplomacy to have a chance, we need both carrots and sticks. If diplomatic options do not work, Gallucci added, we need to turn to military ones. He concluded by highlighting Jessica Mathews's point that if we're not careful we could end up in a world that has more nuclear states. "That," he said, "would be catastrophic." Ken Adelman said again that he didn't think diplomacy could work without more leverage from China, and that he would recommend to the president that we actively draw down our force strength in the region, thereby compelling this to become a Chinese problem. "I don't want the United States to take the traditional approach of reinforcing troops, adding nuclear weapons—all the things we've done over the last forty years. We need to give the region more responsibility." Jessica Mathews disagreed with Gallucci that evidence of a transfer of nuclear material to terrorists would be grounds for war. "I think we get a real Pyrrhic victory," she said. "I don't think you get support out of South Korea. You're asking them to die, to destroy their country, because of a potential threat that some amount of plutonium or highly enriched uranium [might end up in] Washington." McInerney asked her whether she

would "rather wait until the first nuke goes off in the United States" before attacking. "I'm just saying we're never going to have South Korean support for that policy," Mathews said. "It's just insanely not in their interest." (Gallucci disagreed, pointing out that in June of 1994 he thought the Clinton administration could have won South Korean support for military strikes on the Yongbyon complex, even though no one could have been sure that the conflict wouldn't escalate into a war.) Mathews advised that before we resort to pre-emption we should make absolutely sure we have truly tried all the diplomatic options. Until we do that, in her view, we won't be able to get international support for pre-emption. "I come back to a series of steps that would be low-cost," she said. "They want us to sign a treaty ending the Korean War? Just say yes. What on earth does it cost us? I don't think we've used all our diplomatic chips in this at all. Before we try military options that have huge costs associated with them, we should try this and prove to ourselves that [diplomacy] fails." "The problem with that," Adelman said, "is that you never ever know that it failed. You can always say, 'Give me another five years, Mr. President.' Nothing has ever 'failed' until there's an explosion." McInerney said the key thing we need is better intelligence, so that we can know when terrorists have acquired nuclear materials, and know where Korea's WMD are located. With better intelligence, he said, North Korea becomes an easy military problem to solve conventionally. He repeated his call for placing U.S. nuclear weapons on South Korean and Japanese planes, as a deterrent against attack. And, addressing David Kay, he remarked that he couldn't afford to put 500,000 troops in North Korea if the Kim regime collapsed. "I would like to do it," he said, "but the resources aren't there." Kay replied, "General, all I would say is that when [U.S. Army Chief of Staff] General Eric Shinseki told the secretary of defense [Rumsfeld] how many troops it would require in Iraq to maintain stability, he did the nation a great service. The secretary of defense did not [do a great service] by saying, 'We can't do it.' Because the problem was there." "David, we may or may not agree on that number," McInerney said. "Our problem in Iraq has historically been intelligence. This is a small-unit problem—we need five hundred thousand or a million troops. And we don't have that." This conformed with Gardiner's earlier assessment: our military is in danger of being stretched so thin that the troops simply wouldn't be available. Gardiner called time out, and the official part of the game was over. At this point various experts who had been invited to watch the war game were asked to offer their observations. Chris Chyba, a former NSC staffer and the co-director of the Center for International Security and Cooperation, spoke first. "There's a ticking clock," he said. "Unfortunately, we don't know how much time is left on the clock." In his view, the biggest problem was how to deal with a red-line violation (namely, transfer of material to terrorists) that we aren't likely to know has occurred. The next two observers were active-duty military officers who had also commented on *The Atlantic's* Iran war game. Marine Colonel Thomas X. Hammes, a counterinsurgency expert and the author of *The Sling and the Stone*, pointed out that everyone at the table kept saying it was unacceptable for North Korea to become a nuclear power—but everyone also seemed to believe that it already *is* a nuclear power. "So we're having a really stupid argument," he said. "We're the only people we're fooling." Hammes disagreed with Ken Adelman's plan to have China pressure the North Koreans by cutting off their food supply. He argued that first, Kim Jong Il has already proved he doesn't care how many people he starves, and second, if we really do crank up the pressure on him we increase the likelihood of a "spasm attack" on

Seoul. He also disagreed that we would need to ship 500,000 American troops to the peninsula for stability operations if the regime collapsed. "There are about five hundred thousand South Korean infantrymen who can be mobilized in about four days," he noted—infantrymen who, unlike most American peacekeeping troops, happen to speak Korean. Army Major Donald Vandergriff, whose most recent book is *The Path to Victory*, worried that we could be caught off guard by a surprise attack on the South. U.S. intelligence has failed spectacularly in this regard before—think not just of Pearl Harbor and 9/11 but also of the North Korean invasion in 1950. And, he asked, what if North Korea doesn't even try to fight a conventional war but resorts instead to "fourth-generation war," relying heavily on commandoes, assassins, and sleeper cells in the South? Ray McGovern, the co-founder of a group called Veteran Intelligence Professionals for Sanity, wanted to know why the Bush administration seemed so unwilling to use the diplomatic measures at its disposal. "Let's for goodness' sake make our best effort at this," Gallucci said, responding to McGovern's question. "I remember briefing Jimmy Carter once, and he asked me in the middle of this briefing, just before he went to Pyongyang in June of 1994: 'If we make a deal, will they honor it?' And I said, 'I actually have no idea.' Well, now I do have an idea. You cannot count on it. Any deal we cut has to have verification elements in it. I would argue that we really were not hurt by that deal in 1994, that it actually did pretty well—even though they cheated. So I'm not sorry that we did that deal." Gallucci said we should even be willing to offer the North Koreans a security assurance as part of a deal. "If you're saying we're going to guarantee a Communist regime in North Korea, that's a pretty lousy idea," Adelman said. "Is that what I said?" Gallucci responded, his choler rising. "I believe I said a 'security assurance,' and that I have always understood we would not attack them *provided* they abided by the deal. And that's an assurance that I would be prepared to give. When we talked to them, I had an eye-to-eye opportunity to tell them what I thought of their regime. Kang Sok Ju [the leading North Korean negotiator] said to me, 'You're trying to strangle us.' And I said, 'Don't get two things confused. If this works, we're not going to be trying to strangle you; we're going to be going into a new relationship. But don't misunderstand me. We deplore your regime. We believe it is horrendous. We believe you treat your people horribly.'" Jessica Mathews suggested that one reason diplomacy has not yet been successful is that our own policymakers have been so divided on how to proceed. (This was most starkly revealed in March of 2001, when, one day after announcing that the Bush administration would continue the negotiations begun under Clinton, Secretary of State Colin Powell was humiliatingly contradicted by the president. "We don't negotiate with evil," Vice President Dick Cheney reportedly said in a meeting on North Korea; "we defeat it.") "Any negotiation is a two-part deal," Mathews said. "The first part you have with yourself. I would submit that this conversation makes it clear that we have not had that. We have no sense within this country of what it makes sense to do if you're going to try to engage the North Koreans." "We used to call that, and still do, 'appeasement,'" General McInerney said. "I didn't say anything about appeasement," Mathews replied. "I know, and you won't say anything about it," McInerney said. "One's got to be very careful in taking the diplomatic route. Look, I commend Bob [Gallucci] for the work the Clinton administration tried in '94. But let's not live on the good ship *Lollipop* and think that we're going to be able to do this again once they have shown that they are not going to negotiate [in good faith]. They *cheated* us." "What they have shown is if they can get

away with cheating, they'll cheat," Mathews said. "Our job is to be smarter than that. Their having cheated gives us an opportunity to give them a tougher deal." "This is *precisely* the discussion that needs to take place," David Kay said as the session ended. "And it is very clear why the president of the United States has to be present at the discussion. Otherwise we have an absolute stalemate. We don't win on a stalemate in this case. And so you've got to decide what risk you're willing to run now to avoid a greater risk later on. And only the president can make that decision." During the next few weeks I had conversations with all the members of the Principals Committee. What had they taken away from the war game? Despite the disputatiousness of the proceedings, was there any consensus about the lessons that could be drawn from the exercise? There was. The first lesson was no surprise: This is not a situation that is going to get better with time. "Anyone who walks through the North Korea crisis comes through absolutely convinced that it is only going to get worse," David Kay told me. He came away from the exercise convinced of the situation's urgency—and convinced that the United States has wasted several years, effectively doing nothing while it hoped the regime would collapse. Kay believes that the administration's reluctance to engage the matter diplomatically is dangerous. And that was the second lesson at least three of the principals agreed on: We need—soon—to make a serious attempt at negotiating. "The Bush administration believes that the North Koreans cannot be relied upon to abide by international agreements," Kay said. "They also believe there are groups so bad that you harm yourself by talking to them. North Korea is a horrible regime—in human-rights terms, one of the worst on earth. But talking to them in no way compromises our moral beliefs." We need to take another crack at direct negotiation before we go the military route, he said. For Jessica Mathews, this second lesson was the most important. She felt that the administration was hurting itself by insisting on participating only in multilateral talks, as opposed to direct negotiations with North Korea. "There's nothing in our national-security interest that is better served by multilateral versus bilateral talks. That's a shape-of-the-table issue. If we wanted to say, 'Okay, they want to have bilateral talks? Fine. We'll have a bilateral subcommittee within the six-party talks'—how long would that take to figure out? Half an hour." She added, "It's kind of odd that this administration, of all administrations, wants to outsource this policy issue to the Chinese." A third lesson was that the transfer of nuclear material to terrorists is the biggest danger we face. General McInerney agreed with that, and with the idea that North Korea was an urgent matter (though he thought Iran was more pressing). But he disagreed on the importance of pursuing talks. In his view, people like Mathews and Gallucci, who are willing to pursue bilateral negotiations, are being naive. He also believes that it's important for Kim Jong Il to know what our military capabilities are, and to know we are willing to use them—which is why he believes that the "bleeding hearts" who say "Oh, God, we couldn't do this" about a war with North Korea (because of the threat to Seoul) interfere with our deterrent message to Kim. Kim needs to know that if he sells nuclear technology to terrorists, "he will get nuclear weapons on North Korea." Ken Adelman seemed less willing than any of the other participants to contemplate pre-emptive war with Pyongyang. But he remained unwilling to put much stock in negotiations of any kind, and continued to rest his hopes on the Chinese. He thought the North Korean situation was so intractable that it needed an unconventional approach to shake it loose; the analogy he used was the way Ronald Reagan shook loose the arms-control debate in

the 1980s by conceiving of "Star Wars" missile defense. For Adelman the most surprising thing about the war game was that the debate didn't come down to a typical right-left divide. He noted in particular that he had been surprised to find himself to the left of Robert Gallucci in terms of willingness to use force. Gallucci, for his part, said he was "surprised at how surprised Adelman was that we—those of us who favor negotiation—could end up in a position where we would favor the use of military force." Gallucci was emphatic that we urgently have to try to negotiate, as a prelude to possible military action, and was frustrated that the Bush administration and some of the war-game principals were unwilling to recognize that. To put his frustration in context, he told me a story. "When I came back with the Agreed Framework deal and tried to sell it," he said, "I ran into the same people sitting around that table—the general to my right, Ken across from me. They hated the idea of trying to solve this problem with a negotiation. "And I said, 'What's your—pardon me—your fucking plan, then, if you don't like this?' ""We don't like—" "I said, 'Don't tell me what you don't like! Tell me how you're going to stop the North Korean nuclear program.' ""But we wouldn't do it this way—" "Stop! What are you going to do?" "I could never get a goddamn answer. What I got was 'We wouldn't negotiate.'" I pointed out that the North Koreans had—as McInerney emphasized—cheated on the 1994 agreement. "Excuse me," Gallucci said, "the Soviets cheated on virtually every deal we ever made with them, but we were still better off with the deal than without it." To people who say that negotiating with the North Koreans rewards bad behavior, Gallucci says, "Listen, I'm not interested in teaching other people lessons. I'm interested in the national security of the United States. If that's what you're interested in, are you better off with this deal or without it? You tell me what you're going to do *without* the deal, and I'll compare that with the deal." He was adamant that we were better off under the Agreed Framework—cheating and all—than we are now. "When the Clinton folks went out of office, the North Koreans only had the plutonium they had separated in the previous Bush administration. Now they've got a whole lot more. What did all this 'tough' shit give us? It gave us a much more capable North Korea. Terrific!" For his part, Sam Gardiner came away with one overriding message. "I left the game with a firm conviction that the United States is focusing on the wrong problem," he told me. "Iran is down the road. Korea is now, and growing. We can't wait to deal with Korea." The president needs to engage the North Korean question for a very simple reason: "The military situation on the peninsula," he said, "is not under control." (Scott Stossel, "North Korea: The War Game," *The Atlantic*, July/August 2005)

3/26/05 Pyongyang has rejected repeated requests by Congressmen to visit, among them Curt Weldon (R-PA) and Tom Lantos (D-CA), diplomatic sources in Washington said. (*JoongAng Ilbo*, "Pyongyang Reportedly Rebuffs Congressmen," March 26, 2005)

3/31/05 DPRK FoMin spokesman statement "as regards the wrong view spread by the U.S. and its allies on the denuclearization of the Korean Peninsula: It is the consistent strategic goal of the DPRK to achieve lasting peace and stability and realize the denuclearization of the Korean Peninsula.
However, the United States and its allies are now spreading a wrong view on the denuclearization of the peninsula at a time when the six-way talks for a solution to the nuclear issue between the DPRK and the U.S. still remain at a stalemate. They assert

that the DPRK's access to nukes is incompatible with the efforts to ensure security and the abandonment of its nuclear program would precisely lead to the denuclearization of the peninsula. This is a deliberate distortion of the essence of the situation. **If the Korean Peninsula is to be denuclearized, it is necessary to put an end to the growing U.S. nuclear threat in and around the peninsula**, the source that compelled the DPRK to have access to nuclear weapons, **and establish the relations of confidence between the DPRK and the countries concerned**. By nature, the denuclearization of the peninsula was initiated by the DPRK for the purpose of freeing it from the U.S. nuclear threat. That was why the DPRK acceded to the NPT and concluded the DPRK-U.S. Agreed Framework. But, the U.S. has abused all this for isolating and stifling the DPRK. The Bush administration, in particular, openly posed a nuclear threat to the DPRK, thus compelling it to produce nuclear weapons so as to prevent a war and protect its system and existence. Such being a hard fact, the U.S. is twisting the essence of the denuclearization of the peninsula. It asserts that the DPRK's dismantlement of nukes would lead to the denuclearization, sidestepping the nuclear threat posed by Washington. Denuclearization is needed only for ensuring lasting peace and stability on the peninsula. In the real sense, the denuclearization of the peninsula calls for rooting out the very source that compelled the DPRK to make nuclear weapons. This would be a proper order in the efforts to find a solution to the issue. **To this end, the U.S. should roll back before anything else its hostile policy aimed at toppling the system of the DPRK through a nuclear war** after designating it as a 'target of preemptive nuclear attack.' But the reality is quite contrary to this demand. **The U.S. keeps many tactical nuclear weapons in south Korea on a permanent basis**. And it is ceaselessly shipping nuclear strike means there. **It also brought lots of nuclear carrier flotillas and strategic bombers capable of nuclear delivery into south Korea** when it staged large-scale nuclear war exercises against the DPRK in and around south Korea on an annual basis in recent years. It has conducted mock nuke dropping exercises in south Korea by mobilizing even flying corps of its air force in Japan and on Guam, etc. As if it were not enough with this, the U.S. is spending a colossal amount of fund for developing smaller nukes capable of destroying underground bunkers in the DPRK. Shortly ago it stealthily brought Los Angeles-class nuclear submarine to Jinhae Port in south Korea, sparking off a big furor. It is preposterous for the U.S. to turn a blind eye to this fact and assert that only the DPRK's dismantlement of its nukes can lead to the denuclearization of the Korean Peninsula. **If the peninsula is to be nuclear-free, it is necessary to clear south Korea of all the nuclear weapons of the U.S. and root out every element that can help south Korea have access to nukes**. Of course, **this should be confirmed through verification**. It is also necessary to stop all nuclear war exercises against the DPRK in and around the Korean Peninsula, remove leverage by which one can threaten others with nukes and build the relations of confidence among surrounding countries including the DPRK and the U.S. **Only then is it possible to denuclearize the Korean Peninsula in practice just as President Kim Il Sung desired so much in his lifetime**. Given that the DPRK and the U.S. are technically at war and south Korea is under the nuclear umbrella of the U.S., nuclear weapons in the hands of the DPRK would serve a main deterrent force in its effort to avert a war on the peninsula and ensure peace and stability there until the above-said demands are met. The same can be said of the six-party talks. The six-party talks should provide a platform for seeking comprehensive

ways of substantially and fairly realizing the denuclearization of the peninsula, not just as a bargaining ground where a give-and-take type way of solution is discussed. Gone are the days when the six-party talks took up such give-and-take type issues as reward for freeze. **Now that the DPRK has become a full-fledged nuclear weapons state, the six-party talks should be disarmament talks where the participating countries negotiate the issue on an equal footing.** The U.S. claims that if the DPRK dismantles its nuclear weapons first, **it will be given 'collective assurances for security' and get a 'benefit.'** **This is, however, nothing but a gangster-like logic urging the DPRK to disarm itself and yield to the U.S. domination.** Such unequal 'talks' at which the U.S. sitting in a chair is allowed to issue commands to the DPRK while the latter is forced to sit on its knees and meet the former's demand can never help find a solution to the nuclear issue. On the contrary, they will only escalate the confrontation and tensions. If the U.S. threat of nukes is completely removed from the Korean Peninsula and its vicinity, it will be possible to ensure lasting peace and stability not only in the peninsula but in the rest of Northeast Asia. **If the six-party talks are to creditably fulfill their mission, it is necessary to convert them into a place where ways are sought to completely remove the U.S. threat of nukes and a nuclear war from the peninsula and its vicinity.** The DPRK will as ever do its best to avert a war and realize the comprehensive denuclearization on the peninsula." (KCNA, "DPRK Foreign Ministry Spokesman on Denuclearization of Korea," March 31, 2005)

North Korea shuts down its reactor to remove spent fuel. Vice Minister of Unification Rhee Bong-Jo of South Korea said on May 12 that the reactor was shut down March 31. (James Brooke, "North Koreans Claim to Extract Fuel for Nuclear Weapons," *New York Times*, May 12, 2005)

Tony Banbury WFP: "We spent a couple of days in Pyongyang, but then also did a field trip to Chagang province - primarily Huichon city. This is a province that WFP had been working in for quite some time, but then access to the province was cut off by DPRK officials at the end of last year, and its just been re-established. Its again open, we're again able to monitor our food aid there. When access was cut off we of course stopped delivering food aid - we have a consistent "no access, no food aid" policy. Now that access has been restored our food aid is again going back in. We ourselves brought a small amount of assistance with us, to a "baby home". We brought some Rice Milk Blend, which is a highly fortified blended food that, mixed into porridge, is primarily for young children. Much more assistance will be again flowing in the coming days. While there, we were also able to visit a Public Distribution Centre, which is not something we're often able to do, and that was a positive thing. In fact, more and more frequently, we are able to visit PDCs now. And we visited a co-operative farm, and met with the vice-chairman of the farm. That also is a rather unusual event for WFP. Normally we are not able to visit co-operative farms. We had a very good visit there on this trip. There were three main themes that emerged in my mind from this trip. The first is that the people in the DPRK are still in great need of food aid - particularly the most vulnerable people whom we're trying to help. ...the Public Distribution System has just recently cut its ration size for the average North Korean from 300 grams a day to 250 grams a day. This glass here [holds up small glass containing rice] has 250 grams of rice. That is what people are living on in North Korea, day after day. Without

any meat, proteins, vegetables - except perhaps what they're able to hunt in the forests or get from relatives in the countryside. They are obviously suffering from, in many cases, severe malnutrition. The statistics from the nutrition survey are quite clear in that respect. More than a third of the population is chronically malnourished. About a third of the mothers in North Korea are malnourished and anaemic. So there is a continuing, very serious food crisis in the country. ...The second main theme I'd like to share with you is that the situation, in terms of the amount of WFP food aid going into the country these past several months, has been very good. We've been fortunate. We've been in a position to feed all 6.5 million intended beneficiaries - that's about a third of the population - as a result of generous donations from Japan, ROK [Republic of Korea], others; we have had a very good what we call "pipeline" - stocks of food. That's the good news. The bad news is those stocks are close to running out. In fact, we have already had to make some cutbacks. We've stopped giving vegetable oil to 900,000 elderly people. As of next week we'll have to stop providing vegetable oil rations to kindergarten children, nurseries and pregnant and nursing women. This vegetable oil is enriched with vitamins; it's an extremely important part of the diet for people in the situation that they are in in North Korea. Withdrawing it doesn't just make cooking more difficult; it actually has a very significant nutritional impact on the recipients. And that's happening now. In May, WFP will stop providing pulses to 1.2 million women and children; and in June, we'll stop providing cereals - our main commodity - to about one million primary school children, pregnant and nursing women, elderly people and particularly vulnerable urban households. This is assuming we don't get additional contributions very soon. ...The DPRK government had said that they didn't see a need for the OCHA official in Pyongyang, whose contract ends in August, to continue, because they thought that his role was just tied to the CAP [Consolidated Appeals Process], which the DPRK government has said they no longer want. When the acting Humanitarian Coordinator, Mr. Ragan, explained in greater detail to the government that the role of OCHA went beyond the CAP, they expressed understanding, and an openness and a willingness to allow an OCHA presence to continue in the country. This is an issue that will be discussed when a new UN Resident Coordinator/ Humanitarian Coordinator arrives in the country in April. But as of now there is an OCHA official and there is no decision to close the OCHA office. The last point I'd like to make is on issue which I'm frankly surprised continues to appear again and again in the press: reports of WFP food aid in the markets, and pictures of WFP food aid bags in the markets. This is nonsense. The economy in North Korea is so bad that they re-use everything. And the bags that WFP uses for food aid are very sturdy, heavy-duty bags that are designed to last a long time so they won't burst open and have the food aid spill out and get wasted. These bags can last years and years. They are being used for all kinds of things in the DPRK. They are being used for tablecloths." (WFP Press Conference on the DPRK, NapsNet, March 31, 2005)

4/1/05

A senior North Korean diplomat reaffirmed that his nation would abstain from talks until the United States apologizes for Secretary of State Condoleezza Rice's labeling the North as one of the world's "outposts of tyranny." In a lecture at Seoul National University, U.S. Ambassador to South Korea Christopher Hill said the North's latest statement "was not helpful." "Serious problems should not be dealt with ... sarcastic statements," said Hill, who has been named U.S. assistant secretary of state for East

Asian and Pacific affairs. Hill urged North Korea to "stop with these silly press announcements," and said they should bring their concerns to the arms talks. Han Song-ryol, deputy chief of North Korea's mission to the U.N., said Pyongyang felt Rice's recent comment "cannot be taken as being equivalent to an apology." "To reopen the talks, there should be the right justification and conditions," Yonhap quoted Han as saying. "That is a clear apology from the U.S. for the outpost of tyranny remarks." Han said the North's March 31 statement was meant to highlight Pyongyang's view that the latest crisis stems from a perceived U.S. nuclear threat. Washington has said it has withdrawn all nuclear weapons from the Korean Peninsula. "It depends on the U.S. whether the six-party talks resume or not," he said. "But, I don't think the U.S. will drop its hostile policy." Meanwhile, North Korea's No. 2 leader Kim Yong Nam on Friday received a Chinese delegation in Pyongyang headed by the vice chairman of the Communist Party's disciplinary committee, Ma Wen, and they had a "friendly talk," the North's official Korean Central News Agency reported. (Bert Herman, "U.S. Shuns N. Korea Apology Request," Associated Press, April 1, 2005)

More than 100 allegedly counterfeit \$100 bills were found aboard a North Korean freighter, the 180-ton Rimyongsu 7, that called at Sakaiminato port, Tottori Prefecture in late March. They were among 6,500 used \$100 bills on board. (*Japan Times*, "Bogus Cash Found aboard North Korean Vessel," April 1, 2005)

Ashton Carter: "President Bush praised the Robb-Silberman commission report for its scathing and perceptive analysis of 'intelligence failures' in the 'axis of evil' states of Iraq, Iran and North Korea. Indeed, the report contains many useful recommendations for improving intelligence on weapons of mass destruction. But the fallacy in the administration's appointment of a commission to study intelligence failures is that there is almost never such a thing as a pure intelligence failure. Intelligence failure is usually linked to policy failure. It's easy to see why Bush, or any president, would not want to call attention to that link. But the commission should have. Let's take the case of North Korea. While the commission's chapters on North Korea's nuclear program are rightly classified, the unclassified summary suggests that spies and satellites have yielded very little information about that country's nuclear weapons efforts. But what does it matter? North Korea has admitted, indeed boasted, of its growing nuclear arsenal, and the United States has done nothing to stop it. How could a few more details provided by the CIA make a difference? If you don't have a policy, intelligence is irrelevant. North Korea's runaway nuclear program is a policy failure, not an intelligence failure. What's worse, policy failure has actually caused intelligence failure in North Korea. From 1994 to 2003 North Korea's plutonium was at a known location, Yongbyon, where it was measured, handled and surveilled by international (including American) inspectors. We could inspect it -- or bomb it -- at any time. But when North Korea threw the inspectors out and threatened to truck the plutonium away to a hidden location, the United States did nothing. In due course the North Koreans made good on their threat and took the plutonium away. Are we now supposed to believe that it is an 'intelligence failure' that we don't know where it is?" (Ashton Carter, "A Failure of Policy, Not Spying," *Washington Post*, April 3, 2005, p. B-7)

- 4/?/05 DPRK negotiator with Japan Song Il-ho told Japanese scholars Wada Haruki, Okonogi Masao, and Kimiya Tadashi who visited Pyongyang that North Korea does not intend to resume negotiations with Japan unless it apologizes over the handling of DNA test results which showed the remains, which Pyongyang claims were Yokota Megumi's, were not hers. He criticized the results as "one-sided." Song said, "I personally cut off the wire of a hot line [to the Foreign Ministry]. We have not been in touch ever since." (Kyodo, "N. Korea Tells Japanese Scholars It Won't Negotiate without Apology," April 8, 2005)
- 4/4/05 Military exchanges between Korea and China will intensify to a level similar to those between Korea and Japan, the defense ministry said. "China, more than any nation, wishes for peace and stability on the Korean Peninsula, so we plan to strengthen our military exchanges with China, including making defense minister meetings a regular occurrence," Defense Minister Yoon Kwang-ung told reporters. "There is a need to raise the level of military cooperation between Korea and China to at least that shared between Korea and Japan, and it's worth thinking about plans to help stability on the Korean Peninsula with China's assistance." Yoon's comments appear to confirm whispers of greater Sino-Korean cooperation following President Roh Moo-hyun's comments that Korea will act as a stabilizer between opposing forces in Northeast Asia. Korea and China agreed during a meeting of their defense ministers in Beijing on March 30 to make such meetings regular and hold discussions involving bureau and section chiefs twice annually. (*Chosun Ilbo*, "Korea Steps up Military Cooperation with China," April 4, 2005)
- 4/2-5/05 Kang Sok-ju and four other North Koreans visited Beijing for three days of talks at the invitation of Dai Bingguo, executive vice minister of foreign affairs. He asked for a "face-saving exit" to resume six-party talks. He saw Vice FoMin Wu Dawei and his deputy Ning Fukui, the n met with FoMin Li Zhaoxing and other senior party officials including Wang Jiarui. (Ryu Jin, "N. Korea Asks for 'Face-Saving Exit' for Talks," Korea Times April 4, 2005) Kang said the Bush Doctrine had three elements: regime change, preemptive strikes and axis of evil. Under the circumstances, the DPRK had no choice but to expand its "nuclear deterrent." In tense, often argumentative meetings, Chinese said they were "opposed" to the North's nuclear efforts, a diplomatic notch up from "do not support" and countered with "three upholds": uphold denuclearization, uphold peace and stability and uphold the six-party talks to resolve the dispute. (Chinoy, *Meltdown*, p. 235)
- 4/5/05 Japan's Education Ministry approved a controversial new series of school textbooks that critics say whitewash Japan's militaristic past. The move ignited immediate outrage among some of the country's World War II-era victims. The Chinese ambassador, Wang Yi, lodged a protest with Japan's Foreign Ministry, while officials in Beijing blamed a violent anti-Japanese protest there over the weekend on Japan's "irresponsible attitude" toward history. Outrage was fiercest Tuesday in South Korea, where President Roh Moo Hyun has warned of a "diplomatic war" with Japan following Tokyo's reassertion of its claims to a small group of islands that are held by South Korea. Japanese officials said they made changes to parts of the new textbooks to clarify points about Japan's colonial occupation of the Korean Peninsula from 1910 to

1945. But South Korea's Foreign Ministry spokesman, Lee Kyu Hyung, said the newly approved texts were still "far from sufficient when universal values and historic truth are taken into account." The Education Ministry approved a newer edition of the same text that critics say further distorts the past and portrays imperial Japan as a liberator rather than an occupier of its Asian neighbors. The text shuns the word "invasion," for instance, and leaves out critical accounts of events such as the Japanese army's massacre of civilians in Nanking, China, in 1937. (Anthony Faiola, "Japanese Textbooks Anger S. Korea, China," *Washington Post*, April 6, 2005, p. A-15) The Ministry of Foreign Affairs and Trade on Wednesday summoned Japan's top envoy to Seoul to demand Tokyo "immediately" delete its claim of sovereignty over the Dokdo islets from school textbooks, ministry officials said. "We're very dissatisfied to see that those textbooks, which received (Tokyo's) approval, contain Japan's claim of sovereignty over Tokto," Vice Minister Lee Tae-sik told Ambassador Toshiyuki Takano. "We want it to be deleted immediately." South Korea also mobilized its top diplomat to Tokyo, Ra Jong-yil, to file a similar complaint with Japan's Foreign Ministry. (Park Sung-wu, "Japan Envoy Summoned over History Textbooks," *Korea Times*, April 6, 2005)

The United States is making North Korea believe that Washington's goal is regime change, Vice Unification Minister Rhee Bong-ju said. "North Korea is suspicious of the United States' goal, which Pyongyang thinks is regime change, rather than the elimination of its nuclear programs," he told reporters. "It is true that Washington is stocking this perception in some way." (Park Sung-wu, "Vice Minister Criticizes Washington's NK Policy," *Korea Times*, April 6, 2005)

4/8/05

After two senior-level meetings between North Korean and Chinese leaders over the last two weeks to discuss the North's nuclear-weapons program, the Chinese have failed so far to persuade North Korea to rejoin nuclear disarmament talks, senior administration officials and diplomats said April 8. As a result of the continuing deadlock, informal discussions have begun among the five parties to the talks on new, more aggressive strategies that could be used if and when it is decided that the talks have reached a dead end. Among the steps being discussed, the administration officials and diplomats said, are increasing the frequency and intensity of United States and South Korean military exercises in the region. Even now, North Korea grows incensed with each exercise. In addition, intelligence gathering operations and reconnaissance about the North would be increased in a manner that the North Korean government would be sure to notice, the officials said. And enforcement activities against North Koreans involved in drug trafficking and weapons smuggling, among other illegal activities, would be expanded, possibly including increased patrols that might lead to interceptions of North Korean ships. Two years ago, Australian authorities seized a North Korean ship carrying 110 pounds of heroin off Australia's southern coast. No decision has been reached to step up the use of these tactics. For the past year and a half, under a program called the Proliferation Security Initiative, the five nations have declared themselves ready to intercept ships that may be carrying illicit cargo, but there has not been an actual interdiction recently. Senior diplomats said the parties had agreed informally that they would continue holding out for North Korea's return to the talks until June, when a year will have passed since North Korea walked away. American officials say they have set no deadlines for the

North Koreans to return. But now, "there is a palpable sense of frustration," a senior administration official said. China told the United States this week that North Korea had agreed in principle to return to the talks, " 'when the conditions are right' - the same they have been saying for months," the official said. "Nothing has changed, as far as I am concerned," he added. During her visit to Beijing on March 21, Secretary of State Condoleezza Rice pressed the Chinese to put pressure on North Korea. Since then, North Korea's prime minister, Pak Pong Ju, and the first vice foreign minister, Kang Sok Ju, have visited Beijing. Kang is in charge of the nuclear issue. Several officials and diplomats noted that, while Pak was in Beijing last month, the Chinese government also agreed to grant North Korea significant new loan guarantees, though the details were not known. Officials also pointed out that Chinese trade with North Korea has increased significantly over the last year. One Asian diplomat put the rate of increase at 40 percent. Reports from the region suggest that China is still holding out a significant carrot for the North Koreans should they change their minds and return to the disarmament talks - a state visit by President Hu Jintao. It would be the first visit to Pyongyang by a Chinese leader since September 2000. However, Kyodo, quoting diplomats in Beijing, reported that because Kang "took a tough attitude" during his meetings in Beijing, China was saying "it has become difficult" to schedule President Hu's visit. On April 5, the head of North Korea's Parliament, Choe Thae Bok, said there was "no justification" for a return to the talks. The North Korean government has called for a session of its rubber-stamp Parliament for next April 11. No one knows for certain what the Parliament will be asked to do, but given Choe's remark, some diplomats are speculating that it will be asked to ratify North Korea's decision not to return to the talks. In the days since Pak's visit to Beijing, North Korea has issued several bellicose statements that have discouraged the five nations involved in the negotiations with the North - South Korea, Japan, China, Russia and the United States. Agence France-Presse reported that in a speech today, Kim Yon Chun, the North Korean Army chief of staff, said that Washington's "persistent hostile policy" would prompt the North to further "bolster its self-defensive nuclear deterrent." (Joel Brinkley, "North Korea Said to Reject China's Bid on Nuclear Talks," *New York Times*, April 9, 2005, p. A-14)

4/9/05

North Korea has said it is willing to negotiate ways to prevent the transfer of its fissile material to a third party, warning that it has the ability to hand it over to terrorists, Selig Harrison, director of the Asia Program at the Washington-based Center for International Policy, told reporters in Beijing. Harrison quoted Vice Foreign Minister Kim Kye Gwan as saying that although North Korea is not thinking of transferring fissile materials to others, it cannot promise it will not do so if "the United States drives us into a corner." "The United States should consider the danger that we could transfer nuclear weapons to terrorists, that we have the ability to do so," Harrison quoted Kim as saying. "It is too late for them to prevent us from making nuclear weapons, but it is not too late to work out verifiable agreements to prevent any proliferation," Harrison quoted Kim as saying. Kim's comments mark the first known instance in which a senior North Korean official remarked on the possibility of nuclear proliferation, a scenario the United States wants to avoid. Kim also said North Korea will not discuss abandoning its nuclear weapons until it can normalize relations with the United States. Harrison said that during his stay in North Korea, he also met with North Korea's No. 2 leader Kim Yong Nam as well as First Vice Foreign Minister Kang Sok Ju. Harrison

quoted the officials as saying North Korea would return to the stalled six-way talks if the United States apologizes for Secretary of State Condoleezza Rice's comments calling North Korea an "outpost of tyranny," or if it gives "some other gesture" that it is not seeking an end to the North's current regime. (Kyodo, N. Korea Warns of Nuke Proliferation Possibility: U.S. Scholar," April 9, 2005)

4/12/05 South Korea is willing to begin paying for the cost of unification with the North even before it occurs, but there will be no major aid until a nuclear crisis is resolved, the South's president has said in Germany. "We have a policy to support the North Korean economy and help it stand on its feet," President Roh Moo-hyun said during a visit to Germany. "But the North Korean nuclear problem must be resolved for substantive assistance to be possible," he told German leaders. "The South Korean people will probably not object, even before unification, to taking on the cost of ensuring the success of North Korea's economic reform and opening," he said. (Reuters, "No Aid to North Korea until Nuclear Crisis Ends: Roh," April 13, 2005)

4/13/05 KCNA: "The DPRK embassy in Beijing [today] formally conveyed its following stand and demand to the Japanese embassy there in connection with the disclosure of the fact that the results of examination of the remains of Japanese Megumi Yokota were fabricated in Japan: As already known, Prof. Tomio Yoshii of Deikyo College of Japan, who had personally examined her remains, in a recent interview with the British science magazine Nature admitted that "the results of examination of the remains were not certain and there was the possibility of the sample of the remains being contaminated." This has objectively proved that the results of the examination of her remains were fabricated. However, the Japanese government has done nothing till now and turned blind eyes to the questions raised at home and abroad as to the scientific credibility and doubtful points concerning Japan's examination of the remains. We will not remain an onlooker to the fact that Japan is applying undeclared "sanctions" against the DPRK such as banning ship Mangyongbong-92 from entering Japanese ports while inciting hostility towards it after faking up the politically motivated results of examination of the remains. As we notified Japan on February 24, we strongly urge once again the Japanese government to probe the truth about the fabrication of the results of the examination of the remains at an early date, punish those responsible for it and send them back to us in their original state." (KCNA, "DPRK Demands Japan Return Remains of Japanese Woman," April 13, 2005)

4/?/05 (Kim Young-yoon and Choi Soo-young "Understanding North Korea's Economic Reforms," Center for the North Korean Economy, KINU)

4/14/05 President Roh Moo-hyun in Turkey spoke out against "working-level" South Korean officials who did not grasp the "big picture" about the "gradually changing" ROK-U.S. alliance and made "sullen" or "outlandish" remarks. "What I am most concerned about are the ROK people. Some considerably highly educated ROK people appear to have amore pro-American way of thinking than Americans themselves. ...The ROK people should think and make judgments the way most ROK people do. What is important in guiding the ROK-U.S. alliance is to effectively coordinate the American people's

perception of Asian order and the ROK people's perception of Asian order and make a good judgment." (Oberdorfer and Carlin, *The Two Koreas*, p. 389)

4/15/05

Seoul demanded that Washington stop formulating a military contingency plan for possible instability in North Korea, including the collapse of the communist regime, the Defense Ministry confirmed. The National Security Council (NSC) asked the Korea-U.S. Combined Forces Command (CFC) in Seoul last January to scrap an operational plan, code-named 5029-05, that laid out military responses to various levels of internal trouble in the North, Defense Ministry spokesman Shin Hyun-don said in a briefing. The request came due to South Korean concerns that the plan infringed on its sovereignty and ability to ensure peace on the Korean Peninsula. Under the draft plan, the U.S. military would take wartime command in case of an emergency in North Korea resulting from internal turmoil such as mass defections or revolt. South Korea has control of its military in peacetime. "The government found it difficult to accept the plan as it stipulates military actions under U.S. command in the event of internal crises in the North, not simply North Korean aggression against the country," a NSC official said. He is worried that "hasty" U.S. military action could trigger a full-scale war on the Korean Peninsula. The U.S. government, however, has resisted Seoul's demand that the plan be scrapped, sources said. Washington stressed it is needed to prevent Pyongyang's weapons of mass destruction from being smuggled out of the country while it was embroiled in a domestic crisis, he said. The 5029-05 is a development plan for the 5029-99, drawn up by the ROK-U.S. CFC in 1999, Shin said. The 5029-99 included contingencies in case of mass defection after the possible collapse of the communist nation. "We will closely negotiate the issue with the U.S. so as not to undermine the Seoul-Washington alliance," the spokesman said. Rep. Park Jin of the main opposition Grand National Party criticized the government for its unilateral decision to kill the plan. "The government should discuss the issue with the U.S. with all options on the table." Park told the *Korea Times*. "Saying 'no more discussion' in regards to the plan does not serve our national interest, especially at a time when relations between Seoul and Washington have cooled." Meanwhile, North Korea denounced what it describes as a provocative plan to wage war against it. "The purpose of the contingency plan is to conduct a preemptive attack against us," said an article on Uriminzokkiri, a Japan-based North Korean news Web site. (Jung Sung-ki, "Seoul Rebuffs U.S. Contingency Plan on N.K.," *Korea Times*, April 15, 2005) In an interview with *Die Welt*, Roh said, "I am skeptical about the idea that increased pressure will make the North discard its nuclear program. In reverse, [the pressure] could make the situation worse." (Joo Sang-min, "President Opposes Pressure on N.K.," *Korea Herald*, April 15, 2005) CONPLAN 5029 leaks in Seoul. President Roh on background told reporters, "We have to rework the details of Contingency Plan 5029. The current plan fundamentally focuses on U.S. forces going into the North and taking control of the situation. The situation would be serious if this happens to be the case." (Chinoy, *Meltdown*, p. 232)

South Korea joined 13 other nations today in abstaining from voting on a resolution adopted by the United Nations Commission on Human Rights that condemns North Korea for "widespread and grave" abuses of human rights. As representatives of 53 nations gathered in Geneva to discuss the first such resolution approved by the

commission, the South Korean government's yearning for reconciliation with the North overrode domestic pressure to take a stand on an issue for which it has long been criticized for failing to act. In the midst of intense discussion here on the suffering of hundreds of thousands of North Koreans in prison camps and still more in danger of starvation, the Foreign Ministry cited upcoming talks on the nuclear standoff with the North as the rationale for not voting on the resolution. The senior official responsible for the ministry's contacts with international organizations, Chung Young-woo, said, "We were concerned about the negative, adverse impact of this resolution" on the talks next week in Beijing involving American, Chinese and North Korean officials. Although "we shared the objective of the resolution," Chung said, the government feared that North Korea would see it "as part of a broader Western strategy to undermine the regime." Now, he said, was not the time "to humiliate North Korea on their human rights record." The resolution, adopted by a vote of 28 to 10, with 14 abstentions, assails North Korea for "torture and other cruel, inhuman or degrading treatment or punishment," including public executions. It also cites "all-pervasive and severe restrictions on the freedoms of thought, conscience, religion, opinion and expression." The vote reflected the divisions among nations involved in trying to persuade North Korea to abandon its nuclear weapons program and open normal relations with other countries, including South Korea. The United States and the European Union drafted the resolution, which was supported by Japan and opposed by China and Russia, both of which also opposed any move to condemn North Korea in the United Nations Security Council. The North Korean representative to the United Nations Human Rights Commission, Jong Song Li, said the United States had promoted the resolution "for political purposes," and the North Korean denounced it as "full of fabrications." (Don Kirk, "South Korea Abstains from Vote Assailing North on Rights," *New York Times*, April 16, 2005)

Japan wants to break the current impasse and resume bilateral talks with North Korea to resolve Pyongyang's abductions of Japanese nationals, top government spokesman Hiroyuki Hosoda said. "Japan continues to hope to put utmost efforts to resolve the abduction issue by strongly urging North Korea to resume talks, but the other side shows no sign of moving at the moment," Hosoda, the chief Cabinet secretary, said in a press conference. (Kyodo, "Japan Seeks to Resume Abduction Talks with N. Korea," April 15, 2005)

A report from the State Department submitted to Congress April 15 shows the United States gave \$242,000 in aid to help victims of the Ryongchon train explosion in North Korea last year -- \$100,000 through the Red Cross and the rest sent directly as medical aid. The U.S. donated 50,000 tons of grain from December to April at a cost of \$22.3 million. Another 60,000 tons was sent in the first half of 2004. (*JoongAng Ilbo*, "U.S. Still Sending Goods to North Korea," April 22, 2005)

4/17/05

North Korea has halted operations at a nuclear power reactor, a move that could let Pyongyang reprocess spent fuel to retract plutonium and boost its nuclear arsenal, a press report said. The United States will shortly send Christopher Hill, the assistant secretary of state for East Asian and Pacific affairs, to **South Korea**, Japan and China for talks to cope with the new development in the nuclear stand-off, *Asahi Shimbun* said.

Washington has verified that operations at the five-megawatt reactor in Yongbyon were suspended in April, the influential daily said in a report from Washington quoting sources including US government officials. Selig Harrison, a senior researcher at the Center for International Policy, said after visiting Pyongyang earlier this month that North Korean officials suggested they would start reprocessing the spent fuel rods in late April unless the United States promised not to try to topple the regime of Kim Jong-Il. (AFP, "North Korea Ready to Reprocess Spent Nuclear Fuel into Plutonium," April 17, 2005)

4/?/05 In a possible softening of its stance, North Korea has recently demanded that Washington agree to two points through bilateral talks with Pyongyang as a precondition for returning to the stalled six-way negotiations on its nuclear programs, diplomatic sources said May 4. One point is U.S. recognition of North Korea as a sovereign state, and the other point is a U.S. guarantee that Pyongyang would be treated as an equal in the six-country talks, according to the sources. According to the North's demands, presented in mid-April, the bilateral talks must be held separately from the six-party framework, the sources said. The conditions appear to be less demanding than those earlier, which included an apology for SecState Rice's remarks calling the North "an outpost of tyranny." (Kyodo, "N. Korea Wants Talks with U.S. before 6-Way Talks: Sources," May 4, 2005)

4/19/05 The two Koreas signed an accord on railway cooperation providing for aid for designing and building six railway stations in the North to connect the two capitals. The South will loan \$22 million to the North with a 20-year repayment period following a ten-year grace period. (*Chosun Ilbo*, "Koreas to Exchange Accord on Railway," April 19, 2005)

4/?/05 **U.S. warned it would have no other choice but to prepare for military action if six-party talks collapse**, *Sankei Shimbun* report.. The North returned to the negotiating table after the U.S. deployed F-117 stealth fighters to South Korea. [and after it extracted more Pu] (Yonhap, "U.S. Warned N. Korea of Military Attack in April: Japanese Report," January 5, 2006)

4/21/05 SecSt Rice: "We reserve the right and the possibility of going to the Security Council should it be necessary, of putting other measures in place should it be necessary. I think the North Koreans are not confused about the fact that the United States maintains a significant deterrent against North Korean nuclear weapons if, indeed, they have gotten to that state. I think they are not confused about the fact that we have a very strong military alliance on the Korean Peninsula that is actively deterring North Korean aggression. So we are in a process that has put the framework in place in which we can resolve this problem. But let no one be confused: The North Korean threats and their attempts to get attention for them also have to be understood in the context of a very strong deterrent on the Korean Peninsula." (Rice, Interview with James Rosen of Fox News, April 21, 2005)

U.S. officials are increasingly concerned that North Korea may be preparing its first test of a nuclear weapon, though they warn that the information is sketchy and not

definitive. A top U.S. diplomat, Assistant Secretary of State Christopher R. Hill, flew to the region today to consult over the weekend with officials in Beijing, Tokyo and Seoul about the signs that a test may be in the works. Officials especially want China, North Korea's main patron, to use its leverage with Pyongyang to stop it from conducting a test. One U.S. official said the concern about Pyongyang's intentions was heightened by **signs of increased activity at missile sites and other places that could be used for underground tests**. U.S. spy satellites observed the activity, but it is extremely difficult to interpret, as the mistakes regarding alleged weapons of mass destruction in Iraq demonstrated. "We see these things," he said, speaking on the condition of anonymity because he was discussing intelligence matters. "But much of what we see is open to interpretation." The *Wall Street Journal* first reported today in its online edition that North Korea may be preparing a test, sending stocks tumbling and oil prices soaring. But there is a strong debate within the administration about whether North Korea would actually detonate a nuclear bomb. Since the impasse over North Korea's nuclear ambitions began in 2002, China has been able to maintain that there is no definitive proof that North Korea has such weapons. A test would shatter that diplomatic ambiguity and make it more difficult for China to block sanctions at the United Nations. "It would take them off the edge," another U.S. official said. But other officials believe North Korea has concluded that a nuclear test would be the only way to convince the world that it has joined the nuclear club. Although many nations would condemn the test, North Korea may have concluded that the consequences would eventually fade away. The administration, for instance, recently decided to restart F-16 fighter-jet sales to Pakistan, which were suspended 15 years ago because of that country's illicit nuclear activities. U.S. analysts had previously detected signs of a possible test, but none has occurred. North Korea is known to enjoy putting on a show for U.S. spy satellites. (Glenn Kessler, "Signs Stir Concern North Korea Might Test Nuclear Bomb," *Washington Post*, April 23, 2005, p. A-13) American spy satellites detected a spike in suspicious tunneling activity at a highly secretive military site in the mountains of North Korea. It alarmed some of the government's top nuclear analysts, who saw it as a sign that North Korea might be preparing to make good on threats to conduct its first test of a nuclear weapon. There was even tantalizing talk among some officials in Washington that the North Koreans were so far along in preparing for an underground detonation that they had built a reviewing stand for dignitaries to witness the earth tremble. The prospect of an imminent test became a crucial point in briefings by the Bush administration to its Asian allies and China, arguing that the North Korean threat was growing rapidly and that they needed to increase pressure to resume six-nation talks aimed at disarmament. After weeks of diplomatic maneuvering, North Korea agreed to resume the talks. But behind that urgent view of North Korea's activities lies a much more complicated, and at times contradictory, picture. It shows some of the same strains over the use of intelligence that came to divide federal agencies and policy makers before the Iraq invasion. In a classified briefing on April 26, at about the same time Washington was warning its allies, the Central Intelligence Agency told Congress that it was unlikely that North Korea would conduct a nuclear test anytime soon. Moreover, the White House had assessed the probability of a North Korean test this spring as relatively low, officials say. And they say that the claim by some analysts and administration officials of a reviewing stand, which was reported in a front-page article in the *New York Times* and then by several other news organizations,

was apparently based on misinterpretations of inconclusive or incomplete data and should not have been circulated outside the government. North Korea's true intentions on testing - whether the activity in the mountainous Kilju region was genuine or an attempt to deceive the world - may never be known. But a review of this spring's divergent assessments, based on interviews with officials from Congress, the administration, American intelligence agencies and foreign governments, reveals how the process of assessing North Korea's weapons is vulnerable to politics and to the imprecision of intelligence. Most of the officials and analysts spoke on the condition of anonymity because the subject concerned classified information and issues of political sensitivity. The question of whether North Korea would conduct a test had great significance because, many experts and officials fear, such a step could ignite a nuclear arms race in Asia. If the more urgent view of the test preparations was circulated by the Bush administration as it sought to restart the six-nation talks, the more benign version was promoted by the C.I.A., which is struggling to overcome criticism for overestimating Iraq's unconventional weapons. Although the government overhauled its sprawling intelligence structure in the wake of 9/11 and the Iraq war, the North Korea episode highlights a lingering lack of coordination in assessing even the most serious threats. While the C.I.A. briefing to Congress was explicitly represented as the view of the full "intelligence community," it apparently did not reflect the more urgent views of nuclear intelligence analysts in the Energy Department and the Pentagon, according to people present. And foreign allies did not hear the same message contained in the "intelligence community" version, that is, that a test was unlikely. The White House and the Pentagon, as well as some nuclear weapons experts at the Energy Department, described the level of tunneling and other activity at the suspected test site as unprecedented. But the C.I.A. and the State Department said that while the activity was high, they judged it as within the pattern of peaks and valleys that had occurred over the previous year. The C.I.A., citing political factors, also said it believed that a test was not imminent because such a step would anger China and be a major escalation in North Korea's confrontation with the West. Some Congressional and intelligence officials drew parallels between elements of the North Korea assessment, particularly the unverified reports of a reviewing stand, and the handling of some of the prewar intelligence on Iraq's weapons and Al Qaeda connections by administration officials. The information about the reviewing stand was not part of the formal briefing to allies but was relayed informally, officials said. While it was considered a far less significant warning sign than the increased tunneling, one administration official said, it was "easy to understand." After the claims of a reviewing stand were reported on May 6 in The Times, Pentagon officials repeated them, including to several foreign newspapers, most notably in South Korea. But the claims were never cited in formal intelligence assessments or mentioned in the C.I.A.'s closed briefing to the Senate Intelligence Committee in April. Senator Pat Roberts of Kansas, the Republican chairman of the Senate panel, said in an interview that the committee had studied the reviewing stand claims and determined that there was "no there there." Ultimately, said officials involved in the process, the judgment of North Korea's activities seem shaped both by the expertise of analysts and the assumptions of policy makers about what North Korea is up to. Arthur Brown, who retired in February as the head of the directorate of operations for Asia at the Central Intelligence Agency and who spent more than 20 years studying North Korea, said the divergent assessments

were not surprising. "People throughout the intelligence world are on the defensive; they want to be very careful," he said. American satellites, monitoring about a half-dozen suspicious sites in North Korea, focused on rising activity in the rugged hinterlands of the Kilju region, where a tunnel entrance had been gouged into the flank of a high mountain. It was one of many mysterious tunnels. "They are mole people," said Brown, now an executive at Control Risks Group, an international consulting company. "There are hundreds, thousands of holes in the ground, and we don't know what's in them." Some are mines, American officials say. Others could protect military planes from attack, or house elements of a nuclear program, the officials say. Last year, as disagreements arose within the government over interpretations of the evidence, the directors of the nation's three nuclear weapons laboratories, run by the Energy Department, were convened for a top-secret assessment, according to an official familiar with the study. While Energy Department analysts saw the tunneling activity as a possible prelude to a test, the Bush administration said little at first, perhaps because it was tied down in Iraq, according to current and former intelligence officials and diplomats. Eventually, the president and his aides decided to sound the alarm because of the potential global political ramifications, administration officials said. They also had their eye on domestic politics. Last October, fearing a pre-election test, the White House revealed the activity to The Times, conceding that it was uncertain whether North Korea was preparing for an explosion, or merely bluffing. In January, more activity set off a similar scare at the White House, which did not reveal its concerns, according to a senior administration official. This spring, more movement at Kilju touched off the latest round of assessments. In each of those scares, the intelligence community has been divided, perhaps reflecting powerful yet contradictory lessons of past mistakes. Since Iraq, Congressional investigators and a presidential commission have warned against the dangers of overstating intelligence. Yet in some quarters, officials say, an equally powerful lesson is the failure of American intelligence agencies to detect nuclear test preparations in India in 1998. "The way the community is working," said a senior nuclear intelligence official, "they evaluate the present through the lens of the most recent catastrophe." The Defense Intelligence Agency and the Energy Department, which missed the 1998 test evidence, have been among the first to raise alarms about North Korea. Analysts at those agencies tend to look largely at satellite imagery, comparing it with tests in Pakistan and China - two of North Korea's nuclear suppliers. The C.I.A. has been far more cautious, saying that the evidence could point to a "denial and deception" operation or to nonnuclear testing, or simply a nuclear project in its early stages. The State Department's intelligence arm, which, like the C.I.A., is particularly attuned to the political implications of a test, has also expressed doubts. Even for some scientists, assessing North Korea is more art than science. One government expert on nuclear testing said the Kilju intelligence made it look like the North Koreans were in final preparations for a test because material was being put back into the tunnel, suggesting that it was being sealed for a detonation. But on balance, he judged it a ruse. "A large component of what they do is designed to get a predictable reaction," he said. "It's a small investment. They've given us all the indicators of something that might not be happening." At the White House and the C.I.A. this spring, there were several meetings to assess the latest satellite imagery. North Korea experts - inside the government and out - said they were especially

concerned since what appeared to be preparations came in the context of brash provocations by the North Koreans. On February 10, North Korea publicly declared itself a nuclear weapons state. It demanded that the six-nation disarmament talks become mutual arms reduction talks with the United States - like those Washington used to hold with the Soviet Union. In April, it shut down its main nuclear reactor - raising fears that it was making good on threats to harvest nuclear fuel for more bombs. Even so, inside the government, the emerging consensus seemed to be against the likelihood of a test. On April 26, a C.I.A. briefer told the Senate Intelligence Committee that the tunneling was "consistent" with a possible test, said government officials with detailed knowledge of the session, but that a detonation was not likely any time soon. There was no mention of a reviewing stand. Senator Roberts would not discuss the contents of the briefing, but he said he knew of nothing specific that would have led analysts to warn that North Korea was moving closer to testing. The traditional C.I.A. view is that North Korea tends to escalate its provocations toward the West incrementally, and that a nuclear test would be an extreme step. "Once they do that, they have nothing left," the United States official said. The C.I.A. briefing of the Senate committee was overseen by the national intelligence officer responsible for issuing warnings about impending threats, an indication that it had the imprimatur of the wider intelligence community. Even so, there was no mention of dissenting opinions within that community - particularly from the Energy Department and the Defense Intelligence Agency. Those dissents appear reminiscent of the fierce behind-the-scenes arguments over weapons in Iraq, which only came to light after the American invasion. One senior official involved in the assessment recalled that "there were various camps and groupings, but I don't remember there ever being a consolidated community view." Such views are usually worked out in the process of writing National Intelligence Estimates, but apparently none on North Korea has been done this year, according to several intelligence officials. In its own deliberations, White House officials were also cautious. A senior administration official said they concluded that the chances of an imminent test were low to somewhat higher than low, chiefly because a test would so anger the Chinese - the North's only significant supplier of food and fuel. Still, around the time of the Senate briefing, administration officials - including Stephen J. Hadley, the national security adviser - concluded that the United States' crucial negotiating partners had to be informed. But the briefing they received, while based on the same intelligence, left a different impression. Officials in Tokyo, Seoul and Beijing - and some foreign diplomats in Washington - heard what one American official called a "more stripped down" version, focusing on activity detected by satellites. The contents of the briefing are confidential, but officials of several countries familiar with it said it contained little of the political analysis of North Korea's intentions, and left open the question of timing. They said their impression, therefore, was that North Korea might conduct a test quite soon. That impression was bolstered by the talk of the reviewing stand, which one American official acknowledged was "all over the place," even if it was not part of any official briefing. It is unclear where that talk originated. One senior administration official said he believed that an image was initially "misinterpreted" as part of the suspected test site. Since that raw intelligence was not included in any formal reports, it appeared not to have been subjected to the kind of intense, multiagency vetting that verified intelligence receives. Officials who initially spoke about the reviewing stand, and described it as luxurious, backed away

beginning in late May after the *Times* asked further questions, saying additional reviews of the evidence raised serious doubts about the whether the structure was a reviewing stand or even related to the test site. Some officials apparently quickly dismissed the notion of a reviewing stand for an underground test. But others were predisposed to look for one because of another past intelligence failure: after American officials missed preparations for a 1998 North Korean missile test, they later found that one overlooked signal was the construction of a reviewing stand in the weeks before the test. Analysts also observed other "V.I.P. preparations" around Kilju, according to several officials familiar with the intelligence, including a helipad and housing that was luxurious by North Korean standards, although officials later said it was at least a year old. After the urgent briefings of allies, which made headlines in the United States and Asia, officials in Seoul, Tokyo and Beijing issued warnings to North Korea not to test. The South Korean foreign minister, Ban Ki Moon, said North Korea would "further deepen its isolation" if it took "such reckless actions." On May 15, Mr. Hadley publicly warned North Korea for the first time against testing, saying the United States and several Pacific powers would take punitive action. "We have seen some evidence that says that they may be preparing for a nuclear test," he said on "Fox News Sunday." "We have talked to our allies about that." Officials in the office of John D. Negroponte, the new director of national intelligence, whose mission is to coordinate intelligence functions, declined to discuss specifics of the North Korea case. But they said the National Intelligence Council was putting in place a system to identify and resolve important differences between agencies on crucial issues like North Korea, while still encouraging debate. So far, North Korea has not conducted a test. After the warnings to the North Koreans, several diplomatic moves - including offers of food and electrical power - helped bring the North back to the long-stalled talks, although many experts predict that if the talks fail, the North may conduct a test, or threaten to. The most recent satellite images of the Kilju show that the suspicious activity has subsided. But analysts, typically, are unsure what that means. The site could be unrelated to nuclear activity. And a senior nuclear intelligence official said it might also indicate that a bomb was buried and ready for testing, or that the North Koreans had accomplished what they wanted - a deception that roused the West to diplomatic action. "They know that this is being looked at intently," he said. "Maybe they achieved what they wanted." (William Broad, Douglas Jehl, David E. Sanger, Thom Shanker, "North Korea Nuclear Goals: Case of Mixed Signals," *New York Times*, June 25, 2005)

Former U.S. ambassador to South Korea Thomas Hubbard said that John R. Bolton, President Bush's choice for U.N. ambassador, might have misled the Senate Foreign Relations Committee about a provocative and controversial 2003 speech on North Korea. Hubbard also described Bolton yelling and slamming down a telephone on him during a confrontation. It was the latest example of the allegedly confrontational behavior that had helped stall Bolton's nomination. Hubbard has spoken with Foreign Relations Committee aides, who are expanding an investigation into Bolton's background after senators this week postponed a confirmation vote until mid-May. In a sign of deepening White House concern about the fate of the nomination, Bush defended Bolton on Thursday while addressing a group of insurance agents about Social Security reform. A day earlier, Secretary of State Condoleezza Rice, traveling in Europe, staunchly endorsed Bolton. But in a potentially troublesome development for

the administration, former Secretary of State Colin L. Powell, who has had sharp disagreements with Bolton, has been speaking to Republican senators about the nomination, Powell spokeswoman Peggy Cifrino said. Although Powell has not taken a public position on the Bolton nomination, his name was absent from a letter sent this month by a group of former Republican secretaries of State and other former officials urging Bolton's approval as U.N. ambassador. The letter was signed by former chief diplomats James A. Baker III, Henry A. Kissinger and George P. Shultz, among others. In July 2003, Bolton attracted widespread attention with a speech in South Korea in which he leveled repeated personal attacks on North Korean leader Kim Jong Il. Some U.S. diplomats feared the speech would lead North Korea to pull out of international talks on its nuclear weapons program. In testimony last week, Bolton implied that Hubbard, former U.S. ambassador to South Korea, had approved of the speech in advance and that he had thanked Bolton for his comments afterward. But Hubbard, a career diplomat who was Bush's ambassador to South Korea from 2001 to 2004, contradicted Bolton, saying in an interview that he had not expressed gratitude for the speech and that he had disapproved of it. "I didn't approve personally of the tone of the speech, and had urged him to tone it down," said Hubbard, now retired from the foreign service. Bolton testified that the night before the speech, Hubbard had "reviewed it one last time and made a few more changes." After the speech, Bolton testified, Hubbard had praised him. (Paul Richter and Sonni Efron, "Testimony of U.N. Nominee Is Disputed," *Los Angeles Times*, April 22, 2005)

4/23/05

Kim Yong-nam told delegates to the Asian-African Summit in Jakarta, "The nuclear issue between the DPRK and the United States will be resolved only when the United States respects the DPRK's sovereignty, replaces its hostile policy with one of peaceful coexistence and eliminates fundamentally all nuclear weapons and nuclear threats in an around the Korean Peninsula." The United States, with "the largest nuclear arsenal in the world, is now attempting to stifle the DPRK system by deploying the latest means of nuclear war en masse in and around the Korean Peninsula and conducting large-scale nuclear war exercises one after another." He said, "Under such circumstances, it stands to reason indeed for the DPRK to equip itself with a nuclear deterrent as a legitimate self-defense means." He stressed that denuclearizing the Korean Peninsula is the country's "strategic goal" as is resolving the nuclear issue peacefully "through dialogues and negotiation." Kim's comments followed a ten-minute meeting with ROK Prime Minister Lee Hae-chan, after which Kim said, "The South and the North should join forces to at least protect the issue of Dokto." (Christine T. Tjandraningsih, "Nuclear Issue Can Be Solved If N. Korea's Sovereignty Respected," *Kyodo*, July 22, 2005; Chris Brummitt, "N. Korea Says Nukes Needed for Defense," *Associated Press*, April 22, 2005); Korea, "Two Koreas Agree to Jointly Oppose Japan's Claim to Isles," April 22, 2005)

PM Koizumi Junichiro offered the most public apology in a decade over Japan's wartime aggression in Asia, apparently in a move to press China's top leader to meet him and to counter accusations that Japan has been whitewashing its past militarism. Speaking at an Asia-Africa summit meeting here, with President Hu Jintao of China and other world leaders looking on, Koizumi said, "Japan, through its colonial rule and aggression, caused tremendous damage and suffering to the people of many

countries, particularly to those of Asian nations." Without identifying any other country, he added: "Japan squarely faces these facts of history in a spirit of humility. And with feelings of deep remorse and heartfelt apology always engraved in mind, Japan has resolutely maintained, consistently since the end of World War II, never turning into a military power but an economic power." The apology did not include anything that Koizumi's predecessors or he himself had not said before. But it came on the heels of violent anti-Japanese demonstrations in China and was made by a prime minister who has antagonized China by praying annually at Yasukuni Shrine, seen by many Asians as a symbol of unrepentant militarism, and by many Japanese simply as a place to revere the dead. The apology was also made in a public forum before world leaders, in contrast to more recent apologies, which have been issued in Japan. Asians here, who have long accused the Japanese of lip service on the matter, greeted the apology skeptically. Those doubts deepened later in the day when a member of Koizumi's cabinet and 80 other lawmakers prayed in a spring ritual at Yasukuni Shrine, where Class A war criminals are among those enshrined. That Koizumi "expressed this attitude in this arena is welcome; we welcome it," Kong Quan, a Chinese Foreign Ministry spokesman, told reporters in Jakarta. "But to express it is one aspect. What's of much more importance is the action. You have to make it a reality." On the conference's sidelines here, Japan has been asking for a meeting between Koizumi and Hu. The apology opened a face-saving way for the Chinese to accept the invitation and, in the contest over public image, also made it difficult for them to refuse. In briefings with reporters here, Japanese Foreign Ministry officials played down the remarks. Nishimiya Shinichi, deputy director general of Asian and Oceanic Affairs, said Koizumi's apology was drafted "months ago, not days ago." By insisting that the apology was not for recent events in China, Japanese officials tried to avoid projecting the impression, especially in Japan, that they had yielded to the Chinese. The Japanese news media on Friday night repeated the government line that the apology was not in response to recent anger in China and South Korea that Japan's junior high school textbooks glossed over such wartime issues as Asian forced laborers and the Rape of Nanking. In any meeting between Koizumi and Hu, the issue of Yasukuni Shrine is likely to come up, as it did during an informal meeting between them at the Asia-Pacific Economic Cooperation conference in Santiago, Chile, in November when Hu demanded that Koizumi stop visiting the shrine, and he has not visited it so far this year. "For Koizumi, this speech was already another step, but China will likely request that Japan take yet another step regarding the Yasukuni issue," said Mori Kazuko, a professor of Chinese politics at Waseda University in Tokyo. "It is really delicate if Koizumi says that he won't visit Yasukuni. It would not be accepted in Japan if he stopped visiting Yasukuni because of the anti-Japan demonstrations or outside pressure." Despite repeated apologies over the years, actions including the Yasukuni visits and the growing tendency of Japanese textbooks to play down Japan's invasion and occupation of mainland Asia have bred skepticism about Japan's sincerity. "Remorse over the past must be genuine and must be put into action," Lee Hae Chan, the South Korean prime minister, said in a speech at the meeting here, hours after Koizumi spoke. "A country that distorts history by glossing over the colonial past and hiding their misdeeds, thus concealing them from the younger generations, will not be able to free itself from the shackles of the past." Even as Japan is trying to raise its international stature as part of an effort to gain a permanent seat on an enlarged

United Nations Security Council, its dispute with China, partly over history, has drawn an unwanted spotlight on its problematic past. Protests against Japan have been held in South Korea and Vietnam, and officials in places like Malaysia and Indonesia have made critical comments. Before Koizumi's speech on Friday, Singapore, which was occupied by Japanese forces during World War II, released a statement criticizing the Japanese government's endorsement of junior high school textbooks that "approve this rather strange interpretation of the Pacific War in Asia." Singapore later issued a statement welcoming Koizumi's apology. If Japan and China's growing rivalry for influence in Asia lies underneath their dispute, their growing economic interdependence has mollified their positions in recent days. Voices have risen in Japan this week that continued tension would hurt Japanese businesses in China, now Japan's biggest trading partner. On Friday, China's Ministry of Commerce said boycotts of Japanese goods would harm both countries' economic interests. (Raymond Bonner and Norimitsu Onishi, "Japan's Chief Apologizes for War Misdeeds," *New York Times*, April 23, 2005, p. A-3)

China made clear, in an orchestrated effort to clamp down on rising nationalist anger, that it would tolerate no more anti-Japanese protests and urged its citizens not to boycott Japanese products. In response to three successive weekends of raucous anti-Japanese protests, the Ministry of Public Security announced that "unauthorized marches" were illegal and warned that the police "would mete out tough blows" to marchers caught vandalizing property. Meanwhile, Commerce Minister Bo Xilai warned that a campaign to boycott Japanese products would hurt both Japan and China and urged citizens not to jeopardize the country's economic development. "We don't expect the economic and trade relations between the two countries to be infringed upon," the official New China News Agency reported Bo as saying. The harder tone by the Communist Party was in marked contrast to its stance for much of April as the government allowed protests to erupt across the country. This week, both China and Japan have moved to prevent a deeper diplomatic crisis. The shift also suggests that China has concluded it cannot allow public anger to escalate further. During the protests, police officers conspicuously did not intervene when protesters in Beijing threw bottles at the Japanese Embassy or when marchers in Shanghai vandalized Japanese businesses - a passivity interpreted by some analysts as tacit encouragement by the government. But with the Internet filled with rumors of more protests planned for May, the government has now closed anti-Japanese Web sites that had been promoting the marches. A Ministry of Public Security spokesman quoted by the New China News Agency said any future marches would be illegal without a permit. None of the previous marches had permits. Japan had called for China to apologize for the vandalism and reimburse Japanese citizens for any property damage. Though the public security spokesman made no apology, he noted that the acts of vandalism "have impaired China's image and violated the law." (Jim Yardley, "China Moves to Crack down on Protests against Japan," *New York Times*, April 23, 2005, p. A-3)

4/24/05

The leaders of Japan and China pledged to improve ties after weeks of escalating disputes, easing tension but not resolving some critical problems besieging relations between East Asia's big powers. After a 55-minute meeting on the sidelines of an Asia-

Africa summit conference here, Prime Minister Junichiro Koizumi of Japan said both sides had agreed to look beyond disagreements and focus on the future. But speaking at a separate news conference, China's top leader, Hu Jintao, sounded less optimistic, saying that Japan needed to reflect on its past and warning Tokyo not to meddle in its internal affairs by supporting Taiwan. With both sides sending out olive branches in recent days, they appeared to soften their positions on some of the most contentious points. Koizumi did not insist on an apology or compensation for anti-Japanese vandalism in China, as Japanese diplomats had earlier. Hu did not directly demand that Koizumi stop visiting Yasukuni Shrine, where war criminals are enshrined among Japan's war dead, as he had in their previous meeting, in November. "We were able to confirm at the meeting that rather than criticizing each other's past shortcomings and aggravating antagonistic feelings, we should make efforts to develop the bilateral friendship," Koizumi said. "The Japan-China friendship is beneficial not only for the two countries but also for Asia and the international community," he added. Hu also emphasized the importance of the relationship. "At the moment Sino-Japanese relations face a difficult situation," Hu said. "Such a difficult situation is not one we want to see. It would be detrimental to China and Japan and would affect stability and development in Asia." Both men shook hands as they met this evening and sat opposite each other at a long table inside a hotel ballroom. Hu expressed his displeasure at Tokyo's recent declaration with Washington that Taiwan was a common security issue in light of China's growing military power. "Recently Japan has broken its own commitment on historical issues and the Taiwan issue, deeply hurting the feelings of the Chinese and Asian people," Hu said. But Hu appeared to soften his tone regarding Koizumi's visits to Yasukuni Shrine, the symbol of Japan's past militarism to China and other Asian nations. He said that in their previous meeting last November, he had reminded Koizumi that 2005 was the 60th anniversary of the end of World War II and cautioned him against taking actions that would insult the Chinese. "I would like you to recognize history correctly and I would like you to translate your reflection into concrete action," Hu told Koizumi during their talk, according to a Japanese Foreign Ministry spokesman, Chiba Akira, who was at the meeting. Asked whether he planned to visit Yasukuni this year, Koizumi said he would "make a judgment appropriately," offering the same noncommittal answer he gave last November. State visits between the countries have been on hold since 2001 after Mr. Koizumi became prime minister and started visiting the shrine annually. Experts in Japan say Mr. Koizumi has put himself in a corner by insisting, in the past, that he would continue his visits regardless of criticism. If he pays a visit to the shrine this year, it would draw the wrath of China at a time when relations have reached their lowest since diplomatic ties were reestablished in 1972. But if he does not visit, he will draw the ire of the conservative groups that support his Liberal Democratic Party and possibly of average voters who might regard him as having caved in. (Raymond Bonner and Norimitsu Onishi, "China and Japan Leaders Pledge to Improve Relations," *New York Times*, April 23, 2005, p. A-3)

4/25/05

KCNA: : "The army and people of the DPRK will never remain a passive onlooker to the U.S. moves to isolate and stifle it but steadily bolster its nuclear deterrent for self-defense to cope with the enemies' reckless moves for military invasion. Chief of the General Staff of the Korean People's Army (KPA) Vice Marshal of the KPA Kim Yong

Chun, who is a member of the DPRK National Defence Commission clarified this stand in a report at the national meeting celebrating the 73rd anniversary of the heroic KPA held at the April 25 House of Culture Sunday. He said: Our army and people are immensely proud of having built up a war deterrent force strong enough to promptly and mercilessly beat back any aggression by the imperialists despite so great difficulties by channeling utmost efforts into increasing the military power under the banner of Songun. The U.S. brought the six-party talks to a collapse and has staged large-scale madcap war exercises targeted against the DPRK after massively shipping ultra-modern war equipment and a nuclear strike group into south Korea in a bid to "bring down" our system. Should the U.S. start a war of aggression on the Korean Peninsula despite our repeated warnings, the revolutionary armed forces of the DPRK will mobilize the military deterrent force built up for years and wipe out the invaders to the last man and win a final victory in the stand-off with the U.S., he warned." (KCNA, "DPRK to Steadily Bolster Its Nuclear Deterrent for Self-Defense," April 25, 2005)

The Bush administration, facing a series of recent provocations from North Korea, is debating a plan to seek a United Nations resolution empowering all nations to intercept shipments in or out of the country that may contain nuclear materials or components, say senior administration officials and diplomats who have been briefed on the proposal. The resolution envisioned by a growing number of senior administration officials would amount to a quarantine of North Korea, though, so far at least, President Bush's aides are not using that word. It would enable the United States and other nations to intercept shipments in international waters off the Korean Peninsula and to force down aircraft for inspection. But, said several American and Asian officials, the main purpose would be to give China political cover to police its border with North Korea, the country's lifeline for food and oil. That border is now largely open for shipments of arms, drugs and counterfeit currencies, North Korea's main source of hard currency. Two years of six-nation negotiations with North Korea have proved fruitless so far. It is uncertain, however, that China and South Korea would go along with any plan to step up pressure. To ward off a confrontation with the North, the two nations have opposed taking the issue to the United Nations Security Council. Until last week, the administration insisted it was committed to solving the North Korean crisis through six-nation negotiations. But the discovery this month that North Korea has shut down its main nuclear reactor - perhaps to harvest plutonium for more weapons - prompted Secretary of State Condoleezza Rice to raise publicly the possibility of seeking United Nations action, a route the Clinton administration took in 1994. "We are willing - when the time is right, when we believe that we have exhausted the possibilities of the framework we are in - to go to the Security Council," Rice said on Thursday on Fox News. But the administration has never said publicly what it would seek from the United Nations. American intelligence agencies were also trying to decipher the meaning of renewed activity at a suspected North Korean nuclear test site. Activity at the site in October and again in January led to concerns that North Korea may be preparing for the first underground weapons test - which would end any ambiguity about whether it has the technology to build a warhead. In Seoul today, South Korea's foreign minister, Ban Ki Moon, warned North Korea against conducting any nuclear tests, saying they would further isolate it, the Associated Press reported. "They are either heading toward a full nuclear breakout, so that we are forced to deal

with them as an established nuclear power, or they are putting on quite a show for our satellites," said one senior administration official, who added that the quarantine option had not yet been formally presented to President Bush. The White House has said little so far about North Korea's actions, following a strategy very different from the one it pursued two years ago with Iraq. Rice has repeatedly said that North Korea's pattern is to seek a public reaction from Washington, and she has made clear she does not intend to oblige. But some experts say the statements and actions North Korea have taken recently could mark a significant shift in strategy: It may now see a chance to build a modest nuclear arsenal while the United States and Asian nations debate how to react. The C.I.A. estimates that North Korea already has enough plutonium for six or eight nuclear weapons. "I'm afraid they are now more interested in getting away with it than getting a reaction out of the United States," South Korea's former foreign minister, Han Sung Joo, said in an interview last week. (David E. Sanger, "White House May Go to U.N. over North Korean Shipments, *New York Times*, April 25, 2005, p. A-13)

Former South Korean President Kim Dae-jung urged the United States to show "more flexibility" to offer North Korea "concrete benefits" in return for the dismantlement of all nuclear weapons programs. In an address to the Asia Foundation in San Francisco, Kim suggested that North Korea commit itself to a verifiable denuclearization and that the U.S., at the same time, give security assurances and ease the economic sanctions imposed on the impoverished North. "The other nations in the six-party talks can take a firm stance only when the North, despite the rewards offered, refuses to abandon its nuclear ambition," said the elderly statesman, who made the first visit to the U.S. since retiring in early 2003. An ardent advocate of his trademark "sunshine policy" of engaging the reclusive North, Kim's remarks came as a clear opposition to the voices of some American hardliners allegedly seeking measures to apply more pressure on North Korea, which is boycotting talks. (*Korea Times*, "U.S. Advised to Reward N.K." April 26, 2005)

4/26/05

DPRK FoMin spokesman: "On April 21, U.S. State Secretary Rice in an interview with the U.S. FOX TV let loose the threatening remarks against the DPRK that the U.S. would go to the UN Security Council and it would not wait with folded arms for the north Koreans to return to the six-way talks. The spokesman said: As we have already declared time and again, it is our consistent ultimate goal to denuclearize the Korean Peninsula and there is no change in our principled stand to attain it through negotiation. **What matters is that there are still no conditions and justification for the DPRK to participate in the six-way talks.** If the United States is really interested in the resumption of the six-way talks, it should provide the DPRK with conditions and justification to return to the talks. The U.S. may know too well what conditions and justification it means. Nevertheless, far from showing elementary respect and sincerity to the dialogue partner, it is seriously getting on the nerves of the DPRK, making official figures of its administration blare that the U.S. will dash north Korea's ambitious nuclear program under the eyes of the international community and it has the right and possibility to bring the issue to the UNSC. The Bush administration's behavior is nothing but coercion. It is not interested at all in providing the DPRK with the justification to participate in the talks, which it had deprived of the latter, but intends to

bring the issue to the UNSC in a bid to resolve it through sanctions if the latter disobeys. Those countries participating in the six-way talks are disillusioned with such insincere and irresponsible actions. For the resumption of the six-way talks, the U.S. should withdraw its remarks about 'an outpost of tyranny' at an early date. It is no more than a robber-like demand for the U.S. to unilaterally urge the DPRK to trust the empty word 'sovereign state' uttered by the U.S. without retracting the above remarks and come to the talks. **We can never return to the talks nor can we have any form of dealing with the U.S. unless the ill fame of an 'outpost of tyranny' is shaken off.** The U.S. is threatening that it will refer the nuclear issue to the UNSC, strengthen the PSI and take sanctions against the DPRK. But, these are nothing new to the DPRK. The stand of the DPRK is that the U.S. may bring the nuclear issue to the UNSC, if it wants that so much. But, we make one thing clear: **The DPRK will regard the sanctions as a declaration of war. We are fully ready to cope with everything in a do-or-die spirit and have already prepared all countermeasures against the sanctions.** We have built the nuclear deterrent force with so much effort despite enormous difficulties in order to effectively cope with the arrogant, outrageous and brigandish method of the U.S. Therefore, we remain undeterred by reckless remarks of Rice. We know what we should do at the decisive moment and will react to the hardline action of the U.S. with the toughest action." (KCNA, "Spokesman for DPRK Foreign Ministry Assails Rice's Reckless Remarks," April 25, 2005)

A senior U.S. envoy asked Chinese officials to cut off North Korea's supply of oil as a way of pressuring the government to return to disarmament talks. But the Chinese rebuffed the idea, saying it would damage their pipeline, according to U.S. officials briefed on the talks. After Assistant Secretary of State Christopher R. Hill raised the idea of a "technical" interruption of fuel in a meeting in Beijing on April 26, one senior Chinese official, Yang Xiyu, complained that the Americans were focused on too narrow a range of tools for China to influence Pyongyang. Chinese officials suggested that cutting off food deliveries would have the greatest impact on Pyongyang, and indicated Beijing was considering expanding a ban on certain imports to North Korea. But they did not elaborate on their comments or indicate any action was forthcoming, U.S. officials said. Hill's push for a Chinese fuel cutoff is part of an escalating struggle between North Korea and the United States that has raised tensions across North Asia. North Korea announced in February that it was a nuclear power and said it would not return to six-nation talks on its nuclear programs -- which now have not taken place for 11 months -- because of the Bush administration's "hostile policy." U.S. officials have responded with increasingly dark warnings about North Korean threats and behavior, including suggesting two weeks ago that North Korea may be laying the groundwork for its first nuclear test. "They are escalating as we speak," said one senior U.S. official yesterday, speaking on the condition of anonymity. "It is becoming much more tense." Signifying the divide between Washington and Pyongyang, Chinese officials also told Hill about an unofficial North Korean proposal for ending the impasse that even Beijing deemed unrealistic. The North Korean idea called for a secret bilateral meeting between the United States and North Korea, during which the United States would privately apologize for Secretary of State Condoleezza Rice's comment that North Korea was an "outpost of tyranny." After that secret session, North Korea would consider returning to six-nation negotiations. "It was not a serious effort to advance the

process," said another U.S. official familiar with the North Korean approach. China provides much of North Korea's energy and food, and has boosted trade with its neighbor by 20 percent in the past year. With relations between Washington and Pyongyang at a nadir -- North Korea labeled President Bush a "half-baked man" and a "philistine" last weekend -- U.S. officials have increasingly turned to China to help bring North Korea back to the negotiating table. But China's apparent reluctance to put additional pressure on Pyongyang, even though Chinese officials regularly complain about North Korean behavior, has deeply frustrated U.S. officials. "China has done a very good job. But China alone is not enough," Chinese Foreign Minister Li Zhaoxing told reporters yesterday while attending a meeting in Tokyo. In March 2003, unnamed diplomats in Seoul were quoted in news reports as saying that China had shut down its pipeline for three days, supposedly to pressure North Korea to attend talks in Beijing with China and the United States. But senior U.S. officials now have come to doubt that the reported shutdown was related to nuclear diplomacy, especially since China prodded North Korea to attend later talks through monetary incentives. North Korea imports all the oil it consumes. Yang told Hill that a shutdown would seriously damage the pipeline running from its northeastern province of Liaoning to North Korea because the fuel has a very high paraffin content. Paraffin wax can be a problem in the transportation of crude oil, clogging pipelines and requiring their replacement. Yang dismissed Hill's request as "not a new idea," adding that Rice suggested the same thing in 2003 when she was national security adviser. During a visit to Beijing in March, Rice indicated she had raised the possibility of increasing pressure on Pyongyang by referring the matter to the U.N. Security Council for possible sanctions. Japanese officials indicated yesterday that they were prepared to accept that tactic as soon as June, when the talks will have been suspended for a year. But U.S. officials concede that the Security Council route holds little prospect for success as long as China -- which has veto power -- remains reluctant to take that step. There have been news reports over the past two weeks that sketchy intelligence, including satellite imagery, indicated North Korea may be laying the groundwork for a nuclear test. U.S. officials dismissed as unreliable a published report yesterday that the intelligence now included evidence of a viewing stand for a test, but they yet again warned Pyongyang not to detonate a weapon. "If North Korea did take such a step, that would be just another provocative act that would further isolate it from the international community," White House spokesman Scott McClellan told reporters en route to Riga, Latvia. (Glenn Kessler, "China Rejects U.S. Suggestion to Cut Off Oil to Pressure North Korea," *Washington Post*, May 7, 2005)

Kristof: "Here's a foreign affairs quiz: (1) How many nuclear weapons did North Korea produce in Bill Clinton's eight years of office? (2) How many nuclear weapons has it produced so far in President Bush's four years in office? The answer to the first question, by all accounts, is zero. The answer to the second is fuzzier, but about six. The total will probably rise in coming months, for North Korea has shut down its Yongbyon reactor and says that it plans to extract the fuel rods from it. That will give it enough plutonium for two or three more weapons. The single greatest failure of the Bush administration's foreign policy concerns North Korea. Mr. Bush's policies toward North Korea have backfired and led the North to churn out nuclear weapons, and they have also antagonized our allies and diminished America's stature in Asia. The upshot

is that there's a significantly greater risk of another Korean War, a greater likelihood that other Asian countries, like Japan, will eventually go nuclear as well, and a greater risk that terrorists will acquire plutonium or uranium. In fairness, all this is more Kim Jong Il's fault than Mr. Bush's. Right now some administration officials are glaring at this page and muttering expletives about smarty-pants journalists who don't appreciate how wretched all the options are. But if the Bush administration had just adopted the policies that Colin Powell initially pushed for - and that Mr. Bush largely came to accept several years later - then this mess could probably have been averted. You don't have to take it from me. Charles Pritchard, the ambassador and special envoy who was the point man for North Korea in the first Bush administration, says of this administration's decision-makers: "They blew it." Another expert still involved in North Korea policy puts it this way: "Their A.B.C. approach - 'Anything but Clinton' - led to these problems." A bit of background: North Korea made one or two nuclear weapons around 1989, during the first Bush administration, but froze its plutonium program under the 1994 "Agreed Framework" with the Clinton administration. North Korea adhered to the freeze on plutonium production, but about 1999, it secretly started on a second nuclear route involving uranium. That was much less worrisome than the plutonium program (it still seems to be years from producing a single uranium weapon), and it probably could have been resolved through negotiation, as past crises had been. Instead, Mr. Bush refused to negotiate bilaterally, so now we have the worst of both worlds: that uranium program is still in place, and the plutonium program is churning out weapons material as well. Now the administration talks about asking the Security Council for some kind of limited quarantine for North Korea. That won't fly, because China and South Korea won't enforce it. It's more likely that North Korea will continue to churn out plutonium as well as uranium, and perhaps conduct an underground nuclear test. And administration hawks will again consider a military strike on Yongbyon, even though that would risk another Korean War. North Korea is the most odious country in the world today. It has been caught counterfeiting U.S. dollars and smuggling drugs, and prisoners have been led along with wire threaded through their collarbones so they can't run away. While some two million North Koreans were starving to death in the late 1990's, Mr. Kim spent \$2.6 million on Swiss watches. He's the kind of man who, when he didn't like a haircut once, executed the barber. But Mr. Bush seems frozen in the headlights, unable to take any action at all toward North Korea. American policy now is to hope that Mr. Kim has a heart attack. Selig Harrison, an American scholar just back from Pyongyang, says North Korean officials told him that in direct negotiations with the U.S., they would be willing to discuss a return to their plutonium freeze. Everything would depend on the details, including verification, but why are we refusing so adamantly even to explore this possibility? The irony is that Mr. Bush's policies toward North Korea have steadily become more reasonable over time. Perhaps by the time he leaves office, he'll finally be willing to negotiate seriously with the North Koreans. But by then North Korea will have well over a dozen nuclear weapons, the risks of a terrorist nuclear explosion at Grand Central Terminal will be increased, and our influence in Asia will be in tatters. (Nicholas D. Kristof, "N. Korea 6, and Bush, 0," *New York Times*, April 26, 2005, p. A-19)

4/27/05

A senior U.S. official expressed doubt about the future of six-party talks, as Washington and its allies considered how long they should continue their so-far unsuccessful

diplomatic effort to persuade North Korea to return to the negotiating table. "The future of talks is very uncertain at this point," Assistant Secretary of State Christopher Hill told reporters in Beijing. "We continue to have a North Korean regime that is very ambivalent about whether it wants to find a negotiated settlement to this." China's U.N. ambassador Wang Guangya, told reporters in New York that any U.S. attempt to get the Security Council to impose sanctions on North Korea would "destroy" the six-party talks and make "a solution to this issue even farther away," Bloomberg News reported. (Choe Sang-hun, "Allies Doubt Future of North Korea Talks," *International Herald Tribune*, April 28, 2005)

North Korea reaffirmed its commitment to honor a memorandum of understanding (MOU) signed last year with a U.S.-led international consortium for a suspended project to build two nuclear reactors in the North, officials said. The North's move will keep alive the MOU, which calls for, among other things, the safety of about 120 South Korean personnel handling the preservation and maintenance of the reactor site in the North's remote northeastern coastal village of Kumho. "There has been no special friction between the two sides," said a South Korean official handling the reactor project, adding that they frequently hold consultations. The accord, reached during working-level talks in Hyangsan, North Pyongan Province in North Korea last week, came nearly a month after the North hinted that it may cancel the MOU, citing lack of cooperation from the consortium. The two sides inked the MOU in March last year after the New York-based consortium, named the Korean Peninsula Energy Development Organization, or KEDO, suspended the reactor project in December 2003, pending the resolution of tension over the North's nuclear weapons program. The consortium extended the suspension of the US\$4.6 billion project for another year in December last year. (*Korea Times*, "N.K. Reaffirms Respect for MOU with U.S.-Led KEDO," April 27, 2005)

4/28/05

Bush televised press conference: "THE PRESIDENT: You mentioned the Korean Peninsula. We've got good capacity in Korea. We traded troops for new equipment, as you know; we brought some troop -- our troop levels down in South Korea, but replaced those troops with more capacity. Let me talk about North Korea, if you don't mind. Is that your question? ... I'm surprised you didn't ask it. (Laughter) Look, **Kim Jong-il is a dangerous person. He's a man who starves his people. He's got huge concentration camps.** And, as David accurately noted, **there is concern about his capacity to deliver a nuclear weapon. We don't know if he can or not, but I think it's best when you're dealing with a tyrant like Kim Jong-il to assume he can. That's why I've decided that the best way to deal with this diplomatically is to bring more leverage to the situation by including other countries.** It used to be that it was just America dealing with North Korea. And when Kim Jong-il would make a move that would scare people, everybody would say, America, go fix it. I felt it -- it didn't work. In other words, the bilateral approach didn't work. The man said he was going to do something and he didn't do it, for starters. So I felt a better approach would be to include people in the neighborhood, into a consortium to deal with him. And it's particularly important to have China involved. China has got a lot of influence in North Korea. **We went down to Crawford with Jiang Zemin, and it was there that Jiang Zemin and I issued a statement saying that we would work for a**

nuclear weapons-free Korean Peninsula. And so when Kim Jong-il announced the other day about his nuclear intentions and weapons, it certainly caught the attention of the Chinese because they had laid out a policy that was contradicted by Kim Jong-il, and it's helpful to have the Chinese leadership now involved with him. It's more -- it's better to have more than one voice sending the same message to Kim Jong-il.

The best way to deal with this issue diplomatically is to have five other -- four other nations beside ourselves dealing with him. And we'll continue to do so. Finally, as you know, I have instructed Secretary Rumsfeld -- and I work with Congress - Secretary Rumsfeld has worked with Congress to set up a missile defense system. And we're in the process of getting that missile defense system up and running. One of the reasons why I thought it was important to have a missile defense system is for precisely the reason that you brought up, that perhaps Kim Jong-il has got the capacity to launch a weapon, and wouldn't it be nice to be able to shoot it down. And so we've got a comprehensive strategy in dealing with him." (White House, Office of the Press Secretary, Press Conference by President Bush, April 28, 2005)

With North Korea's nuclear issue standing at the crossroads, the American-led Proliferation Security Initiative (PSI) is once again emerging as a possible means to sanction the reclusive country. Seoul, however, still seems reluctant, according to officials. *Nihon Keizai Shimbun* reported U.S. administration officials will demand that South Korea and China, which have economic ties with the socialist North Korea, join the PSI. The news report comes just days after U.S. Secretary of State Condoleezza Rice touted the security initiative, which allows for the seizure of missiles and other potential components of weapons of mass destruction (WMDs) while they are being transferred at sea or in the air. "It is a very effective tool to deal with the problems of proliferation that might resort from any place of the world," she told reporters on April 26, while traveling Latin America. Seoul, though sympathizing with the U.S.' goals, has been hesitant to openly participate in the initiative for fear of upsetting Pyongyang and undermining inter-Korean reconciliation. Christopher Hill, assistant secretary of state for East Asian and Pacific affairs and the top U.S. nuclear negotiator, has been visiting South Korea, China and Japan this week and some media outlets speculated that his tour is partly aimed at urging Seoul and Beijing to join the PSI. However, officials in Seoul dismissed it as groundless. "As far as I know, there was no talk of PSI during Hill's visit here," an official who is deeply involved in the nuclear issue said. Another government source also denied the media reports on the purpose of Hill's visit, although he admitted that U.S. officials continue to ask South Korea to join the PSI from time to time since it first made the request about two years ago. "We have a basic principle on the issue as Foreign Minister Ban Ki-moon stated yesterday," the official said, on condition of anonymity. Minister of Foreign Affairs and Trade Ban Ki-moon said in response to a reporter's question during a weekly press briefing on Wednesday that South Korea fully understands the goals of PSI but must be cautious considering the peculiar situation of the two Koreas. "We might be able to consider case-by-case cooperation when our support is needed," he added. (Ryu Jin, "S. Korea Reluctant to Join U.S.-Led Security Initiative," *Korea Times*, April 28, 2005)

Vice Adm. Lowell E. Jacoby told the Senate Armed Services Committee that North Korea has the ability to arm a missile with a nuclear device, stunning senators he was

addressing and prompting attempts by other defense and intelligence officials later to play down the remarks. Jacoby's remarks were made in response to questions from Sen. Hillary Rodman Clinton (D-N.Y.). Senate aides said the questions had been carefully crafted in consultation with the committee staff. "Admiral, let me ask you, do you assess that North Korea has the ability to arm a missile with a nuclear device?" Clinton said. "The assessment is that they have the capability to do that, yes, ma'am," Jacoby replied. The statement by marked the first time that a U.S. official had publicly attributed such a capability to North Korea. Later in the day, the Defense Intelligence Agency, which Jacoby heads, issued a statement seeking to portray the admiral's assessment as nothing new and still largely theoretical. It cited his testimony last month before the same committee, where he said North Korea is developing a missile that could deliver a nuclear warhead to parts of the United States. But those comments dealt with the ability of the North Korean missile, known as the Taepo Dong 2, to go the distance with a nuclear warhead -- not whether North Korea could actually mount such warheads on its missiles. Other DIA and CIA officials, speaking on the condition of anonymity, went further in seeking to play down yesterday's testimony by suggesting that Jacoby had misspoken. They said the U.S. intelligence community's assessment of North Korea's nuclear missile capability had not changed. The consensus view, they said, remains that North Korea is still some years away from being able to put nuclear warheads on long-range missiles. But several Senate staff members who witnessed the testimony and have access to U.S. intelligence on North Korea indicated that Jacoby's comments did in fact reflect some recent information they had seen, although they expressed surprise that the admiral had gone public with the new assessment. "He may not have meant to say it in a public forum," one staff member speculated. Another Senate official said there is considerable support in the intelligence community for the idea that North Korea has successfully miniaturized a nuclear warhead for a missile. He indicated that he had read such internal analyses in recent months but added: "There is a difference between believing something is true and having evidence that something is true." (Bradley Graham and Glenn Kessler, "N. Korean Nuclear Advance Is Cited," *Washington Post*, April 29, 2005, p. A-1) The head of the Defense Intelligence Agency said Thursday that American intelligence agencies believed North Korea had mastered the technology for arming its missiles with nuclear warheads, an assessment that if correct, means the North could build weapons to threaten Japan and perhaps the western United States. While Vice Adm. Lowell Jacoby, the Defense Intelligence Agency chief, said in Senate testimony that North Korea had been judged to have the "capability" to put a nuclear weapon atop its missiles, he stopped well short of saying it had done so, or even that it had assembled warheads small enough for the purpose. Nor did he give evidence to back up his view during the public session of the Senate Armed Services Committee. In a statement, a Defense Intelligence Agency spokesman, Donald Black, said Admiral Jacoby "was reiterating" testimony he gave last month before the committee, in which he said the Taepo Dong 2 intercontinental ballistic missile "may be ready for testing," adding, "This missile could deliver a nuclear warhead to parts of the United States." He did not say then that the North Koreans were able to make a warhead that the missile could hurl such a distance. (David S. Cloud and David E. Sanger, "U.S. Aide Sees Arms Advance by North Korea," *New York Times*, April 29, 2005, p. A-1) Backing away from DIA Director Lowell Jacoby's April 2005 contention that it had the capability to arm

missiles with nuclear warheads, DNI says on August 8, 2007, **"North Korea has short and medium-range missiles that could be fitted with nuclear weapons, but we do not know whether in fact it has done so."** (CRS Report for Congress, *North Korea's Nuclear Weapons: Latest Developments*, Mary Beth Nikitin, February 5, 2008)

4/29/05

After a week of shuttle diplomacy to revive talks to dismantle North Korea's nuclear weapons program, the top American envoy for North Korea was asked at a news conference here for "an optimistic closing line." "Give me a week, and I will come up with one," said the envoy, Christopher R. Hill, the assistant secretary of state for East Asian and Pacific Affairs. "The fundamental issue is that North Korea still has not made its strategic decision to do away with its weapons," Hill told reporters here after meetings in Beijing, Tokyo and Seoul. "Often when a country announces its membership in the nuclear club, the next step would be a test," Hill said, addressing a growing concern among North Korea's neighbors. "To go ahead and have a nuclear test at a time when the six-party talks are in abeyance would be extremely troublesome." In each capital on his tour, Hill has used a news conference to repeat the call to North Korea to return to the table. "North Korea's response is rather hostile," said Mr. Hill, who was ambassador here until he was sworn in to his new post on April 8. "The problem is that North Korea does not want to talk. We want to talk; they don't want to talk." When asked about the possibility of sanctions or of taking North Korea to the United Nations Security Council, Hill said, "I don't want to get into details discussing other options, as that would undermine the six-party option," a reference to those involved in the talks - the United States, North and South Korea, China, Japan and Russia. (James Brooke, "U.S. Weapons Envoy Pessimistic about Talks with North Korea," *New York Times*, April 30, 2005, p. A-6)

4/30/05

DPRK FoMin spokesman: "It is our firm stand neither to pardon nor overlook anyone who slanders the supreme headquarters of the DPRK. Bush is a hooligan bereft of any personality as a human being, to say nothing of stature as president of a country. He is a half-baked man in terms of morality and a philistine **whom we can never deal with.** .. What the Bush rogue group has done since his coming to power in the U.S. styling itself a 'superpower' is nothing but having turned various parts of the world into a sea of blood. Bush is, indeed, a world dictator whose hands are stained with the blood shed by innocent civilians. Peace can never settle in the world as long as Bush stays in power. The DPRK does not expect any solution to the nuclear issue or any progress in the DPRK-U.S. relations during his term. ... **Over more than four years since Bush's inauguration the DPRK has shown utmost magnanimity and patience. It can no longer do so, waiting for any shift in the U.S. policy.** Quite just is the path chosen by us and we will keep to it, with our chests thrown out." (KCNA, "FM Spokesman Slams Bush's Vituperation against DPRK's Supreme Headquarters," April 30, 2005)

5/1/05

North Korea test-fired a short-range missile into the East Sea, White House chief of staff Andrew Card said. (So-jeong Lee, "N. Korea Fires Missile into Sea of Japan," Associated Press, May 1, 2005) Card denounced the North Koreans as "bullies" and called their leader, Kim Jong -il, "not a good person." "We're not surprised by this," Card said, appearing to play down the military significance of the test. "The North Koreans have tested their missiles before." But as to their motivation, he told CNN, "I

think they're looking to kind of be bullies in the world." (Brian Knowlton, "U.S. Denounces North Korea after Reports of Missile Test," *New York Times*, May 2, 2005, p. A-12) On May 3, a senior official at the ROK chiefs of staff told parliamentary closed session, "North Korea fired a missile into the East Sea whose range is ... from 100 to 200 kilometers, and it is known to be a KN-02, an upgraded version of the Soviet SS-21." That enables it to strike U.S. bases being established 70 km (45 miles) south of Seoul. (Yonhap, "N. Krea's Missile Is Upgraded Version of Russia's SS-21," May 4, 2005)

The Uri Party loses all five seats in by-elections, increasing GNP seats to 125 to Uri's 146 in 299-member National Assembly. (Shin Hae-in, ""GNP Sweeps Five Seats, Signaling Power Change in National Assembly," *Korea Herald*, May 2, 2005)

5/2/05

Former U.S. Deputy Secretary of State Richard Armitage expressed opposition to a plan supported by Japan to create an East Asian Community on grounds that it would exclude U.S. involvement. "My view is this is a thinly veiled way to make the point that the United States is not totally welcomed in Asia. I think that's a real mistake," he said in a recent extensive interview. Referring to the recent violent anti-Japan demonstrations in China, Armitage said the Chinese authorities responded quickly to control them because Beijing was concerned such protests could also spread against the Chinese leadership. Armitage suggested both Japan and China "have to come to grips with a brand new situation" and that the "two great countries are roughly equal." In dealing with China, Armitage said the best way would be not to contain China but to help them manage their ascent. "It's very much my view that the U.S. and Japan can shape this, should shape it, and we'll all be better off if we do it," he said. While noting that a new multilateral framework would not undermine bilateral security structures the United States has built in the region, Armitage said: "But it's the direction. What worries me about it (is) if it's the beginning of an erosion." He added, "It seems that China is quite willing to be involved in fora that don't include the United States." Armitage also mentioned the six-party talks on North Korea's nuclear ambitions, now stalled because of Pyongyang's refusal to return to the table. "I worry a little bit that unless the U.S. is a little more flexible in our approach to North Korea, soon we'll find ourselves blamed by China and South Korea as the ones who are trouble," Armitage said. He also noted that although what the United States wants from Pyongyang remains the same—a complete, verifiable, irreversible dismantling of its nuclear program. "We don't use that term (anymore)." And Washington needs to make "marginal change to the approach, not fundamental." Asked about calls from the public and lawmakers in Japan for North Korea sanctions over Pyongyang's refusal to do more about Japanese abductees, Armitage expressed sympathy toward the abductees' families. But he advocated caution. "Unilateral sanctions are clearly not as effective as multilateral, first of all," Armitage said. "In terms of trying to find a solution through the six-party mechanism to the Korean nuclear question, then sanctions may not be the best way to go, unless they're very multilateral," he said. Switching to the topic of Washington's planned transformation and realignment of its military in Japan, Armitage did not give specifics. But he indicated measures to ease Okinawa's burden of hosting U.S. forces are in the works because the United States already plans to reduce its troop numbers in South Korea. "It would not be understandable to the Japanese people if we had a reduction in Korea and didn't have a visible, noticeable,

reduction in Japan, including Okinawa," Armitage said. (Kato Yoichi, "Armitage Snubs Move for East Asia Community," *Asahi Shimbun*, May 2, 2005)

5/4/05 FM Machimura Nobutaka and U.S. Secretary of State Condoleezza Rice agreed Monday to seek "other options" if North Korea continues to refuse to return to the six-party talks on its nuclear ambitions. Machimura told reporters after the meeting they also agreed to cooperate on U.N. reform, including Japan's bid to gain a permanent seat on the Security Council. However, Rice did not give a clear-cut response to Japan's plan to submit a resolution in June on expanding the council's membership, according to Machimura. (*Japan Times*, "Japan, U.S. to Seek Other Options on N. Korea," May 4, 2005)

5/6/05 White House and Pentagon officials are closely monitoring a recent stream of satellite photographs of North Korea that appear to show rapid, extensive preparations for a nuclear weapons test, including the construction of a reviewing stand, presumably for dignitaries, according to American and foreign officials who have been briefed on the imagery. Bush administration officials, when asked yesterday about the burst of activity at a suspected test site in the northeastern part of the country, cautioned that satellites could not divine the intentions of Kim Jong-il and said it was possible that he was putting on a show for American spy satellites. They said the North Koreans might be trying to put pressure on President Bush to offer an improved package of economic and diplomatic incentives to the desperately poor country in exchange for curtailing its nuclear activities. "The North Koreans have learned how to use irrationality as a bargaining tool," a senior American official said Thursday evening. "We can't tell what they are doing." Nonetheless, U.S. officials have been sufficiently alarmed that they have extensively briefed their Japanese and South Korean allies and warned them to be prepared for the political implications of a test. Yesterday morning, Bush spoke at length about North Korea with President Hu Jintao of China, who has been his main interlocutor to Kim's government. The White House refused to say whether the two men had discussed the new evidence, focusing instead on what officials said was Mr. Bush's determination to get North Korea back to the negotiating table in six-nation talks. "What we're seeing is everything you need to test," said a senior intelligence official who has reviewed the evidence. "We've never seen this level of activity." Asked if the intelligence agencies, which have often been sharply divided about North Korea's nuclear abilities, had differences of opinion about the satellite photographs, the official said: "This looks like the real thing. There is wide agreement in the community." But another American intelligence expert noted that so far, intelligence agencies had not seen the telltale signs of electronic equipment that is often used to monitor the size and success of a test, leading to "some debate about whether this is the real deal." The intelligence official who reviewed the imagery, and others familiar with the evidence, said it was entirely possible that the activity was an elaborate ruse by Mr. Kim, to strengthen his bargaining position (David E. Sanger and William J. Broad, "U.S. Cites Signs of Korean Preparations for Nuclear Test," *New York Times*, May 6, 2005, p. A-1) South Korean officials acknowledged that unusual construction work was being done in the North but refused to link the activity with a possible nuclear test. "*JoongAng Ilbo*, "Seoul Cautious on Report North Prepares for Test," May 7, 2005) "We haven't obtained definite information that North Korea is preparing a

nuclear weapons test," FM Machimura Nobutaka told a press conference after a two-day Asia-Europe meeting (ASEM). (Kyodo, "Japan Has Not Confirmed N. Korea's Nuke Test Preparation: Machimura," May 7, 2005)

CRTF spokesman: "As everyone knows, U.S. attempts of northward aggression have been frustrated, peace and security are assured on the Korean peninsula, and the nation's fate is safeguarded thanks to our powerful nuclear deterrent. This is a reality nobody can negate and is a fact those at home and abroad officially recognize. To be quite honest, it is a reality that South Korea, too, benefits from our nuclear deterrent. Without our precious nuclear sword, wars would already have broken out on the Korean peninsula tens of hundreds of times owing to the United States, and South Korea would not have been safe in those bullet showers either. There is even no need to mention this twice. In a condition where it is actually benefiting from our military-first policies and nuclear umbrella, South Korea should naturally denounce and condemn the United States, which is trying to inflict catastrophes of war on our nation. However, it is turning a blind eye to the United States while finding fault with our just nuclear deterrent. ...The person in charge of South Korean foreign affairs should naturally possess the reason with which to see this reality." (KCNA, Committee for Peaceful Reunification of the Fatherland Reply to MOFAT," May 7, 2005)

Robert Hutchings, NIO, SFRC interview on Bolton nomination: "I wouldn't say he was making up facts. Let's say that he took isolated facts and made much more of them to build a case than I thought the intelligence warranted. It was a sort of cherry-picking of little factoids and little isolated bits that were drawn out to present the starkest possible case." "I think every judgment ought to be challenged and questioned. But when it goes beyond that, to a search for a pretty clearly defined preformed set of judgments, then it turns into politicization." (Transcript, pp. 13, 15) Larry Wilkerson in SFRC interview on Bolton nomination: "In policy planning, Richard Haass knew that I was doing two things. I was serving him in those areas I specified, but at the same time I was also a sponge sopping up everything I could about the Department, about its effectiveness, about its people, about its mission and so forth, and reporting to Powell." (Transcript, pp. 4-5) "Was there tension between T, in particular NP, and other bureaus? Yes, by the nature of the beast. One is functional, others perhaps are regional, and they don't like what NP is doing. EAP, for example, didn't like the fact that John sanctioned China 62 times in four years while we were trying to negotiate with North Korea and have China be a meaningful player in that negotiation. ... In most cases it was sanctioning ... a Chinese entity that was caught with its hand in the cookie jar ... proliferating or whatever." Q: So enforcing the law? A: That's a nuanced question. ... How does one interpret whether NORINCO [did it from] a missile part that goes over here or a missile part that goes over there that's reported to 15 different intelligence agencies - how does one interpret that that process is a breaking of the law? That was the Under Secretary for Arms Control and International Security's job to do that. But ... Jim Kelly, Assistant Secretary for East Asia and the Pacific had some concerns about the diplomatic niceties of sanctioning a country at the same time you were trying to get [it] to help you with a much more pressing problem, a nuclear-arming North Korea." (Transcript, pp. 15-16) "When I was in policy planning, working East Asia and Pacific, I had the opportunity to clear on most everything that had to do

with Asia. There were some problems, on a number of occasions, with Under Secretary Bolton's proposed remarks. ... I did not find him receptive when we talked about policy changes, fundamental policy changes, in his speeches. ... As I moved to the chief of staff's office, it became clear to both the Deputy and [me] that we were have a problem with both testimony and speeches given by Under Secretary Bolton. ... It was not always checked with the building. It was not always cleared and vetted through all the processes that it should be, and therefore the Deputy made a decision and communicated that decision to me that John Bolton would not give any testimony, nor would he give any speech, that wasn't cleared first by Rich [Armitage]. ... Q: Were there ... specific speeches you can recall that weren't properly cleared? A: There were at least one or two speeches with regard to North Korea. ... Q. Do you remember a time frame when the decision was made...? A: It was ... in the first six months of my chief of staff tenure. And let me add that, after that, either I or Rich or, in most cases, both of us, or Rich's staff ... member for that particular area - in most cases all three of us ... read everything." (Transcript, pp. 19-21) "One particularly noteworthy speech on Korea occurred on July 31, 2003, on the eve of the six-party talks. It was the speech in which 40 or more invidious reference to Kim Jong-il were included. In your recollection, was that speech cleared through normal processes, abnormal ones, or not cleared at all? A: A little bit of all. ... Rich was very angry - that's to put it mildly - with the Assistant Secretary of State for East Asia and Pacific Affairs, Jim Kelly, because in a moment of, shall we say, fatigue, Jim had allowed the speech ... Tom Hubbard, our ambassador in Seoul at the time, if I remember correctly, was surprised by the speech. And that tells me that ... he didn't [clear] it either, which should have happened. Was that John's fault, or was that Jim Kelly's fault? It might have been Jim Kelly's fault if he didn't pass it to the ambassador. Q: I'm sure you're familiar with ... an August 26th, 2003 letter from the Secretary to Senator Kyl ... which says 'Under Secretary Bolton's speech was fully cleared within the Department. It was consistent with Administration policy, did not really break new ground with regard to our disdain for the North Korean leadership, and, as such, was official.'" (Transcript, pp. 23-24) Ambassador Thomas Hubbard in SFRC interview on Bolton nomination: "As I recall, I first saw the [July 2003] speech the afternoon of the day before he delivered it. ... Largely, I think, through staff and through my notations, [I] suggested two separate kinds of changes. I think our most important comment was that we thought the tone was way too strong, that he used derogatory terms about Kim Jong-Il throughout the speech, in virtually every sentence, and I and my staff argued that that was counterproductive to our interest in getting the North Koreans back into the talks. ... The South Koreans had consistently asked us to tone down our language in dealing with North Korea in an effort to get them back to the negotiating table. ... To be very clear, we didn't go through the speech scratching out the word 'dictator' every time we saw it. We made an overall comment that we felt that was counterproductive and overblown. There were some specific passages in the speech that I thought were either factually inaccurate ... or would have been misunderstood or take badly by the South Koreans, and he made all or most of those changes." (Transcript, pp. 11-13)

In a meeting in Beijing Wang Jiarui, head of the International Department of the PRC Communist Party Central Committee, urged Japan to convince the United States to offer face-saving steps for North Korea, the key to reviving stalled six-party talks,

Yamasaki Taku, a special adviser to PM Koizumi said. "China wants to continue the six-way talks, and it wants Japan to make more efforts to that end," Yamasaki quoted Wang as telling him. That means China is calling on Japan "to convince the United States to make face-saving comments for North Korea." (Kyodo, "China Calls for Face-Saving Steps for N. Korea: Lawmaker," May 6, 2005)

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"Q: Do you have anything more on North Korea? McCLELLAN: What's your question? Q: Whether they have been testing? There's evidence they might be preparing to test a nuclear -- McCLELLAN: A couple of things, I guess. One, we do have concerns about North Korea. I think it's shared by our partners in the region. North Korea would only further isolate itself if it took such a provocative step. We are working with our partners in the region to get North Korea to come back to the talks and to be prepared to move forward in a serious way. We've had ongoing discussions with our partners on those matters about how to get North Korea back to the talks, and that's where our focus remains. I think you heard from Secretary Rice earlier this week -- we have a robust deterrent capability and everybody needs to remember that, too. Q: Say it again. McCLELLAN: We have a robust deterrent capability and no one should mistake what our capability is. But we're working to try to get North Korea back to the six-party talks and we're in close consultation with our partners about that, because the six-party talks is the way to resolve this issue and realize the goal of a nuclear-free peninsula." (Press Gaggle with White House spokesman Scott McClellan, Riga, Latvia, May 7, 2005)

Foreign Minister Ban Ki-moon and Chinese counterpart Li Zhaoxing yesterday shared deep concern over the spate of invective exchanged recently between the United States and North Korea and said the open antagonism will not help resolve the crisis over the North's nuclear weapons. They also agreed Pyongyang's repeated comments about its nuclear weapons production would aggravate the confrontation and the North's isolation at a time when hectic efforts are underway to try to get the communist state to end its boycott of the six-party talks on ending the nuclear standoff. "The [two ministers] agreed the exchange of antagonistic words between the United States and North Korea only worsens the current situation and that such a move will not help solve the nuclear quagmire," Park Joon-woo, director-general of the MOFAT Asia-Pacific Affairs Bureau told a news briefing on the Korea-China ministerial talks. Just hours before the Ban-Li meeting, President George W. Bush and Chinese President Hu Jintao had a telephone conversation in which both leaders renewed their commitment to work together to end the nuclear stalemate peacefully. (Lee Joo-hee, "Washington-N.K. War of Words Will Not Resolve Crisis," *Korea Herald*, May 7, 2005)

In a meeting among FMs Ban Ki-moon, Machimura Nobutaka, and Li Zhaoxing, Seoul, Beijing, and Tokyo tentatively agreed to establish a three-way history review committee. "China suggested a joint history study and the three ministers agreed to have working-level officials review the idea," said Park Joon-woo, director of the MOFAT Asia-Pacific Bureau. (Reuben Staines, "S. Korea, Japan, China Plan Forum on History Dispute," *Korea Times*, May 8, 2005)

A U.S. defense official whose job is to handle affairs on the Korean Peninsula in an interview with Chosun Ilbo said North Korea has made enough preparations to conduct a nuclear test in June at the earliest. Another U.S. official said that the U.S. is measuring the depth of a tunnel at Kilju in North Hamhyong province by the amount of earth excavated. (Kyodo, "N. Korean Nuclear Test Likely in June: Report," May 9, 2005)

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DPRK FoMin spokesman answer to the question put by KCNA in connection with the misinformation floated by the U.S. recently in a bid to create impression that the former is insisting only on the bilateral talks between the two countries instead of coming out for the six-party talks: **"We had already clarified our stand that we cannot have any form of talks with the U.S. nor can we deal with it as long as the DPRK is branded as 'an outpost of tyranny.' We have never requested the DPRK-U.S. talks independent of the six-way talks.** There were only press reports that the U.S. is ready to recognize the DPRK as a sovereign state and hold bilateral talks within the framework of the six-party talks. If there be any request from our side, we only expressed our intention to directly meet the U.S. side to confirm whether those reports are true before making a final determination. **This does not mean any intention to hold the DPRK- U.S. talks for discussing the issues between them.** What we mean is a simple working procedure for confirming the U.S. stance in the true sense of the word. If the U.S. truly wishes to settle the nuclear issue through the six-party talks, it should refrain from doing such folly as ignoring and insulting its dialogue partner. It should know that doing so is helpful to creating an atmosphere favorable for the resumption of the six-way talks. **Our will to denuclearize the Korean Peninsula and seek a negotiated solution to it still remains unchanged.**" (KCNA, "U.S. Assertion about DPRK's Call for DPRK-U.S. Talks Independent of Six-Way Talks Dismissed," May 8, 2005)

President Roh Moo-hyun met with President Hu Jintao in Moscow on the 60th anniversary of the end of WWII sounded a recurring theme: disappointment over the tedious stalemate in the six-party talks and hints that next steps may be imminent. (Lee Joo-hee, "Talk of Alternatives to Six-Party Talks Gains Momentum at Moscow Summits," *Korea Times*, May 10, 2005)

IAEA chief Mohamed El-Baradei, asked on CNN if North Korea had as many as six nuclear weapons, said, "I think that would be close to our estimation. We know they had the plutonium that could be converted into five or six North Korean weapons." (Joo Sang-min, "IAEA: N. Korea Has up to 6 Nuclear Bombs," *Korea Herald*, May 10, 2005)

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A North Korean official told visiting Japanese scholars in Pyongyang last week that a nuclear test was an "indispensable" step toward proving the nation's military capabilities to the world and suggested his government might conduct one soon, the Japanese head of the delegation said. Word that North Korea is considering a nuclear test came as the government appeared to hint late Sunday that it was willing to return, under certain conditions, to six-party negotiations aimed at its nuclear disarmament that have been stalled for 11 months. During those talks, North Korea had suggested it might conduct a test. But the statement to the Japanese delegation was the first

mention by a North Korean official about a test since recent intelligence reports warning of such a possibility. Yoshida Yasuhiko, a former U.N. proliferation expert who led the delegation, said in an interview that he held two discussions on May 3 with officials at the North Korean Foreign Ministry's Institute for Disarmament and Peace. Yoshida said the comment about testing came during the second discussion, in an unarranged phone call placed by the institute's deputy director, Pak Hyon Jae. According to Yoshida, Pak said a North Korean nuclear test was "indispensable," adding, "you'll find . . . out soon" whether a test will be conducted. "It is important that this official at a government think tank admitted that nuclear testing was necessary," said Yoshida, a noted North Korea specialist at Osaka University of Economics and Law. He led a humanitarian medical mission to Pyongyang, the North Korean capital, and was interviewed by telephone after returning from the eight-day trip May 9. North Korea today dismissed speculation that it was preparing a nuclear test, calling it U.S. propaganda, the Associated Press reported, citing the Korean news media. "The United States is making noise, saying that our country will have an underground nuclear test . . ." *Rodong Sinmun* wrote in a commentary, according to KCNA. Officials of Asian nations are trying to find a way to jump-start the six-nation talks, which involve North and South Korea, China, Japan, Russia and the United States. Some Asian diplomats say they fear the talks will never resume. The leaders of China and South Korea -- North Korea's two largest trading partners -- issued a joint statement in Moscow on Monday calling on North Korea to return to the table. It declared itself a nuclear power in February and vowed to stay away from the talks, citing the Bush administration's "hostile policy." But on Sunday, it hinted that it may yet be willing to resume the talks. A spokesman for the Foreign Ministry said North Korea wanted to meet with U.S. officials to confirm reports in South Korea that Washington was ready to recognize the North as a "sovereign state." The spokesman, quoted by KCNA, also called for bilateral negotiations, but indicated they could take place during a resumption of the six-nation talks. North Korea has repeatedly demanded one-on-one talks with Washington, but the Bush administration has steadfastly refused. But raising the possibility of bilateral negotiations within the framework of the multilateral talks is thought to be more palatable to the Bush administration, which has agreed to such an arrangement in the past. In an interview last week, Mohamed ElBaradei, head of the United Nations' International Atomic Energy Agency, urged North Korea not to conduct an atomic test and said other countries had allowed the crisis to worsen in recent months. "The solution is to find a forum where we put all the grievances of both sides on the table, including the sense of insecurity felt by North Korea, as well as its economic and humanitarian needs, and the deep concern by the international community about proliferation," ElBaradei said. South Korean officials have become particularly concerned over an escalating war of words between the Bush administration and the government of the North Korean leader Kim Jong Il. Pyongyang is demanding an apology from the United States over Secretary of State Condoleezza Rice's statement calling North Korea an "outpost of tyranny." More recent statements critical of Kim made by President Bush appeared to raise tensions, as North Korea responded by calling Bush a "half-baked man" and a "philistine." Song Min Soon, South Korea's deputy foreign minister, who is scheduled to meet with his U.S. counterparts this week in Washington, said both North Korea and the United States needed to tone down their rhetoric. "Leaders should be providing solutions rather

than slogans," Song said in an interview. "What we don't need are statements like 'he's the bad guy' or these categorizations of the regime. What we need is an answer aimed at the problem and not a giving in to anger. These public exchanges are not going to solve anything." (Anthony Faiola and Sachiko Sakamaki, "N. Korea Suggests It Will Hold Atomic Test," *Washington Post*, May 10, 2005, p. A-12) South Korea has neither detected any signs nor received any intelligence from the United States that North Korea is preparing to test a nuclear weapon soon. "We have been closely cooperating with the U.S., sharing relevant intelligence," a top South Korean official said May 10. "So far, we don't think the reported moves in Kilju are directly linked to a possible nuclear test." (Ryu Jin, "Seoul Finds No Signs N. Korea Will Test Nuke," *Korea Times*, May 10, 2005)

At a summit meeting in Moscow, an NSC official told the *Korea Times*, "Presidents Roh and Putin agreed that the situation involving the nuclear impasse has entered a serious stage and they shared the need to address the matter peacefully through dialogue." (Shim Jae-yun, "Roh, Putin Agree to Keep Six-Party Talks Afloat," *Korea Times*, May 9, 2005)

"Can I make a tour of Rokkashomura?" South Korean Deputy Foreign Minister Lee Soo Hyuck asked Mitoji Yabunaka, director general of the Asian and Oceanian Affairs Bureau of the Foreign Ministry, at a TCOG in April 2004 Lee was referring to the nuclear fuel-reprocessing plant that was to be built in the village in Aomori Prefecture. . "As a person in charge of nuclear policies, I want to become familiar with fuel-reprocessing and plutonium-extraction processes." Yabunaka declined Lee's request, saying he could not expect to see anything more than what he would see as a regular sightseer. He also cited the lack of convenient transportation to the village. Five months later it was revealed that South Korea had conducted experiments to enrich uranium and extract plutonium without reporting them to the IAEA. A Japanese official involved in TCOG said, "Being treated differently from Japan causes South Korea to harbor complex feelings and prompted it to resort to questionable actions. But the recent revelation has reduced the likelihood of it acquiring the right to reprocess nuclear fuel." (*Yomiuri Shimbun*, "Planning National Strategic: Japan, S. Korea Members of Different N-Clubs," May 9, 2005)

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DPRK FoMin spokesman's answer to question "regarding the fact that the United States has recently been spreading information that distorts the truth, making it seem as though we are insisting on only DPRK-US bilateral talks without coming to the six-party talks": "Upon being stigmatized as an outpost of tyranny, we already clearly expressed the position that we would not engage in any type of talks to associate with the United States in any way. Therefore, we have never asked for DPRK-US talks separate from the six-party talks. There were reports saying the United States recognized us as a sovereign state and that it was ready to hold bilateral talks within six-party talks. Thus, **if we have asked for anything, it was only that we said we will make our final decision after personally meeting with the U.S. side to confirm whether they are true.** This does not at all mean that we wish for talks to discuss DPRK-US issues. It means exactly what it means: it is a simple working-level procedure to confirm the U.S. position. If the United States truly wishes to resolve the nuclear issue via the six-party

talks, it must stop its foolish talk and behavior of slighting and insulting its talks partner. It should know that doing so would indeed help create an atmosphere for the resumption of the six-party talks. Our will to denuclearize the Korean peninsula and achieve it through negotiations remains unchanged." (KCNA, "We Have Never Asked for DPRK-US Talks Separate from 6-Way Talks," May 10, 2005)

China ruled out applying economic or political sanctions to pressure North Korea to abandon its nuclear weapons program, appearing to undercut a crucial element of the Bush administration's evolving North Korea strategy. The announcement comes just as American intelligence agencies are trying to determine whether North Korea is preparing for a nuclear test. Echoing President Bush's public comments, the Chinese said in a briefing that they still hoped that talks with North Korea would succeed in disarming the country, even though it has boycotted those talks for 11 months. Liu Jianchao, China's Foreign Ministry spokesman, said that China rejected suggestions that it should reduce oil or food shipments to North Korea, calling them part of its normal trade with its neighbor that should be separate from the nuclear problem. "The normal trade flow should not be linked up with the nuclear issue," he said. "We oppose trying to address the problem through strong-arm tactics." Beijing's apparent unwillingness to go along with Bush's backup plan to squeeze North Korea takes away the crucial pressure point that Bush's aides have been counting on. It also suggests that the strategy of threatening to go to the United Nations Security Council - which Secretary of State Condoleezza Rice has begun to discuss - could fail. China's statement came just days after officials said at least one American intelligence agency had picked up signs that North Korea might be preparing for its first test of a nuclear weapon at Kilju in the northeastern part of the country. That evidence is ambiguous, and some in the intelligence agencies, including analysts at the State Department's bureau of intelligence and research, are debating whether the activity they are seeing in satellite images signals that a test is imminent. Even those who find the evidence particularly worrisome caution that the activity could be a ruse. Earlier today, North Korea's state-run media said the United States was "making a fuss" regarding whether North Korea might conduct a test. While it dismissed the reports as "U.S. strategic opinions," KCNA neither denied that that was the country's intent nor threatened - as North Korea has in past - to detonate a weapon to prove that it could. President Bush called China's president, Hu Jintao, to discuss North Korea late last week, though the White House gave no details of the conversation. But several current and former American officials noted that the Chinese had consistently resisted pressure to crack down on trade with the North Koreans, and seemed to have made the stability of the North Korean government a top priority. Bush and his aides have said that disarmament is their top priority, and the president has made no secret of the fact that he detests the North Korea leader, Kim Jong Il, whom he recently called a "tyrant," accusing him of keeping political dissidents in "concentration camps." "Our sense is there is a great debate going on in Beijing right now, which is intense and divisive," one senior administration official said. "Their game worked fine when the North Koreans were talking" with the other five nations - China, South Korea, Japan, Russia and the United States. But now, the official noted, "North Korea is saying it is a nuclear weapons state, and they say they want to go into mutual arms reduction talks." That is a position very different from the one North Korea was taking a year ago, when the

discussion was about agreeing to a de-nuclearized Korean Peninsula. The Chinese, the administration official said, "know that just getting them back to the talks isn't good enough now." Still, the Chinese Foreign Ministry's statements suggest that China's strategy for dealing with North Korea remains basically unchanged despite the concerns about a nuclear test, and despite repeated appeals of the Bush administration urging Beijing to take a tougher line. While Liu called recent developments related to North Korea's weapons program "worrying," he said both the United States and North Korea had expressed a commitment to resume negotiations and that China had "not lost hope" in arranging a new round of talks. Some experts with long experience dealing with China on the North Korea issue suggest that Beijing's public stance may be quite different from what it is saying to the North Koreans. "The Chinese may be feigning indifference," said Kurt Campbell, who held a senior defense position in the Clinton administration dealing with Asian issues. "I believe in private they are putting pressure on the North Koreans not to test because a test would be deeply antithetical to their interests in the region." Inside the administration, policy makers seem divided on the question of whether North Korea is really headed toward a test. Among the questions are whether North Korea is bluffing, and whether its leaders have decided that demonstrating their nuclear capacities would serve their purposes better than continued ambiguity about them. These questions are complicated because there is no consensus among analysts about what the satellite imagery of the Kilju area shows. One senior official involved in the debate over how to handle North Korea said yesterday that a test "might convince the Chinese that they have to get tough." But just weeks ago, others in the administration were expressing concern that a test could be a political shock to the region and might set off an environmental disaster significant radiation leaked from an underground test site. It is unclear whether the North Koreans could interpret China's public statements that it separated trade from nuclear issues as a signal that it would not suffer significant repercussions if it went ahead with a nuclear test. Absent a test, however, it is unclear how the United States could increase pressure on North Korea without Chinese help. China could veto any United Nations resolution, and if it was unwilling to enforce sanctions along its border, any efforts to isolate North Korea would be likely to fail. The World Food Program, citing statistics from the Chinese government, said China's food aid to North Korea soared in the beginning of this year. By the organization's estimate, China sent 146,000 tons of food to North Korea in the first three months of this year, compared with 165,000 tons for all of 2004. Since the United States accused North Korea of violating a pact to end its nuclear weapons program in 2002, China has resisted using trade or economic aid to its impoverished neighbor as leverage to force North Korea to discontinue the effort. On a visit to China in late April, Assistant Secretary of State Christopher Hill repeated American arguments that China should squeeze North Korea, cutting down on trade, especially fuel shipments, as a signal of displeasure with its refusal to return to the negotiating table. One senior official said the Chinese made it clear that they were concerned about prompting more instability in North Korea that could send millions of refugees over the Chinese border. North Korea's economy depends heavily on Chinese trade and aid. The United States and its allies stopped providing oil to North Korea in 2002. But Chinese oil shipments have continued, and overall trade between China and North Korea increased 20 percent in the first quarter of 2005 compared with the same period a year ago. Beijing has sent

several diplomatic missions to North Korea to urge a return to nuclear talks. President Hu called the talks the "only correct path" for North Korea. North Korea has issued contradictory statements about its willingness to resume talks. It has said it will not do so unless the United States drops its "hostile policy," but it also reassured the Chinese that it is committed to continuing talks, officials have said. China has also expressed concern about the possibility that North Korea may conduct a nuclear test, but has not specified whether a test would prompt it to impose penalties. "We object to any action that is contrary to the goal of the six-party talks," Liu said. "A nuclearized Korean Peninsula is not beneficial to any nation." (Joseph Kahn and David E. Sanger, "China Rules out Using Sanctions on North Korea," *New York Times*, May 11, 2005, p. A-1) "Whether within the framework of the six-way Talks or outside the six-way framework ... if they could hold exchanges of opinion on the issue, I believe it would be conducive to making progress over the Korean Peninsula nuclear issue," Foreign Ministry spokesman Liu Jianchao said at the regular press briefing. (Kyodo, "China Welcomes Any Direct U.S.-N.Korea Contact: Spokesman," May 10, 2005)

Rodong Sinmun signed commentary: "The DPRK will not deal with such hooligans as the Bush group who have become evermore frantic in their offensive to pressurize it. Bush and his clan are blustering that they would 'refer the nuclear issue of north Korea to the UN Security Council.' This clearly indicates their intention to brand the DPRK as a 'nuclear criminal' at any cost and woo the United Nations to apply collective sanctions against the DPRK and stifle it in the end. This goes to prove that the Bush group is one of hooligans bereft of any normal thinking power and they are not guys whom we can ever deal with. The U.S. is entirely to blame for the deadlocked six-party talks and the delayed settlement of the nuclear issue. The Bush group has tightened the network of blockade against the DPRK by massively deploying armed forces in and around south Korea for a preemptive attack on it. And they adopted even the "North Korean Human Rights Act" in a bid to justify the anti-DPRK human rights offensive and the policy for bringing down the system in the DPRK. The DPRK repeatedly demanded the U.S. rebuild itself the groundwork for the six-party talks destroyed by it. Nevertheless, the U.S. branded the DPRK, its dialogue partner, as part of 'an axis of evil' and then an 'outpost of tyranny' far from making a switchover in its hostile policy toward the DPRK. The DPRK can not return to the talks as long as it is branded as such. The U.S. has gone the lengths of instigating the UN to put sanctions upon the DPRK. The DPRK sees through the immature and bellicose nature of the cowboy-style foreign policy pursued by Bush, once known as a cowboy. The DPRK was wise and far-sighted when it stated that it would not expect any solution to the nuclear issue or any progress in the DPRK-U.S. relations during his term. The army and the people of the DPRK will remain undeterred and strong-willed in face of any move of the U.S. to refer the nuclear issue to the UN. Their clear message is that the U.S. may do as it pleases. A caravan is bound to go ahead though dogs bark. The DPRK will invariably advance along the way chosen by itself despite any smear campaign or any pressure. The U.S. warlike forces are sadly mistaken if they calculate they can get rid of the awkward position in which they have found themselves since the DPRK's declaration of access to nuclear weapons and isolate and stifle it through international pressure and blockade. The reality proves that it is the only way of settling the issue to steadily advance along the path chosen by

the DPRK itself. The U.S. should bear this in mind and drop its rude behavior." (KCNA, "Rodong Sinmun Slams Bush Group's Pressure upon DPRK," May 10, 2005)

North Korea intensified its nuclear confrontation with the United States, calling President George W. Bush "Hitler, Junior," while South Korea warned the Communist state against taking "extreme measures," in an apparent reference to a nuclear test. Chun Yung Woo, South Korea's deputy foreign minister for policy planning, stressed the alliance between his country and the United States and said the countries would work together on the North Korea issue. "The militaries might be preparing for all contingencies, but it's the presidents who make the decision" on a possible military attack, Chun said. "Given the alliance between the United States and South Korea, such a thing is impossible without prior consultations between the allies." Chun said he was speaking only in principle and stressed he was not aware of any U.S. plan to attack North Korea. U.S. officials said last week that spy satellites showed possible preparations for North Korea's first nuclear test, including the digging and refilling of a large hole at a suspected test site, along with the apparent construction of a reviewing stand. But experts said that North Korea might be putting on a show for spy satellites. "We should not jump to a conclusion," Chun said of the images. North Korea, he said, "would do anything to make other countries believe that it is a nuclear power." But he added that "if North Korea decides to test a nuclear weapon, it means it will gamble with its own fate, and it won't be an easy decision." North Korea's harsh language was in a commentary in *Rodong Sinmun*, one day after Washington tried to coax the country back to the negotiating table by reconfirming that it considered the country "sovereign" and would hold direct talks as part of six-party nuclear negotiations. "It is a wise decision for our republic not to expect any settlement of the nuclear issue or any improvement in its relations with the United States during Bush's term of office," said the commentary in *Rodong Sinmun*. "Bush is the world's worst fascist dictator, a first-class war maniac and Hitler, Junior, who is jerking his hands stained with blood of innocent people." (Choe Sang-hun, "North Korea Hurls Taunts at Bush," *New York Times*, May 11, 2005)

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DPRK FoMin spokesman: "The relevant field of the DPRK has successfully finished the unloading of 8,000 spent fuel rods from the 5MW pilot nuclear plant in the shortest period recently. The DPRK had already declared in December 2002 that it would re-operate the above-said plant and resume the construction of two other nuclear plants, one with a capacity of 50,000 kw and the other with a capacity of 200,000 kw which had been frozen according to the DPRK-U.S. Agreed Framework the keynote of which is the provision of light water reactors to the DPRK because the Bush administration threatened the DPRK with nuclear weapons in violation of the AF. Accordingly, the DPRK keeps taking necessary measures to bolster its nuclear arsenal for the defensive purpose of coping with the prevailing situation, with a main emphasis on developing the self-reliant nuclear power industry." (KCNA, "Spent Fuel Rods Unloaded from Nuclear Plant," May 5, 2005)

North Korea said today that it had harvested a nuclear reactor for weapons fuel, the country's latest effort to put pressure on the Bush administration and its allies. Intelligence and Pentagon officials said that as of late May 11 they had seen no

evidence to confirm or disprove the assertion. Outside experts expressed skepticism that North Korea's action, even if confirmed, would significantly increase its weapons stockpile. Vice Minister of Unification Rhee Bong-Jo of South Korea said on May 12 that the reactor was shut down March 31. In the worst case, experts have said, by removing and reprocessing the fuel rods, North Korea could produce fuel-grade plutonium for one to three nuclear weapons. But their suspicions were aroused because by leaving the rods inside the reactor for another year, North Korea could have obtained a much better yield of weapons fuel. "There is a lot of symbolism and taunting here," one senior administration official said. In Tokyo, J. Thomas Schieffer, the United States ambassador to Japan, entered into that debate. He told officials of New Komeito, a pacifist party, that North Korea appeared to be moving toward a test, but he stopped short of saying they would conduct one. "I believe they have taken some preparatory steps," the ambassador said, according to a United States Embassy official. Referring to the American-led regional effort to get North Korea to abandon its nuclear bombs, he added, "If there is a test, it would be a serious blow to the process." But the State Department was more cautious, with the spokesman in Washington, Richard A. Boucher, when asked whether Schieffer was indicating a test could be forthcoming, saying, "I wouldn't quite read as much into his statements as you do." Calls for a negotiated solution came on May 11 from officials in Washington, Beijing and Seoul, South Korea. "The provocative statements and actions by North Korea only further isolate it from the international community," Scott McClellan, the White House spokesman, told reporters. "China obviously has considerable influence that they can use to help get North Korea back to the talks and get North Korea to end its nuclear ambitions." On May 10, a spokesman for China's Foreign Ministry ruled out applying economic or political sanctions to pressure North Korea. South Korea also expressed concern. "Such a move by North Korea runs counter to moves to make the Korean peninsula free of nuclear weapons," MOFAT spokesman, Lee Kyu Hyun, said in a statement on the ministry Web site. "North Korea seems to have extracted the fuel rods as a means of gaining advantage in future talks," Rhee, the vice minister of unification, told reporters in Seoul on Thursday, Bloomberg reported. "Still, its actions may negatively affect efforts to restart the six-party talks." (James Brooke, "North Koreans Claim to Extract Fuel for Nuclear Weapons," *New York Times*, May 12, 2005) "One estimate is that the reactor held between 10 and 15 kg of Pu in April 2005, and that North Korea could have reprocessed all the fuel rods by mid-2006." (Mary Beth Nikitin, *North Korea's Nuclear Weapons*, Congressional Research Service RL34256, February 12, 2009, p. 6)

Sankei Shimbun reported 7,100 so-called Super X counterfeit U.S. \$100 notes were brought into Japan by Lee Myong Su 7, a North Korean freighter which docked in Tottori Prefecture on March 23. The skipper told police he was given the notes to pay off a Japanese businessman and was unaware some of the bills were fakes. (*Chosun Ilbo*, "N. Korea Ship Carried 'Near-Perfect' Banknotes," May 11, 2005)

5/12/05

Yang Xiyu, a senior Foreign Ministry official and China's top official on the North Korean nuclear problem accused the Bush administration of undermining efforts to revive negotiations with the North Korean government and said there was "no solid evidence" that North Korea was preparing to test a nuclear weapon. The comments

were noteworthy because the Chinese authorities very rarely speak to journalists about the issue. They reflect growing frustration in Beijing with the Bush administration. "It is true that we do not yet have tangible achievements" in ending North Korea's nuclear weapons program, Yang said in an interview. "But a basic reason for the unsuccessful effort lies in the lack of cooperation from the U.S. side." Yang said that when President Bush referred to the North Korea leader, Kim Jong-il as a "tyrant" in late April, Mr. Bush "destroyed the atmosphere" for negotiations, undoing weeks of efforts to persuade North Korea that the United States would bargain in good faith. Yang said formally on Thursday what diplomats here had been whispering for months: personal attacks against Mr. Kim by Mr. Bush, Secretary of State Condoleezza Rice and other top administration officials had caused a "loss of face" for North Korean officials and created big obstacles to reaching any negotiated solution. He urged the Bush administration to find some "informal channel" to talk with North Korean diplomats, perhaps over coffee or a meal, to build confidence. Yang said that without some new gestures the obstacles to resuming negotiations could prove insurmountable. "I know the U.S. is reluctant to have even informal contacts" with North Korea, he said. "But as the world's superpower, I would hope it can show more flexibility and sincerity to make a resumption of talks possible." Yang said China would be "very concerned" about a nuclear test. But he said he doubted North Korea would take that step now, adding that China had made it "very, very clear" to North Korea that a test or any other provocative display of its nuclear capability would have serious consequences. North Korea "understands the consequences very clearly," Yang said. "I do not think we should reach the conclusion that there will be a test." Yang expressed some puzzlement as to why the United States had pushed China to cut off oil or fuel supplies to North Korea - part of its lifeline of support for the government, which is in need of money - at the same time that it professed to want to resume negotiations. If you look at history you cannot find many successful cases in which sanctions achieved a successful result," he said. Yang disputed an account of a meeting he held with Assistant Secretary of State Christopher Hill that was carried last week in the *Washington Post*. In that account, Yang was quoted as rejecting American demands to cut off North Korea's fuel supplies, but as indicating that China might withhold food aid as a way of forcing North Korea to resume talks. Yang said that he did not discuss those options with Hill. He said he did not see the need for any penalties, involving food, oil shipments or other measures, as long as the six nations involved in talks were still trying to keep the negotiations alive. He also rejected the idea, put forward by the United States and Japan, of involving the United Nations Security Council in the matter. But he also said China was opposed to imposing penalties "for now," leaving open the possibility that it could change its mind if North Korea exploded a nuclear device or abandoned its commitment to a peaceful settlement. (Joseph Kahn, "China Says U.S. Impeded North Korea Arms Talks," *New York Times* May 13, 2005, p. A-1)

Former President Kim Dae-jung urged North Korea and the United States to engage in direct talks, saying the standoff over Pyongyang's nuclear weapons programs is entering a "very ominous" stage. "The current situation surrounding the Korean Peninsula is reaching crisis point," Kim said during a lecture at Hanshin University in Osan, referring to news reports that North Korea may be preparing to conduct a nuclear test. He said Washington and Pyongyang should urgently meet and hammer

out a framework to resolve the deepening nuclear standoff. "North Korea must completely abandon its nuclear programs and the United States must guarantee the security of North Korea and lift economic sanctions," said Kim. "If and only if North Korea and the U.S. come forward with this kind of approach can the six-way talks act to guarantee the deal," he said. (Reuben Staines, "Kim Dae-jung Calls for Direct Talks," *Korea Times*, May 12, 2005)

South Korea downplayed North Korea's announcement that it has unloaded thousands of spent fuel rods from a nuclear reactor, dismissing it as an apparent move to boost its negotiating power. "The North should talk about what it wants to say at the negotiating table instead of taking steps that would not be helpful for a resolution of the issue," said Vice UnifMin Rhee Bong-jo. (Kim Kwang-tae, Seoul Says N. Korea's Move Is a Negotiating Tactic," *Yonhap*, May 12, 2005)

Some people may be worrying about a possible North Korean nuclear test, but Lee Ju Hong, a well-coiffed retail manager for South Korea's largest department store, is preoccupied with his latest sales event -- a North Korean kitchenware fair. North Korean housewares are the rage these days. The Lotte department store sold out its first shipment of North Korean pots and pans last December and followed up with a bigger sale in January, when another 7,000 pieces of cookware were carted off by eager shoppers. Lee, 39, is now working on the store's largest North Korean venture yet: New lines of cutlery and frying pans go on sale within the next two weeks. The cookware is manufactured at the new Kaesong Industrial Park just north of the heavily mined border by South Korean companies backed by a multimillion-dollar government investment, some of which has been used to employ 2,000 North Korean workers. "We want to help our brothers in North Korea," Lee said. "We will continue to do so unless the government tells us to stop selling these goods. Right now, we don't expect that to happen." The Bush administration, meanwhile, has sought to isolate North Korea since late 2002, when the latest crisis over the North's nuclear weapons program developed. At that time, the Pyongyang government expelled international weapons inspectors and declared that it had begun reprocessing spent fuel rods into material that can be used for weapons. Despite U.S. efforts to persuade allies to limit economic ties with North Korea, it is enjoying booming trade abroad. South Korea, China and Russia have increased their trade with the North, boosting its tattered economy. Fueled by imports of energy and manufactured goods, and exports of minerals, seafood and agricultural products, North Korea's foreign trade increased 22 percent in two years, from \$2.9 billion in 2002 to \$3.55 billion in 2004; these levels are the highest since 1991, according to KOTRA, a South Korean government organization that monitors North Korean trade. Flourishing business between North Korea and its neighbors has strained attempts to build a consensus among the six nations involved in talks on disarming the North. Without the support of North Korea's two largest trading partners, China and South Korea, any attempt by the Bush administration to impose economic sanctions would have little effect. Analysts say North Korea may be calculating that if the United States increases pressure, Pyongyang's other benefactors in Asia may be willing to mend fences, even after a nuclear test. "The fact is, South Korea and China are providing North Korea with a considerable amount of unconditioned economic support," said Marcus Noland, a Korea expert at the Institute

for International Economics in Washington. "As long as that support is forthcoming, North Korea will not feel as much of a need to address the nuclear issue, and attempts to isolate the North economically will have less and less credibility and effect." South Korean trade with the North increased by 58 percent in the first three months of this year to \$170 million, compared to the same period last year, according to South Korea's Unification Ministry. Economic relations with the North are also driven by a policy of detente and hopes for long-term reunification. The boom largely stemmed from increased North-South cooperation at Kaesong, where three South Korean companies have begun operation during the past six months. Twelve other companies are scheduled to start up by the end of the year. South Korea, which is North Korea's second-largest trading partner, is also pressing ahead with agreements for new road and rail links to help boost trade over the heavily fortified border. North Korea's economic ties are particularly hot with China, its largest trading partner and long-time political benefactor. Bilateral trade nearly doubled between 2002 and 2004 to \$1.39 billion, according to KOTRA. North Korea's trade with Russia grew faster over the same period, from \$80.7 million to \$218.4 million. Among North Korea's top trading partners, only Japan, siding with the United States, has scaled back economic ties. Supporters of engagement with North Korea argue that the Bush administration might have avoided the growing political crisis had it been willing to compromise with the Pyongyang government, either by providing more explicit security guarantees or by outlining more fully what the United States is prepared to offer the North in exchange for disarmament. Nevertheless, East Asian diplomats who favor closer ties with North Korea say it would be difficult to defend trade and business investment in North Korea if Kim decided to conduct a nuclear test. The Bush administration would welcome tough economic sanctions that led to Kim's fall. But a sudden collapse of the government in North Korea is considered potentially catastrophic to its neighbors because millions of destitute North Korean refugees might flood across the borders. While South Korean military analysts say North Korea's 1-million member army is still the most serious threat, most South Koreans no longer view the North as a dangerous enemy. A public opinion survey in January by Research & Research, one of South Korea's largest pollsters, asked this question: "Which country is the most threatening to South Korea?" Of the 800 respondents, 39 percent named the United States, which maintains 37,000 troops here. North Korea came in second, at 33 percent. "We have lots of reasons for wanting to do business in North Korea; the labor costs are lower than in South Korea or China and a North Korean worker pretty much does what he is told," said Oh Jung Min, executive director of El Canto, a shoemaker that became one of the first South Korean companies to cross the border when it invested in a Pyongyang factory in 1997. "But stronger relations with North Korea is also good for South Korea's future," he said. "The last thing we want is for them to be our enemies." Meanwhile, North Korea said yesterday that it had completed the removal of another batch of spent fuel rods from its main Yongbyon nuclear complex in a key step toward building more nuclear weapons. Intelligence officials in Washington and Seoul had noted that North Korea's main nuclear facility at Yongbyon had been shut down since last month, raising concerns that the North was extracting the rods. (Anthony Faiola, "Despite U.S. Attempts, N. Korea Anything but Isolated," *Washington Post*, May 12, 2005, p. A-18)

5/?/05 Christopher Hill recalled, "I felt we should get them to negotiations and test them with a set of principles. If they couldn't agree to the principles, screw it, we had no basis for working out an agreement. If we could agree to the principles, then we could work it through." It was similar to the approach China had applied. (Chinoy, *Meltdown*, p. 236)

5/?/05 Philip Zelikow, DoS counselor, recalled, "We concluded that the basic model for negotiations with the North Koreans was not likely to succeed and actually was conceptually flawed. We'd basically created a six-party framework but the substance of that framework was locked around a concept of bartered concession for denuclearization in which we had our stand and they had their stand and the situation was frozen. The tit-for-tat model - we'll give you a barrel of oil, you'll give us a girder - was never going to be satisfactory to us and actually kind of reinforced the worst tendencies on the North Korean side." The central premise of the new approach was "to offer the North Koreans a much richer agenda for diplomatic action than they had been offered in the past." But the approach had another track: "We needed to at once both escalate and move to make it clear that the costs of continuing to develop their nuclear program and being an outlaw state were going to be increasingly significant and painful for the North Korean government and that the United States would adopt various measures to defend itself against North Korean criminal behavior." (Chinoy, *Meltdown*, pp. 236-37)

5/13/05 **BOUCHER:** "Those of you who are familiar with this know that from time to time we use this channel in New York. We have face-to-face meetings about I guess I'd say every now and then. I think the last one was -- the last one before this was in December. We had a meeting last week and our people went up from here -- Ambassador Joseph DeTrani the Special Envoy to the six-party talks and Jim Foster the Director of our Office of Korean Affairs went up and met with North Korea's Permanent Representative at the UN and the Deputy there. The contact was working level, as we described it, with these two people. It was last Friday, May 13th. And we use these meetings, as we say, from time to time to make sure the North Koreans are clear on our positions and things. At this meeting, we reiterated positions with which you are familiar and urged the North to return to the six-party talks as the best way to solve the nuclear issue and to come there prepared to address to the concerns of the parties. ... **Q:** South Korea had agreed to ship 200,000 tons of fertilizer next month at the South and North Korean meeting yesterday, without any addressing about nuclear issue in the six-party talks. What is your comment on it? **BOUCHER:** Well, our comment, I think, has been that first of all, on the question of fertilizer, that we see that as, you know, we've always seen that as a humanitarian issue and have not opposed it. We looked at the joint statement today. We've talked to -- during the course of these discussions with our South Korean friends and allies. I'm sure we'll talk to them more about how the final stages of the meeting went. They agreed, as you say, to provide 200,000 tons of fertilizer in humanitarian aid and agreed to hold further ministerial-level talks. I'd reiterate what we said before: we've welcomed the North-South talks. We have welcomed the fact that South Korea uses the occasion to press the North to return to six-party talks, disappointed that North Korea did not use the occasion to indicate that they would do so, that they're willing to return to the table and deal seriously with the issues. We do think it's important South Korea use this opportunity to press the North on returning to

the talks. (DoS Spokesman Richard Boucher, Daily Press Briefing, May 19, 2005) A senior official of the U.S. State Department has made contact with North Korea's U.N. representative with an eye to resuming stalled six-party talks on Pyongyang's nuclear program, sources said over the weekend. The official's telephone conversation [?] with Han Song Ryol, North Korea's deputy ambassador to the United Nations, likely followed Pyongyang's announcement May 11 that it had extracted 8,000 spent nuclear fuel rods from a 5,000-kilowatt nuclear reactor, the sources added. It is the first time the two sides have addressed the nuclear issue since early December, when Joseph DeTrani, U.S. envoy to the six-party talks, visited North Korea's U.N. mission in New York. According to the sources, the U.S. official likely asked Han about Pyongyang's true intentions after the North's apparent moves to prepare a nuclear test and last week's announcement that it planned to restart construction of two other nuclear reactors. Work on the 50,000-kilowatt and 200,000-kilowatt reactors was stopped after the 1994 Agreed Framework on nuclear issues was set between the two countries. The two sides also probably confirmed that, if North Korea returns to the six-party talks, Washington hopes to meet bilaterally with North Korea again, as has happened on three previous occasions. Until recently, the U.S. side had expected China to help bring North Korea back to the framework. However, Chinese officials were apparently unimpressed after President George W. Bush labeled North Korean leader Kim Jong Il a "tyrant." Meanwhile Russian President Vladimir Putin on May 9 also raised doubts about the hard-line stands taken by the United States and Japan, alluding to them as backing Pyongyang into a corner. In a May 8 statement issued by North Korea's Foreign Ministry, Pyongyang said it wanted to confirm Washington's readiness to hold bilateral talks. Sources said Bush likely instructed Condoleezza Rice, U.S. secretary of state, to respond via the "New York channel" through the U.N. mission in New York, as urged by South Korean officials. Washington hopes the recent dialogue will help convince Kim the United States has no intention of attacking the North, the sources said. They added that the United States also wanted the North to understand the grave consequences of nuclear testing. (Sakajiri Nobuyoshi, "U.S. and N. Korea Revive Steps in Renewed Dialogue," *Asahi Shimbun*, May 16, 2005) DeTrani also said the Bush administration recognizes North Korea's sovereignty and has no intent to attack or invade it. (Jack Kim, "S. Korea Gives North Farm Help, No Nuclear Accord," Reuters, May 19, 2005)

Japan's Foreign Minister Machimura Nobutaka said in Tokyo that his country was considering five-party talks among just China, Japan, Russia, South Korea and the United States if the North continues its boycott of negotiations. Meanwhile, U.S. Assistant Secretary of State Christopher Hill arrived in Seoul to discuss the standoff with Foreign Minister Ban Ki-moon and other officials, two days after North Korea raised the stakes by claiming that it was taking steps that would enable it to harvest more plutonium for nuclear weapons. "There is a lot of discussion because we are coming up into the one-year anniversary of the talks being in suspension," Hill told reporters after arriving at the airport. "It is understandable that some people are discussing what comes next. Indeed we are concerned about what comes next." The talks aimed at ending the North's nuclear ambitions remain stalled since last June. South Korean Deputy Foreign Minister Song Min-soon - who also arrived in Seoul today after a two-day visit to Washington - said South Korea and the United States have agreed to

"strengthen diplomatic efforts." He also said the United States and other major players would seek to enhance their diplomacy "in terms of both quality and quantity," but didn't elaborate what exact steps would be taken. Also in Washington yesterday, U.S. Secretary of State Condoleezza Rice urged the North to return to talks, and said that success in efforts to achieve nuclear disarmament in North Korea can only come if the United States and its negotiating partners stick together. "The key is to keep a united front," Rice said. South Korea's defense minister said today that "diverse diplomatic efforts" were being made to induce North Korea to return to the disarmament talks and expressed confidence the issue would be resolved. "Our government very firmly holds its position that North Korea must not possess nuclear weapons under any circumstances and must fundamentally, peacefully resolve the issue," Yoon Kwang-ung told a gathering of European Union diplomats and businesspeople. Yoon also reiterated the government's position that there were no signs of the North preparing for a nuclear test. U.S. officials said last week that spy satellites looking at northeastern Kilju saw tunnel digging and the construction of a reviewing stand - possible indications of a test. North Korea claimed Wednesday it had completed removing spent fuel rods from a nuclear reactor at its main complex - completing a process that could allow it to harvest more weapons-grade plutonium - and said it would strengthen its nuclear arsenal. (Burt Herman, "U.S. Envoy to Discuss N. Korea Standoff," Associated Press, May 13, 2005)

North Korea earns \$20 million each year in counterfeit "supernotes," reported Raphael Perl, Congressional Research Service analyst. (Yonhap, "N. Korea Earns US\$20 Million a Year with Fake Bills: U.S. Expert," May 13, 2005)

5/14/05

DPRK FoMin spokesman answer to a question put by KCNA "as regards a string of vituperation let loose again by U.S. Secretary of State Rice against the DPRK. Rice in her appearance on CNN chat on May 12 let loose a spate of sophism that the DPRK violated the 1994 DPRK-U.S. Agreed Framework even before the ink of its signature to the agreement was dry, and asserted that its system is a "terrible regime" and it should be "reformed." As far as the DPRK system is concerned, it is the true socialist system of Korean style which was chosen by the Korean people themselves and has been glorified by them. Its nature remains unchanged no matter how malignantly Rice defiles it. Rice's reckless remarks self-exposed that her loudmouthed recognition of the "sovereign state" and the like were nothing but a ruse to conceal the U.S. attempt at "bringing down the regime" of the DPRK and mislead the public opinion. While talking about the "peaceful settlement" of the nuclear issue, Rice did not forget to make threatening remarks that the U.S. has still all options on the table and keeps strong deterrent against the DPRK. This fully revealed the U.S. attempt at a military invasion of the DPRK as it is quite different from the Bush group's oft-repeated utterances that the U.S. has "no intention to invade" the DPRK. The Bush group is the world's infamous tyrannical regime that should be radically reformed and changed. No one can deny that various parts of the world have turned into seas of blood and it has become turbulent since Bush's neo-conservative group came to power. It was none other than the Bush administration that scrapped the DPRK-U.S. Agreed Framework. We would like to cite some instances proving how it did. The DPRK fully implemented all its commitments such as freezing all its nuclear activities and perfectly ensuring the

surveillance by IAEA inspectors according to the AF. But the Bush administration had not properly honored its commitments under the AF but acted diametrically contrary to it right after it came to power. Paragraph 1 of the AF commits the U.S. to providing light water reactors (LWR) to the DPRK by 2003. But only groundwork had been carried out for their construction in ten years. Under this paragraph the U.S. is also obliged to deliver heavy fuel oil to the DPRK every year until the construction of LWRs is completed. But it totally suspended this supply after inventing the rumor about the nonexistent "enriched uranium program" of the DPRK. Paragraph 2 calls on the DPRK and the U.S. to go in for fully normalizing the bilateral political and economic relations. The U.S., however, had persistently pursued its hostile policy and economic embargo and, worse still, listed the DPRK as part of "an axis of evil." Paragraph 3 commits the U.S. to giving its formal assurances that it will neither use nukes nor pose any nuclear threat to the DPRK. But, it designated the DPRK as a "target of preemptive nuclear attack", far from offering such assurances. Paragraph 4 requires the DPRK to accept nuclear inspection after the U.S. full delivery of non-nuclear parts, including LWR turbines and generators. Nevertheless, the U.S. had never honored any of its commitments but put pressure upon the DPRK to accept the nuclear inspection. In the long run, all the paragraphs of the DPRK-U.S. Agreed Framework had been scrapped due to the U.S. noncompliance with all its promises for ten years and what it called "enriched uranium program" cooked up by it to evade its responsibility for the non-compliance with them. This truth has been recognized by anyone of intelligence and reason. All the remarks of Rice prove that she is either a woman ignorant of the DPRK-U.S. history or a brazenfaced liar. We cannot but be confused by such incoherent remarks made by the secretary of State of the "superpower." Call a spade a spade." (KCNA, "Rice's Vituperation against DPRK Refuted," May 14, 2005)

5/15/05

The Bush administration warned North Korea for the first time that if it conducted a nuclear test, the United States and several Pacific powers would take punitive action, but officials stopped short of saying what kind of sanctions would result. "Action would have to be taken," Stephen J. Hadley, President Bush's national security adviser, said on the CNN program "Late Edition." Asked earlier on "Fox News Sunday" about recent reports that intelligence agencies have warned that North Korea could conduct its first test, Hadley added: "We've seen some evidence that says that they may be preparing for a nuclear test. We have talked to our allies about that." But he cautioned that North Korea was "a hard target" and that correctly assessing its intentions was nearly impossible. Hadley's warnings represented the first time anyone in the Bush administration had approached drawing a "red line" that North Korea could not cross without prompting a reaction. The term red line was often used during the cold war to set the boundaries in confrontations, with perhaps the most extreme example President Kennedy's action in the 1962 Cuban missile crisis to curb a nuclear risk. Senior administration officials said that concerns about baiting North Korea helped to explain why Hadley did not specify what kind of penalty was possible. Instead, Hadley noted that "the Japanese are out today already saying that those steps would need to include going to the Security Council and, potentially, sanctions." He appeared to be referring to comments by Abe Shinzo, the secretary general of Japan's governing Liberal Democratic Party. Returning to Japan from a recent trip to Washington - where he met Hadley, Vice President Dick Cheney and others - Abe said Japan faced the

most direct threat if North Korea proved that it could detonate a nuclear weapon. "If North Korea's possession of nuclear weapons becomes definite," Abe said on Asahi TV, and North Korea "conducts nuclear testing, for instance, Japan will naturally bring the issue to the U.N. and call for sanctions against North Korea." Abe also told Asahi TV that it was "unthinkable not to impose any sanctions in case of a nuclear testing." In an interview with *The New York Times* during his visit to Washington, Abe acknowledged that making sanctions work would "depend on the cooperation of China," though he noted that Japan would be capable of cutting off a considerable flow of money into North Korea sent by ethnic Koreans living in Japan. North Korea has repeatedly declared that it would consider any sanctions imposed through the United Nations as an act of war. Hadley, known for his caution, appeared somewhat more tentative than Abe did in discussing sanctions. He offered no specifics. Nor did he mention the extensive studies under way at the State Department, and in his own National Security Council to come up with a range of options, either in the event of a nuclear test or North Korea's continued refusal to rejoin negotiations that it has boycotted for nearly a year with South Korea, China, Japan, Russia and the United States. Any effective sanctions would require the full cooperation of North Korea's neighbors, South Korea and China, at a time when they are going in the opposite direction. South Korea is expanding economic ties with the North, and trade between China and North Korea has significantly increased in the past year. The sanction options could range from establishing a quarantine of North Korea - searching shipments in and out of the country for weapons, drugs and counterfeit currency, the country's main sources of foreign cash - to cutting off its oil supplies. But all of those depend on the cooperation of China, and Chinese officials have insisted, at least publicly, that they do not believe that it is time to pressure North Korea economically. A senior Chinese official, Yang Xiyu, told the *Times* in an interview published last week that it was true that "we do not yet have tangible achievements" in ending North Korea's nuclear weapons program. "But a basic reason for the unsuccessful effort lies in the lack of cooperation from the U.S. side." He cited Bush's references to Kim Jong Il, the North Korean leader, as a "tyrant" who keeps dissidents in concentration camps. Hadley played down the differences with China, saying that "we're comfortable that we are all on the same page." Other administration officials contended last week that the Chinese, in private, have said they are trying to pressure North Korea not to take provocative action. Yet in recent days, North Korea has seemed to ignore such caution, boasting that it had already removed 8,000 spent fuel rods from a nuclear reactor to make more bomb-grade plutonium. Hadley, on CNN, also appeared to increase the official American estimate of the number of nuclear weapons the North Koreans possess. Officially, the Central Intelligence Agency has said one or two, though most government analysts say the number is higher. On Sunday, Hadley said: "Estimates range from two to six. We just really don't know." At issue are estimates about how much plutonium North Korea has harvested from its nuclear reactor, a subject of disagreement among the C.I.A., the Defense Intelligence Agency, the Japanese and the South Koreans. Asked about Hadley's comments on Sunday, Nicholas Eberstadt, a North Korea expert at the American Enterprise Institute who has urged the United States to draw clear red lines, said, "My impression is that until now there has been a muscular effort to change the topic" when administration officials were asked how they would react to a test. (David

E. Sanger, "U.S. in Warning to North Korea on Nuclear Test," *New York Times*, May 16, 2005, p. A-1)

Early last summer, Defense Secretary Donald H. Rumsfeld approved a top secret "Interim Global Strike Alert Order" directing the military to assume and maintain readiness to attack hostile countries that are developing weapons of mass destruction, specifically Iran and North Korea. Two months later, Lt. Gen. Bruce Carlson, commander of the 8th Air Force, told a reporter that his fleet of B-2 and B-52 bombers had changed its way of operating so that it could be ready to carry out such missions. "We're now at the point where we are essentially on alert," Carlson said in an interview with the Shreveport (La.) Times. "We have the capacity to plan and execute global strikes." Carlson said his forces were the U.S. Strategic Command's "focal point for global strike" and could execute an attack "in half a day or less." In the secret world of military planning, global strike has become the term of art to describe a specific preemptive attack. When military officials refer to global strike, they stress its conventional elements. Surprisingly, however, global strike also includes a nuclear option, which runs counter to traditional U.S. notions about the defensive role of nuclear weapons. Administration and military officials have stressed this continuity in testimony over the past several years before various congressional committees. But a confluence of events, beginning with the Sept. 11, 2001 attacks and the president's forthright commitment to the idea of preemptive action to prevent future attacks, has set in motion a process that has led to a fundamental change in how the U.S. military might respond to certain possible threats. Global strike has become one of the core missions for the Omaha-based Strategic Command, or Stratcom. Once, Stratcom oversaw only the nation's nuclear forces; now it has responsibility for overseeing a global strike plan with both conventional and nuclear options. President Bush spelled out the definition of "full-spectrum" global strike in a January 2003 classified directive, describing it as "a capability to deliver rapid, extended range, precision kinetic (nuclear and conventional) and non-kinetic (elements of space and information operations) effects in support of theater and national objectives." This blurring of the nuclear/conventional line, wittingly or unwittingly, could heighten the risk that the nuclear option will be used. Exhibit A may be the Stratcom contingency plan for dealing with "imminent" threats from countries such as North Korea or Iran, formally known as CONPLAN 8022-02. CONPLAN 8022 is different from other war plans in that it posits a small-scale operation and no "boots on the ground." The typical war plan encompasses an amalgam of forces -- air, ground, sea -- and takes into account the logistics and political dimensions needed to sustain those forces in protracted operations. All these elements generally require significant lead time to be effective. (Existing Pentagon war plans, developed for specific regions or "theaters," are essentially defensive responses to invasions or attacks. The global strike plan is offensive, triggered by the perception of an imminent threat and carried out by presidential order.) CONPLAN 8022 anticipates two different scenarios. The first is a response to a specific and imminent nuclear threat, say in North Korea. A quick-reaction, highly choreographed strike would combine pinpoint bombing with electronic warfare and cyberattacks to disable a North Korean response, with commandos operating deep in enemy territory, perhaps even to take possession of the nuclear device. The second scenario involves a more generic attack on an

adversary's WMD infrastructure. A multidimensional bombing (kinetic) and cyberwarfare (non-kinetic) attack might seek to destroy Iran's program, and special forces would be deployed to disable or isolate underground facilities. By employing all of the tricks in the U.S. arsenal to immobilize an enemy country -- turning off the electricity, jamming and spoofing radars and communications, penetrating computer networks and garbling electronic commands -- global strike magnifies the impact of bombing by eliminating the need to physically destroy targets that have been disabled by other means. The inclusion, therefore, of a nuclear weapons option in CONPLAN 8022 -- a specially configured earth-penetrating bomb to destroy deeply buried facilities, if any exist -- is particularly disconcerting. The global strike plan holds the nuclear option in reserve if intelligence suggests an "imminent" launch of an enemy nuclear strike on the United States or if there is a need to destroy hard-to-reach targets. It is difficult to imagine a U.S. president ordering a nuclear attack on Iran or North Korea under any circumstance. Yet as global strike contingency planning has moved forward, so has the nuclear option. Global strike finds its origins in pre-Bush administration Air Force thinking about a way to harness American precision and stealth to "kick down the door" of defended territory, making it easier for (perhaps even avoiding the need for) follow-on ground operations. The events of 9/11 shifted the focus of planning. Weapons of mass destruction became the American government focus. It is not surprising, then, that barely three months after that earth-shattering event, the Pentagon's quadrennial Nuclear Posture Review assigned the military and Stratcom the task of providing greater flexibility in nuclear attack options against Iraq, Iran, North Korea, Libya, Syria and China. The Air Force's global strike concept was taken over by Stratcom and made into something new. This was partly in response to the realization that the military had no plans for certain situations. The possibility that some nations would acquire the ability to attack the United States directly with a WMD, for example, had clearly fallen between the command structure's cracks. For example, the Pacific Command in Hawaii had loads of war plans on its shelf to respond to a North Korean attack on South Korea, including some with nuclear options. But if North Korea attacked the United States directly -- or, more to the point, if the U.S. intelligence network detected evidence of preparations for such an attack, Pacific Command didn't have a war plan in place. In May 2002, Rumsfeld issued an updated Defense Planning Guidance that directed the military to develop an ability to undertake "unwarned strikes . . . [to] swiftly defeat from a position of forward deterrence." The post-9/11 National Security Strategy, published in September 2002, codified preemption, stating that the United States must be prepared to stop rogue states and their terrorist clients before they are able to threaten or use weapons of mass destruction against the United States and our allies." President Bush declared in the National Security Strategy document, "We cannot let our enemies strike first." Stratcom established an interim global strike division to turn the new preemption policy into an operational reality. In December 2002, Adm. James O. Ellis Jr., then Stratcom's head, told an Omaha business group that his command had been charged with developing the capability to strike anywhere in the world within minutes of detecting a target. Ellis posed the following question to his audience: "If you can find that time-critical, key terrorist target or that weapons-of-mass-destruction stockpile, and you have minutes rather than hours or days to deal with it, how do you reach out and negate that threat to our nation half a world away?" CONPLAN 8022-02 was

completed in November 2003, putting in place for the first time a preemptive and offensive strike capability against Iran and North Korea. In January 2004, Ellis certified Stratcom's readiness for global strike to the defense secretary and the president. At Ellis's retirement ceremony in July, Gen. Richard B. Myers, chairman of the Joint Chiefs of Staff, told an Omaha audience that "the president charged you to 'be ready to strike at any moment's notice in any dark corner of the world' [and] that's exactly what you've done." Stratcom planners, recognizing that U.S. ground forces are already overcommitted, say that global strike must be able to be implemented "without resort to large numbers of general purpose forces." The 9/11 attacks caught the country unaware and the natural reaction of contingency planners is to try to eliminate surprise in the future. The Nuclear Posture Review and Rumsfeld's classified Defense Planning Guidance both demanded more flexible nuclear options. Though the official Washington mantra has always been "we don't discuss war plans," here is a real life predicament that cries out for debate: In classic terms, military strength and contingency planning can dissuade an attacker from mounting hostile actions by either threatening punishment or demonstrating through preparedness that an attacker's objectives could not possibly be achieved. The existence of a nuclear capability, and a secure retaliatory force, moreover, could help to deter an attack -- that is, if the threat is credible in the mind of the adversary. But the global strike contingency plan cannot be a credible threat if it is not publicly known. And though CONPLAN 8022 suggests a clean, short-duration strike intended to protect American security, a preemptive surprise attack (let alone one involving a nuclear weapon option) would unleash a multitude of additional and unanticipated consequences. So, on both counts, why aren't we talking about it? (William Arkin, "Not Just a Last Resort?" *Washington Post*, May 15, 2005)

5/16/05 North Korea has proposed discussing nonproliferation of nuclear weapons and substances from the country at the six-way talks on its nuclear ambitions once the stalled meeting is resumed, diplomatic sources said. The proposal was made to China, the chair of the six-party talks, in mid-April, according to the sources involved in the multilateral nuclear negotiations. While North Korea called on March 31 for the current six-way discussions to evolve into "disarmament talks," what it meant exactly by that comment had been unknown. The sources said that China was not pleased with the proposal, as it would lead to a change in the initial goal of the six-party talks. (Kyodo, "N. Korea Wants 6 Parties to Discuss Nonproliferation: Sources," May 16, 2005)

5/16-17/05 In the first high-level meeting in 10 months between representatives of the two Koreas, a Seoul official offered major incentives yesterday to Pyongyang if it would return to the stalled six-party nuclear disarmament talks. South Korean officials did not specify what the offer was. For its part, North Korea asked for supplies of fertilizer and rice. South Korean officials said they would provide the fertilizer. At the outset of two days of talks in Kaesong, North Korea, Rhee Bong-jo, South Korea's vice minister of unification, said, "The 1992 accord between the two Koreas on denuclearization of the Korean Peninsula must be complied with. Or else, cooperation and reconciliation between South and North Korea will be impossible. If North Korea returns to the six-nation talks, we will make an important offer for actual progress on the nuclear issue." Rhee, however, would not say what the South would give the North. He told journalists

after the talks that the South is preparing a package and will offer details if, and when, the six-party talks resume. Rhee said that during the talks he repeatedly stressed the significance of the offer to the North Koreans. But Kim Man-gil, North Korea's chief delegate for the talks, reportedly did not immediately respond. In his opening remarks, Kim demanded that South Korea abolish the National Security Law and stop the joint military exercises with the United States to create an atmosphere that would encourage inter-Korean dialogue. Pyongyang also demanded that Seoul apologize for barring its citizens from visiting the North in July to attend the 10th anniversary of the death of North Korea's founder, Kim Il Sung. The North also said the South must apologize for creating contingency plans in preparation for the communist regime's collapse. Rhee responded with a request for ministerial talks next month between the two sides. He said relations between the two Koreas should be restored by holding a series of discussions. To North Korea's request for fertilizer and food aid, Seoul agreed to provide 200,000 tons of fertilizer. The South also proposed that more assistance can be discussed if Pyongyang comes to ministerial talks, linking the aid packages with restoration of bilateral contacts. At the start of the year, North Korea requested 500,000 tons of fertilizer, but South Korea withheld a decision because of the failure to persuade the North Koreans to return to the six-party negotiations. International media, then, reported that Washington has asked Seoul to suspend its aid to Pyongyang.

That position visibly softened yesterday. Christopher Hill, U.S. assistant secretary for East Asian affairs and Washington's chief negotiator in the six-nation talks, reportedly told his South Korean counterpart, Song Min-soon, that the fertilizer aid is humanitarian assistance, and that he believed it would be properly distributed where it was most needed. At yesterday's talks, the two Koreas also agreed that Seoul could send a delegation to the fifth anniversary celebration of the June 15 inter-Korean summit between President Kim Dae-jung of South Korea and the North's leader, Kim Jong-il. The joint event will take place in Pyongyang from June 14 to 17. South Korea also proposed holding ceremonies to celebrate the opening of rail lines and highways during the June 15 event. The two Koreas reconnected the severed railroads last year as a part of inter-Korean economic cooperation programs. Seoul also asked Pyongyang to hold a reunion in August of families that have been divided since the Korean War. The countries have held reunions sporadically, but they stopped in July last year. After Seoul airlifted more than 460 defectors from Vietnam, Pyongyang ended inter-Korean contacts. At yesterday's talks, North Korea made no mention of the refugee issue. (Ser Myo-ja, "South Offers North Payoff for 6-Way Talks," *JoongAng Ilbo*, May 17, 2005) "We told the North Korean side that if it comes to the dialogue table, we will make important proposals for practical gains in talks aimed at resolving the nuclear issue," Rhee Bong-jo, the chief South Korean delegate said after the meeting. (Anthony Faiola, "South Korea Makes Offer to North as Talks Resume," *Washington Post*, May 17, 2005, p. A-12) "This meeting is distant from the nuclear issue," a North Korean negotiator was quoted as saying. (Joo Sang-min and Joint Press Corps, "Possible Chung Visit to Pyongyang Mooted for Summit's Fifth Anniversary," *Korea Herald*, May 18, 2005)

5/18/05

Already severe food shortages in North Korea are now near crisis level as World Food Program supplies have run out. "The situation is very serious. We don't have enough

food, WFP spokesman Gerald Bourne told AFP. "We are now scraping the bottom of the barrel." (AFP, "North Korea Food Crisis Worsens as World Food Program Stocks Run out," May 18, 2005)

5/?/05

Zarate: "In my last meeting as a Treasury official in May 2005 [before joining the NSC staff], I went to Foggy Bottom to meet the new assistantant secretary of state for East Asian and Pacific Affairs, Chris Hill. ...Condoleezza Rice, who was now secretary of state, believed that Hill would be the one finally to briker a deal with Pyongyang. She wanted a breakthrough, and Hill was brought in to make it happen. ...As our long-standing State Department contacts, David Asher and Jim Kelly, stepped aside to make room for Hill and his teram, it soon became clear that Hill did not much appreciate the campaign of constriction that we had spent so much time building. When Hill arrived, he was forty-five minutes late. He apologized and noted he had been with the secretary, and we proceeded to talk about the work underweay in the illicit financing field. ...When my time came, I could see that Hill was either distracted or uninterested. I went on to explain the 311 action we had ready to go and told him why we thought this was a critical part of of the pressure campaign, but it was mclear that Hill, like so many of his colleagues, had little undertsnanding of the strategic impact that this brand of financial warfare could have. We had set the stage for what promised to be the greatest demonstration of Treasury's most potential financial weapon to date, but as I left the meeting, I was somewhat demoralized. I was leaving Treasury to serve as the deputy national security adviser. Asher, who had worked so hard on this campaign, was literally sitting on the sidelines and on his way out of the State Department. And Hill seemed uninterested in moving our plan forward. BDA would need to wait for another day..." (Zarate, *Treasury's War*, pp 236-37)

5/?/05

Refugees International: "North Koreans fleeing deprivation and political oppression in their homeland have no choice but to cross the border into the People's Republic of China. The exodus, which increased substantially with the advent of famine in North Korea in the mid-90s, presents acute humanitarian and human rights dilemmas to:

- The government of China, which must assure its security and the integrity of its

borders

while fulfilling its obligations under the 1951 Convention Relating to the Status of

Refugees;

- The Office of the UN High Commissioner for Refugees, which is prevented by the

Chinese

from assessing the situation for North Koreans in China directly;

- The government of South Korea, which, while willing to accept North Koreans who

reach

South Korean consulates as refugees, is not proactive in providing protection for North Koreans in China for fear of offending the Chinese and North Korean governments;

- The government of the United States, which, while concerned about the situation of

North

Koreans in China, is unwilling to make their treatment a major point of discussion in its ongoing political and human rights dialogue with the Chinese government.

The actual number of North Koreans in China is unknown. In its 2005 report on the

status of

North Korean asylum seekers, the U.S. State Department estimates that the current number is

between 30,000 and 50,000. The primary motivation for North Koreans to leave their country is survival. China considers all North Koreans entering the country to be economic migrants, but this does not do justice to the level of suffering and deprivation that they experience. The North Koreans interviewed by Refugees International (RI) in 2003 and 2004 were almost all facing extreme circumstances when they left their homeland: food deprivation as the result of the collapse of the Public Distribution System, which supplied the basic food basket to North Korean families until the mid-90s famine; loss of employment as state enterprises ceased to function; death of family members in the famine, which shattered the support networks for the individual; health problems, either personal or of a family member, which led the individual to seek money for medicines in China. The vast majority of the North Koreans that RI interviewed were from North Hamgyong province, one of the poorest provinces in the country and one deliberately cut off from national and international food assistance during the famine as part of a "triage" strategy to husband scarce food resources. The lives of North Koreans in China are ones of constant fear of arrest and deportation. They have no good options to live freely and meet their basic needs, and the few courageous individuals and organizations seeking to provide protection and assistance, whether Korean-Chinese, South Korean, or the rare few from outside the region, are themselves under constant pressure from the Chinese authorities to curtail their activities or risk expulsion. Men have a difficult time finding sanctuary in China because they need to support themselves outside the home and traveling to find day labor exposes them to police searches. The overwhelming majority of North Korean women seeking to stay in China establish relationships with Chinese men, either through brokers or directly, as a survival strategy. While North Korean women sometimes find compatible companions and end up in loving relationships, most are – in effect – trafficked, sold to Chinese men or to the owners of brothels and karaoke bars. North Korean children are also vulnerable. Only a small percentage has access to education. They stay at home or in shelters all day to avoid detection. They cannot work. They are constantly worried about their families, either in North Korea or China. In the poignant words of one teenage boy, "The situation here does not allow me to dream about my future." There is a compelling case for the majority of North Koreans in China to be considered refugees. It rests on two pillars: 1. The nature of the North Korean political system and its impact on access to public goods, especially food; 2. The North Korean treatment of those arrested and deported from China as mandated by the country's Criminal Code. In North Korea access to public goods – food, education, health care, shelter, employment – cannot be separated from the all-pervasive system of political persecution. The North Korean population is divided into three classes: core, wavering, and hostile. The class status of each family is for life and transfers from generation to generation. Members of the hostile class are the last to receive entitlements, which is disastrous when a comprehensive welfare regime such as that established in North Korea collapses, as it did from 1994 onwards. Thus, an entire class of individuals is persecuted through the functioning of North Korea's political system. In this context, there is no meaningful way to separate economic deprivation from political persecution. In addition to the fundamental discrimination within the North Korean political system, the government further limits access to food

and the economic means of survival through a variety of policies that control the lives of North Korean citizens. The government controls movement within the country by requiring travel passes to move outside one's community of origin. Since foraging for food or looking for employment wherever it can be found are essential survival strategies at times of food shortages, limits on travel further prevent North Korean citizens from meeting their basic needs. The government restricts the activities of international relief agencies, declaring certain areas of the country off limits and preventing independent monitoring of the relief supplies provided. Thus, most North Koreans crossing the border into China are fleeing state-sponsored denial of their human rights. Members of the "hostile class" and residents of areas deliberately cut off from international food assistance have an especially strong case to be considered refugees in the sense of fleeing targeted persecution. But the denial of basic rights extends more broadly, and the hunger that drives people to flee is the direct result of the political system that has been created by the leaders of the North Korean government. Not since Cambodia under the Khmer Rouge has a government succeeded in creating such an all-encompassing reality of oppression and restrictions on the basic rights of the majority of its citizens. North Koreans fleeing their country, therefore, have a case for refugee status as compelling as those fleeing Cambodia from 1975 to 1978. The second pillar of the case for considering North Koreans in China for refugee status is the treatment they receive upon deportation. Leaving the country without permission is illegal under the North Korean Criminal Code. North Koreans arrested in China and deported are subject to punishments ranging from several months in a labor training center to long prison terms and even execution for individuals suspected or confirmed to have met with foreigners or converted to Christianity with the intention of becoming missionaries inside North Korea. Conditions in the labor training centers and prisons are harsh. Food rations are minimal and the work consists of hard labor such as digging canals and constructing roads. No medical care is available and prisoners too ill to work are often released so that the individuals do not die while in custody. The universality of the punishment for leaving the country violates the fundamental right to leave one's own country, a right enshrined both in the Universal Declaration of Human Rights, Article 13(2) and the International Covenant on Civil and Political Rights, Article 12(2), to which the Democratic People's Republic of Korea (North Korea) is a state party.

Recommendations: The case for granting refugee status to North Koreans in China is compelling, but without changes in the policy of the People's Republic of China, it is impossible to achieve. Nonetheless, any principled campaign to protect North Koreans in China must start by convincing China to: 1) Honor its obligations under the 1951 Refugee Convention and 1967 Protocol; and 2) allow UNHCR unimpeded access to North Koreans to review their overall situation and conduct individual status determinations. This would likely result in the granting of refugee status to a significant number of North Koreans. In the meantime, a practical, near-term protection strategy must first and foremost seek to establish greater security for North Koreans in China. China, South Korea, and the United States have policy options available to them which would significantly enhance the protection of North Koreans outside their country without jeopardizing regional or national security. Refugees International therefore recommends that:

The Government of the People's Republic of China:

- Take immediate humanitarian steps to protect North Koreans in China, including halting all deportations of North Koreans, except for those who commit criminal acts, and granting legal residence to the spouses of Chinese citizens and their children.
- Take additional steps to normalize the situation for North Koreans in China, including the granting of indefinite humanitarian status and providing North Koreans with a special resident visa if they can demonstrate that they have employment and shelter
- Grant a one-time blanket amnesty, with permission to remain in the country, for all North Koreans in China.
- Fulfill its obligations under the 1951 Convention Related to the Status of Refugees

and its

1967 Protocol and allow the Office of the UN High Commissioner for Refugees unimpeded access to North Koreans in China to review their overall situation and conduct individual status determinations. China should abide by all UNHCR decisions regarding the granting of refugee status.

The Government of South Korea:

- Become more proactive in its efforts to protect North Korean refugees by engaging

with

China to allow more North Koreans to seek asylum legally and making efforts to

identify

and protect North Koreans in other Southeast Asian countries. If these efforts are

successful,

South Korea should increase the number of North Koreans accepted as refugees.

- Recognize that North Korean refugees need more time to adapt to life in South Korea and provide financial support to Korean non-governmental organizations for alternative education, vocational, and life skills programs.

The Government of the United States:

- In the context of its ongoing human rights dialogue with Beijing, press the Chinese government to adopt measures to protect North Koreans in China, starting with immediately halting arrests and deportations and granting legal residence to the spouses of Chinese citizens and their children." (Joel Charney, *Acts of Betrayal: The Challenge of Protecting North Koreans in China*, Refugees International)

5/19/05

Senate Republican Policy Committee report calls on China to "make a choice: either help out or face the possibility of other nuclear neighbors." It adds, "A test in North Korea would certainly raise the prospect of a major public debate in Japan over whether to turn its latent nuclear capabilities in its civilian and space sectors into an overt nuclear weapons program." (U.S. Senate Republican Policy Committee, *Anticipating a North Korean Nuclear Test: What's To Be Done to Avert Further Crisis*, Policy Papers, May 19, 2005, p. 3)

Roh speech to Korea Third Military Academy: "The Korean armed forces have grown into a formidable military no one can take lightly....We should play a balancing role for peace and prosperity not only on the Korean Peninsula but also for Northeast Asia.... The power equation in Northeast Asia will change depending on the choices we make."

South Korea and the United States agreed to allow the speedy shipment of strategic materials to Kaesong after a thorough examination to see whether the equipment could be used for military purposes, South Korean officials said. Commerce, Industry, and Energy Minister Lee Hee-beom and Deputy Secretary of Commerce David Sampson concurred at a meeting in Washington. (Yonhap, "S. Korea, U.S. Agree on Shipment of Strategic Materials to Kaesong," May 19, 2005)

- 5/20/05 DoD spokesman Boucher: "There are a number of factors that go into considering food assistance to any country, including North Korea. One is the need and the request and our conversations with the World Food Program and others about what the needs may be. The second is the ability to make sure the food gets to the people who need it and, as all of you who have followed this issue know, that's been an issue with North Korea over the years. The third is competing needs. Are there other places, if there's a limited amount of food aid available, are there other places that may need some food and therefore we have to allocate it among different places? And, of course, we know that there are places like Sudan and other areas that have needs for food. But at this point we are considering the needs in North Korea. We are following the situation closely. We'll want to look at the production and we'll want to look at the monitoring. We want to keep in touch with the organizations who do this and supply this and we'll make our decision in due course. But it's wrong to say that we've halted it. We've completed last year's shipments of 50,000 tons and we're considering what we might want to do this year." (DoS Daily Briefing, May 20, 2005)
- 5/21/05 A convoy of 50 South Korean trucks crossed the border with emergency fertilizer aid, part of the 200,000 tons the South promised this week. (Kim Kwang-tae, "N. Korea Opens Border to Receive Fertilizer from S. Korea," Yonhap, May 21, 2005) For the first time since 1984 three North Korean cargo ships arrived in Ulsan to pick up fertilizer aid. (AFP, "North Korean Ships in South for the First Time in Decades to Pick up Aid," May 22, 2005)
- 5/22/05 DPRK Foreign Ministry spokesman's answer to a question put by KCNA as regards "a string of remarks made by senior officials of the U.S. administration to pressurize the DPRK, timed to coincide with the DPRK-U.S. contact in New York: A delegate of the U.S. State Department on May 13 paid a call on the DPRK mission at the United Nations in New York to convey to the mission its already known stand including its intention to recognize the DPRK as a sovereign state and its will for non-aggression. Quite contrary to this contact, a whole string of disturbing outbursts threatening the DPRK are again heard from among senior officials of the U.S. administration. Hadley, special assistant of the White House for national security, asserted on May 15 that the U.S. strategy for putting pressure upon north Korea still remains unchanged, talking about a punitive measure against it. U.S. Secretary of State Rice at a press conference on May 16 went so reckless as to bluster that the U.S. would not allow north Korea to aggravate the present stand-off and the reference of the issue to the UN might be one of its options. The DPRK remains unchanged in its stand to stick to the goal for denuclearizing the Korean Peninsula and seek a peaceful negotiated solution to the nuclear issue. In order to make the talks successful the DPRK has so far exercised its utmost patience and taken a prudent attitude to the maximum. If the U.S. has a sincere stand to settle

the issue through the six-party talks, it should opt for creating conditions and an environment for resuming the talks. They let loose such an endless string of balderdash at a time when the DPRK is seriously studying the U.S. stance, which it had learned through the contact in New York, in connection with what the Bush administration has said. This only creates confusion in guessing the U.S. stand. The DPRK will continue to closely follow the U.S. attitude and its stand will be officially conveyed to the U.S. side through the contact channel in New York when an appropriate time comes." (KCNA, "DPRK to Continue Following U.S. Attitude," May 22, 2005)

5/23/05

North Korea said it was seriously studying a U.S. overture for resuming six-nation negotiations on ending its nuclear weapons development, while South Korea said that how North Korea responds to the American initiative could be a turning point in the nuclear standoff. Joseph DiTrani, the U.S. special envoy on North Korea, visited the state's UN mission in New York on May 13 and delivered an official message that Washington recognized the North as a sovereign state and had no intention of invasion. DiTrani then urged North Korea to return to six-nation talks. "How North Korea will respond is very important," Kim Sook, the head of the South Korean Foreign Ministry's North American bureau, told KBS radio. "It will be a watershed in efforts to resolve the North Korean nuclear problem." Yesterday night, the North Korean Foreign Ministry confirmed DiTrani's visit on May 13 and said it would respond "when an appropriate time comes." It said that its goal of keeping the Korean Peninsula free of nuclear weapons "remains unchanged." But the ministry condemned recent comments by Secretary of State Condoleezza Rice and other U.S. officials who have cited UN sanctions as a possible option. (Choe Sang-hun, "U.S. Efforts on Korea Talks Bring a Response," *International Herald-Tribune*, May 24, 2005)

"The North Koreans are basically hellbent on proving to the world that they need to be taken seriously. That's dangerous," said Curt Weldon (R-PA), vice chair of the House Armed Services Committee. "A North Korean test would embarrass China and might actually rally other nations to our position. But the result might push Kim Jong-il to take whatever steps he felt necessary to rally his people into war." Weldon says he met with DPRK Ambassador Han Song-ryol May 16 and told him, "If you do a test, you're going to set this process back years and years, and it's going to lead to consequences neither of us want." While the United States knows the location of the North's main nuclear complex, it does not know where it is storing plutonium or atomic bombs that may already be assembled. "We also suspect that North Korea has some early enrichment capability. We don't know where that is," said Daryl Kimball, executive director of the Arms Control Association. "So a surgical strike is not likely going to be effective. Further, any military action creates the high risk that North Korea will respond using its substantial conventional forces, specifically its artillery, to pulverize Seoul." (Tom Raum, "N. Korea Nuke Test Would Pose Challenges," Associated Press, May 23, 2005)

The situation was dire, but J.D. Crouch II had a solution. North Korea's nuclear program presented such a threat, he determined, that the United States should dispatch more troops to South Korea, redeploy tactical nuclear weapons and plan airstrikes against the North's nuclear facilities should diplomacy fail. "Diplomacy in

Pyongyang without military power," he declared, "is appeasement plain and simple." That was 1995. A decade later, North Korea's nuclear program has become a graver threat, and now Crouch is in a position to do something about it as President Bush's new deputy national security adviser. But the solutions of Crouch's youth in academia look more complicated from the seat of power. "The world is different," he says. "Circumstances have changed." "He took some very extreme positions during the Clinton administration when he was out of government," said John Isaacs, president of the Council for a Livable World, an arms control advocacy group. "But I must say since he entered this Bush administration at the beginning of the first term, we haven't heard much about what he's been doing. It shows that some of the more conservative types from the first [term] are surviving and thriving in the second. He seemed to keep his head down." Friends say Crouch understands that his role is to promote the president's views, not his own. "He has a very good understanding of where the president wants to go, he has a good understanding of the process, and he has good relations with other people in the process," said David Trachtenberg, who served under Crouch at the Pentagon. Crouch, a Santa Monica native who spent childhood summers in Missouri, studied foreign relations at the University of Southern California, and, like many of his generation, his perspective was profoundly shaped by President Jimmy Carter's tribulations with Iran and the Soviet Union. "There's no question that we were unsure of ourselves," he recalled. "The one thing President Reagan gave us in foreign policy was the sense of being sure of ourselves again. That was so vital." Crouch went to work in Ronald Reagan's State Department, then for Sen. Malcolm Wallop (R-Wyo.) and finally as deputy to Hadley in George H.W. Bush's Pentagon under then-Defense Secretary Richard B. Cheney. In 1992, Crouch followed his USC mentor, William R. Van Cleave, to Southwest Missouri State University. When George W. Bush was elected, Crouch returned as assistant defense secretary for international security, then later served as ambassador to Romania. "He's smart as a whip," said Van Cleave, a national security official in three Republican administrations. And "he thrives in stressful situations." As a professor, Crouch wrote blistering critiques of U.S. policy. He spoke out against arms control pacts, including the Anti-Ballistic Missile Treaty, the Chemical Weapons Convention and the Comprehensive Test Ban Treaty. And he advocated resuming nuclear testing to modernize the U.S. arsenal. In a 1995 article titled "Clinton's Slow Boat to Korea" in the journal *Comparative Strategy*, Crouch blasted President George H.W. Bush for "a major geopolitical mistake" in removing tactical nuclear weapons from South Korea and castigated President Bill Clinton for relying too much on diplomacy and the United Nations in handling Pyongyang. "Absent positive, visible steps by the North Korean regime toward" abandoning its nuclear program by a firm deadline, Crouch wrote, the United States should "authorize the destruction of as much of this complex as possible by U.S. and allied air power." Senate Democrats scrutinized such writings in 2001 during Crouch's Pentagon confirmation hearings at the same time they considered the nomination of Douglas J. Feith, later a chief architect of the Iraq war. In the end, some Democrats say now, Crouch has proved more of a professional than an ideologue. "We sort of decided that J.D. was the one we would take a harder view of," said one Senate Democratic staffer who spoke on the condition of anonymity. "But as it turned out, we probably should have focused more on Feith than him. [Crouch] didn't pan out to be the archfiend that

we thought we had on our hands." (Peter Baker, "In New Job, Diplomacy Displaces Saber-Rattling," *Washington Post*, May 23, 2005, p. A-17)

With shaking hands, the North Korean climbed onto the shoulders of a buddy to reach the underside of the bridge. As another accomplice stood guard, he hung up a banner denouncing North Korean leader Kim Jong Il in bright red paint. Then he took out a video camera, disguised to look like a carton of cigarettes, and filmed his handiwork for posterity. Today, the North Korean who says he shot the video on behalf of a group called the Freedom Youth League lives in hiding in Thailand under an assumed name. A small, wiry man in his 30s, he smoked L&M cigarettes nervously as he recalled his daring feat against the totalitarian government. Everything had to be done with the utmost secrecy, he said, to the point that he and his associates communicated by means of notes passed in sacks of potatoes. He didn't dare tell even his wife. "If we were caught, everybody would be dead," said the man, who goes by the name Park Dae Heung. The 33-minute tape has created a sensation in Japan and South Korea, where it has aired repeatedly. South Korean human rights advocates say it is the first evidence of a nascent dissident movement inside North Korea. Besides the banner hung on the bridge, the video shows an anti-government banner in a factory restroom and has one particularly eye-catching scene in which the camera pans over an official photograph of Kim Jong Il defaced with graffiti as a man denounces him off-camera. The video is one of a series of samizdat videos that provide a rare glimpse of life in what may be the most secretive country in the world. Since the beginning of this year, videos have emerged from inside North Korea of a public execution, children begging at a train station and humanitarian aid from the United Nations being sold at a market. Among North Korea watchers, there is some debate about whether the filmmakers were motivated mainly by their opposition to the government or by greed. Many of the videos have been sold to Japanese television stations, which have paid as much as \$200,000 for choice footage, according to some accounts. That people are able to make such videos challenges many of the assumptions about Kim's grip on power. The videos do not necessarily mean the government is on the verge of collapse -- the majority opinion among analysts is that it is not -- but their existence shows that social control is fraying at the edges. "Nobody would have dared to do such a thing three or four years ago," said Takase Hitoshi, president of Japan Independent News Net, a Tokyo-based company that distributed footage in March of an apparent public execution in North Korea. The footage of the anti-government banners was smuggled out of North Korea across the Chinese border by activists working with the Seoul-based Citizens Coalition for Human Rights of Abductees and North Korean Refugees. Do Hee Yun, secretary-general of the group, says it is the first solid evidence of nascent dissident activity within North Korea. (Barbara Demick, "Secret N. Korean Footage Suggests Nascent Dissent," *Los Angeles Times*, May 23, 2005)

5/24/05

Japan's Vice Foreign Minister Yachi Shotaro reportedly had harsh words for Korea during a recent visit of Korean lawmakers. He said Seoul had been neglecting its alliance with Washington although unity between South Korea, the U.S., and Japan was key to solving the North Korean nuclear dispute. He told the members of the National Assembly's Defense Committee that Tokyo "would not accept" a new role Korea sees for itself as a power balancer in Northeast Asia. Seoul was reportedly told of Yachi's

statements by its embassy in Tokyo. The lawmakers quoted Yachi as saying, "The U.S. and Japan are sharing intelligence about the North Korean nuclear issue, but because the U.S. does not trust South Korea, it's hard for Tokyo to share the intelligence it has gathered about [the matter] with Seoul." The vice minister reportedly used frank language to criticize South Korea. It was Yachi's interpretation that in the nuclear dispute, "the U.S. and Japan are on the right side, and China and North Korea are on the left side, while it seems South Korea is closer to the Chinese and North Korean side." He said Japan's position on the dispute was "that it can't wait forever." He warned if North Korea conducts a nuclear test, Tokyo would cut food aid and raise "in earnest" the issue of Japanese citizens abducted by Pyongyang. The committee members also met with Vice Admiral Gary Roughead of U.S. Pacific Command, who equally had reservations about a balancing role for Korea, asking where Seoul's alliance with Washington came into the equation. Roughead was also reportedly miffed that the Cheong Wa Dae National Security Council pulped a joint military plan for contingencies including natural disasters and mass defections in North Korea dubbed OPLAN 5029. The committee delegation visited Tokyo, Washington and U.S. Pacific Command in Hawaii from May 6. It consisted of Yoo Jay-kun (Uri Party and committee head), Cho Sung-tae (Uri), Kim Myung-ja (Uri), Park Jin (Grand National Party) and Song Young-sun (GNP). (*Chosun Ilbo*, "Korean Lawmakers Get Earful from Allied Hardliners," May 24, 2005)

KEDO held its first regular meeting since Executive Director Charles Kartman's contract expired at the end of April. Kartman is staying on month-to-month and attended the meeting. Asahi Shimbun reported today that the Bush administration does not intend to appoint a successor to Kartman. (Peter James Spielman, "Korea Energy-for-Arms Project in Limbo," Associated Press, May 24, 2005)

5/25/05

The Pentagon abruptly halted a program that sends U.S. missions to North Korea to recover the remains of American soldiers, citing heightened concern about the safety of the recovery teams. A spokesman for U.S. Pacific Command, which oversees the recovery effort, said the move was prompted not by any specific North Korean action or threat but by a recent string of "saber-rattling" statements from Pyongyang and rising tensions over its nuclear weapons and missile programs. "It is a force protection issue," said another spokesman, Navy Lt. Cmdr. Jason Salata. "We are concerned that the environment that North Korea has created is not conducive to the effective operation of the missions, and we want to ensure the safest conditions for our recovery teams." A brief Pacific Command statement announcing the suspension said the United States "is prepared to continue" the missions after the North Koreans "have created an appropriate environment." The decision marked the second time the United States has interrupted the program since it began nine years ago. Work was stopped from October 2002 to June 2003 after North Korea disclosed that it had secretly been enriching uranium for a nuclear weapons program it promised to freeze in 1994. The recovery effort, which so far has involved 33 missions, each lasting about a month, has located more than 220 sets of remains. With more than 8,100 U.S. service members still listed as missing in action from the Korean War, which ended in 1953, many additional remains are thought to be recoverable. Two days ago, the Pentagon reported that the latest search group, consisting of 27 members, had emerged from

North Korea with an unspecified number of remains found at the sites of two former battlefields. Several officers familiar with the mission said yesterday that they knew of nothing that had threatened its safety. Another group had been scheduled to go soon. (Bradley Graham, "U.S. Halts Missions to Recover Remains in N. Korea," *Washington Post*, May 26, 2005, p. A-19)

5/26/05

Scowcroft and Poneman: "If North Korea tests a nuclear weapon, the reverberations will circle the globe. A test would provoke other nations to reconsider their nuclear options, and could disrupt political and economic stability in Asia and beyond. While the precise consequences cannot be confidently predicted, they will certainly be harmful. Their prospect should galvanize international efforts to arrest the North Korean nuclear program. The six-party talks designed to deal with the North Korean challenge have stalled. Pyongyang has gained effective control and pacing of the crisis, boycotting the talks and cranking up its nuclear program. The world is powerless to assess the accuracy of its escalating assertions of nuclear weapons capability, as North Korea has kicked out all international inspectors and monitoring equipment. From the North Korean perspective, why hurry back to negotiations that will only bring increased diplomatic pressure? Each day they advance their nuclear options, enhancing their military capability and increasing the price they can demand at the negotiating table. As the vice president has said, time is not on our side in the case of North Korea. That is why it is vital to force the issue now. We must not wait for Pyongyang to decide whether and when it is ready to negotiate, for such delay could be fatal to our interests and to those of the world. Even if not fatal, to permit North Korea to taunt the world with its nuclear claims with impunity invites others to follow suit. The U.S. therefore has enormous stakes in breaking the logjam. How can we prevent North Korea from lulling the world into accepting it as a de facto nuclear power? To fall back to missile defenses to block North Korean nuclear-tipped missiles and naval interdiction to block nuclear weapon exports is inadequate. The world cannot weave a net so fine as to guarantee capture of a single bomb before it falls into the hands of terrorists or into the heart of a major city. Instead, the U.S. should articulate a vision of a future where no North Korean nuclear weapons threaten the world and no governments threaten North Korea's security. Condoleezza Rice began this process with her Tokyo acknowledgment of North Korea's sovereignty. The U.S. vision should be painted with bold, clear strokes -- including security assurances, economic cooperation, and diplomatic recognition -- in exchange for North Korea's complete and verifiable elimination of its nuclear weapons program. The next step would be to take that vision to our partners in the six-party talks, to incorporate their elements into this vision, and to forge a consensus that could be presented to North Korea. Faced by a comprehensive proposal that, in the eyes of the world, provides a reasonable yet compelling rationale to give up its dangerous nuclear program, Pyongyang would then be given a specific deadline to respond. This would reassert control over our own diplomacy, and present an attractive pathway to resolve this crisis peacefully, before Pyongyang's nuclear actions cause irrevocable harm. Critically, a North Korean rejection of this offer would leave all of the other four parties siding with the U.S. That solidarity would be essential to establishing the political basis for a U.N. Security Council resolution imposing sanctions on Pyongyang. Only then could the international community succeed in forcing Kim Jong Il to choose between nuclear

weapons and perhaps the only thing he values more highly: regime survival. Today he may well view nuclear weapons as an invaluable asset to perpetuate his regime; our job is to turn them into a liability. This new approach should not be muddled by the debate over multilateral versus bilateral talks. Disputes over the format for negotiation should be managed, not raised to the level of principle. And this approach is not a policy of regime change. To the contrary, it proposes actions to undermine North Korea's stability as a last resort, rather than as a first choice. A policy of regime change could not gain South Korean and Chinese support. Without that, it would be irresponsible to rely on Kim Jong Il's demise as the solution, and a mistake to call that a policy rather than a wager based on uncertain odds. Besides, any successor to Kim would likely harbor similar nuclear ambitions. In dismissing North Korea's nuclear posturing, some have asked, "What are they going to do with their nuclear weapons, anyway?" The world cannot afford to wait for an empirical answer to that question. (Brent Scowcroft and Daniel Poneman, "Confront North Korea," *Wall Street Journal*, May 26, 2005, p. A-12)

President Roh Moo-hyun accepted the resignation of his key aide on international affairs who was allegedly involved in a corruption scandal over a resort development project in South Chungchong Province. He was accused of writing a letter of recommendation for Hangdam Island Development Corporation to help raise \$83 million in the United States to build an amusement park. Moon's office also signed a memorandum of understanding with HDC. "Roh accepted the resignation of Moon Chung-in, chairman of the Presidential Committee on Northeast Asian Cooperative Initiative, as he judged that Moon did not act properly, though his actions were not illegal," presidential spokesman Kim Man-soo said in a media briefing. "We are regretful of the scandal in which some presidential aides are involved. (Jung Sung-ki, "Roh Accepts Key Aide's Resignation over Scandal," *Korea Times*, May 27, 2005)

Table 1. U.S. Assistance to North Korea, 1995-2004

Calendar or Fiscal Year	Food Aid (per FY)	KEDO	Medical	Total
1995	\$0.0	\$9.5	\$0.2	\$9.7
1996	\$8.3	\$22.0	\$0.0	\$30.3
1997	\$52.4	\$25.0	\$5.0	\$82.4
1998	\$72.9	\$50.0	\$0.0	\$122.9
1999	\$222.1		\$65.1	\$287.2
2000	\$74.3	\$64.4	\$0.0	\$138.7
2001	\$102.8		\$74.9	\$177.6
2002	\$82.4	\$90.5	\$0.0	\$172.9
2003	\$25.5	\$3.7	\$0.0	\$29.2
2004	\$55.1	\$0.0	\$0.2	\$55.3
Total	\$695.8		\$405.1	\$1,106.2

Sources: Figures for food aid and medical supplies from USAID and US Department of Agriculture; KEDO (Korean Peninsula Energy Development Organization) figures from KEDO. (Mark E. Manyin, *Foreign Assistance to North Korea*, CRS Report for Congress, May 26, 2005)

- 5/27/05 North Korea has denied reports that it might be preparing to test a nuclear weapon, calling them a U.S. "fabrication." U.S. officials said earlier this month that North Korea appeared to be digging tunnels and building a reviewing stand in the northeast and said these could be preparations for a nuclear test. At the time North Korea criticized the report, which was based on spy satellites, but did not deny it. "The U.S. leadership has recently ... come out with a fabrication that there are some kind of missile tests and signs of an underground nuclear test," the Korean Central Television Station, the North's only nationwide network, said late Thursday. KCTS said the United States continued to use "very bellicose, abusive language" toward North Korea. "Our army and people do not want a war or relations (with the United States) to worsen, but we also would not beg for dialogue and peace under any circumstances," KCTS said. (Associated Press, North Korea Calls Nuclear Test Reports a U.S. 'Fabrication'" May 27, 2005)
- 5/28/05 President Bush's concern about human rights violations in North Korea was fueled by a book, "The Aquariums of Pyongyang: Ten Years in the North Korean Gulag," by Kang Chol-hwan, who escaped from the North and is now a reporter for *Chosun Ilbo*, and Pierre Rigoulot, a French journalist and historian, reported *Yomiuri Shimbun*. After his grandfather was arrested as a political prisoner, Kang and his family were removed to a concentration camp when he was nine years old and lived there for the next ten years. (*Chosun Ilbo*, "Bush 'Moved by Defector's Book on Human Rights,'" May 31, 2005)
- 5/29/05 The deployment of 15 stealth fighters to South Korea, along with the severing of the American military's only official interaction with North Korea, appears to be part of a new push by the Bush administration to further isolate North Korea despite China's hesitation to join the effort. The deployment was confirmed by the Pentagon on May 27 after several news reports. Although senior Pentagon officials say the F-117 stealth fighters are part of preparation for a long-planned training exercise, the show of force comes at a delicate moment both militarily and politically. China, South Korea and some experts in the United States have urged the administration to make a more specific offer to North Korea, laying out what it would get in return for giving up its nuclear arms program. Administration officials, however, have suggested in recent interviews that they are headed toward taking a hard line, cracking down on the North's exports of missiles, drugs and counterfeit currency. The United States warned its allies this month that the North might be preparing to test a nuclear weapon. Now senior officials say American intelligence agencies are still monitoring several locations in North Korea where a nuclear test might be held, though they readily concede the evidence that the North will proceed with a test is "partial." Some officials say they doubt that North Korea's leaders are ready to risk galvanizing its neighbors against it by conducting a test and removing all ambiguity about claims that it has built nuclear weapons. "It's a very tough calculus for the North Koreans," said one senior official. In struggling to deal with the North's threats and its demands for concessions in return for coming back to the negotiating table, the Bush administration has sent a series of seemingly mixed messages. President Bush himself has repeatedly said he has no "intention" of attacking North Korea. Secretary of State Condoleezza Rice said several weeks ago that the United States recognized the North as a sovereign state. But she and other senior officials have pointedly reminded the North of the extensive

American military presence in South Korea. Now, some officials say, the stealth fighters are an added way of making it clear to Kim Jong Il, the nation's leader, that even though the American military is tied up in Iraq, it can reach his capital, Pyongyang, and the nuclear facilities north of it. North Korea, for its part, on May 29 called the stealth fighter deployment "a risky prelude to war," a term it has often used about American military exercises. In a change that reflects a failure of the present policy, some officials say they will no longer rely heavily on China to sway the North Koreans. Rice met with China's leaders in Beijing in March specifically to ask them to pressure North Korea. That pressure has continued. But senior officials say they now realize that China may never be willing to use its leverage over North Korea, which relies on China for much of its food, energy and other resources. The Chinese appear to be perfectly happy to have North Korea "roll along in this seemingly stable netherworld," one official said, rather than risk destabilizing the nation, possibly unleashing a flood of desperate and hungry refugees across its eastern border. The officials said another Chinese consideration was that if the North Korean government collapsed, South Korea might claim sovereignty over the North - placing a well-armed American ally on China's border. Several officials said that in the wide-ranging reappraisal of the administration's strategy toward North Korea, every option was being considered - possibly including a richer package of security guarantees and economic cooperation if the North came back to negotiations. One senior official closely involved in the issue said that even though getting China to cut off trade with North Korea seemed difficult now, "a good portion" of the North's foreign exchange "is from illegal activity. Increasingly I think the countries of the region are going to recognize that these are unhealthy activities," he said, "and we will act together to try to shut them down." (Joel Brinkley, "Pressure on North Korea: U.S. Stealth Jets Sent to South," *New York Times*, May 30, 2005)

5/30/05

The Bush administration is preparing to discuss for the first time details of the early fruits of its efforts to join forces with other nations in intercepting weapons and missile technology bound for Iran, North Korea and Syria, according to several administration officials. Some details are expected to be presented to foreign diplomats at the State Department on Tuesday by Secretary of State Condoleezza Rice, the officials said. Many of the diplomats are from the 60 or so nations that have joined President Bush's Proliferation Security Initiative, an effort to use a patchwork of national laws and agreements with other countries to intercept suspected weapons shipments in ports and on the high seas. The timing of the presentation is significant because Bush's aides, in conversations where they insisted on anonymity because of the sensitivity of the subject, are talking with increasing urgency about using similar techniques to cut off North Korea's main sources of hard currency: shipments of weapons, illegal drugs and counterfeit currency. The administration officials said that Rice would be joined by the new director of national intelligence, John D. Negroponte, and that they would announce that Iraq, Georgia and Argentina were joining the effort to stop weapons shipments en route. "What we are looking to do is make clear that we have had many quiet successes that no one has heard about," said a senior official who has been involved in the program since it began. "This is the time to make it clear that there are many ways to stop proliferation activities." Rice is expected to cite about a dozen cases in which material was either intercepted - largely at ports, during the transfer of

containers - or Washington notified other countries that a shipment was about to leave their waters. But according to officials who are familiar with her presentation, she will be vague about most of the details. They say that is partly because some foreign governments are concerned about retribution if they are seen to be closely cooperating with the United States and other Western nations. (David E. Sanger, "Rice to Discuss Antiproliferation Program," New York Times, May 31, 2005, p. A-3) DoS: **Q:** The Danish Ambassador said that shipments of missiles have decreased during the period since PSI has – since its creation. I realize it's his statement and not that by an American official, but do you share that view? **BOUCHER:** Yeah, we do share that view. **Q:** How do you measure that? Are you certain that you know all shipments of ballistic missiles and therefore you can say that they have, in fact, gone down? Are you just – **BOUCHER:** It's a judgment that we would agree with. I think many times missile sales are known through a variety of channels and certainly we can measure the volume in a gross way and it's – we think it's a true statement. But no, I don't have – I'm not sure I can account for every missile sold in the world and make sure that, you know, that we know the exact number in any given year. ... **Q:** You may or may not know that the success of PSI is being questioned by some former diplomats and other governments – so I went to that, listening carefully, how Secretary Rice credited PSI, and on Libya she said it provided the framework for that – stopping the shipment to Libya – and she spoke of 11 successful efforts. Are you guys hedging – are you claiming that PSI literally stopped 11 shipments of dangerous technology including the shipment to Libya? Because I think people in this State Department, at least one, who worked very hard on proliferation, strongly disagrees that it was successful, to that extent. **BOUCHER:** Well, all right, let's listen carefully to what the Secretary did say. We say in the case of *BBC China's* Proliferation Security Initiative provided the framework because this – the *BBC China* case – was one also, it says here, with the A.Q. Kahn network, as well as Libya's decision to eliminate its weapons of mass destruction and long range missile programs. There were other efforts being pursued in case of Libya and A.Q. Kahn that contributed to successfully stopping this – to finding out and stopping this shipment. So in that case, we didn't want to say it was solely a matter of Proliferation Security Initiative because proliferation security was – if I remember – at an early stage back then. And therefore, Proliferation Security provided the framework in which these other efforts were successful. In subsequent cases, as the Secretary said, 11 cases over nine months – well, we do know we stopped things. Some of those cases we were able to find out about them in advance, go to the country involved and have the country stop them even before the sale – was sold, the items were shipped. In other cases, it was more an interdiction along the way, where things were unloaded from ships and stopped them from getting – and there were 11 successful efforts of that kind. **Q:** But there were 11 successful PSI? **BOUCHER:** Yeah, the word "efforts" is being use because it covers a number of different circumstances. ...Stopping something before it's shipped or stopping something, off-loading it from a ship are slightly different things. We called them efforts, but there are 11 specific cases where we stopped something that was going to be – that was going to be exported as weapon of mass destruction or contributing to that or do we use equipment contributes to that, where PSI was the framework, was the mechanism for stopping it. **Q:** Could you describe those 11? **BOUCHER:** She cited a couple. I don't think I can in too much more detail. I'll give you all the ones I've got, some of which duplicate what

she said up there. There was one where we worked successfully with other countries to interdict transshipment of material and equipment bound for ballistic missile programs in countries of proliferation concern – actually, this is several cases in countries of proliferation concern, including to Iran. One of those cases, extensive and coordinated law enforcement, customs and diplomatic cooperation among three partners was employed to stop the onward movement of material intended for another country's missile program. Partners sometimes working in concert with other likeminded nations have also prevented Iran from procuring goods to support its missile and weapons of mass destruction programs, including for its nuclear program. Bilateral cooperation prevented the ballistic missile program in another country in another region and the (inaudible) from receiving missile propellant production equipment. In addition, we worked to impede the progress of North Korean weapons of mass destruction and missile programs, for example, bilateral cooperation with several governments prevented North Korea from receiving materials used in making chemical weapons and cooperation with another country blocked the transfer to North Korea of a material useful in its nuclear programs. ...**Q:** But so far as what you said, two involve – two of the 11 involve North Korea and two involved Iran? Did I hear you correctly?

BOUCHER: Well, I have cited two cases involving North Korea. I've cited several cases involving countries of proliferation concern, including Iran. I've cited cases involving materials for Iran's missile and weapons of mass destruction programs. And I've cited a case in another country in another region on missile propellant. ...**Q:** Richard, can I go back? One thing, forgive me, the two for North Korea, at least two for Iran and at least one in a third country, correct, not North Korea or Iran? **BOUCHER:** Yeah. Nicholas." (DoS, Daily Press Briefing, Spokesman Richard Boucher, May 31, 2005)

In a taped interview on CNN's "Larry King Live," Vice President Dick Cheney described Kim Jong Il as "one of the world's most irresponsible leaders," a man who runs a police state and leaves his people in poverty and malnutrition. "And he obviously wants to throw his weight around and become a nuclear power." (Associated Press, "Cheney Says China Must Press N. Korea on Weapons," *Washington Post*, May 30, 2005, p. A-18) North Korea called Vice President Dick Cheney a "bloodthirsty beast" and said June 2 his recent remarks labeling ruler Kim Jong Il irresponsible are another reason for it to stay away from six-nation nuclear disarmament talks. "What Cheney uttered at a time when the issue of the six-party talks is high on the agenda is little short of telling (North Korea) not to come out for the talks," an unnamed North Korean Foreign Ministry spokesman said, according to KCNA. (Burt Herman, "North Korea Condemns Cheney Remarks," Associated Press, June 2, 2005)

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Bush: "North Korea had a weapons program that they had concealed, as you might recall, prior to 2002. As a matter of fact, it was prior to 2000 -- it was a bilateral -- so-called bilateral agreement between North Korea and the United States. And it turns out that they had violated that agreement because they were enriching uranium, contrary to the agreement. And we caught them on that. And therefore, I decided to change the policy to encourage other nations to be involved with convincing North Korea to abandon its weapons program. And that's where we are. And it's important to have China at the table, for example, saying the same thing that the United States is saying, and that is, is that if you want to be a -- if you want to be a responsible nation,

get rid of your weapons programs. It's important to have Japan and South Korea and Russia saying the same thing. We've got a lot of work to do with the North Korean because he -- he tends to ignore what the other five nations are saying at times. But that doesn't mean we're going to stop, and continue to press forward to making it clear that if he expects to be treated as a responsible nation, that he needs to listen to the five nations involved. ...Q. This morning you reiterated diplomacy as the way to deal with North Korea. With all due respect, some people say that's precisely the wrong approach because diplomacy has produced nothing, while at the same time it has allowed North Korea to progress in its nuclear program. ... Bush: Well, then let's see -- if it's the wrong -- if diplomacy is the wrong approach, I guess that means military. **That's how I view it -- it's either diplomacy or military. And I am for the diplomacy approach. And so, for those who say that we ought to be using our military to solve the problem, I would say that, while all options are on the table, we've got -- we've got a ways to go to solve this diplomatically.** ...I always get asked that, how long? How long are you going to do this? How long is that going to happen? Why don't you give us a timetable? I'm not giving timetables. I am going to say that we are -- and it's very important for our partners to understand that I believe the six-party talks can and will work. We're constantly in touch with our Chinese counterparts. Sometimes people move a little slower than American society in the world. And sometimes expectations around the world are maybe different from ours. But, fortunately, we've got everybody on the same page that says that the idea of North Korea having a nuclear weapon isn't good. And by the way, that started with, as you know -- might recall, the visit I had with Jiang Zemin in Crawford. And we came out of that visit with a common declaration that said it's in our interests that North Korea not have a nuclear weapon. And that was a positive step forward because once you get a country to commit to that goal, then it makes it -- enables us to work together to achieve that goal in a peaceful way. The other thing is, is that it's clear from the other five parties there -- the other four parties in our five-party coalition dealing with the sixth party, which is North Korea -- is that people do want to solve this issue diplomatically. And so it's a -- it's a matter of continuing to send a message to **Mr. Kim Jong-il** that if you want to be accepted by the neighborhood and be a part of the -- of those who are viewed with respect in the world, work with us to get rid of your nuclear weapons program. ...Q Mr. President, back to North Korea for a second. Why has the United States scrapped the one link between our militaries when there's been no threat or harm to Americans participating in those missions to recover bodies of Americans killed in action during the Korean War there? Bush: The Secretary of Defense decided to take a -- what he's referring to is, is that we have -- I wouldn't called it "scrapped" -- is that the verb you used? "Scrapped?". I would use a different verb. I would use "reassess" the mission. See, "scrapped" means that we're not going to do it ever again, I think is what that means. And what the Secretary of Defense has said, let me just take a look and make sure that as we send people into North Korea, that we're fully mindful of them being able to go in and get out. No immediate threat, just an assessment, is how I would put it." (White House, Office of the Press Secretary, President's Press Conference May 31, 2005)

North Korea's economy grew 2.2 percent last year as good weather boosted the agricultural sector, the Bank of Korea reported. The 2004 growth compares with 1.8

percent in 2003 and marks the sixth straight year of growth. Trade grew to \$2.86 billion, up 19.7 percent from 2003. Exports rose 30.8 percent to \$102 billion, thanks to rising raw materials prices and increased iron ore and coal exports. Imports rose 14.3 percent to \$1.84 billion, reflecting mostly increased oil purchases and transportation products. Trade with the South was down 3.8 percent to \$700 million. Flow of goods to the North increased 0.9 percent due to construction of Kaesong and Mount Kungnam tourism. (Associated Press, "North Korean Economy Grows 2.2 Percent Last Year, South Korea's Central Bank Says," May 31, 2005)

Richard Haass: "A decade ago, many believed that North Korea was near collapse, yet the regime still stands, and it may persist for years more, notwithstanding North Korea's impoverishment, its cruel and eccentric leadership, and its utter lack of freedom. Iran, too, is unlikely to throw off its current clerical leaders, despite their unpopularity. Even if these assessments ultimately prove incorrect, regime change cannot be counted on to come quickly enough to remove the nuclear threats now posed by these countries. Unless, that is, the United States is prepared to invade them. But the expense of this approach would be enormous. Pyongyang's conventional military power could inflict great loss of life and physical destruction on South Korea, and its nuclear weapons could obviously increase such costs dramatically. Many U.S. military personnel (including some of the more than 30,000 currently stationed in South Korea, along with reinforcements who would be sent) would lose their lives. The United States could and would win such a war, but only at great cost to itself, the region, and the rest of the world. The same goes for war with Iran. That country is roughly the size of Alaska and has 70 million people, roughly three times as many as Iraq -- more than enough to make any occupation costly, miserable, and futile for the United States. Using more indirect tools to bring about regime evolution, instead of change, might well work but would take years, if not decades. Achieving regime evolution requires the strategic use of television, radio, and the Internet. Admission to the World Trade Organization (WTO) could be offered in return for fundamental economic reforms, ones that are, by their nature, also political. Rhetorical support for change can also help, as can direct assistance to nongovernmental organizations and other elements of civil society. Economic and political incentives should be made available to the target country if it is willing to adopt policies that reduce threats and that create more freedom and space for independent economic and political activity; in the absence of such changes, targeted sanctions should be considered. Trade and personnel exchanges can open a closed society to new ideas. ... Odious or dangerous regimes should never be neglected, but the safest and best way to encourage their moderation or implosion is to smother them with policies that force them to open up to and deal with the outside world. One other alternative for dealing with Pyongyang's and Tehran's nuclear programs is the limited use of military force. ... The problem for U.S. policymakers today is that neither situation -- neither that with North Korea nor that with Iran -- is likely to satisfy the conditions that warrant a preemptive strike in the traditional sense. Instead, available intelligence will probably be questionable, the threats uncertain and in no way clearly imminent, and the military option but one of several policies available. Under such circumstances, any U.S. attack would be preventive, not preemptive -- the use of force against a gathering but not imminent threat. There are some precedents for preventive strikes, such as Israel's attack on

Iraq's Osirak nuclear complex in 1981 or the U.S.-led invasion of Iraq some two decades later. But preventive attacks always pose serious problems. For one thing, it is all but impossible to get international support for them. For another, they are quite difficult to carry out successfully; indeed, given the secrecy surrounding nuclear programs, the level of intelligence needed to effectively cripple them through a military attack can be impossible to attain. It is this last consideration -- of feasibility -- that is likely to determine the use of preventive strikes in the future. It is not just a question of what constitutes North Korea's nuclear weapons program or where it is. Washington could in principle strike other targets valued by Pyongyang to coerce it into meeting U.S. and international demands regarding its nuclear programs. It is not clear, however, whether Washington could get political support for such attacks or that they would have the desired effect. In fact, South Korea, Japan, China, and Russia are likely to oppose any action that could lead to a war on the Korean Peninsula that would kill hundreds of thousands and destroy the economy of South Korea and of the region more generally. ... Another alternative policy for meeting the nuclear challenge posed by Iran and North Korea would be to emphasize diplomacy. North Korea and Iran could be promised a number of benefits, including economic assistance, security assurances, and greater political standing, if they satisfied U.S. and international concerns regarding their nuclear programs. They could also be presented with clear penalties in case they fail to cooperate adequately. Such penalties could include diplomatic and economic sanctions and, in the most dire circumstances, military attack. It is far from clear, however, whether any such agreement could actually be negotiated. North Korea may well decide that possessing nuclear weapons is the best way to deter a U.S.-led military intervention and to earn hard currency -- and thus refuse to give up such weapons. Iran, too, may decide that nuclear weapons are too useful as a deterrent and a means to acquire regional influence. Even if these states agreed to give up their weapons, moreover, there is no guarantee that they would honor their agreements. North Korea has already breached a 1992 accord with South Korea to keep the peninsula free of nuclear weapons and violated the spirit (if not necessarily the letter) of the 1994 U.S.-North Korean Agreed Framework. ... Given their records, North Korea and Iran could be expected to exploit the time any negotiation would buy them to enhance their nuclear capabilities. Even absent such bad faith, essentially rewarding a country such as North Korea with alternative energy sources and various political and economic benefits for its having once invested in nuclear weapons could have the perverse effect of encouraging proliferation elsewhere. It might give other countries an incentive to follow suit in the belief that they, too, will eventually be rewarded for their bad behavior. Despite these problems, however, diplomacy remains an attractive option, both because it could succeed and because only by first making a good-faith effort will the United States have a chance of getting the necessary regional and international backing for then pursuing a more confrontational tack. In fact, the United States (working with China, Japan, Russia, and South Korea) has already initiated a series of discussions with North Korea in order to convince it to abandon its nuclear weapons program. Pyongyang, however, rejected the incentives Washington offered it last year, and the failure to include any clear penalties in the deal put little pressure on North Korea to compromise. Neither the carrot nor the stick was adequate. In addition, the Bush administration lost valuable time by resisting the prospect of bilateral talks with North Korea. This was a mistake; it matters little whether

China, Japan, South Korea, and Russia are physically in the room so long as the United States coordinates its policies with them. The best path available now is to continue to work with these states on a diplomatic package that would give North Korea security assurances, energy assistance, and specified political and economic benefits in exchange for forgoing its nuclear programs (fuel and weapons alike) and agreeing to robust international inspections. Sequence matters in all this; it is unrealistic to expect North Korea to satisfy all nuclear-related requirements before it receives any benefits. Washington and its partners should also agree on what economic and political sanctions would be imposed on Pyongyang if it failed to accept such an agreement by a specified date or if it crossed a red line, such as by testing a nuclear device. China's role is central to any such diplomatic undertaking. Although Beijing's influence on North Korea is limited, it is greater than any other country's. China is the source of much of North Korea's energy and is its principal trading partner. But Beijing, while willing to apply some pressure, seems reluctant to insist, possibly out of fear that if Kim Jong Il's regime begins to collapse, war will break out and refugees will flood China. As a result, China has seemed more interested in placing a lid on the North Korea problem than in actually resolving it. Washington must try to persuade Beijing to use all of its influence to convince Pyongyang to abandon its nuclear weapons program. To this end, China's leaders should understand that the North Korea problem is a test case of China's willingness to become a true strategic partner of the United States. It would also help if the U.S. government were to reassure China's leaders about its long-term thinking on Northeast Asia, namely, that the United States is firmly opposed to the emergence of any new nuclear weapons state in the region, be it Japan, a unified Korea, or Taiwan. ... There is always the option of accepting a de facto nuclear status for North Korea and Iran. This is the default option if regime change yields no dramatic result, the military option is rejected, and diplomacy fails. And it would be similar to what has already become the U.S. and international approach to Israel, India, and Pakistan. There would have to be, however, one big difference: given the bellicose history and nature of both North Korea and Iran, the United States would need to introduce an extra element of deterrence to discourage either government from using a nuclear weapon or transferring critical technologies, fuel, or weapons to other states or to terrorist groups. To this end, the United States should declare publicly that any government that uses weapons of mass destruction, threatens to use them, or knowingly transfers WMD or key materials to third parties opens itself up to the strongest reprisals, including attack and removal from power. This message should be accompanied by a concerted diplomatic effort to get the other major powers to sign on to such a policy. Such moves would add teeth to Security Council resolutions and international conventions that already forbid states from facilitating nuclear terrorism in any way. Even with such international statements, this approach would be inherently risky: accepting a North Korean nuclear arsenal might mean accepting the perpetuation of a desperate, failing government that could well try secretly to transfer nuclear material to terrorists in exchange for much-needed money. Accepting the existence of a nuclear-armed Iran implies a similar bargain. And in both cases, deterrence might not work. What is more, even if deterrence did work, accepting and learning to live with a nuclear-armed North Korea or Iran would not be cost free. As suggested above, if North Korea is allowed to retain nuclear weapons, this could prompt Japan, South Korea, or other states to seek to acquire them as well. Keeping

the peace in a nuclear Northeast Asia would be no easy feat given the historical animosities, the latent rivalries, and the lack of institutional mechanisms for promoting regional confidence and stability. The same goes for the Middle East. A nuclear Iran could well cause Egypt, Saudi Arabia, Syria, and even Iraq to consider developing a similar capability, although it might take them longer to catch up due to their lack of an advanced industrial base. And keeping the peace between a half dozen nuclear-armed states that are suspicious of, if not downright hostile toward, one another would be extremely difficult. The emergence of new nuclear weapons states would also dramatically increase the risk that these weapons or their components would fall into the hands of terrorists, whether by accident or design. Regime change, limited military action, diplomacy, and deterrence can all be considered as alternative policies. They are better understood, however, as components of a single comprehensive approach toward states such as North Korea and Iran. Deterrence is a way to make the best of a bad situation. Military action or, more precisely, the threat of it can buttress diplomatic prospects. But diplomacy should be the heart of U.S. policy toward both countries -- because it could succeed, because it must be shown to have failed before there is any chance of garnering support for other policies, and because all the other options are so unattractive. As for regime change, it is best viewed as a complement to diplomacy and deterrence. It is essential to appreciate not only the limits of regime change but also its nature. **A refusal to engage tyrannies allows them to wrap themselves in nationalism and to maintain control; offering regimes enhanced security and economic and political interaction if they meet specified requirements can deny them their rationale for tight control and their ability to maintain it. A foreign policy that chooses to integrate, not isolate, despotic regimes can be the Trojan horse that moderates their behavior in the short run and their nature in the long run. It is time Washington put this thinking to the test, toward what remains of the axis of evil. Delay is no longer an option, and drift is not a strategy.** (Richard Haass, "Regime Change and Its Limits," *Foreign Affairs*, 84, 4 (July/August 2005, 66-78)

6/1/05

Korean People's Army (KPA) spokesman in Panmunjom statement "in connection with the U.S. Department of Defense's unilateral announcement of the suspension of the joint field activities (JFA) for the U.S. remains that had been underway under the KPA-U.S. DoD Arrangement: Recently the U.S. DoD unilaterally announced without any formal notice to the KPA side the suspension of the joint recovery operations that had been underway under the KPA-DoD Arrangement. As far as the JFA in our country is concerned, this started thanks to the humanitarian measure taken by the DPRK to meet the earnest requests made by the former U.S. president Carter and American war veterans, bereaved families of the war dead and the American government. Our side permitted more than 30 recovery operations and enabled members of the U.S. side to safely go back, taking recovered remains with them, without having even a single fingernail hurt, even against the background of the very tense relations between the DPRK and the U.S. All the members of the U.S. side involved in the recovery operations repeatedly expressed thanks to the KPA side for having rendered cooperation in the operations from a humanitarian stand. This being a hard fact, the U.S. side unilaterally reneged on the bilateral arrangement. This patiently proves the hypocrisy of its oft-repeated claim that 'a humanitarian work' is something different from politics. The recent action taken by the U.S. side at a time when it has become more undisguised

than ever before in its attempt to mount a preemptive attack on the DPRK is aimed, to all intents and purposes, to escalate its moves to stifle the DPRK. This step taken by the U.S. side is timed to coincide with the entry of "its arms build-up plan" which calls for spending 13 billion U.S. dollars into a final phase in the wake of the deployment of Stealth Fighter Bombers and underground penetrating missiles in south Korea and the finalization of such scenarios for preemptive strikes at the DPRK as 'OPLAN 8022-02.' Our army cannot but pay serious attention to this. The U.S. side's use of even the humanitarian work, which had been underway as requested by itself, for a sinister political and military purpose once again fully revealed what a foolish ruling group the present U.S. administration is. Now that it has become impossible to conduct the JFA any longer, the KPA side has decided to totally dismantle its side's investigation and recovery unit. The rude action taken by the present U.S. administration has totally blocked the way of confirming the identification of more than 8,000 U.S. soldiers reported missing in action during the Korean war. In consequence, the U.S. remains buried in Korea can never be recovered but are bound to be reduced to earth with the flow of time. We do not care whether the U.S. side stops the recovery operation as it pleases, though it is responsible for taking back the remains." (KCNA, "Spokesman for the KPA Mission in Panmunjom Issues Statement," June 1, 2005)

To combat growing food shortages, the North Korean government is sending millions of city dwellers to work on farms each weekend, largely to transplant rice, according to foreign aid workers. "The staff that work for us, the staff that work in the ministries, are going out to help farmers," said Richard Ragan, director of World Food Program operations in Pyongyang, referring to North Koreans who work for the program. Speaking by telephone on Wednesday, he said that in terms of food supplies North Koreans "are inching back to the precipice." "It does happen every year," he said of the mobilization of workers to the fields, "but the difference this year is that everyone is involved." Gerald Bourke, a World Food Program spokesman, said Wednesday that on a recent visit to the port of Wonsan, "We saw thousands of people who were marching out of the city." "Later, we saw them digging out irrigation canals," he said, speaking by telephone from Beijing. "At end of June, I cut 2.5 million people off from their food rations," said Ragan, an American, referring to a group equal to 10 percent of North Korea's population. Unless new food comes quickly from the outside, the number of North Koreans receiving foreign food aid will plunge to 1.5 million in August, from 6.5 million people this spring. The World Food Program, the largest foreign food supplier to North Korea, has received only 6 percent of the 230,000 tons it needs this year, Anthony Banbury, Asia director for the United Nations agency, told a news conference in Seoul last Friday, according to Reuters. Referring to government rations, he said, "What the government is able to provide the people now, these 250 grams a day, is a starvation ration." (James Brooke, "North Korea, Facing Food Shortages, Mobilizes Millions from the Cities to Help Rice Farmers," *New York Times*, June 1, 2005, p. A-8)

6/2/05

Japan agreed yesterday to allow South Korea to take away for investigation a Korean fishing vessel accused of fishing in Japanese waters, ending a dangerous 34 hour-long standoff between patrol ships from both countries in rough waters in the East Sea. The Foreign Ministry here said the agreement permitted Korea to take custody of the fishing vessel, whose skipper admitted ignoring a Japanese warning. The owner

agreed to pay 500,000 yen if the boat was found to have violated Japanese law, and South Korean maritime authorities will investigate if the vessel fished in Japan's exclusive economic zone. Once the deal was struck, Japanese patrol boats untied their lines from the fishing vessel and retreated, while the Korean patrol ships towed the fishing boat and its crew to port. More than a dozen Korean and Japanese patrol ships engaged in the tense standoff since 2 a.m. yesterday, after the fishing boat fled from Japan's warning for allegedly fishing three miles inside Japan's EEZ. Overnight negotiations between the two countries' maritime officials had stalled due to different interpretations of which side was entitled to hold the fishing boat for investigation. President Roh Moo-hyun urged an early end to the standoff, saying it should be resolved rationally with sovereignty of both countries respected. Patrol ships from both countries docked against opposite sides of the fishing vessel about 16 miles off the coast of South Korea's southern port city of Ulsan for most of the 34-hour confrontation in the East Sea. The eight crew on the fishing vessel were evacuated safely to a South Korean patrol ship. The incident began soon after midnight May 31 as three Japanese patrol boats tried to seize the 77-ton eel-fishing Korean boat, accusing it of violating the law in the country's EEZ. One Japanese from a patrol boat fell in the sea and one of the Korean fishing crew members suffered a head injury during a brief scuffle on the fishing boat. The Japanese guard was rescued and the Korean crew member was taken to a hospital in Ulsan. Korean crew members later explained the fishing boat was returning late that night to its dock in Tongyoung, South Gyeongsang Province, after detecting damage in one of its engine coolers. The crew member in charge of the vessel at the time said he dozed off briefly and was awakened by a bright light and loud microphone warning. He said he began to panic and sail away and denied fishing in Japanese waters. South Korean authorities said they will look into the case and decide what to do with the crew members for any violations to maritime and fisheries laws. (Lee Joo-hee, "Korea, Japan Strike Deal after 34-Hour Standoff at Sea," *Korea Herald*, June 3, 2005)

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Susan Rice: ""That horse is out of the barn," said actor and former Republican senator Fred Thompson when asked about North Korea's nuclear program. Thompson spoke at the premiere of "Last Best Chance," a chillingly realistic film sponsored by the Nuclear Threat Initiative. In it, he plays a president who fails to prevent al Qaeda from smuggling stolen nukes into the United States, dramatizing the imperative to halt proliferation at its source. President Bush agrees that the greatest threat we face is nuclear weapons in the hands of terrorists. If, indeed, the North Korean horse "is out of the barn," we face a grave risk. To date, President Bush has failed to prevent North Korea from producing enough fissile material to build an estimated six to eight nuclear weapons, up from one to two in 2003. Though administration officials have played down the significance of North Korea's growing arsenal, the threat to the United States has greatly increased. Impoverished North Korea now probably has enough nuclear material to sell its surplus to the highest bidder and still retain its own stockpile. Al Qaeda, which aims to use weapons of mass destruction against the United States, could be that bidder. We face an urgent crisis. In recent weeks North Korea has declared that it has nuclear weapons, has prepared to harvest plutonium sufficient for two more bombs and has hinted that it might conduct a nuclear test. If North Korea tests a nuclear weapon, there is little hope of reversing its nuclear program or of

averting a regional arms race. At this late stage, the United States has three options. First, we could strike North Korea's suspected nuclear facilities or use force to change the regime. Military options must remain on the table, but all of them are problematic. U.S. intelligence on North Korea is poor. Overstretched in Iraq, the United States does not have ground forces for an invasion. South Korea and China vehemently oppose military action. Worse still, North Korea could retaliate with a nuclear or conventional strike on nearby Seoul, on our more than 30,000 U.S. troops in South Korea, on Japan or even on the United States. Second, we could accept a nuclear North Korea. But its erratic leader, Kim Jong Il, could still try to sell excess fissile material. He may also have the ability to attach a nuclear warhead to a long-range missile and hit the continental United States. Unfortunately, containment depends on two unreliable tools: national missile defense, which tests have proved is still hit-or-miss, and the proliferation security initiative -- a seaborne, needle-in-the-haystack search complicated further by the refusal of China and South Korea to participate. Third, the United States could pursue intensive bilateral negotiations within the framework of the Chinese-led six-party talks. Having dubbed North Korea and Iran charter members of the "axis of evil," the administration trades insults with those regimes while rejecting direct negotiations with "tyrants" and cheaters as repugnant. They are indeed, but not nearly as repugnant as a nuclear attack by terrorists on an American city. The president should recognize that rolling back North Korea's nuclear program is more important to U.S. national security than any principled objection to direct negotiations or tacit ambitions to change that odious regime. He should immediately propose high-level, bilateral talks and personally confirm that the United States has "no hostile intent" toward North Korea. In exchange for the "complete, verifiable and irreversible" dismantling of North Korea's nuclear programs, the United States should offer security guarantees, economic ties, fuel supplies and diplomatic relations. At this eleventh hour, North Korea might refuse the bilateral talks it has long sought, or such negotiations could well fail. Yet a serious effort to negotiate is critical to any hope of gaining eventual South Korean or Chinese assent to punitive action. If direct negotiations fail, President Bush will merely face the same choice he does today: launch a potentially catastrophic war on the Korean Peninsula or allow North Korea to expand its nuclear arsenal, hoping we can catch any bombs it might sell before they cross our borders. There is speculation that the administration may decide to seek U.N. sanctions against North Korea and, if China vetoes them or refuses to exert major pressure, blame China for this crisis. Primary responsibility rests with North Korea, but for too long the administration has relegated the problem to the sidelines and subcontracted U.S. policy to China, whose interests differ substantially from ours. To now blame China or seek unattainable sanctions would be posturing, not responsible policy. Time is not on our side. The president needs to act swiftly to eliminate North Korea's nuclear program -- through intense bilateral diplomacy. A continued refusal to try would squander our "last best chance" to salvage a nightmarish policy failure." (Susan E. Rice, "We Need to Talk to North Korea," *Washington Post*, June 3, 2005, p. A-23)

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South Korea and the United States decided not to put OPLAN 5029 into operation, but to "improve and develop" a contingency plan to deal with turmoil in North Korea. (Jung Sung-ki, "S. Korea, U.S. Agree on Contingency Plan for N. Korea," *Korea Times*, June 5, 2005)

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Rodong Sinmun commentary: "The United States is now making a mockery of the international community, letting loose a string of balderdash that the DPRK's abandonment of its nuclear program is immediately the denuclearization of the Korean Peninsula and it would get rid of international isolation and gain economic benefits, if it returns to the six-party talks and drops its nuclear program. ... This cannot be construed otherwise than a sinister attempt to worsen the situation by confusing the nature of the nuclear issue on the Korean Peninsula and the way of its solution. If the whole of the peninsula is to be nuclear-free, the nuclear threat of the U.S. must be removed before anything else and confidence be built between the DPRK and the countries concerned. To this end, **the United States should, first of all, give up its hostile policy to bring down the system in the DPRK through a nuclear war and withdraw all its nuclear weapons from south Korea. The withdrawal of the U.S. nuclear weapons must be confirmed, under all circumstances, through verification.** Any nuclear pullout without it is meaningless. The nuclear weapons possessed by the DPRK are deterrent to defend the sovereignty and security of the country from the U.S. preemptive nuclear attack. They will automatically become unnecessary, if the nuclear threat of the U.S. fundamentally disappears from the peninsula. The six-party talks should be a place seeking a package mode for fairly realizing the denuclearization of the peninsula on this principle. **The U.S. claim that if the DPRK came to the six-party talks and showed its will to drop its nuclear program and fulfilled this, it would get a lot of benefits is a wrong logic denying the nature of the six-party talks and the basic way of solving the nuclear issue on the Korean Peninsula. The days are gone when the give-and-take way of solution was discussed at the six-party talks. Now that the DPRK has access to the nuclear weapons, the talks should become a place of disarmament talks for the participating countries to settle the issue on equal stand and status.** The U.S. should have a correct understanding of the six-party talks and not try to use the venue of the talks as a leverage to attain its sinister aim by putting the DPRK in the dock as a 'nuclear criminal.' The U.S. should correct the wrong view of the nature of the denuclearization of the Korean Peninsula and its peace and security and do what it should do, such as renunciation of its design to topple the system of the DPRK and withdrawal of its nuclear threat to the latter." (KCNA, "Nuclear Threat to DPRK Must Be Removed First: *Rodong Sinmun*," June 7, 2005)

With frustration mounting over North Korea's pursuit of a nuclear arsenal and refusal to return to the bargaining table, the Bush administration will decide within weeks whether to abandon the stalled six-party talks and take the issue to the U.N. Security Council, a senior U.S. defense official said. Increasingly, the Bush administration believes that the one-year mark is an appropriate time to cut off North Korea's opportunity to return to the talks, the defense official said. "We have the one-year anniversary, but moreover, we have an escalating downward spiral of threats by North Korea, and it appears to be marching to its own frustration drum," said the official, who briefed reporters on the condition his name not be published. "It's a very good time to be talking about [going to the United Nations], the June-July period." "It's something we're giving increased study to, and probably will come to a decision over the next couple of weeks." Taking the issue to the United Nations carries its own perils. China and Russia have veto power at the Security Council, giving both nations the ability to

reject any tough sanctions the U.S. and other nations might seek. Many policy analysts say it is unlikely that the U.N. would have any better luck than the participants in the six-party talks have had at convincing North Korean leader Kim Jong Il to abandon his weapons program. North Korea had no immediate response to the remarks by the U.S. official, but in a newspaper commentary today, the communist nation repeated its demands that Washington drop its "hostile" policy toward Pyongyang. "As long as the United States adheres to its anachronistic hostile policy toward [North Korea] ... a stumbling block in resolution of the nuclear problem cannot be removed," the North's state-run newspaper *Minju Joson* said in a commentary carried by KCNA. Before any decision about whether to take the issue to the U.N. is made, the Bush administration is looking to China as its last hope for a breakthrough. As North Korea's only substantial ally and main trading partner, China is thought to have significant influence, and the U.S. has praised Beijing for playing a key role in the negotiations. At the same time, frustration has grown in Washington over China's refusal to use economic matters as leverage to pressure Pyongyang to return to the bargaining table. Beijing's decision on whether to ratchet up pressure on North Korea will be key to the future of the U.S.-China relationship, officials say. "We have consistently held out to the Chinese that if they want to find one subject, one area in which they can demonstrate real strategic partnership and strategic cooperation, it is on the North Korean issue," the senior defense official said. "It is a low-hanging fruit ready to be plucked." During a speech in Singapore on June 4, Defense Secretary Donald H. Rumsfeld called on Beijing to apply more pressure on North Korea. He also criticized China's massive arms buildup, saying it threatened the balance of power in Asia. China's defense spending is estimated to be at least \$50 billion annually, third behind the United States (\$400 billion a year) and Russia. "Since no nation threatens China," Rumsfeld said Saturday, "one wonders, why this growing investment?" Some analysts and former U.S. officials saw Rumsfeld's critique of China's militarization as part of the larger Bush administration effort to get Beijing to lean on North Korea. "My immediate thought was that this was to pressure the Chinese" over North Korea, said Charles L. Pritchard, who was a special U.S. envoy to North Korea during Bush's first term. But Pritchard, now a visiting fellow at Brookings Institution in Washington, said he doubted that it would help advance the talks and it could complicate upcoming visits with Chinese leaders. Another former Bush administration official said he thought Rumsfeld's remarks might also have been designed to appease conservatives in Congress who are concerned about China, and to simultaneously warn Europeans not to lift their embargo on arms sales to China. China's buildup has been aimed at preparing for a possible military confrontation over Taiwan, which it views as a renegade province that must eventually be reunited with the mainland. Yet Rumsfeld cast the issue in larger terms, arguing that the buildup could threaten Asian security. Helmut Sonnenfeldt, a former U.S. diplomat and National Security Council aide, noted that the United States and China remained at odds on a number of issues, including the value of China's currency and theft of intellectual property. Yet he was skeptical that Rumsfeld's comments marked a serious downturn in overall U.S.-China relations. "There are many concerns about where they're going over the longer term, [but] I don't see this as a dark turn," said Sonnenfeldt, now director of the Atlantic Council of the United States. (Mark Mazzetti and Paul Richter, "U.S. May Take North Korea Issue to U.N.," *Los Angeles Times*, June 5, 2005) Secretary of State Condoleezza Rice criticized an anonymous defense official

for saying the United States was ready to bring the impasse with North Korea to the United Nations. "The idea that within weeks we are going to decide one way or another is little forward-leaning," she told reporters on June 5. "The president put it very well the other day that we still believe that there is life left in the six-party talks." (Glenn Kessler, "Remark on North Korea Disputed," *Washington Post*, June 6, 2005, p. A-14)

North Korea has imported about 150 tons of high-strength aluminum from a Russian exporter, enough to produce about 2,600 centrifuges, *Asahi Shimbun* reported, citing U.S. intelligence sources. (Yonhap, "N. Korea Imports Key Nuclear Materials from Russia: Japanese Paper," June 5, 2005)

Defense Agency Director General Ono Yoshinori Ono said Japan wanted to upgrade the joint Japan-U.S. research on a missile defense system to the development stage. Speaking to reporters at a hotel in Singapore, Ono said the sea-based missile defense project would move from research to development, with the agency planning to request several billions of yen in fiscal 2006 for the first year's development. Production will begin following a five-year development phase that ends in fiscal 2011, he said. Japan and the United States are jointly developing a large sea-based interceptor missile with a 53-centimeter diameter with a longer range that enables it to cover a wide area. The missile can distinguish a targeted missile from a decoy. The two governments will conduct a final function test on the missile in March, firing a prototype missile to intercept another missile off Hawaii. The government decided at the end of fiscal 2003 to start equipping Aegis destroyers at the end of fiscal 2006 with interceptor missiles with only a 34-centimeter diameter. Since such missiles can only cover several hundred kilometers, two or three Aegis destroyers would be needed to defend the country. "If the missile defense system can double the scope of Japan's defense, the number of Aegis vessels needed to protect the country could be halved," Ono said. He also stressed the need to develop and produce the interceptor missiles as soon as possible. During the development and production phases, Japanese and U.S. engineers, after testing each component, will assemble the components they have developed respectively to build the system. The Japanese government eased its ban on arms exports in December for the joint missile research program, clearing the way for development and production. The U.S. government has earmarked 540 million dollars for a six-year joint research project beginning in October. The two governments will discuss specific development plans when Lt. Gen. Henry Obering, head of the U.S. Missile Defense Agency, visits Japan in the near future. To improve Japan's capability for United Nations peacekeeping operations and international disasters, the government will establish a peacekeeping training center at Camp Komakado of the Self-Defense Forces in Gotemba, Shizuoka Prefecture, Ono said. (Ogawa Satoshi, "Antimissile System Moves to the Next Phase," *Yomiuri Shimbun*, June 7, 2005)

Ri Gun was promoted to director-general of the Foreign Ministry's North American Affairs Bureau several months ago, South Korean government sources said. (*Korea Times*, "N.K. Nuke Negotiator Gets Promotion," June 5, 2005)

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Deputy six-party negotiator Joseph DeTrani met with Han Song-ryol on sidelines of NCAFP Track II in New York, who says they would return to six-party talks and if Hill would meet with them, they would set a date for talks. (Glenn Kessler, *The Confidante*, p. 75) North Korean diplomats at the UN had signaled they might return to six-party talks if a senior official from Pyongyang was invited and could meet privately with U.S. officials. DeTrani hosted Li Gun at lunch accompanied by Victor Cha of NSC and a few other U.S. officials. An "informal" phone call to Hill was arranged. "The only way we're going to come back to the talks is if your secretary of state retracts the statement about 'outpost of tyranny,'" Li said. "That's not going to happen," replied DeTrani. "Well, can we say we met and indicated our indignation at your use of the term?" said Li. "You can say you're indignant about anything you want," replied DeTrani. Later they met again and Hill interrupted the meeting with a phone call. After the years of snubs, said a U.S. official who was present, "they were like little children" receiving a gift. (Chinoy, *Meltdown*, p. 239) North Korea told U.S. officials in a meeting in New York that it is committed to returning to stalled negotiations on its nuclear ambitions but declined to set a date for new talks, U.S. and Asian officials said. The meeting, three weeks after the Bush administration used the same venue to urge North Korea to renew the talks, was set at North Korea's request, State Department spokesman Sean McCormack told reporters accompanying Secretary of State Rice to a meeting of the Organization of American States. A U.S. official familiar with the one-hour meeting and two Asian officials briefed by the Americans said the North Korean message was neither negative nor positive. One Asian official said the session may have been timed to lessen any sense of crisis before President Bush meets later this week with South Korean President Roh Moo Hyun. "This is their effort to show they are still in the game," said the U.S. official, speaking on the condition of anonymity because of the diplomatic sensitivity. He said it was disappointing North Korea would not set a firm date for restarting the talks. A senior Asian diplomat agreed, saying "nothing spectacular" occurred. "It is a gesture" by North Korea, "a very neutral thing," he said. Meeting Monday at the North Korean mission of the United Nations were Joseph DeTrani, U.S. special envoy for talks on North Korea's nuclear programs, and James Foster, director of the State Department's Office of Korean Affairs, McCormack said. North Korea was represented by U.N. Ambassador Pak Gil Yon and Deputy U.N. Ambassador Han Song Ryol. At a May 13 meeting attended by the same diplomats, DeTrani reiterated Rice's recent statements acknowledging North Korea's status as a "sovereign nation" as a way of encouraging North Korea to return to the talks. In February, the government in Pyongyang declared it had nuclear weapons and would refuse to attend the talks, citing the Bush administration's "hostile policy." That statement was made shortly after Rice, in her confirmation hearings, declared North Korea was one of six "outposts of tyranny" -- and Bush a few days later in his State of the Union address pledged to combat tyranny around the world. Since then, North Korea has sent conflicting signals through various statements issued by its state media. It has mocked the administration's recognition of its sovereignty as a sham and denounced Vice President Cheney as "bloodthirsty." But it also praised Bush for using the honorific "Mr." when referring to North Korean leader Kim Jong Il, a point reiterated by the North Koreans in Monday's meeting. Rice and other U.S. officials have made it clear that North Korea must not only return to the negotiating table but also be prepared to bargain hard. North Korea has never officially responded to a U.S. proposal made at

the talks last June. Under the proposal, if North Korea agrees to end its programs, South Korea and other U.S. allies could provide immediate energy assistance to North Korea. Pyongyang would have three months to disclose its programs and have its claims verified. The United States and allies would give written security assurances and enter a process that might result in direct U.S. aid. (Glenn Kessler, "N. Korea Says It Is Committed to Talks," *Washington Post*, June 7, 2005, p. A-20) "We have to be treated as a nation possessing nuclear weapons," Pak Gil Yon, DPRK U.N. ambassador, was quoted as telling Joseph DeTrani, special U.S. envoy to North Korea. (Sakajiri Nobuyoshi, "Pyongyang to U.S.: Treat Us as a Nuclear State," *Asahi Shimbun*, June 8, 2005) U.S. officials were skeptical yesterday that North Korea's statement that it was committed to returning to multinational disarmament talks signaled a breakthrough in the year-long effort to arrange another meeting. But Asian officials were optimistic. "I think it will be pretty soon, in the next few weeks," Ambassador Wang Guangya told reporters. "I understand that it will be Beijing." U.S. and Asian officials said Monday that North Korean officials at the United Nations had told a U.S. delegation that it was committed to the talks but would not set a date. State Department spokesman Sean McCormack confirmed that account yesterday. "The ball is in the North Koreans' court to provide a time when they will return to the table and to actually return to the table to engage in a constructive manner," McCormack told reporters. One U.S. official familiar with Monday's discussions said the body language by the North Koreans was "very good," giving some grounds for optimism. But he said the North Koreans left their return open-ended, saying that "when the conditions are ripe they will come back to the talks." Assistant Secretary of State Christopher Hill, speaking to reporters after testifying on Capitol Hill, noted: "They did not give us a date. Until we get a date and get everyone sitting at the table, we do not have a process." However, North Korea has recently indicated it wants to shift the terms of the discussion from North Korean disarmament to a broader discussion of mutual disarmament on the Korean Peninsula. A North Korean Foreign Ministry spokesman outlined this shift in a detailed statement on March 31, saying the "nuclear threat posed by Washington" must also be addressed at the talks. Stanford professor John Lewis, who recently visited North Korea, told National Public Radio and the San Jose Mercury News this week that North Korean officials confirmed to him that they wanted to shift the terms of the six-party talks to include the U.S. arsenal. [?] (Glenn Kessler, "U.S. Officials Wary of N. Korean Statement," *Washington Post*, June 8, 2005, p. A-17) One Asian official deeply involved in the process was skeptical about whether real progress had been made in the New York meeting, saying that the North Korean statement "may be designed to keep us hanging in the air." Christopher R. Hill, was also cautious. Emerging from Congressional testimony about China and North Korea, he told reporters that the North Koreans had said in New York that they were "committed" to the negotiations. But he also cautioned, "our concern now is to get a date." "We need to be careful how we characterize" the North Korean statements at the New York meeting, he added. Inside the administration, the question of how long to pursue the talks has been a source of continuous debate. Some officials, both in the Pentagon and the White House, have argued that the time has come to move to sanctions, noting that the previous negotiations resulted in nothing, and that no talks had been held since the United States put a modest offer on the table to North Korea a year ago. (David E.

Sanger, "North Korea Said to Offer to Rejoin Talks," *New York Times*, June 8, 2005, p. A-6)

North Korea has contacted the Bush administration in recent days in what American officials believe could be the first indications that the country is preparing to return to substantive negotiations about its nuclear program, senior American and Asian officials said. The contacts were disclosed as a senior Defense Department official in Singapore, traveling with Defense Secretary Donald H. Rumsfeld, said the administration would probably decide within weeks whether to push for United Nations Security Council penalties against North Korea. The comments by the official suggested that the long debate in the administration over how to handle North Korea may be coming to a boil. President Bush is to meet with the president of South Korea, Roh Moo Hyun, on June 9, at a moment of unusually high tension between the two allies over North Korea. The contacts were first reported by the Japanese press over the weekend, but it was unclear if they were substantive or what precisely was discussed. One official said the contacts, through the North Korean mission to the United Nations, appeared to indicate a softening of North Korea's refusal to participate in negotiations. His colleagues say that Christopher Hill is looking for leeway to give North Korea incentives to return to the talks but is meeting resistance from officials who want to stand pat with Bush's vaguely worded offer last June to improve relations once North Korea begins dismantling its nuclear facilities and allows full inspections. Administration officials have been floating a variety of plans for possible sanctions for many weeks, including what some officials say they hope would be less contentious approaches, including an effort to intercept any suspected shipments of missiles, drugs or counterfeit currency. That could amount to a near total quarantine of the country, but it would only work if China participated. So far China has gone the other way, increasing trade with North Korea. So has South Korea. South Korea and, more tellingly, China have also argued vigorously against any move to the United Nations, which North Korea has said it would regard as an act of war. As a permanent member of the Security Council, China has veto power, and it has been the focus of strong criticism from Rumsfeld for its increasing military buildup. Both countries have urged the United States to improve on the offer it made to North Korea last year. The senior official traveling with Rumsfeld, who briefed reporters on condition of anonymity, said the administration's interagency re-examination of North Korea policy was driven by its frustration that the six-party talks have been stalled for a year. The Security Council option "is something we're giving increased study to," said the official, who said that "probably we'll come to a decision in the next few weeks," after Roh's visit. The United States has found more of an ally in Japan. Together, they say that North Korea's claims in recent months to have built several new nuclear weapons - claims American intelligence agencies say they cannot verify but that policy makers say they must assume to be true - have added urgency either to speed negotiations or to declare them a failure. One senior administration official who has been deeply engaged in the debate all but rejected the idea of making a new offer to North Korea. "How many times do you bid against yourself?" he said in an interview. "How many times do you do that?" The official, who insisted on anonymity because President Bush had not decided how to proceed, said Bush's message to North Korea would remain clear: "You come back to the table to give up the nuclear program and discuss the June

proposal." Richard N. Haass, who was director of policy planning in the State Department during Bush's first term, is highly critical of the administration's approach in a newly published book, "The Opportunity" (Public Affairs). The administration's approach, he writes, is a "diluted hybrid" of diplomatic options that lost "valuable time" to keep North Korea from moving forward with its weapons program. Haass said Bush's vague proposal, which was largely drafted by Stephen J. Hadley, now the national security adviser, fell "short of what the North would accept" but also failed "to include any clear penalties for refusing to cooperate." North Korea felt no pressure to negotiate, he concludes, and never returned to the table. Haass, who has supported diplomatic approaches, also writes that the United States should not rule out the use of force. He said it should make clear to North Korea that any retaliation for attacks on its nuclear sites would "lead to a war that would end with regime change, that is their removal from power, and the effective end to North Korea as a separate state." South Korean officials say Roh is opposed to issuing any such warning. In Washington last week to lay the groundwork for Roh's trip, South Korean national security officials told their Bush administration counterparts that Mr. Roh would probably bring with him a new set of enticements for the North, hoping to get Mr. Bush to sign on, according to officials who had met with them. South Korea's new plan is expected to include a series of carefully sequenced steps for North Korea, Washington and other nations, at a level of detail that goes far beyond the plan proposed last June. In his public comments, Rumsfeld has been uncharacteristically restrained on the topic of North Korea, clearly trying not to get ahead of Bush or his cabinet colleagues. "The president's policy is exactly what has been announced: encourage the six-party talks, the diplomatic path, and to the extent he or the others have announcements to make, they'll make them," Rumsfeld said. (David E. Sanger and Thom Shanker, "North Korea Is Reported to Hint at Talks," *New York Times*, June 6, 2005, p. A-7)

Simulations secretly commissioned by the South Korean military suggest bombing of North Korea's nuclear facilities could in the worst case make the whole of Korea uninhabitable for a decade, it has been revealed. The military commissioned the simulations amid rising tension following North Korea's launch of a Taepodong missile over Japan in 1998 and when suspicions surfaced a year later that the North was operating underground nuclear facilities. The simulation revealed that destruction of the Yongbyon nuclear plant could cause enormous destruction, with nuclear fallout as far away as China and Japan. U.S. research institutes have conducted similar simulations, but this is the first time it has been confirmed that South Korean military authorities commissioned them. If the 8 megawatt research reactor and 5 megawatt test reactor at Yongbyon were destroyed by bombs while they were in operation, the simulation showed that radiation would affect people as far as 1,400 km away. Eighty to 100 percent of those living within a 10-15 km radius of the reactors would die within two months, and only 20 percent within a 30-80km radius were expected to survive. As Seoul is about 200 km away from Yongbyon, the capital would suffer direct radiation damage. Areas 400-1,400 km away from Yongbyon would still experience 5 rem of radiation, about 10 times the recommended maximum annual exposure. Even five years after air strikes, the area within a 700 km radius of Yongbyon could be radioactive. If all of Yongbyon's nuclear facilities besides the reactors such as the reprocessing facilities and nuclear waste storage facilities were destroyed, the

devastation would be even greater. About a quarter of people living within 50 km of the facilities would die within hours, while the soil of the entire Korean Peninsula would be contaminated for five to 10 years. The extent of resulting damage differs depending on weather conditions like wind direction and speed, as well as on whether the reactors are in operation at the time of the bombing. (*Chosun Ilbo*, "Seoul Simulated Bombing of N. Korean Plant," June 6, 2005)

Secretary of State Condoleezza meets every weekday at 8 a.m. with members of her inner circle and a few other aides for half an hour to map out her day. Then, she meets with her assistant secretaries and undersecretaries (Mondays, Wednesdays and Fridays) to hear reports on key events or undersecretaries only (Tuesdays and Thursdays) to plot strategy. Unlike Powell, Rice does not use e-mail, preferring instead a series of face-to-face meetings or phone conversations with assistant secretaries and other top officials throughout the day. Between 6:30 and 7:00 p.m., she meets again with her inner circle to review the day's events and plan the following day. Furious that leaks had forced her to cancel a planned trip to Iraq, Rice at first told only two key aides in the State Department -- Chief of Staff Brian Gundersen and senior adviser Jim Wilkinson -- that she had decided to try again. The information was slowly expanded to other members of the inner circle, and so fewer than a dozen State Department officials knew she was headed to Iraq again when her plane took off. Many of Rice's inner circle have worked together in the past. Gundersen and Wilkinson both served in the office of former House majority leader Richard K. Armey (R-Tex.). Before joining State, Gundersen was chief of staff to then-U.S. Trade Representative Robert B. Zoellick, now deputy secretary of state. Wilkinson and legal adviser John Bellinger, as well as new spokesman Sean McCormack, Assistant Secretary for European and Eurasian Affairs Daniel Fried, Undersecretary for Arms Control Robert Joseph and longtime aide Laura E. "Liz" Lineberry, worked with Rice at the National Security Council in President Bush's first term. Counselor Philip D. Zelikow and Undersecretary for Political Affairs R. Nicholas Burns worked with Rice on the NSC staff of Bush's father. Here are sketches of some of the key players. All attend the morning meeting and, with the exception of R. Steve Beecroft, the evening meeting. The circle should widen as more key appointments are confirmed by the Senate. Besides McCormack, a foreign service officer, other potential players include Karen Hughes as undersecretary for public diplomacy and Henrietta Holsman Fore as undersecretary for management. · *Robert B. Zoellick*, 51, deputy secretary, has emerged as an unusually influential deputy to Rice. As U.S. trade representative in Bush's first term, Zoellick demonstrated well-honed negotiating skills as he completed a series of free-trade agreements. He travels as much as Rice, and plays a key role in developing and implementing policy in such hot spots as China, Iraq and Sudan. A protege of former secretary of state James A. Baker III, Zoellick served with Baker in both Treasury and State during the Reagan administration and the presidency of Bush's father. *Philip D. Zelikow*, 50, counselor, is tasked by Rice to confront major foreign policy issues and conduct special international negotiations. Zelikow, a University of Virginia professor, is a longtime Rice associate who co-wrote a book with Rice about the tumultuous period of German reunification during the presidency of George H.W. Bush. Zelikow was executive director of the Sept. 11 Commission, which gave Rice some of her most uncomfortable moments of the first term. As executive director, he was widely considered by the staff

to be smart, tireless, arrogant and at times abrasive. He has played a vital role in crafting the State Department strategy to sell F-16 fighter jets to Pakistan while building a relationship with India. Zelikow's approach appears to have worked, though some people in lower-level bureaus felt left out. *Brian Gunderson, 43*, chief of staff, spends a great deal of time on legislative affairs, drawing on his Capitol Hill experience. Gunderson is at Rice's side when she has breakfast with members of Congress, and he spearheaded State's strategy for the contentious nomination of John R. Bolton to be ambassador to the United Nations. Gunderson also focuses on personnel issues, including helping to select ambassadors. *Jim Wilkinson, 34*, senior adviser, specializes in strategic planning and policy communications. Wilkinson, previously deputy national security adviser in the White House, oversees Rice's schedule in Washington, her travel overseas, speechwriting and the selling of foreign policy decisions. He has proved to be critical to Rice's style and media-savvy during her early tenure at State, though his aggressiveness has rubbed some department denizens the wrong way. On Rice's first overseas trip, reporters gave him a figurine of a Whirling Dervish in joking admiration of his constant presence. *R. Nicholas Burns, 49*, undersecretary of state for political affairs, oversees the regional bureaus, which constitute the political heart of the department. A career foreign service officer, Burns became close to Rice when he was her deputy as they worked on policy toward the Soviet Union in George H.W. Bush's White House. He also was a key aide on Russia and other parts of the former Soviet Union to President Bill Clinton and the spokesman for former secretaries of state Warren M. Christopher and Madeleine Albright. Burns was ambassador to NATO in Bush's first term. *John Bellinger, 45*, legal adviser, was Rice's chief legal adviser at the NSC and co-managed her transition team. He also prepared Rice and Bolton for their confirmation hearings. Bellinger turned down an offer of an office on the prestigious seventh floor, preferring to stay with the legal team on the sixth floor. *Stephen D. Krasner, 62*, director of policy planning. This was once one of the most powerful positions at State, and Rice has tasked her former Stanford University colleague to beef it up and bolster its impact on policy decisions. He is focused on Rice's interest in expanding democracy across the Middle East. *R. Steve Beecroft, 46*, executive assistant, is a career foreign service officer who speaks Arabic and is the one holdover from the Powell era. Beecroft manages the paper flow into Rice's office, a critical position that is reserved for rising stars in the department. (Glenn Kessler, "Rice Taps Longtime Colleagues for Inner Circle," *Washington Post*, June 7, 2005, p. A-21)

6/8/05

North Korea has a stockpile of nuclear bombs and is building more such weapons, vice foreign minister Kim Gye Gwan said in a television interview released today. "I should say that we have enough nuclear bombs to defend against a US attack," the North Korean official told ABC News when asked how many nuclear bombs it possessed. Asked whether Pyongyang was building more nuclear bombs, Kim said: "Yes." Kim would neither confirm nor deny that North Korea had a missile capable of hitting the mainland United States. He was also noncommittal when asked about North Korea's ability to put a nuclear warhead on its long-range missiles. "I want you to know that our scientists have the knowledge, comparable to other scientists around the world," he said. "You can take it as you like." But Kim stressed that North Korea "don't have any intention at all of attacking the US." The State Department had no comment about the

report. President George W. Bush said in an interview with Fox News today that international sanctions against North Korea remained an option. "North Korea must understand ... that the United States is serious about working with four other countries to convince them to get rid of their weapons systems," he said. China, a close ally of North Korea, said it had no information about any nuclear arsenal while Japan described its East Asian neighbor as a "challenge to world peace" and urged it to return to the six-party talks. (AFP, "North Korea Has Nuclear Bombs, Building More: Official," June 9, 2005)

DPRK FoMin spokesman as regards "U.S. Secretary of Defense Rumsfeld's very provocative remarks against the DPRK": At the recent Asia Security Conference held in Singapore Rumsfeld malignantly slandered the DPRK, asserting its regime is keen on the arms buildup only and it is a miserable country. It blustered the U.S. would adopt a decision on the referral of the nuclear issue of north Korea to the UN in a few weeks. The U.S. is urging its dialogue partner to come out for the talks while seriously insulting and provoking it at a time when a DPRK-U.S. contact is underway in the direction of the resumption of the six-party talks. The remarks made by Rumsfeld against this backdrop can be uttered only by a stupid who does not know what is politics. These days U.S. neo-conservatives vied with each other in making nonsensical talks overnight. This only indicates that the U.S. administration is in the grip of serious confusion reminiscent of a household without its master. Rumsfeld reneged in a moment under the eyes of the world on what he had said in the capacity of the secretary of defense of the superpower. This clearly tells he is an imbecile quite ignorant of diplomacy, dialogue and negotiation. He seems to know nothing but a war. So, he'd better go to Iraq with a rifle in hand if he has nothing to do." (KCNA, DPRK Foreign Ministry Spokesman Blasts Rumsfeld's Remarks," June 8, 2005)

President Roh Moo Hyun will press President Bush in his meeting in Washington to reaffirm the United States' commitment to a diplomatic resolution of the North Korean nuclear standoff, according to South Korean officials familiar with Roh's plans. Roh intends to underscore Seoul's position that any military option is "unacceptable." In exchange, Roh will offer assurances that South Korea will support sharper U.S. measures to get the North to return to stalled international disarmament talks if "the diplomatic path becomes clearly exhausted." Such measures could include support for referring North Korea to the U.N. Security Council, a move that South Korea has so far privately opposed. "If we try every diplomatic path possible and nothing works, we are prepared to support anything up to the point of a military response," said a South Korean source, who spoke on condition of anonymity. "We will tell the Americans that." (Anthony Faiola and Johee Cho, "S. Korea to Press Bush on North," *Washington Post*, June 9, 2005, p. A-18)

Defense Minister Yoon Kwang-ung said that it is impossible for the United States to conduct a preemptive attack against North Korea without the consent of South Korea. In an interview with a local radio program, Yoon stressed any military action against the North will be conducted based on an agreement between the two allies, dispelling speculation that Washington has a military concept plan, dubbed CONPLAN 8022, for a unilateral attack on the communist country in case of an emergency. "I

haven't been briefed on CONPLAN 8022 yet and I am not sure about the existence of the contingency plan," Yoon said. South Korea and the U.S. agreed last week to "improve and develop" the concept of a U.S.-led military contingency plan in the event of internal turmoil in North Korea, including the collapse of the communist regime. But the allies decided to keep the plan, code-named 5029, at the theoretical level. The presidential National Security Council demanded the South Korea-U.S. Combined Forces Command scrap a joint military plan, OPLAN 5029-5, last January, saying it could infringe upon the country's sovereignty and capability to ensure peace on the Korean Peninsula. Under the plan, the U.S. military would take command in case of an emergency in North Korea, while South Korea has control of its military in peacetime. The plan calls for military responses to various levels of internal trouble in North Korea, such as regime collapse, the mass influx of North Korean refugees and revolt. Minister Yoon rejected the notion that the recent deployment of U.S. stealth fighters to South Korea is a part of Washington's efforts to put pressure on Pyongyang, which has boycotted the six-party talks over its nuclear weapons program. "The U.S. has deployed its aircrafts to other parts of the world on a routine basis as part of its military training program. The recent deployment cannot be seen as pressure against the North," Yoon said. The U.S. military in Korea said yesterday that 15 F-117A Nighthawk stealth fighters and about 250 airmen were sent to a U.S. Air Force base in South Korea last week. (Jung Sung-ki, "Defense Minister Rebuffs Military Action against N.K.," *Korea Times*, June 8, 2005)

The United States, anxious to snuff out a new flash point in East Asia, told Japan and China to "move on" in their spat over historical wrongs, arguing that their continuing squabble could damage regional trade and security interests. "I don't mean to make light of any of the historical issues here, but they do need to address them and they do need to move on," Assistant Secretary of State Christopher Hill told the Senate Foreign Relations Committee. He said unresolved tensions between China and Japan, exacerbated by diverging historical perspectives and differing military and economic priorities, "disrupt a relationship of great importance" to the region. "Healthy China-Japan relations are essential to stability and prosperity in East Asia," the assistant secretary of state pointed out. (AFP, "U.S. Tells Japan, China to 'Move on' in Spat over History," June 8, 2005)

6/9/05 Jasper Becker: "Rather than coddling Kim Jong Il and paying him nuclear blackmail, we should be working to arraign him before an international criminal tribunal, just as we did with the murdering leaders of Rwanda and the former Yugoslavia. Yes, it is highly unlikely we would ever get him before such a court, but simply making the symbolic effort might get leaders in China, Japan, South Korea and the West to envision just how attractive a post-Kim era would be for everyone." (Jasper Becker, "Dancing with the Dictator," *New York Times*, June 9, 2005, p. A-27)

6/?/05 China and a Central Asian country deny overflight rights to Iranian plane that had landed in North Korea allegedly to pick up missile components. (Shirley A. Kan, *China and Proliferation of WMD and Missiles*, Congressional Research Service Report, November 15, 2006, p. 20) The Bush administration is expanding what it calls "defensive measures" against North Korea, urging nations from China to the former

Soviet states to deny overflight rights to aircraft that the United States says are carrying weapons technology, according to two senior administration officials. At the same time, the officials said, the administration is accelerating an effort to place radiation detectors at land crossings and at airports throughout Central Asia. The devices are intended to monitor the North Koreans and the risk that nuclear weapons material could be removed from facilities in the former Soviet states. The new campaign was speeded up this summer after a previously undisclosed incident in June, when American satellites tracked an Iranian cargo plane landing in North Korea. The two countries have a history of missile trade - Iran's Shahab missile is a derivative of a North Korean design - and intelligence officials suspected the plane was picking up missile parts. Rather than watch silently, senior Bush administration officials began urging nations in the area to deny the plane the right to fly over their territory. China and at least one Central Asian nation cooperated, according to senior officials, who confirmed the outlines of the incident to demonstrate that President Bush's strategy to curb proliferation, which has been criticized by some experts for moving too slowly, is showing results. The officials insisted on anonymity because they were discussing sensitive information. The officials said they believed the Iranian plane left without its cargo, but they were not sure. (David E. Sanger, "U.S. Widens Campaign on North Korea," *New York Times*, October 24, 2005, p. A-7)

6/10/05

President Bush and President, Roh Moo Hyun, tried to shore up an alliance that has shown strains as Washington and Seoul pursue different strategies to deal with North Korea's nuclear weapons program. Roh left saying they had brought "closure" to some of their differences, but Bush's public comments suggested that significant disagreements remained. Asked by reporters whether he was willing to offer the North "inducements" to return to talks about giving up its nuclear weapons program, Mr. Bush immediately responded, "Yep." He then explained that he was still waiting for a response to an offer he made a year ago, offering fairly unspecific economic, energy and diplomatic benefits that would be delivered gradually as the North disgorged every element of its large nuclear complex. North Korea has never responded directly to that offer, and in the past Roh's aides have urged Bush to make the timing and terms of his offer clearer. But South Korean officials insisted today that during the Oval Office meeting and a more relaxed lunch in the White House, Roh did not seek an improved American offer to the North. In the days leading to the meeting, Bush's advisers made it clear that the president would offer nothing new to lure the North to the table. As Roh was arriving in Washington, one senior White House official involved in preparations said the North "has gotten us to bid against ourselves two or three times." Now, he said, "the question is how long do you let this go without there being a consequence?" (David E. Sanger, "U.S. and Seoul Try to Ease Rift on Talks with the North," *New York Times*, June 11, 2005, p. A-5)

Bush-Roh: "ROH: This is my fourth meeting with you, Mr. President, and my second visit to the United States. And every time we meet together, Mr. President, questions abound regarding the possible existence of differences between Korea and the United States surrounding the North Korea nuclear issue. But every time I meet you, Mr. President, in person, I come to the realization that there, indeed, is no difference between our two sides with regard to the basic principles. In fact, we're in full and

perfect agreement on the basic principles. And whatever problem arises in the course of our negotiations and talks, we will be able to work them out under close consultations. There are, admittedly, many people who worry about potential discord or cacophony between the two powers of the alliance. But after going through our discussion today, Mr. President, I realize once again that with regard to all the matters and all the issues of great importance, we were able to deal with them and we were able to bring closure to them smoothly. And I am very certain that our alliance remains solid, and will continue to remain solid and staunch in the future, as well. To be sure, there are one or two minor issues, but I'm also quite certain that we will be able to work them out very smoothly through dialogue in the period ahead. How do you feel, Mr. President? Wouldn't you agree that the alliance is strong and everything is working -- BUSH: I would say the alliance is very strong, Mr. President. And I want to thank you for your frank assessment of the situation on the peninsula. And I'm looking forward to having lunch with you. I'm hungry, like you are. (Laughter.) ...Q: Mr. President, just two days ago, the Vice Foreign Minister of North Korea said they do have a nuclear arsenal and they're building more. Doesn't statements like that make it -- suggest that North Korea will not come back to the bargaining table? And doesn't it make it harder to bridge the kinds of differences that do remain between the U.S. and South Korea? BUSH: No, I -- South Korea and the United States share the same goal, and that is a Korean Peninsula without a nuclear weapon. And that's what we've been discussing, how best to do that. And the President and I both agree the six-party talks are essential to saying to **Mr. Kim Jong-il** that he ought to give up his weapons. We're making it very clear to him that the way to join the community of nations is to listen to China and South Korea and Japan and Russia -- and the United States -- and that is to give up nuclear weapons. And we'll continue to work, to have one voice. We laid out a way forward last June that is a reasonable proposal, and we're still awaiting the answer to that proposal. But today's meeting should make it clear that South Korea and the United States are of one voice on this very important issue. Q: Sir, are there any inducements you're willing to offer to get North Korea back to the talks? ...BUSH: Steve, first of all, the first part of your two-part question is this: Last June we did lay out a way forward. And it's just not the United States; this was a plan that the United States and South Korea and China and Japan and Russia put on the table. And the plan is still there, and it's full of inducements." (White House, Office of the Press Secretary, Remarks by President Bush and President Roh in a Photo Opportunity, June 10, 2005)

- 6/12/05 Iran is secretly negotiating with North Korea to build a network of underground bunkers to conceal its nuclear weapons program, the *Sunday Telegraph* reported. A team of construction experts has arrived in Teheran to conduct a survey of Iranian requirements. (Kyodo, "Iran in Talks with N. Korea over Nuclear Facilities: Report," June 12, 2005)

- 6?/?05 SecState encourages South to put offer of energy aid on the negotiating table. (Glenn Kessler, *The Confidante*, p. 75)

- 6/13/05 President Bush met privately with a well-known North Korean defector who spent 10 years in a prison camp and has since become an outspoken critic of his homeland's government, a week after North Korea signaled that it was ready to resume six-party

talks. Bush invited Kang Chol Hwan, a journalist and director of the Democracy Network against North Korean Gulag, to visit with him in the Oval Office and recount his tale of suffering in North Korea, where he was arrested in 1977 at age 9 and had to eat rats, cockroaches and snakes to survive. The White House did not list the meeting on the president's public schedule, but a spokesman later confirmed it. According to aides, Bush has been fascinated with Kang's story ever since he began reading "The Aquariums of Pyongyang: Ten Years in a North Korean Gulag," published in English in 2001. Bush has recommended Kang's book to senior White House and administration officials, who have been poring through it lately as well. "He found the book compelling and wanted to talk to the author," said spokesman Frederick L. Jones II. "These are issues that are of great interest to the president -- freedom and democracy." Bush asked Kang to autograph his book. "If Kim Jong-il knew I met you," Bush said, "don't you think he'd hate this?" (Peter Baker and Glenn Kessler, "Bush Meets Privately with Noted N. Korean Defector," *Washington Post*, June 14, 2005, p. A-4; "Bush Meets Dissidents in Campaign for Rights," June 15, 2005, p. A-1)

6/14/05

The Bush administration's top negotiators with North Korea said that they harbored "increasing doubts" that President Kim Jong Il's government was ready to give up its nuclear weapons program in return for security guarantees and economic incentives. The envoys, noting that there had been five sessions of talks between an American and a North Korean official at the United Nations in the last 10 months, rejected the idea that more incentives or one-on-one talks would be likely to revive serious negotiations. "I think the real issue here is not that they don't know the benefits, but they simply haven't made the fundamental decision whether they want to give up on being a nuclear state," said Christopher Hill, assistant secretary of state for East Asian and Pacific Affairs, speaking at a hearing of the Senate Foreign Relations Committee. Hill appeared with Joseph DeTrani, special envoy to the talks with North Korea. Led by Senator Joseph R. Biden Jr. of Delaware, several Democratic senators asked whether it was time to shift tactics and offer direct economic incentives to the North - energy and economic assistance have been discussed, but only from Japan and South Korea - or to hold direct talks between the United States and North Korea. Both Hill and DeTrani argued that they did not think either tactic would work, based on their analysis of the North's thinking and the fact that there had been repeated one-on-one contacts in New York. But they also said the administration was willing to consider various unspecified options to revive the talks. In separate comments, Hill appeared to express more frustration than other administration officials have in the past over China's refusal to exert more economic leverage on North Korea. Pressed by the committee's Republican chairman, Senator Richard G. Lugar of Indiana, to talk about China's role, Hill said, "Mr. Chairman, I agree with you that China has been reluctant to use the full range of leverage that we believe China has." He noted that China's trade and investment with North Korea had actually gone up in recent years, in part because North Korea's trade with Japan had gone down. South Korea has also increased its trade and investment. Hill and DeTrani also clarified the issue of security guarantees for North Korea, disputing a suggestion by Mr. Biden that the Bush administration withhold such guarantees if North Korea did not improve its human rights record. "As I understand your proposal, security assurances are only, quote, 'provisional' until other issues are addressed, right?" Biden asked. "Once their nuclear program's eliminated,

they will get permanent security assurances," DeTrani replied. He added, however, that "we are not prepared to have a fully normalized relationship in the absence of movement on these other issues," referring to North Korea's authoritarian practices and brutal suppression of dissent. DeTrani's comments were significant, because although President Bush has said the administration has "no intention" of attacking North Korea, many conservatives in the administration and in Congress oppose any security guarantees without progress on human rights or even an ousting of Kim's government. (Steven R. Weisman, "Bush Aides Report 'Increasing Doubts' North Korea Will Give up Nuclear Arms Program," *New York Times*, June 15, 2005, p. A-10)

North Korea last month told visiting scholar John Lewis of Stanford that it has resumed construction of two nuclear reactors frozen under the 1994 Agreed Framework[?], which he conveyed to SecState Condoleezza Rice and other officials. (Kyodo, "N. Korea Resumes Construction of 2 Nuclear Reactors," June 14, 2005)

6/14-17/05 UnifMin Chung-Dong-young called for a second Korean summit in the second day of his visit to Pyongyang to mark the fifth anniversary of the first summit. In 2004 trade totaled \$690 million, up from \$400 million in 2001. Three of 15 firms in Kaesong have started production and the other 12 have factories under construction. Some 2,300 North Koreans and 500 South Koreans work there. Mount Kumgang drew 272,800 South Koreans in 2004, compared to 7,280 in 2000. An estimated 23,946 separated family members have met in the ten reunions since 2000. (Joo Sang-min, "Seoul Calls for Second Inter-Korean Summit," *Korea Herald*, June 16, 2005) UnifMin Chung Young-dong met with Kim Jong-il on June 17, briefed him on **offer to construct transmission facilities in preparation to provide 2 million kilowatts of electricity** to the North annually if North Korea agrees to dismantle its nuclear program. Kim was quoted as saying at that time that he would "carefully study" the proposal. "The timing for commencement of the power supply will be strictly linked to the North's implementation of a nuclear dismantlement agreement," Chung told reporters. (Yonhap, "S. Korea Proposes Direct Power Supply to N. Korea," Yonhap, July 12, 2005) Chung recounts meeting Kim Jong-il. "The denuclearization of the Korean Peninsula is effective for the peace of the Korean Peninsula - that was the dying wish of leader Kim Il-sung," he quotes Kim as telling him. "We think we have to stand against the United States because it looks down on us, but if the United States acknowledges us as a partner, we can return to six-party talks, even in July." Chung then related this account to Washington. "He [Cheney] asked me, "Do you believe him?" (Yonhap, "N. Korea's Kim Jong-il an 'Easygoing, Resolute' Leader: Former Unification Minister," May 22, 2007) According to Chung, "The North's leader Kim Jong-il said if the United States firmly recognizes North Korea as a partner and respects it, North Korea can return to six-party talks, even in July." (Reuters, "N. Korean Can Return to Nuclear Talks in July," June 17, 2005) "We are willing to return to the NPT," Chung quoted Kim as saying. "We are will to open our facilities to thorough inspections if the nuclear is resolved." "Come and look. We have no reason to hide. We will expose everything [to inspections]" Kim was quoted as saying. (AFP, "Kim Says N. Korea Willing to Rejoin NPT, Admit Inspectors: S. Korean Official," June 18, 2005) Kim was quoted as saying the Declaration of the Denuclearization of the Korean Peninsula was the dying wish of Kim Il-sung and is still valid. (Joo Sang-min, "N.K. Willing to Return to Talks in July," *Korea*

Herald, June 18, 2005; Ministry of Unification, "Results and Significance of Presidential Special Envoy Chung Dong-young's Visit to North Korea," June 19, 2005) "Kim informed Chung of his will to be a friend of the United States and that he will discard long-range and intercontinental missiles, only maintaining some missiles which normal states deploy," UnifMin spokesman Kim Hong-je said June 20 in a statement. (Joo Sang-min, "'Pyongyang Will Abolish Missiles If U.S. Establishes Diplomatic Ties,'" *Korea Herald*, June 20, 2005)

6/15/ 04

The United States has approved a requested visit by Li Gun, vice director of the Foreign Ministry's U.S. Affairs Department, to attend a Track II meeting in New York on June 30. "We've also been invited ... but have not yet made our decision," said an official. (Kyodo, "U.S. Approves Visit by Senior N. Korea Official to New York," June 15, 2005)

In March 2003, Russian agents swooped down on a South Korean delegation at the airport here, about 750 miles east of Moscow, as the group prepared to leave after a week at a state research institute. A search of the four visitors' bags produced more than 500 pages of technical material and several CD-ROMs from the Institute for Metals Superplasticity Problems, a research facility that was once part of the Soviet Union's military industrial complex. A local mechanical engineer looked over the printed materials, an Ufa court was later told, and said the South Koreans were making off with state secrets. A March 2005 memo written by an officer in the Federal Security Service, or FSB, the KGB's domestic successor, was more explicit: The institute's director, Oscar Kaibyshev, was turning over information that could be used in the manufacture of missiles and other weapons. This March, prosecutors indicted Kaibyshev, 66, contending that information in the Koreans' baggage on how to strengthen materials was "dual-use" technology that could be used for civilian or military applications and that its export was subject to mandatory state controls. He was also charged with embezzlement, abuse of office and forgery. In interviews at his home here, Kaibyshev denied all the charges. "Only scientifically illiterate people would say we are transferring a military technology," he said. He is the latest of a string of Russian scientists indicted for exporting technology or conducting research for foreign entities. Scientists and human rights analysts say the evidence is flimsy or nonexistent; the technology in question is not classified, they argue. The cases, about 10 of which have attracted wide publicity in Russia, highlight the powers that the FSB continues to exercise, they say, and often proceed without due process. The prosecutions could harm the Russian economy by crimping foreign sales of advanced technology, developed for military use during the Cold War but now in demand by civilian industries. The Ufa institute has lost nearly all of its international contracts, worth about \$1 million annually, as a result of the Kaibyshev case and now largely depends on the state for survival. Two special panels at the Russian Academy of Sciences have found that none of the information Kaibyshev gave to the South Koreans was subject to export controls. It had long been in the public domain, they concluded. Moreover, some of the experts the FSB used to justify its prosecution of Kaibyshev either appear to be unqualified to assess the technology or are his business rivals. The probe was also marred by the conviction of an FSB officer on a charge of stealing about \$70,000 from the institute's safe. "It became increasingly clear that the FSB was acting in bad

faith in these investigations, seeking to have the defendants convicted while ignoring facts that could exonerate them," Human Rights Watch, in an October 2003 report titled "Spy Mania," said of the string of cases against scientists. Russian scientists have said the Kaibyshev case conforms to that pattern. (Peter Finn, "Unchecked Power of KGB Successor Seen in Scientist Case," *Washington Post*, June 17, 2005, p. A-25)

- 6/16/05 The Board of Audit and Inspection cleared three aides to President Roh , Jeon Chan-young, Moon Chung-in, and Jung Tae-in, of corruption allegations. (Shin Hae-in, "Roh Aides Cleared in Haengdamgate," *Korea Herald*, June 17, 2005)
- 6/19/05 North Korea asked for another 150,000 tons of fertilizer said, the government confirmed, one day ahead of a new round of ministerial talks. (Reuben Staines, "N. Korea Wants More Fertilizer," *Korea Times*, June 20, 2005)
- 6/20/05 President Roh Moo-hyun and Prime Minister Koizumi Junichiro held a summit in Seoul, against a backdrop of noisy anti-Japanese rallies, but failed to patch up the bilateral relations frayed by disputes over their countries' bitter history. In a news conference at Chong Wa Dae after two-hour talks, Roh said he and Koizumi spent most of their time talking about issues related to their shared history. "We had a very candid and serious dialogue and made efforts to understand each other," Roh told reporters in his unusually lengthy speech, with Koizumi standing at his side. "But this failed to yield any agreements." In a thinly veiled admonition directed at his guest, Roh also noted that the leaders of South Korea, China and Japan are responsible for laying the foundation for a peaceful future in Northeast Asia and history would hold them accountable if they did not. South Korean officials said Roh has strongly urged Koizumi to make a "courageous decision" on the thorny issue concerning his repeated visits to the Yasukuni Shrine, which honors Class A war criminals along with 2.5 million Japanese soldiers who died during World War II. Koizumi didn't say "yes" or "no" directly to Roh's advice, while trying to persuade him instead. "I visit there not to beautify the history, but to pay tribute to those forced to be in the war and swear that Japan should not bring on war again," he was quoted as saying. Roh said during the news conference that Koizumi promised to consider building an alternative memorial for the controversial war shrine in consideration of the public opinion in Japan, though he later corrected his words from "promised" to "said." Roh and Koizumi, who in the end met without prearranged agendas, started their talks with some metaphorical expressions as they strolled through a garden leading to the guesthouse "Sangchun-jae," meaning "always spring." "I wish politics was always like this beautiful weather," Roh told Koizumi. "But, in fact, we do sometimes have humid or windy weather." "However, we can only feel the real warmth of spring after a lengthy winter," Koizumi replied. (Ryu Jin, "Roh, Koizumi Disagree on War History," *Korea Times*, June 20, 2005)
- 6/21/05 Top South Korean officials have expressed disappointment that U.S. government figures keep labeling North Korea an "outpost of tyranny," days after the reclusive country signaled it could return to six-party talks on its nuclear program if Washington "acknowledges and respects" it. U.S. Under Secretary of State Paula Dobriansky listed North Korea yesterday as an "outpost of tyranny" along with Myanmar, Zimbabwe and

Cuba, in a catchphrase coined months ago by her boss Secretary of State Condoleezza Rice, who when asked two days ago whether she stood by it told Fox News, "I think the nature of the North Korean regime is self-evident." FM Ban Ki-moon said such comments "do not help the atmosphere" for getting the talks restarted. "I think they are regrettable," he said, adding he would tell Rice so when the two meet in Brussels for an international donors' conference for Iraq tomorrow. "Some U.S. figures are using expressions North Korea doesn't like to hear," a high-ranking official also told reporters. "These are statements that do not help the agreement made between the Korean and U.S. presidents to work to quickly resume the six-party talks." Rep. Han Myeong-sook and other ruling party lawmakers also criticized the U.S. attitude. Vice Foreign Minister Lee Tae-shik, who is in Washington, will convey Seoul's position to his hosts. (*Chosun Ilbo*, "South Korea Laments U.S. Official's 'Tyranny Outpost' Comment," June 21, 2005)

6/22/05

The Bush administration said it would send 55,000 tons of food to North Korea this year, even as other American officials press ahead with plans to deprive the North of hard currency if there is no progress in efforts to end its nuclear weapons program. The food aid, the same amount as last year, was announced just as China, South Korea, Japan, Russia and the United States are trying to lure North Korea back to talks that have been stalled for a year. But a State Department spokesman, Adam Ereli, said in announcing the decision that there was no linkage to the nuclear issue. "Our decisions are made on humanitarian considerations solely," he told reporters. A senior administration official said that Ereli was correct, but that once the administration made the decision to renew the aid, it wanted to make the announcement as soon as possible. Last year the announcement came in July. North Korea has made it difficult to determine where the food ends up, a source of continuing concern in Washington. White House spokesman Scott McClellan said the White House was worried about whether "that food is getting to the people who need it, the people who are starving, the people who are hungry." He added, "We want to make sure that there are assurances that that food is going to those who need it, not to the government or to the military in North Korea." Several administration officials have said in the past week that they now expect North Korea to return to the six-nation negotiations. They note that China has often provided aid to the North to get it to take part in negotiations. But the officials say their expectations are low. (David E. Sanger, "U.S. Plans to Renew Its Offer of Food Aid to North Korea," *New York Times*, June 23, 2005, p. A-3)

Gregg and Oberdorfer: "North Korean leader Kim Jong Il's remarkable statements to a South Korean envoy last Friday [June 17] present a rare opportunity to move promptly toward ending the dangerous nuclear proliferation crisis in Northeast Asia. The Bush administration should seize the moment. The reclusive leader told South Korea's minister of unification, Chung Dong Young, that he is willing to return to the six-nation talks on his nuclear weapons program if the United States "recognizes and respects" his country. More than that, according to Chung, he raised the prospect of reversing his burgeoning nuclear program, rejoining the nuclear Non-Proliferation Treaty, which he abandoned two years ago, and welcoming back U.N. nuclear inspectors in return for a credible security guarantee. The U.S. national interest as well as the interests of our Asian partners in the talks -- all of whom favor much greater U.S. engagement with

North Korea -- call for a positive response from Washington. This would be particularly welcome in Seoul, which both of us visited last week. For starters, we suggest that President Bush, after touching base with our Asian partners -- South Korea, China, Japan and Russia -- communicate directly with Kim Jong Il to follow up on his remarks. He might consider offering to send Assistant Secretary of State Chris Hill and Ambassador Joseph DeTrani to Pyongyang to prepare for a visit to Kim by Secretary of State Condoleezza Rice. The purpose would be to explore the policies behind Kim's words to determine whether practical arrangements can be made, subject to approval by our partners in the six-nation talks, to end the dangerous North Korean nuclear program. In efforts to reassure North Korea, the United States has repeatedly declared that it recognizes North Korean sovereignty, has no hostile intent and is willing to arrange security guarantees and move toward normal relations with Pyongyang once the nuclear issue is resolved. Kim's remarks present a golden opportunity to take the U.S. offers to the one and only person in North Korea who has the power of decision. According to those who have met him personally in the past -- including former secretary of state Madeleine Albright, former South Korean president Kim Dae Jung and Japanese Prime Minister Junichiro Koizumi -- Kim is more flexible than anyone else in his government. That is not surprising, since he sets the line and others must follow. As we well know, this is not the first time that Kim has sought engagement rather than hostility with President Bush, whom he discussed in surprisingly positive terms last Friday. During a visit we made to Pyongyang in November 2002 following a nuclear-related trip by Assistant Secretary of State James Kelly, we were given a written personal message from Kim to Bush declaring: "If the United States recognizes our sovereignty and assures non-aggression, it is our view that we should be able to find a way to resolve the nuclear issue in compliance with the demands of a new century." Further, he declared, "If the United States makes a bold decision, we will respond accordingly." We took the message to senior officials at the White House and State Department and urged the administration to follow up on Kim's initiative, which we have not made public until now. Then deep in secret planning and a campaign of public persuasion for the invasion of Iraq, the administration spurned engagement with North Korea. Kim moved within weeks to expel the inspectors from the U.N.'s International Atomic Energy Agency, withdraw from the Non-Proliferation Treaty and reopen the plutonium-producing facilities that had been shut down since 1994 under an agreement negotiated with the Clinton administration. Now the North Koreans are believed to have produced the raw material for at least a half-dozen nuclear weapons and many believe their claim to have fabricated the weapons themselves. Early this year North Korea declared that it has become "a full-fledged nuclear weapons state" and that it is working to produce still more atomic arms, all in response to U.S. hostility. Kim's statements in Pyongyang Friday may be a sign that he is uncomfortable with persistent pressure from the United States and his Asian neighbors to return to the six-nation talks, which he left a year ago. He may also be feeling the pinch of deepening food shortages in his country. By reversing his nuclear program in return for the guarantees he seeks, Kim could avert stronger measures being discussed in Washington and other capitals to force the issue. These measures, in our judgment, promise only greater confrontation and growing danger on all sides. By visiting Pyongyang and engaging Kim, Rice would not be condoning North Korea's human rights practices. The State Department has made clear that human rights is an issue to

be resolved in negotiations on establishing full U.S. relations, not in talks on the nuclear question. If she responds to Kim's latest statements with a well-prepared visit and successful negotiations, Rice will have earned her spurs as America's chief diplomat." (Donald Gregg and Don Oberdorfer, "A Moment to Seize with North Korea," *Washington Post*, June 22, 2005, p. A-21)

6/21-23/05 In a three-day inter-Korean ministerial meeting in Seoul Unification Minister Chung Young-dong and DPRK Senior Cabinet Councilor Kwon Ho-ung reached agreement on twelve points: "to take substantial measures to peacefully resolve the nuclear issue through dialogue; to hold a new round of family reunions at the North's Mount Kumgang August 26 and to conclude a geological survey for construction of a reunion center in July; to hold Red Cross talks in August to discuss prisoners of war; to hold the next round of ministerial-level talks at the North's Mount Paektu at an unspecified date; to hold general-level military talks at Mount Paektu at an unspecified date; to hold economic cooperation talks in Seoul July 9-12; to hold fisheries talks in July to prevent accidental naval clashes; to allow North Korean vessels to pass through the South's Jeju Strait; the South to provide the North with an unspecified amount of food in aid." (Joo Sang-min and Lee Joo-hee, "Two Koreas Agree to Take 'Substantial' Measures to Resolve Nuclear Standoff," *Korea Herald*, June 24, 2005)

6/23/05 *Rodong Sinmun*: "The U.S. persistent demand for 'nuclear renouncement first' is a product of its hostile policy aimed at crushing the DPRK, and it is an illogical demand that contains absolutely no evidence of its sincerity to settle the nuclear issue. ... The prerequisite for realizing the denuclearization of the Korean peninsula is the United States' removal of its nuclear threat to the DPRK and opting for peaceful coexistence. The denuclearization of the Korean peninsula means, in essence, turning all parts of the Korean peninsula, including the North and the South, into a nuclear-free zone and eventually eliminating the danger of nuclear war from this area. If the Korean peninsula is to become a nuclear-free zone and a peace zone, the United States' nuclear threat against the DPRK has to be eliminated before anything else. In a situation where the United States attempts to launch a preemptive nuclear attack against the DPRK and keeps a vast arsenal of nuclear weapons deployed in and around South Korea toward this end, the danger of a nuclear war can never be eliminated from the Korean peninsula and its denuclearization, therefore, cannot be realized. ... The fundamental condition for achieving the denuclearization of the Korean peninsula is the United States' switchover to peaceful coexistence with the DPRK." (KCNA, "Prerequisite for the Denuclearization of the Korean Peninsula," June 23, 2005)

The Bush administration blamed China for not doing enough to cajole North Korea back to nuclear talks but gave no indication it is willing to revise its own strategy, which has so far failed to roll back the North's advancing nuclear program. "The Chinese can exert more influence," Undersecretary of State Robert Joseph told a breakfast for reporters. "China has to make a decision how to influence North Korea. It has a number of tools." (Dafna Linzer, "U.S. Says China Should Prod N. Korea on Talks," *Washington Post*, June 24, 2005, p. A-26)

KCNA: "The chief executive of the United States was reported to have met daily Chosun Ilbo journalist Kang Chol Hwan, an alleged defector from the north, at the White House on June 15 and talked about "human rights situation" in the DPRK. Explicitly speaking, we do not know such word as "defector." If there be any, they are just a handful of hooligans and criminals who are not in a position to look up at the clear blue sky over the country with an easy mind for the crimes committed against it and its people. It is hard to expect to hear anything from such human scum and we, therefore, do not care at all about whatever nonsense they talk. Given the fact that the chief executive of the world's only "superpower" did sit face to face with such a human trash and conferred with him over "human rights performance" and other "serious matters," it is not hard to guess the political level and stature of the present U.S. administration. There are American military deserters in the DPRK, too, but we do not use them for a political purpose. Yet, the authorities of the U.S. ill-famed for the worst human rights abuses are resorting to such clumsy propaganda. The present U.S. administration orchestrated such poor farce as the White House boss's "interview with the north Korean defector." This goes to prove that it is a group of wicked elements who do not bother to meet even good-for-nothing to serve its sinister political purpose, regardless of whether this behavior suits its stature and authority or not. What matters here is why they are making such painstaking efforts and spending precious time for such a cheap charade. This farce was staged at a time when the international community and the countries concerned became increasingly assertive for creating an environment and atmosphere favorable for the resumption of the six-party talks. Herein lies the real point of the issue. Explicitly speaking, the U.S. chief executive's interview with the north Korean "defector" was part of the human rights offensive against the DPRK as it reflects the U.S. policy toward the DPRK. It is the U.S. policy and strategy to bring down the dignified DPRK and its socialist system at any cost. It tries to make the "collapse of the system" in the DPRK an established fact by peddling even the non-existent "human rights issue", not content with trumpeting about the nuclear issue, under the showy signboard of the "spread of freedom and democracy." To this end, the U.S. has long worked hard to secure leverage and gain time to stifle the DPRK inside and outside the venue of the six-party talks and it is set to go on with this tactics in the days ahead. This is clearly proved by the remarks made by American heavyweights persistently raising this or that issue not related to the solution to the nuclear issue. They asserted that "another issue arousing apprehension next to the nuclear issue is a human rights issue" and "not only nuclear issue but human rights, terrorism, drug and other issues should be addressed if the U.S.-DPRK relations are to be fully normalized." The U.S. has never skipped an opportunity to assert that it wishes the resumption and progress of the six-party talks and it recognizes the north as a sovereign state, but all the facts go to prove that those are nothing but hypocrisy. The human rights piffle again let loose by the U.S. high echelon suggests that Washington is not firm in its stand to recognize the DPRK as its dialogue partner and respect it. This, therefore, cannot be construed otherwise than an act of throwing a wet blanket on the efforts to resume the six-way talks. The U.S. oft-repeated "human rights" issue is quite contrary to the purport and the agenda of the talks. The U.S. should clearly understand that bringing such issues to the negotiating table will only result in confusing the talks." (KCNA, "KCNA Urges U.S. to Clearly Understand Purport and Agenda of Six-Party Talks," June 23, 2005)

- 6/25/05 North Korea wants to study the international banking system as it implements economic reforms, a senior official at its central bank said. North Korea was attending meetings of the central bank governors at the Bank for International Settlements in Basel. (Reuters, "North Korea Wants to Study Intl Banking System: Official," June 25, 2005)
- 6/26/05 The Bush administration is planning new measures that would target the U.S. assets of anyone conducting business with a handful of Iranian, North Korean and Syrian companies believed by Washington to be involved in weapons programs, U.S. officials said. The latest action is outlined in a draft executive order administration officials are hoping President Bush will sign before attending the Group of Eight summit in Scotland on Saturday. Officials who agreed to discuss the details only on the condition of anonymity said that the order's success would rely heavily on U.S. intelligence and that it is modeled in part on measures the government took against al Qaeda's finances shortly after the terrorist strikes of Sept. 11, 2001. According to an internal government memo, it would provide a new tool in the efforts to stop trafficking in weapons of mass destruction "by authorizing the blocking or 'freezing' of assets of WMD proliferators and their supporters, and thereby prohibiting U.S. persons from engaging in transactions with them." The effort would begin by targeting just eight entities, seven of which are suspected of working on missile programs, and not on chemical, biological or nuclear weapons. According to a government list obtained by the *Washington Post*, three companies identified are North Korean; four are Iranian, including the country's energy department; and one is a Syrian government research facility. Three of the eight companies have been targeted previously by U.S. sanctions, as have most Iranian government agencies. None is subject to any international sanctions, and the entities freely conduct business with companies around the world. But the draft executive order goes far beyond previous measures by threatening the U.S. assets of individuals or companies, including foreign banks, that do business with those on the list. **"If there is a bank in some European capital that is participating in working with one of the entities and that bank has some assets in the U.S., it is conceivable that some action could be taken to the bank's assets here,"** said one senior official with knowledge of the order's details. Russian and Chinese companies in particular, which do enormous business with Iran and North Korea, could be more affected than others by the new strategy, officials said. Bush made the centerpiece of his national security strategy a promise to prevent what he called "the world's most destructive weapons" from getting into the hands of the worst U.S. foes. That resolve, and the strategy to achieve it, brought the president to war in Iraq against a source of weapons that were never found. A presidential commission that reviewed the failings of the prewar intelligence on Iraq made recommendations to improve intelligence-gathering and halt trafficking in weapons of mass destruction. Officials said their new effort would address a key recommendation by the commission but could not identify which one. The commission found U.S. intelligence knows "disturbingly little" about weapons activities in Iran and North Korea. Administration officials said the lack of hard evidence accounted for the limited number of companies targeted. Administration officials declined to publicly discuss the "WMD Proliferation Financing Executive Order," saying they do not confirm details or discuss such decisions before they are signed by the president. But White House spokeswoman Dana Perino said "the

administration has been thoroughly reviewing the WMD commission's recommendations over the last three months to ensure we are doing all we can to protect the safety of our citizens." With the naming of a Syrian facility, Damascus, which is suspected of providing cover for insurgents in Iraq and targeting political foes in Lebanon, could take the place once reserved for Iraq alongside North Korea and Iran as members of what Bush referred to as an "axis of evil." Washington began sharing details of the proposed plan this past weekend with Britain, France and Germany, which are in the middle of delicate negotiations with Iran. The Europeans are hoping incentives, not sanctions, will persuade Iran's newly elected leader to give up some of the country's nuclear capabilities. Officials also said there are fears within the U.S. government as well that it could face legal challenges from targeted companies and that they would be hard-pressed to respond to them in court without revealing intelligence. "This whole thing is going to have to be based on good and reliable intelligence that will not lead to any litigation," one of the officials said. "That's why it is important to be thorough." The United States targeted the assets of hundreds of individuals after the 2001 terrorist attacks in an effort that went virtually unchallenged in the courts, in part because some individuals were listed by aliases and others were on the run in Afghanistan or feared capture if they tried to reclaim financial holdings. But public and private companies and banks in the United States, Europe and Asia are unlikely to sit back if their assets are frozen for legitimate business dealings. Two U.S. officials with detailed knowledge of the decision-making behind the new strategy expressed confidence in the quality of intelligence on the eight companies. But they said the cases were not black and white, particularly because most of the companies deal in dual-use components, and the Iranian Atomic Energy Agency is running a huge part of the country's energy sector. (Dafna Linzer, "U.S. Plans New Tool to Halt Spread of Weapons," *Washington Post*, June 27, 2005, p. A-1) The United States is targeting three North Korean firms, including a trading company involved in a joint venture with a South Korean carmaker, under a new executive order to freeze the assets of suspected weapons of mass destruction (WMD) proliferators. The order, signed by U.S. President George W. Bush on June 29, singles out the Korea Mining Development Trading Corporation, Tanchon Commercial Bank and the Korea Ryonbong General Corporation as companies believed to be assisting in the spread of WMDs. The South Korean firm, owned by Rev. Moon Sun-myung's Unification Church, invested about 71 billion won in the plant located in the North Korean city of Nampo, according to news reports. Under the executive order, the U.S. Treasury Department is able to freeze assets not only of the listed companies but also those of any person or organization that has business dealings with them. (Reuben Staines, "3 NK Firms Targeted as WMD Proliferators," *Korea Times*, June 30, 2005) David Asher's task force finishes work tracking illicit activities and proposes shutting down hard-currency accounts in Banco Delta Asia. But Justice Department wanted to delay action against BDA so that it could complete a major sting operation, "Smoking Dragon and Royal Charm," to peddle counterfeit drugs, cigarettes and dollars. (Glenn Kessler, *The Confidante*, pp. 78-79)

6/27/05

Responding to protests by families of Korean War POWs, South Korea plans to raise the issue in August Red Cross talks with the North. "I will push for the resolution of the humanitarian issue.:" UnifMin Chung Dong-young said in a report to the National Assdembly. South Korean records show that 41,971 were taken to the North during the

war with at least 538 believed to be still alive. North Korea has never admitted holding South Korean POWs. (Kim Kwang-tae, "Seoul to Discuss POW Issue with N. Korea in Red Cross Talks," Yonhap, June 27, 2005)

6/28/05

South Korea had drawn up seven projects to help rebuild North Korea's economy in the event that it gives up its nuclear program according to the Ministry of Unification: energy assistance, modernizing railways and ports, establishing joint farming complexes, organizing tours to Mount Paektu, reforestation projects and joint use of cross-border rivers. (Yonhap, "Seoul Draws up Seven Specific Economic Aid Projects for N. Korea," June 28, 2005)

North Korea has cut most of its international phone lines since late March over concerns that sensitive information about its society will flow out of the isolated country, South Korea's spy agency officials told a closed-door session of the National Assembly's Intelligence Committee. Since April, even people with permits to make international calls have been able to do so only under strict surveillance by security officials. (Associated Press, "N. Korea Reportedly Cuts Intl Phone Lines," June 28, 2005)

6/29/05

Hill: Joseph DeTrani at a Track II meeting sponsored by the National Committee on American Foreign Policy in New York, met with Li Gun. "Li had told him that if the U.S. side were to meet with the head of the North Korean delegation, he was sure the North Koreans would be willing to go back to six-party talks. "Joe, it sure sounds wencouraging, but nonetheless, Li being 'sure' is different from actuallyagreeing to return to the talks.' ...'I understand, but I think we are good. Do you want to speak to him?' ...'Mr. Li,' I said - not quite sure how to address him. 'Good to talk with you. I want to make sure we have an understanding that if I meet with Mr. Kim [Gye-gwan] in Beijing, your government will announce that you are returning to the six-party talks.' 'Yes. That is our understanding.' ... The next morning, I explained the proposed deal to the secretary. ...When we met again, she told me I could proceed, but that the meeting had to be in a Chinese government facility, with the Chinese present. I responded that I understood the instructionsd, but that it might not work. The whole point of the North Korean boycott of the talks was that we don't meet with them the way we meet with all the other parties. 'Do the best you can. Those are the instructions,' she responded." (Christopher R. Hill, *Outpost: Life on the Frontlines of American Diplomacy* (New York: Simon & Schuster, 2014), pp. 195-96)

7/1-2/05

Officials from the United States and North Korea may discuss the prospect of jumpstarting nuclear talks while attending a Track II meeting in New York beginning July 1, diplomats said. The US administration has given rare visa approval to Ri Gun, a senior North Korean diplomat, to attend the two-day conference organized by Professor Donald Zagoria of Hunter College beginning July 1, State Department officials said. State Department spokesman Sean McCormack said Wednesday that Joseph DeTrani, the US envoy to six-party talks designed to wean North Korea away from its nuclear weapons program, and another department official, Jim Foster, were expected to attend the conference. Ri Gun is Pyongyang's second man in the six-party talks, which were last held in June last year. "There are no meetings scheduled with Mr Ri outside the context of the conference. I would expect, since they will be at the

conference, that they will be in the same room together. But there are no planned meetings or exchanges," McCormack said. But some Asian diplomats said they expected the American and North Korean officials to discuss the nuclear issue. "These are senior, ground level officials and when they are in the same room, you don't expect them not to talk, especially when they know each other," one diplomat said, speaking on condition of anonymity. "I think they have many things to talk about, especially when things are looking favorable now," he said. Ri Gun (AFP, "U.S., North Korea May Use New York Conference to Discuss Nuclear Crisis," June 29, 2005) North Korea told the United States that it must withdraw its description of the communist nation as an "outpost of tyranny" and treat Pyongyang as a friend if it wants nuclear talks to resume, North Korea's director general of North American affairs, Li Gun, told reporters after a two-day conference on northeast Asian security. Speaking in English, Li said, "We told them (the U.S.) to just withdraw the words 'outpost of tyranny.' We demand it." State Department spokesman Sean McCormack said there were no negotiations between the two sides at the closed meeting. "We are still waiting to hear from North Korea a date when they will return to the six-party talks and engage in those talks in a constructive manner," he said. De Trani told reporters it was a good meeting but would not elaborate. Speaking in Korean, Li said the two sides exchanged positions and that he told the Americans "the United States has to treat us friendly, not as enemy, if they want us to take part in the six-party talks." Li said it wasn't the right time to talk about when the talks would reopen. "We have to watch the Americans, what kind of steps the Americans take," he said. Later, Li told the correspondent for *Tokyo Shinbun* that the conference was useful. "We are ready for resuming the six-party talks, and we told them that," he said in English. "The U.S. must create some justification to enter into the six-party talks." "We never deny or oppose to six-party talks. Our position is that once they give us justification, we can enter any time into six-party talks," Li said. "I think they heard our voices, and it's up to them. We will see it," he said. (Edith M. Lederer, "North Korea Wants U.S. to Withdraw Remark," Associated Press, July 2, 2005)

7/5/05

Kim Ji-yeop, president of South Korea's state-run Korean Coal Corporation, lead a five-member team to Kaesong for talks about jointly mining North Korea's coal reserves. The North reserves are estimated at 14.7 billion tons and coal accounts for 70 percent of its energy consumption, but production has declined 42 percent from its 1985 peak of 37 million tons because of equipment problems. "North Korea suffered enormous flood damage in 1995, and many mines have not been restored since then," a Unification Ministry official said. "Jointly developing coal mines in the North will not only ease its energy crisis, but allow South Korea to save on coal imports." Working-level talks began in May in China. The South would provide technology and equipment in return for mineral rights. The bulk of the mined coal would go to North Korea. (Lee Young-jong and Ser Myo-ja, "Koreas in Talks on Coal Project," *JoongAng Ilbo*, July 4, 2005)

7/?/05

Coe IDA: "Kim Jong-il has tried to develop new sources of hard currency without substantially changing the existing economy. In the 1990s, North Korea engaged in considerable illegitimate trade, including large-scale narcotics trafficking, currency counterfeiting, ballistic missile sales, and industrial and sexual slavery. ... The rapid decline of the 1990s greatly increased the threat to Kim Jong-il of a coup launched by

dissatisfied elites. ...To generate the necessary revenue, Kim could attempt once again to extort aid from the international community with his nuclear program. Failing that, however, he might resort to a new method: selling the fruits of his program. ...There are a number of recognized potential buyers for North Korea's nuclear goods, including Egypt, Iran, Syria, and Yemen, all of which have negotiated with North Korea for arms transfers in the past. Although Iran apparently has its own nuclear program, Tehran might nevertheless seek an immediate deterrent to hedge against the risk of intervention by U.S. forces based in Afghanistan and Iraq. Other less obvious states are also potential clients Saudi Arabia ... Taiwan ... Venezuela. ...There is one other type of potential buyer terrorist organizations ..." (Andrew J. Coe, "North Korea's New Cash Crop," *Washington Quarterly*, 28, 3 (Summer 2005) 73-84)

7/8/05 Secretary of State Condoleezza Rice said that she intended to rebuff a South Korean request to enhance an offer that five nations made to North Korea in exchange for dismantling its nuclear weapons program. The South Korean government has urged Washington to add a rich package of incentives to a proposal given to North Korea a year ago, during the last session of six-nation nuclear disarmament negotiations. Chung Dong Young, South Korea's unification minister, presented new offers to Kim Jong Il, North Korea's leader, during a meeting last month in the North Korean capital. After a visit to Washington last week, Chung seemed to believe the administration had agreed to his government's plan to combine the two proposals. "Both sides agreed that the next six-party talks, when they reopen, will gain momentum if they combine the proposals from the previous talks and South Korea's important proposal," he told Korean reporters. But speaking on her plane en route to China, her first stop on an Asian tour, Rice said: "We are not talking about enhancement of the current proposal. I will listen to what people think. But I think it is important to get a response to the proposal already made." (Joel Brinkley, "Rice Has No Plans to Improve Offer to North Korea in Arms Talks," *New York Times*, July 9, 2005, p. A-3)

7/9/05 After more than a year of stalemate, North Korea agreed to return to disarmament talks late this month and pledged to discuss eliminating its nuclear-weapons program, according to senior Bush administration officials. The agreement was reached during a dinner meeting that included Christopher Hill, a former American ambassador to South Korea who has recently become the lead United States negotiator to the talks, and Kim Kye Gwan, North Korea's deputy foreign minister, according to a senior administration official traveling here with Secretary of State Condoleezza Rice. KCNA also issued a statement from Pyongyang announcing the talks would resume. While the North Koreans have pledged many times before to return to the six-party talks, this is the first time they have actually set a date: the week of July 25. U.S. officials were clearly trying to lower expectations. "Frankly," an administration official said, "we just don't know" what will come of the talks, if they do take place as promised. American officials say North Korea's economic situation has continued to deteriorate, and they hope to use that as leverage in the coming talks. To increase the pressure, the Bush administration has put in place plans for a series of coercive actions - crackdowns on North Korean shipments of drugs, counterfeit currency and arms - that would probably be accelerated if the negotiations made no progress. "We've made it clear they can't just come back and lecture us, like the last sessions," a senior administration official in

Washington said. "Either they get on the path to disarmament, or we move to Plan B." Over the last several months, North Korea set numerous conditions for returning to the talks, including turning them into regional disarmament negotiations. North Korea made that demand after it, on February 10, declared for the first time that it was in possession of nuclear weapons, a statement American intelligence officials say they cannot confirm - but assume to be true. The senior administration official said the North Koreans made no such demand on Saturday in return for restarting the negotiations. Discussions on setting a date began last week when another North Korean official, Li Gun, held a meeting with Joseph E. DeTrani, a State Department official, and diplomats from Japan and South Korea, on the sidelines of an academic conference in New York. There, the senior administration official said, Li told DeTrani that North Korea was ready to return to the negotiating table and wanted to set up a meeting to discuss the date and the scope of the talks. After that, Hill flew to Beijing just before Rice's arrival. The North, American officials said, was looking for face-saving ways to resume talks. So South Korea urged Bush and his aides to stop characterizing the North Korean leader as a "tyrant" or repeating Rice's phrase that the country was an "outpost of tyranny." The enforced silence may have helped. KCNA said, "The U.S. side clarified its official stand to recognize" North Korea "as a sovereign state, not to invade it and hold bilateral talks within the framework of the six-party talks." At the dinner in Beijing, the senior administration official said Hill promised that "everyone is equal; we will respect each other." On the plane to Beijing, Rice reiterated a statement she has been making for months that she recognized North Korea as "a sovereign state." She did not repeat her "outpost of tyranny" characterization. A senior South Korean official, speaking in Seoul, said, "The North Koreans said that they regard the United States' recognition of their sovereignty and reassurances that it won't invade or attack them as a withdrawal of the previous 'outpost of tyranny' remark." The official added: "They recently received humanitarian assistance from South Korea, which was supplemented by the United States with 50,000 tons of food. It's not a big amount, but it was significant. These factors gave North Korea a certain amount of room to come forward." (Joel Brinkley and David E. Sanger, "North Koreans Agree to Resume Nuclear Talks," *New York Times*, July 10, 2005, p. A-1) Hill had arranged to meet with Kim Gye-gwan and a Chinese diplomat for dinner in Beijing with Rice en route. When the Chinese did not show up, Hill went anyway, ignoring instructions not to meet without the Chinese present. Kim began by asking about U.S. attitudes to DPRK sovereignty and he repeated Rice's March formulation, "no one denies that North Korea is a sovereign state." Asked about the U.S. "hostile policy," Hill retorted what about the North hostile policy to us. Kim told Hill they would return to six-party talks the week of July 25. Kim also said it was Kim Il-sung's "dying wish" that it give up its nuclear program. He tells Rice, "The bad news is the Chinese did not show up, but the good news is the North Koreans have agreed to come back to the talks and have announced that in Pyongyang." She crinkled her nose - not a good sign, and said, "I thought we had an understanding on that." The next day she complained to FM Li Zhaoxing, "You were supposed to host the dinner, but then you don't show up." Li told her to focus on the outcome, not the process. (Glenn Kessler, *The Confidante*, pp. 76-77) Hill: "Of course, there were no Chinese, and based on my instructions, I should call the whole thing off. ...I decided that if there was ever a time to call a diplomatic audible, it was not. Tell them the Chinese are not here and ask them if they are going

to come of not.' Edgard [Kagan, deputy political chief in the U.S.embassy in Beijing] gave the answer to his North Korean contact ... 'They are coming now.' ... Kim Gae-gwan, Li Gun, Choe Son-hui, and a note-taker walked through the elevator door, peering left and right as if to make sure there were no Chinese. ... 'I hope we will have the occasion to meet many times in the coming months. There is much that needs to be done. Our countries are adrift in a sea of mistrust, and we need to do something to overcome that.' Kim liked the maritime metaphor, and before I know it he had us all 'in the same boat' sailing to an agreement, I guess. I told him we would need to manage expectations. These talks have either been characterized by pessimistic expectations, or wildly optimistic ones. ... I told him that the United States does not have a hostile policy to North Korea and its people. But we do have a 'hostile policy' to many North Korean policies including its nuclear programs." (Hill, *Outpost*, pp. 215-17)

DPRK Foreign Ministry spokesman "as regards the contact made between the heads of the DPRK and the U.S. delegations to the six-party talks": "As already reported, the contact between the heads of the DPRK and the U.S. delegations to the six-party talks was made in Beijing and an agreement on the resumption of the talks was reached there on July 9. The resumption of the six-party talks that have remained deadlocked for over one year is entirely thanks to the sincere efforts made by the DPRK for the denuclearization of the Korean Peninsula. As the DPRK repeatedly clarified, it is the ultimate goal of the DPRK to denuclearize the Korean Peninsula and it is its consistent stand to attain the goal through dialogue and negotiations. Proceeding from this stand, the DPRK actively initiated the six-party talks and set forth realistic and constructive proposals at the last three rounds of talks. It has neither opposed nor given up the six-party talks. **The talks have been deadlocked till now because the U.S. refused to recognize its dialogue partner and destroyed their groundwork.** In the meantime, **the DPRK has clarified more than once through a series of contacts made between the DPRK and the U.S in New York that the talks can be resumed if the U.S. rebuilds their groundwork by recognizing the sovereignty of the DPRK and making clear its will for non-aggression.** A special mention should be made of the fact **that delegates of the DPRK Foreign Ministry and the U.S. Department of State met in New York from June 30 to July 1 and exhaustively negotiated the issue of providing the DPRK with a justification for returning to the six-party talks and reached a consensus of views on the matter in the main.** Accordingly, the U.S. side at the contact made between the heads of both delegations in Beijing Saturday [July 9] clarified that it would recognize the DPRK as a sovereign state, not to invade it and hold bilateral talks within the framework of the six-party talks and the DPRK side interpreted it as a retraction of its remark designating the former as an "outpost of tyranny" and decided to return to the six-party talks. As seen above, the resumption of the talks has been possible only thanks to the principled and independent stand and tireless and sincere efforts of the DPRK side for the denuclearization of the Korean Peninsula. The outcome of the DPRK-U.S. contact clearly proves that it is possible to settle any problem when the parties concerned directly come out to solve it. **The neighboring countries supporting the denuclearization of the Korean Peninsula and those related to it have also made efforts for the resumption of the talks. But Japan has done nothing for it.** The resumption of the talks itself is important but the most essential thing is for the talks to have an in-depth discussion on ways of

denuclearizing the Korean Peninsula to make substantial progress in the talks. **The DPRK will do its utmost for it.** (KCNA, "Spokesman for DPRK FM on Contact between Heads of DPRK and U.S. Dels," July 10, 2005)

7/10/05

The United States is willing to alter the terms and conditions of its proposal to resolve the impasse over North Korea's nuclear programs, if the government in Pyongyang constructively outlines its concerns when talks resume at the end of this month, U.S. officials traveling with Secretary of State Condoleezza Rice said. The U.S. proposal, offered in June 2004, had been denounced by North Korea as unbalanced because the government would have been required to disclose all of its nuclear programs, and have its claims verified, before the United States took any steps in return. The officials, briefing reporters on condition of anonymity, said they wanted to hear from North Korea whether new incentives needed to be added to a final deal and how the sequencing of reciprocal steps could be rearranged to suit North Korea's interests. "It was a proposal, not a demand," one official said. "It was to get things started, which is why it is important to hear back." Rice, speaking to reporters in Beijing after meetings Sunday with top Chinese officials, warned the North Korean government that it must demonstrate it is willing to bargain hard. "It is not the goal of the talks to have talks," she said. "It is the goal of the talks to have progress." In an interview with Fox News before departing Beijing for Thailand, Rice said the reclusive government had "a bar to pass" after boycotting the process for more than a year. "We should not spend too much time celebrating the fact we are going back to the talks," she said. U.S. officials caution that they are still not sure whether North Korea's willingness to return to the talks -- five months after the government swore it would never do so -- indicates a genuine desire to negotiate an end to its nuclear programs or is yet another stalling tactic that would allow it to build up its nuclear arsenal. Some U.S. officials are convinced North Korea will never give up its nuclear programs, no matter what concessions are made. Others believe it is necessary to test North Korean intentions. North Korea's decision to return to the negotiating table was sealed during a three-hour dinner in Beijing Saturday between a U.S. envoy and a top North Korean official. Much of the discussion centered on what Rice called the "modalities" of the talks -- setting a course that would allow for successive rounds of talks that build on their own momentum. The three previous sessions were held months apart, with North Korea returning to another round only after much cajoling -- and a huge infusion of cash and concessions from China. U.S. officials traveling with Rice said that the increasingly desperate economic conditions in North Korea appeared to be a factor in its decision, though one said there was "no arm-twisting event." China recently refused a U.S. request to temporarily halt oil deliveries, but it has also tightened export controls, depriving North Korea of goods, one official said. At last month's South Korea-North Korea unity meeting, Seoul did not provide the expected huge aid infusion, another official said. "There was no enormous bonanza," he said, which was a signal. At the unity meeting, the Seoul government did suggest it could provide a massive aid package to build up North Korea's electricity supply -- what South Korean media have dubbed a Marshall Plan -- but only if North Korea gave up its weapons. A top South Korean official also pointedly noted that the package would not include nuclear power. The South Korean energy proposal showed North Korea there was "a path ahead if they want to take advantage of the six-party talks," Rice said in Beijing. (Glenn Kessler,

"U.S. Open to New Terms in N. Korea Talks," *Washington Post*, July 11, 2005, p. A-12) Just hours before North Korea agreed to return to the six-nation talks on its nuclear program, Secretary of State Rice reiterated that the United States would not sweeten the offer laid on the table more than a year ago. "We are not talking about enhancement of the current proposal," she said July 9. But it was the promise of a better deal that appears to have persuaded North Korea to return to the talks, several administration officials acknowledged privately. The offer came last month from South Korea, allowing the Bush administration to appear to remain faithful to the hard line that some senior officials have insisted on. Yet at the same time, they can accede to the demands of allies for some kind of softening. "South Korea, they are the ones who made this work," a senior Asian diplomat said. (Joel Brinkley, "Setting the Table for North Korea's Return," *New York Times*, July 11, 2005, p. A-4)

Secretary of State Condoleezza Rice left open the door to establishing diplomatic ties with North Korea if it abandons its nuclear ambitions. Pyongyang, Rice warned, "has a bar to pass" when the negotiations resume later this month. "The issue now is for North Korea to make a strategic choice to give up its nuclear weapons programs," she said when asked about diplomatic ties at a press conference in Beijing. "So let's do that, and we will see what else comes." Five years ago, the Clinton administration offered the North the prospect of formal relations with the United States. Miss Rice's vague, open-ended response came during a visit with Chinese leaders in which she also spoke of the "great momentum" in U.S.-China relations despite the latter's "troubling" arms buildup. Rice met with Chinese President Hu Jintao, Prime Minister Wen Jiabao, Foreign Minister Li Zhaoxing and State Councilor Tang Jiaxuan, who plans to go to Pyongyang July 12. (Nicholas Krlev, "U.S. Open to Ties with North Korea," *Washington Times*, July 11, 2005) SecSt Rice meets with President Hu in Beijing. "The North Koreans are counterfeiting our money," she told Hu. "The president has an obligation to deal with the counterfeiting of our money." (Glenn Kessler, *The Confidante*, p. 78)

7/11/05

South Korea's top negotiator for the North Korean nuclear talks urged the United States and other participating nations to help relieve the security concerns and economic problems that are driving the communist nation's pursuit of nuclear weapons.

"North Korea has certain motives to try to possess nuclear weapons," Deputy Foreign Minister Song Min-soon said in an interview with MBC radio. "We need to help it to deal with these in other ways." Providing aid to stabilize the regime and develop its economy could help the North to give up its nuclear programs, he said. The comments came as U.S. Secretary of State Condoleezza Rice was set to arrive in Seoul today for consultations in preparation for a new round of six-party nuclear talks late this month. Sheen Seong-ho, professor at Seoul National University's Graduate School of International Studies in Seoul, said South Korea will likely press Rice to show greater flexibility. Seoul has promised to table its own "important proposal" when the six nations convene. The as-yet-undisclosed scheme, which has been outlined privately to both Washington and Pyongyang, is believed to include large amounts of development aid for North Korea. Sheen said South Korea might ask the U.S. to contribute to this plan as a "token of goodwill" toward the North. "But this is just South

Korea trying really hard to fill the gap between North Korea and the U.S.," he said. "At the end of the day, the important thing is the U.S. position." A South Korean official close to the nuclear talks rejected the suggestion that his government will be pushing for further concessions from Rice. "The decision on the U.S. proposal is up to the U.S. government," he said, speaking on condition of anonymity. He admitted that Washington's offer appears to have changed little from last year's talks. "But it has said it is prepared to have substantive discussions about that," he added. North Korea reiterated yesterday that it is willing to scrap its nuclear weapons program if the U.S. drops its "hostile" policy toward the Pyongyang regime. "We don't need a single nuclear weapon if the U.S. nuclear threat against us is removed and its hostile policy aimed at bringing down our system is retracted," *Rodong Sinmun* said in a commentary. (Reuben Staines, "U.S. Urged to Remove N.K. Security Concern," *Korea Times*, July 11, 2005)

7/12/05

Ending a round of economic cooperation talks, the two Koreas agree on a range of projects that include opening a new office in Kaesong to channel investments to the North and a North, agreement to meet later this month to discuss commercial fishing near inter-Korean waters, and an accord to hold ceremonies in October to mark restoration of cross-border rail lines. North Korea will receive 500,000 tons of rice promised in last month's ministerial talks. "When the two Koreas hold maritime cooperation discussions, it will contribute to maintain peace along the inter-Korean border in the Yellow Sea," a Seoul official involved in the talks said. Bahk Byung-won, South Korea's vice foreign minister, and Choe Yong-gu, the North's construction vice minister headed the delegations. South Korea's Red Cross said it will meet its North Korean counterpart today and tomorrow to discuss plans to hold a video reunion of separated families. (Ser Myo-ja, "North, South Reach Accord on Projects," *JoongAng Ilbo*, July 12, 2005)

Deputy Foreign Minister Song Min-soon said the country was willing to throw open any military facilities including those of the U.S. Forces in Korea to nuclear inspectors. Song told Democratic Labor Party leadership denuclearization of the Korean Peninsula was "absolute," adding, "If there are suspicions, and if you need to, we can open up USFK facilities" to inspection, according to DLP vice spokesperson Kim Bae-gon. (*Chosun Ilbo*, "Seoul 'Would Welcome Inspection of USFK Facilities,'" July 12, 2005)

Kristof: "President Bush and his top officials are studiously pretending not to notice, but here in the most bizarre country in the world, the Dear Leader, Kim Jong Il, is throwing down a nuclear gauntlet at Bush's feet. Senior North Korean officials here say the country has just resumed the construction of two major nuclear reactors that it stopped work on back in 1994. Before construction resumed, the C.I.A. estimated that it would take "several years" to complete the two reactors, but that they would then produce enough plutonium to make about 50 nuclear weapons each year. This is the most regimented, militarized and oppressive country in the world, but the government seems very firmly in control. And this new reactor construction, if it is sustained, is both scary and another sign that U.S. policy toward North Korea has utterly failed. I was able to get a visa to North Korea (after being "banned for life" after my last visit, in 1989, for reasons that remain unclear) by tagging along with *The Times's* publisher, Arthur

Sulzberger Jr., on a visit here. The government arranged for us to interview senior officials, including the vice president, the foreign minister and a three-star general. Officials insist that the new reactors are intended solely to provide energy for civilian purposes - and that in any case, North Korea will never transfer nuclear materials abroad. Don't bet on that. If Pyongyang gets hundreds of weapons by using the new reactors, there will be an unacceptable risk of plutonium's being peddled for cash. "If they were to succeed in getting one or the other in operation, that would really change the dynamics of the situation," said Jonathan Pollack, a North Korea expert at the Naval War College. Kenneth Lieberthal, who ran Asian affairs for a time in the Clinton White House, put it this way: "If they get those two sites up, that then creates the potential for them becoming the proliferation capital of the world." The Bush administration has refused to negotiate with North Korea one on one, or to offer a clear and substantial package to coax Kim away from his nuclear arsenal. Instead, Bush has focused on enticing North Korea into six-party talks. The North finally agreed on Saturday to end a yearlong stalemate and join another round of those talks. Bush is being suckered. Those talks are unlikely to get anywhere, and they simply give the North time to add to its nuclear capacity. Ri Chang Bok, a leading general in the North Korean Army, made it clear that even as the six-party talks staggered on, his country would add to its nuclear arsenal. "To defend our sovereignty and our system," he said, "we cannot but increase our number of nuclear weapons as a deterrent force." The threat of new reactors coming on line makes it all the more urgent that Bush try direct negotiations - not only about nuclear weapons but also, as some conservatives are suggesting, about North Korea's human rights abuses. No one knows whether direct negotiations and a clearer road map of incentives would succeed, but they couldn't fail any more abjectly than the present policy. The two projects that North Korea is resuming work on are a 50-megawatt reactor in Yongbyon and a 200-megawatt reactor in Taechon. The former is now just a shell that has deteriorated in the years since work was suspended, but Li Gun, a director general in the Foreign Ministry, says work on it may be completed this year or next. The Taechon reactor would apparently take at least two or three years to complete. It's possible that North Korea is bluffing or is resuming construction only to have one more card to negotiate away. But if not, there will be considerable pressure in the U.S. for surgical military strikes to prevent the reactors from becoming operational. General Ri said that if the U.S. launched a surgical strike, the result "will be all-out war." I asked whether that meant North Korea would use nuclear weapons (most likely against Japan). He answered grimly, "I said, 'We will use all means.'" So don't let the welcome resumption of the six-party talks distract us from the reality: Bush's refusal to engage North Korea directly is making the peninsula steadily more dangerous. More than at any time since the Cuban missile crisis of 1962, we are on a collision course with a nuclear power."(Nicholas Kristof, "Behind Enemy Lines," *New York Times*, July 12, 2005, p. A-21)

7/13/05

South Korea has offered to supply the North with electric power equivalent to the output of two unfinished nuclear plants if the communist state gives up its nuclear weapons, South Korean officials said. At a news conference in Seoul, Rice praised the proposal as a "very creative idea" because it would resolve North Korea's energy problems without giving the government access to nuclear power. She said it was a "considerable improvement over where we have ever been" in how to address North

Korea's energy needs without creating "significant proliferation risk." She added that she thought it would be "very easy" to incorporate the South Korean idea into a proposal that the United States made last June at six-nation talks over North Korea's weapons programs. That proposal made a vague offer to study North Korea's energy needs. In response to a question, Rice rejected the idea that the United States was now willing to reward North Korea before it gives up its nuclear programs. "I have to reject the premise that North Korea needs to get all sorts of benefits before they come back to the table," she said. She also emphatically said she has no plans to visit Pyongyang, like one of her predecessors, Madeleine K. Albright, in 2000. "The North Korean nuclear problem is not a problem for the United States" but the entire region, she said. Rice had a two-hour working dinner last night with Foreign Minister Ban Ki Moon of South Korea and held additional talks today before flying back to Washington. She flew here from Tokyo and also held talks in Beijing, with much of the discussions focused on how to persuade North Korea to give up its weapons programs. (Glenn Kessler, "South Korea Offers to Supply Energy If North Gives up Arms," *Washington Post*, July 13, 2005, p. A-16)

The GNP is likely to adopt a revised party platform that aims at joint development of the two Koreas based on the principle of "mutual coexistence." "Our party has been often criticized for lacking a unification policy," said Rep. Park Hyoung-joon. "Now we will discard the strategic give-and-take approach which inevitably leads to a hostile attitude toward the North. Instead, we will focus on more aggressive and flexible policies that contribute to building peace and establishing as joint economic community on the Korean peninsula, based on the principle of mutual respect." (Seo Dong-shin, "Conservative GNP to Soften Policy on N.K.," *Korea Times*, July 13, 2005) The GNP called for National Assembly discussion of electricity aid to North Korea in return for its abandonment of nuclear weapons as it will be a heavy burden on taxpayers if the unspent \$2.4 billion allocated to KEDO is not enough to cover the cost. (Lee Jin-woo, "GNP

7/14/05 TCOG in Seoul. Christopher Hill, Song Min-son, Sasae Kenichiro discuss agenda for fourth round. Agree if North abandons programs, US will supply heavy fuel oil and ROK electricity. (James L. Schoff, *Tools for Trilateralism* (Dulles, VA: Potomac Books, 2005), p A-11) The TCOG agreed on the need for bilaterals: "We shared the view that it is important to achieve substantial progress from the forthcoming talks through serious negotiations between the concerned countries." (Chang Jae-soon, "S. Korea, U.S., Japan Agree on Need for Reforming Nuclear Talks," *Yonhap*, July 14, 2005)

7/15/05 A former National Security Council chief said the strategic flexibility agreement between South Korea and the U.S. forced Washington to abandon military plans to use South Korea as a launching base in the event of an emergency involving Taiwan. Lee Jong-seok, who served as NSC chief and Minister of Unification during the Roh Moo-hyun administration (2003-2008), said the U.S. plan was ultimately changed by the insertion of a clause into the agreement preventing South Korea from being drawn into Northeast Asian conflicts. Lee related the information in his recently published book "Peace on a Knife's Edge," which gives the behind-the-scenes story of his experience in policy-making under the Roh administration. According to the book, Washington had

been demanding strategic flexibility for USFK since early 2003. The aim was to allow greater ease of USFK movement from the Korean Peninsula to other regions, and vice versa, in the event of an emergency. But while the Roh administration agreed to USFK flexibility, it also insisted that South Korea should not be drawn into any Northeast Asian conflicts. Eventually, the US effectively bowed to South Korea's demands at a summit in Washington on June 10, 2005, at which point the strategic flexibility approach began to take shape. A month later on July 15, then Defense Department Deputy Undersecretary for Asia-Pacific affairs Richard Lawless admitted to Kim Sook, head of the South Korean Minister of Foreign Affairs and Trade's North America bureau, that "readiness plans to date for an emergency involving Taiwan have presumed operations out of South Korea." "Now that the South Korean government has stated that it cannot accept this, the US understands and needs to change the fundamental assumptions of its readiness plan for a Taiwan emergency," Lawless was quoted as saying at the time. This would mean that the strategic flexibility discussions resulted in changes to the role the Pentagon had assumed for USFK bases in a Taiwan emergency scenario (Lee Yong-in, "New Book Reveals U.S. Abandoned Military Plans," *Hankyore*, May 15, 2014)

7/18/05

A Canadian businessman lost his job as the top U.N. envoy to North Korea amid questions about his connection to a suspect in the U.N. oil-for-food scandal. The decision not to renew Maurice Strong's contract follows criticism that he gave his stepdaughter a job at the United Nations and concerns over his ties to a South Korean businessman accused of accepting kickbacks from Saddam Hussein's government. Deputy U.N. spokeswoman Marie Okabe said in response to a question that Strong's contract expired last week "and it has not been renewed." She gave no reason. Strong took temporary leave from his post on April 20 during a probe of his ties to businessman Tongsun Park. The next day his stepdaughter, Christina Mayo, resigned after a U.N. review discovered that she had worked at the United Nations for her stepfather for two years. U.N. staff regulations in most cases prohibit the hiring of immediate family members. Park, a native of North Korea and citizen of South Korea, was charged by the U.S. Attorney's Office in April with allegedly accepting millions of dollars from Saddam's government to lobby illegally for Iraq in the United States on behalf of the oil-for-food program. Strong said Park had advised him on Korean issues, but he denied any involvement with the \$64 billion humanitarian program in Iraq. He pledged to cooperate with an oil-for-food probe led by former U.S. Federal Reserve Chairman Paul Volcker. Prosecutors say Park met with an unidentified U.N. official in an apparent effort to influence the design of the oil-for-food program and invested \$1 million in a company run by the official's son. Strong acknowledged that Park invested money in a company run by his son, the *Toronto Globe and Mail* newspaper has reported. (Edith Lederer, "Top U.N. Envoy to North Korea Loses Post," *Associated Press*, July 18, 2005)

7/19/05

Prime Minister Koizumi Junichiro said he wanted to normalize diplomatic relations with North Korea before his term as Liberal Democratic Party leader expires in September 2006. "I want to solve the nuclear and abduction issues during my term and normalize relations with North Korea," Koizumi was quoted as saying at a meeting with former LDP Vice President Yamasaki Taku at the Prime Minister's Office. The prime minister

apparently is intent on breaking the impasse in Japan-North Korea relations after six-party talks resume on July 26. Koizumi added, "It would be best for North Korea to talk sincerely with us so that we can solve all the problems there and conclude the six-party framework." (*Yomiuri Shimbun*, "Koizumi Seeks Normalized Ties with DPRK by End of His Term," July 20, 2005)

7/20/05

The militaries of the rival Koreas agreed to resume stalled work to dismantle propaganda facilities along their land border next week, Seoul's Defense Ministry said. They also agreed to operate liaison offices to avoid accidental armed clashes along their disputed western sea border, the ministry said in a statement. The one-day contact at the border village of Panmunjom was meant to discuss tension-easing measures on the Cold War's last frontier and set a date and agendas for general-grade talks. The military officials failed to determine when to hold a third round of general-level talks but agreed to meet again on August 12 to discuss the matter, the statement said. In their second round of general-grade talks in June last year, the Koreas agreed on a range of tension-easing measures such as the establishment of hotlines and the use of a unified radio frequency between their navies as well as the dismantlement of border propaganda facilities. The two sides, however, halted the dismantling of border propaganda facilities several weeks after completing the work in the western and central sections of the border. In addition, the establishment of hotlines has yet to be implemented. "The South and North agree to resume the third stage of propaganda facility removal on July 25 and complete the work by August 13," the statement said. The sides also agreed to begin operating separate communication liaison offices on August 13 as part of efforts to prevent accidental armed clashes in the Yellow Sea, the statement said. The Koreas will set up hotlines and conduct a test call on August 10, it said. (Kim Hyung-jin, "Koreas Agree to Resume Dismantling Border Propaganda Facilities," *Yonhap*, July 20, 2005)

KCNA: "The international community is becoming increasingly concerned about the role of a filibuster to be played by Japan at the forthcoming six-party talks. Hosoda, chief cabinet secretary, and Machimura, foreign minister, expressed their intentions on July 14 and 15 to raise the "abduction issue" at the six-party talks, uttering that Japan remains unchanged in its basic policy to take every opportunity to strongly assert the settlement of the "issue." Given the remarks made by the Japanese chief executive at the G-8 summit that Japan would not establish diplomatic relations with the DPRK unless the "abduction issue" is settled, it is clear to everyone that the extremely egoistic and double-dealing political and diplomatic stand of Japan on the international arena will conflict with the generally accepted interests of the international community. The six-party talks remain unchanged in their basic orientation and nature that the talks should substantially contribute to the denuclearization of the Korean Peninsula. It is in this context that the parties concerned except Japan have made every possible effort in various aspects to create an atmosphere for the resumption of the talks. Japan has busied itself to divert the orientation and atmosphere for the six-party talks into those serving its mean interests. The real purpose sought by Japan through the six-party talks is to bring up the already settled "abduction issue" for discussion at the talks, the matter not relevant to the denuclearization of the Korean Peninsula, in a bid to create an atmosphere

unfavorable for the DPRK and fish in troubled waters. The behaviors of senior most officials of Japan go to clearly prove that they do not want the resumption of the six-party talks, the settlement of the nuclear issue and the denuclearization of the Korean Peninsula. Japan has so far stood in the way of six-party talks. At the previous rounds of the talks Japan impertinently raised the "abduction issue," asserting that the talks should not take up the nuclear issue only. This chilled the atmosphere of the talks and deliberately threw hurdles in the way of discussing their agenda items. Japan will find nothing to do at the future six-party talks even if it attends them unless it drops its crooked viewpoint and way of thinking. Its participation would only create more complexities to the talks. **The negative role played by Japan at the previous rounds of the talks compels the DPRK not to deal with Japan even if the talks are resumed.** The invariable attitude of Japan towards the multi-party talks only increases disillusionment with it." (KCNA, "KCNA Flails Japan's Attitude toward Six-Party Talks," July 20, 2005)

7/21/05

Hayes et al.: "If, as has been suggested, this energy scheme is the lead offer at the six-party talks, it appears to already have wobbly foundations. Thus, it is urgent to delineate the scheme's potential, the obstacles to its success, and the implications for the negotiations that arise from the energy issue in the DPRK. Indeed, within days of Chung's announcement of South Korea's power play, skeptical voices were raised in Seoul. On July 15, 2005, a former head of the Korea Electric Power Company was quoted in the media as warning that technical problems may impede the supply of 2 gigawatts of electricity to the DPRK. Criticism of the scheme, possibly motivated politically and possibly by the prospect of consumers upset by prospective tax increases to pay for the estimated \$2.3 billion to provide the power to the North, erupted in the opposition party. In this paper, we summarize what is known about or can be plausibly inferred to constitute the South Korean scheme. We review the status of the DPRK power system and the implications of this status for the ROK offer. We outline the technical problems and challenges associated with the South Korean scheme. We also note non-technical issues such as cost, institutional and coordination requirements, and political obstacles. In conclusion, we argue that the participants at the six-party talks should consider the full scope of activities needed to implement the South Korean scheme; that they should explore an alternative approach that would link the Russian and South Korean grids, thereby achieving the same outcome at lower cost and lesser political risk; and that the six parties should consider adopting a short-term, alternative package rather than resuming HFO deliveries to the DPRK because this approach would provide more energy services, faster, and at lower risk and cost to give immediate substance to statements of longer-term intention to supply assistance to the DPRK. We further suggest that these issues be explored with the North Koreans at the six-party talks at a subsequent technical working group before major commitments are made to proceeding with the South Korean proposal. South Korea's offer to Kim Jong Il appears to be benchmarked to past US-DPRK Agreed Framework energy assistance, and is designed to substitute for the power output of the two KEDO light water reactors that were roughly 2 gigawatt-electric in size (in fact, each reactor is slightly bigger than one gigawatt). The offer also entails running power lines from South Korea to the North. As transmission and distribution always loses some of the power generated at the power plant, often ranging from 5-10 percent, we will assume

that South Korea offered to deliver two gigawatts of power plant, after reasonable losses are incurred in transmission (but not distribution). ... The unified electrical grid in the DPRK apparently dates back to 1958. The DPRK transmission and distribution (T&D) system must nominally manage a fairly complex grid of 62 power plants, 58 substations, and 11 regional transmission and dispatching centers. The total reported capacity of generation resources as of 1990 was about 8 to 10 gigawatts, with the higher total probably including numerous small power plants of uncertain operability. ... The main transmission lines in the DPRK are mostly rated at 220 and 110 kV (kilovolts). Other transmission lines are rated at ~66 kV, with lower-voltage lines used for distribution. Connections between the elements of the T&D system were, as of the early 1990s, reportedly operated literally by telephone and telex, without the aid of automation or computer systems. Although a United Nations project in the early 1990s installed some control equipment at a power plant and selected control centers in the Pyongyang area, few other upgrades have been undertaken. This system results in poor frequency control, poor power factors, and power outages. Outages on the grid are reportedly frequent, and the process of reacting to outages and isolating areas where the outages occur is cumbersome and slow, often resulting in a cascading series of outages (and further delays in restoring power). At present, the DPRK grid apparently operates not as a unified grid, but as a largely disconnected collection of regional and local grids. We estimate that operable generation capacity is on the order of 2 to 3 GW at present, and total electrical output fell from about 46 TWh (terawatt-hours, or billion kilowatt-hours) in 1990 to 13 TWh by 2000, with 2005 output likely not very different than in 2000. Voltage and frequency fluctuations are orders of magnitude greater than international standards, and electricity supplies, depending on the area (supplies in the capital are most reliable) vary from non-existent to occasionally interrupted. ... Due to reactive power losses incurred in large-scale power transfer by long-distance transmission lines, there are physical limits on the south-north flow inside South Korea of electrical energy to this demand center from the power plants, which, if exceeded, can cause the grid to shut down due to the tripping of circuit breakers in response to voltage collapse. In 2001, that transfer was 10,886 MW in normal operation. In 2001, ROK experts estimated that the maximum DPRK load that could be added to the existing grid system without exceeding these limits was 0.5 GWe. Although the DPRK supply and demand of electric power has grown since then, the ability to transmit power from generator to load centers has not grown commensurately, making it unlikely that the ROK grid can supply more than was estimated in 2001. ... Given the vast disparity between the two grids, it is not only difficult but downright hazardous to simply transmit pure power to the DPRK. Not only are the two grids operating on different frequencies (in at least parts of the DPRK), with vast differences in standards such as voltage fluctuation, reserve capacity, etc, and completely different engineering and safety cultures. The two grids are also antithetical in that the ROK cannot afford to put its own grid at risk operating as it does 20 power reactors generating 17.7 gigawatts of electricity, with the potential for forced outages with no warning due to instability being propagated from the DPRK grid to the South. As was noted above, in 2001 South Korean experts studied carefully the risks associated with connecting South Korea's grid with North Korea, and concluded that the maximum load that could be drawn from the ROK grid and sent to the DPRK grid was about 0.5 gigawatt, or about one quarter of what is now committed to the DPRK by

the ROK should it denuclearize over the next year or so (leaving a couple of years to construct supply and the transmission lines to send the power north). If the power is to be drawn off the existing ROK grid without putting it at risk, then there are only two options: build power plants north of Seoul to better balance supply and demand in the ROK grid; or build unconnected power plants that supply power directly to the DPRK. The third option--to reduce demand in the Seoul area by two gigawatts in order to free up generating and transmission capacity to send the same amount of power to North Korea--would not be politically palatable in the South. ... Grid interconnection is always highly political and difficult to achieve, even between friendly neighbors, let alone between enemy states divided by many fundamental issues. Critical issues (that is, show-stopping issues) include: high front-end transaction costs in negotiating system connection and distribution of gains from cross-border trade; operating standards such as frequency and voltage fluctuations, reserve capacity, and engineering design considerations arising from system connections; and achieving the trust needed to share dispatch and control authority in a system that rests on shared reserves and instantaneous response to shifts in demand on the one hand, and isolating and controlling cascading collapses on the other. Past ROK studies of ROK-DPRK grid interconnection avoided these issues by simply assuming that the grids were unified wholesale. In effect, the South Korean simulations were conducted as if DPRK grid was absorbed into the ROK by "swallowing it alive." ... Whether energy is provided through a North-South or a regional tie-line, three years is far too long to wait to deliver energy services to the DPRK as part of the denuclearization process. Therefore, the working group should also examine the relative attractiveness of supplying a package of energy measures that would rapidly provide tangible energy services to the DPRK that, for example, would be the cost equivalent of the ½ million tonnes of HFO (about 21 petajoules) provided annually in the past at a cost of about \$100 million/year, but in forms that would be far more useful to the DPRK." (Peter Hayes, David von Hippel, Jungmin Kang, Tatsujiro Suzuki, Richard Tanter, Scott Bruce, "South Korea's Power Play at the Six-Party Talks," East Asia Science and Security Collaborative Special Report, July 21, 2005)

7/22/05

DPRK FoMin spokesman statement: "clarifying the principled stance on building a peace mechanism on the Korean Peninsula in the run-up to the 52nd anniversary of the conclusion of the Korean Armistice Agreement (KAA)": "The process of building a peace mechanism on the Korean Peninsula should contribute under any circumstances to creating an atmosphere for the peaceful co-existence between the DPRK and the U.S. and achieving peaceful reunification of the north and the south of Korea. The building of a peace mechanism is a process which the DPRK and the U.S. should go through without fail in order to attain the goal of denuclearizing the Korean Peninsula. By nature the ceasefire was realized on the premise of a peaceful settlement of the Korean issue. The Korean issue has not yet been solved due to the U.S. unreasonable policy toward the DPRK though more than half a century has passed since the conclusion of the KAA. The U.S. adopted "National Security Council Resolution 170" in November 1953 right after the ceasefire, defining it as its policy to perpetuate the division of the Korean Peninsula, while indefinitely keeping the ceasefire mechanism till it puts the whole of Korea under its occupation. In June, 1954 the U.S. deliberately brought the Geneva conference on the Korean issue to rupture, completely blocking

the withdrawal of all the foreign troops from Korea and the peaceful solution of the Korean issue envisaged in the KAA. In the subsequent period, too, the U.S. sought only confrontation and tension on the Korean Peninsula, turning down the proposal for holding the tripartite talks inviting south Korea, too, to participate in the DPRK-U.S. talks and all other fair and realistic proposals and initiatives advanced by the DPRK government to replace the armistice agreement by a peace agreement. The DPRK also had the four-party talks to build a lasting peace mechanism on the Korean Peninsula but they could not prove successful due to the U.S. insincere approach towards the talks. As seen above, due to the U.S. anachronistic policy aimed to maintain the ceasefire mechanism on the Korean Peninsula, Northeast Asia still remains the biggest hotbed in the world, the only region where there is the structure of confrontation dating back to the Cold War era in the new century. **To replace the fragile ceasefire mechanism by a lasting peace mechanism on the Korean Peninsula with a view to doing away with the last leftover of the Cold War era is essential not only for the peace and reunification of Korea but for the peace and security in Northeast Asia and the rest of the world.** Moreover, **this presents itself as an issue pending an urgent solution for fairly settling the nuclear issue between the DPRK and the U.S., a matter of concern of the international community. Replacing the ceasefire mechanism by a peace mechanism on the Korean Peninsula would lead to putting an end to the U.S. hostile policy toward the DPRK,** which spawned the nuclear issue, and the former's nuclear threat and automatically result in the denuclearization of the peninsula. **The replacement of the fragile ceasefire mechanism by a lasting peace mechanism on the Korean Peninsula would precisely mean a process of peacefully settling the Korean issue.** Successful progress in the process of building a peace mechanism on the Korean Peninsula would not only help towards achieving peace and security on the Korean Peninsula and Northeast Asia and the rest of the world but give a strong impetus to the process of the soon-to-be-resumed six-party talks aimed to settle the nuclear issue. It is the hope of the DPRK that the U.S. and other countries concerned would pay due attention to the just stand of the DPRK on building a peace mechanism and positively respond to it." (KCNA, "Spokesman for DPRK FM Clarifies Principled Stand on Building Peace Mechanism on Korean Peninsula," July 22, 2005)

7/24/05

Deputy FM Song Min-soon and Vice FM Kim Gae Gwan met in Beijing two days before the start of six-party talks. Song said, "The two Koreas agreed on the idea of having a framework to denuclearize the Korean peninsula." (*Dong-A Ilbo*, "Ministers from North, South Meet before Six-Party Talks," July 25, 2005)

Rodong Sinmun signed article: "The six-party talks to resume should be made to contribute to the denuclearization of the Korean Peninsula, observes. In order to make the forthcoming talks tangibly contribute to the denuclearization of the peninsula in name and reality the U.S. should approach the talks from a sincere and sound stance. It is hard to expect the solution to the nuclear issue and the denuclearization of the peninsula without active and sincere efforts from the U.S. directly responsible for the nuclear issue as the purpose of the six-party talks is to solve the nuclear issue and make the Korean Peninsula nuclear-free. The DPRK developed nuclear weapons for self-defense to cope with the increasing danger of nuclear attack from the U.S. Its

nuclear weapons are not aimed at threatening others as they are of peaceful nature, to all intents and purposes. It would be difficult for the talks to make any progress if the U.S. approaches the talks from the stand of unilaterally demanding the DPRK scrap its nuclear weapons in spite of the historical background against which the nuclear issue surfaced on the Korean Peninsula and the objective reality which compelled it to have access to nukes. Unilaterally demanding the DPRK dismantle its nuclear weapons would not help solve the issue of denuclearizing the peninsula. **If the U.S. drops its ambition for a "regime change" and opts for peaceful co-existence with the DPRK, the talks can make successful progress and settle the issue of denuclearizing the peninsula. But if the U.S. persistently pressurizes its dialogue partner to unilaterally dismantle its nuclear weapons, the situation will lead to an extreme pitch of tension.** The U.S. should fulfill its commitments. Unshakable is the stand of the DPRK to seek a peaceful negotiated settlement of the nuclear issue and achieve the denuclearization of the Korean Peninsula. The U.S. should not be skeptical about such stand of the DPRK but show its frank and sincere attitude to fulfill its responsibility and commitments." (KCNA, "U.S. Urged to Sincerely Approach Six-Party Talks," July 24, 2005)

Kristof: "Liberals took the lead in championing human rights abroad in the 1970's, while conservatives mocked the idea. But these days liberals should be embarrassed that it's the Christian Right that is taking the lead in spotlighting repression in North Korea. Perhaps no country in human history has ever been as successful at totalitarianism as North Korea. Koreans sent back from China have been herded like beasts, with wires forced through their palms or under their collarbones. People who steal food have been burned at the stake, with their relatives recruited to light the match. Then there was the woman who was a true believer and suggested that the Dear Leader should stop womanizing: after she was ordered executed, her own husband volunteered to pull the trigger. "The biggest scandal in progressive politics," Tony Blair told The New Yorker this year, "is that you do not have people with placards out in the street on North Korea. I mean, that is a disgusting regime. The people are kept in a form of slavery, 23 million of them, and no one protests!" Actually, some people do protest. Conservative Christians have aggressively taken up the cause of North Korean human rights in the last few years, and the movement is gathering steam. A U.S.-government-financed conference on North Korean human rights convened in Washington last week, and President Bush is expected shortly to appoint Jay Lefkowitz to the new position of special envoy for North Korean human rights. The problem with the conservatives' approach is that it's great at calling attention to the issues, but some of its methods are flawed and counterproductive. There's talk, for example, of proposing a 25 percent tariff on Chinese goods unless China protects Korean refugees - but a tariff wouldn't help Koreans and would undermine the world economy. Likewise, a campaign by well-meaning activists to help North Korean refugees in China has so far only set off a Chinese crackdown that forced some 100,000 refugees back to North Korea. The conservative approach has generally been a mix of fulmination and isolation, which hurts ordinary Koreans, amplifies Korean nationalism and cements the Dear Leader in place. Debra Liang-Fenton, executive director of the U.S. Committee for Human Rights in North Korea, a bipartisan and secular group, agrees that the religious right is more active on this issue, but she wants more liberals to join the

campaign as well. Her group is a good place to start. So can anything be done to help North Koreans? Yes, if liberals stop ceding the issue to conservative Christians. Ultimately, the solution to the nuclear standoff is the same as the solution to human rights abuses: dragging North Korea into the family of nations, as we did with Maoist China and Communist Vietnam. Our first step should be to talk directly to North Koreans, even invite senior officials to the United States. Many conservatives would accept direct talks, as long as the agenda included human rights (on the model of the Helsinki accords). Second, we should welcome North Korea's economic integration with the rest of the world. For example, we should stop blocking Pyongyang's entry into the Asian Development Bank and encourage visits to North Korea by overweight American bankers. In a country where much of the population is hungry, our most effective propaganda is our paunchiness. Third, we should continue feeding starving North Koreans, while also pushing for increased monitoring. The food is delivered through the U.N. World Food Program in sacks that say, in Korean as well as English, that the food is from America. Nobody has done more to bring about change in North Korea than the World Food Program, which now has 45 foreigners traveling around the country. Having just returned from North Korea, I see a glimmer of hope, for in Pyongyang you can feel North Korea changing. Free markets are popping up. Two tightly controlled Internet cafes have opened. Special economic zones seek foreign investment. Casinos lure Chinese gamblers. Cellphones have been introduced, with restrictions. The economy has been rebounding since 2001. Plans are under way for a new Orthodox church. These are modest changes, but they are worth building on. For that to happen, we need two things almost as elusive as North Korean democracy: cooperation between liberals and conservatives, and acknowledgement that our long policy of isolating North Korea has completely failed." (Nicholas D. Kristof, "Where the Right Is Right," *New York Times*, July 24, 2005, p. 13)

7/2/05

Scobell: "An examination of North Korean planning indicators suggests that the regime continues to think about and prepare for the future. While little evidence suggests that new thinking pervades Pyongyang's approach to security or unification matters, there are significant indications that North Korea is contemplating further economic reforms. However, what is under consideration appears far removed from systemic transformation and complete opening. A careful analysis of propaganda, policy, and planning leads to a high degree of skepticism that North Korea is focused on mere survival. Pyongyang appears to have far more ambitious intentions, and nothing indicates desperation on the part of North Korean leaders. A conceivable possibility is that Pyongyang's intentions are focused on arms control, a policy of economic reform and opening, and pursuing some form of peaceful confederation with Seoul. However, actual Pyongyang policies and planning do not seem to bear this out. Evidence from planning is unclear so the data remain inconclusive. A real possibility is that North Korea's key strategic goals are to build up its WMD programs, engage in parasitic extortionism, and pursue unification by force or coercion. According to Pyongyang's propaganda, maintaining its military strength is the regime's foremost priority. This is born out by examinations of implemented policy, planning, and ruminations about the future. The limited evidence available does not suggest a policy of thoroughgoing reform. North Korea's history of central planning and the absence of any obvious blue print for how to proceed indicate that systemic reform is

unlikely. Pyongyang appears likely to continue to hope that ad hoc changes, coupled with continued foreign aid and income generated from arms sales, tourism, and criminal activity, will be adequate to meet the country's needs. As for unification, although propaganda stresses using peaceful means, it also urges a united front between North and South Korea against the United States. An examination of the record of unification policy suggests that Pyongyang believes that South Korea's government enjoys no real popular support and is merely a U.S. puppet. With the United States out of the picture, North Korea thinks it could relatively easily bring about the collapse of the South Korean regime and unification under the auspices of Pyongyang through limited military acts. It is unlikely that North Korea's current leaders, at least the highest echelon, have lost all hope and have fatalistically accepted that the end of the DPRK looms on the horizon. North Korea's rulers are influenced by history, ideology, and notions of nationalism that produce what social scientists like to term a "bounded rationality." The author's conclusion is that North Korea's senior leaders are determined and confident that they will not only survive but that they will be able to restore and revitalize their regime." (Andrew Scobell, "North Korea's Strategic Intentions," U.S. Army War College Strategic Studies Institute, July 2005)

7/25/05 U.S. and North Korean delegates, Christopher Hill and Kim Gae Gwan met one-on-one on the eve of resuming six-party talks. (Lee Joo-hee and Kim Man-yong, "Bilateral Contacts Set Stage for Full-Scale Session Today," *Korea Herald*, July 26, 2005)

7/26/05 President Roh Moo-hyun has decided to accept the resignation of South Korean Ambassador to the United States Hong Seok-hyun over his alleged involvement in a slush funds scandal, Cheong Wa Dae said. Roh, however, will allow Hong to continue his job for the time being before officially accepting his resignation, presidential spokesman Kim Man-soo said. "The timing of acceptance of his resignation will depend on the settlement of his job as the ambassador to the United States," Kim said, adding Roh expressed regret over his resignation as he "has performed his job very well at an important time." Hong became the shortest-serving ambassador to the U.S. in history, spending only about five months in the position since appointed by Roh on Feb. 22. Except for a few rare cases, previous South Korean ambassadors to the U.S. spent at least two years in the job in consideration of the strategic importance of the South Korean/U.S. alliance. Hong's alleged involvement in the scandal came to light through a report of a 90-minute tape recording of a secret discussion between Hong, then president of the *JoongAng Ilbo*, and Lee Hak-soo, vice chairman of Samsung Group's corporate restructuring office. The conversation, which took place just months ahead of the 1997 presidential election, dealt with providing funds to Lee Hoi-chang, then candidate for the ruling New Korea Party. He phoned Chong Wa Dae Chief of Staff Kim Woo-sik Monday night to deliver his intention to step down, the sources said. The presidential office, however, denied an allegation that it was aware of Hong's involvement in the illicit dealings before he assumed the ambassadorial post early this year. A report in the *Chosun Ilbo* claimed that the National Intelligence Service (NIS) had actually secured the tape in January and must have informed the presidential office of Hong's involvement in the illegal donation before he flew to Washington in February. Last week, the *Chosun Ilbo* sparked a nationwide controversy by reporting that the Agency for National Security Planning, predecessor of the NIS, recorded

thousands of private meetings of politicians, executives of conglomerates and senior journalists in the 1990s. (Lee Jin-woo, "Roh to Accept Amb. Hong's Resignation," *Korea Times*, July 26, 2005)

7/27/05 South and North Korea maritime authorities agreed to set up a joint fishing area in the West Sea, part of a six-point result from three days of working-level talks between the South's Shim Ho-jin and the North's Cho Hyun-ju. They also agreed to join hands in fending off illegal fishing boats from "a third country," presumably China, in their territorial waters of the West Sea. The (Joint Press Corps and Seo Ding-shin, "2 Koreas to Block Illegal Fishing in West Sea," *Korea Times*, July 27, 2005)

7/29/05 Australian FM Alexander Downer said that in a meeting at the Asian Regional Forum in Vientiane with DPRK FM Paek Nam Sun, "I made it clear to him that if North Korea wants to build in particular its economic relationship with Australia, it needs to abandon its nuclear program." He said, "We would substantially increase our development assistance if North Korea does a deal through the six-party talks on denuclearization, and I think he understands that." (Reuben Staines, "Australia Dangles Development Aid for N.K.," *Korea Times*, July 29, 2005)

"The clear definition of a nuclear-free Korean Peninsula we are talking about is unconditionally dismantling nuclear weapons and banning the import of all nuclear materials," Chung Song Il, director of DPRK's Foreign Ministry told reporters at ARF. (Yonhap, "'N.K. Defines Denuclearization as Halting Import of Nuke Material," July 29, 2005)

DPRK FM Paek Nam Sun told a South Korea envoy at the ARF that it would return to Nonproliferation Treaty "if the nuclear issue finds a satisfactory solution." He said, "We will have neither reason nor necessity to possess even a single nuke if the U.S. agrees to completely remove its nuclear threat to the DPRK and opens the relations of peaceful coexistence with the DPRK." (AFP, "North Korea to Rejoin Nuclear Treaty If Standoff Resolved: Official," July 31, 2005)

7/30/05 South and North Korea have agreed to formally open rail and road links around late October, according to a joint statement signed at the weekend. Wrapping up a three-day working-level contact in Kaesong today, the two sides issued a six-point agreement containing a timetable for the project, a core product of the June 15 inter-Korean summit held five years ago. The two sides said test runs by trains will start once authorities from both sides agree to provide military safeguards for the overland transportation lines.

There are currently two railway lines linking the two Koreas over the 248-kilometer-long demilitarized zone. The west coast line connecting Seoul with Pyongyang is the Kyongui Line, while the one on east coast is called the Tonghae Line. There are also two roads adjacent to the railway lines. The agreement forged at a working-level meeting calls for joint on-site inspections of the Kyongui Line on August 18 and 20 and of the Tonghae Line on the 23rd and 25th of the month. Inspectors from the two sides will conduct safety checks of the railroad and related infrastructure like signals and communications. In the Kaesong meeting, representatives concurred on the need to

create a joint management committee and agreed to exchange lists of the names of panel members in the near future, participants in the talks said. In addition, South Korean officials at the meeting said Seoul will pay for the building of train stations on the northern side as well as provide other forms of assistance. "Once trains start making test runs on the railway linking the two countries in October, full railway services could take place by the end of the year," said a government official. (Yonhap, "Koreas Agree to Formally Open Road, Railway Links in October," July 31, 2005)

7/26-8/7/05 Fourth round of six-party talks begins. U.S. delegation includes William Tobey, NSC Office of Counterproliferation, Anthony Ruggiero of Bob Joseph's Bureau at DoS, Scott Feeney of OSD, Victor Cha of NSC Asia office. Hill was instructed to insist on dismantlement by Kim Gye-gwan preferred "abandon," implying the North was acting on its own volition. The U.S. wanted "all nuclear weapons and all nuclear programs," North wanted just "all weapons," and Cui Tiankai, dir-gen of PRC FoMin Asian Affairs bureau, came up with "all nuclear weapons and nuclear programs prohibited by the 1992 Joint Denuclearization of the Korean Peninsula." U.S. objected to the 1992 accord because it allowed "nuclear energy solely for peaceful purposes." Kim Kye Gwan told Cui, "If the documents say 'abandon all nuclear weapons and all nuclear programs,' it means we give up the right to peaceful nuclear use. If the Americans insist on 'dismantling all nuclear programs,' we demand light-water reactors." One member of the negotiating team recalled, "I always interpreted a lot of these debates, which were fueled largely by Will Tobey and Victor Cha, [to mean] basically they didn't want an agreement and they were looking for excuses." In bilateral, Hill challenged Kim on the need for a "deterrent": "Tell me how deterrence works? We attack you and then what do you do?" Kim was silent. "Are you going to attack us with your weapons? Is that what it means? Are you going to attack South Korea? Just explain. How does it work?" Hill then refused to hold another bilateral. The round recessed for three weeks. (Chinoy, *Meltdown*, pp. 242-44) Japan complained about not being debriefed on U.S.-DPRK bilaterals. When Victor Cha and Will Tobey went to mend fences, "one member of their team blurted out, 'Don't you treat us like the Russians! If you treat us like the Russians, we will behave like the Russians. We are not to be excluded like Russia!'" (Victor Cha, *The Impossible State* (New York: HarperCollins, 2012), p. 347) Japan complained about not being debriefed on U.S.-DPRK bilaterals. When Victor Cha and Will Tobey went to mend fences, "one member of their team blurted out, 'Don't you treat us like the Russians! If you treat us like the Russians, we will behave like the Russians. We are not to be excluded like Russia!'" (Victor Cha, *The Impossible State* (New York: HarperCollins, 2012), p. 347) On July 26 U.S. negotiator Christopher Hill told the opening plenary, "We've made it clear that we're prepared to address the DPRK's energy needs," adding, "When the DPRK makes the decision to dismantle its nuclear program permanently, fully, verifiably, other parties including my country are prepared to take corresponding measures consistent with the principle of words for words and actions for actions." South Korea's negotiator Song Min-soon reiterated his nation's offer of electricity aid to North Korea if it agrees to dismantle its nuclear programs. Japan's top envoy Sasae Kenichiro said that Japan is committed to normalizing relations with North Korea. But he added that "outstanding issues of concern" such as nuclear missiles and abduction issues should be resolved first. "It is strongly hoped that (North Korea) will sincerely address and resolve these issues," he

said. Song, who delivered his opening remarks right next to Sasae, urged Japan not to let the abduction issue “detract” from the talks’ main topic – a nuclear-free Korean Peninsula. (Park Song-wu, “U.S. Ready to Help N.K. Energy Needs,” *Korea Times*, July 26, 2005) In his opening plenary statement South Korean negotiator Song-Min-soon said, “The concerned parties should act simultaneously or in parallel implementing word-for-word or action-for-action promises they make.” Hill was quoted by a source involved in the negotiations as saying, “We will undertake to normalize relations with the DPRK.” North Korean Vice Foreign Minister Kim Kye Gwan said his country would never dismantle its nuclear program until it gets full U.S. diplomatic recognition. He also demanded removal of the U.S. nuclear umbrella for South Korea. “Our goal is to get rid of U.S. nuclear threats for us and make the Korean Peninsula free of nuclear weapons,” a meeting source quoted him as saying. “It is necessary that the U.S. should promise to end its hostility and ensure a peaceful coexistence with our country in legal forms and with a system.” (Kim Kwang-tae, “Six-Way Talks Get down to Brass Tacks for Nuke-Free Peninsula,” *Yonhap*, July 27, 2005) “In the word-for-word agreement, the DPRK pledges to liquidate its nuclear weapons and nuclear weapons program verifiably if the DPRK and U.S. normalize relations, build trust and remove the nuclear threat,” Kim Kye Gwan told the plenary according to a source in attendance. “In return, the United States vows to establish a legal and institutional system for peaceful coexistence.” (AFP, “U.S. Says Fundamental Differences Remain with North Korea,” July 27, 2005) Kim Kye Gwan tabled his proposals on denuclearizing the Korean Peninsula in his keynote speech at a plenary session on the second day [July 27] of the fourth round of the multilateral talks that also involve China, South Korea, Japan and Russia. Kim said that North Korea will pledge to abandon its nuclear weapons programs and existing nuclear weapons in a verifiable manner only after its relations with the United States are normalized and what it called “the U.S. nuclear threat” is removed, the sources said. During the current round of six-party talks, North Korea has reportedly said it wants the United States to remove nuclear weapons the North believes are deployed in South Korea but the United States has said it no longer has such weapons on the peninsula. Kim urged the United States to pledge to drop what it believes is a policy to overturn its regime and establish a legal and institutionalized mechanism to build confidence between Washington and Pyongyang for their peaceful coexistence in return for it dismantling its nuclear weapons and programs, the sources said. North Korea also proposed that the six nations compile a package of obligatory measures to denuclearize the peninsula -- including the removal of the nuclear weapons the North alleges are deployed in South Korea and economic compensation for the North to dismantle its own nuclear weapons and nuclear weapons programs, according to the sources. North Korea also proposed that the six nations agree on a principle on initial steps to be taken for the denuclearization, they said. (Kyodo, “N. Korea Rejects U.S. Proposal, Tables Own Proposals to End Nuke Row,” July 27, 2005) “They talked about their concern about the sequencing of the proposal and the importance they attach to sequencing, where they don’t want to have their obligations ahead of other people’s obligations,” Hill told reporters after his talks with Kim. “We view the DPRK’s sovereignty as a matter of fact. The United States has absolutely no intention to invade or attack,” Hill said in his opening remarks on July 26. (Ikebe Hidetoshi and Takekoshi Masahiko, “North Korea Ready to Talk on N-Program,” *Yomiuri Shimbun*, July 27, 2005) “Negotiations are currently being done mostly through bilateral contacts,” South

Korea' Song Min-soon told reporters. (Kim Kwang-tae, "Prospects of Breakthrough in Nuclear Talks Murky," Yonhap, July 28, 2005) The uranium enrichment issue was brought up by the Hill in his second bilateral with Kim on July 26 and in the plenary on July 27. (AFP, "U.S. Says Fundamental Differences Remain with North Korea," July 27, 2005) In negotiations with North Korea this week, the Bush administration has for the first time presented the country with specific evidence behind American allegations that North Korea secretly obtained uranium enrichment technology from a founder of Pakistan's nuclear program, two senior administration officials said. The decision to share the intelligence with North Korean negotiators, the officials said, was part of an effort to convince North Korea that any discussions about disarmament must cover not only the nuclear weapons program it has boasted about, but a second one that it now denies exists. The two Bush administration officials declined to speak on the record, citing the delicacy of both the intelligence and the current negotiations. They would not describe how much detail had been given to the North Koreans. The presentation came in the first two days of talks in Beijing, which American officials said may stretch into next week. Hill said North Korea and the United States found some "common understanding" in their meeting July 28, but added that "a lot of differences" remained. "I want to caution people not to think we are coming to the end of this," Hill told reporters. A senior administration official told reporters July 28 evening that any agreement must include dismantling both programs. But intelligence officials have said they do not know where the uranium program is. "We don't want to be inspecting every tunnel where it might be hidden," the senior official said. "They've got to give it up. That's how the Libyans did it," he said, a reference to Libya's decision to dismantle its program. Hill has recently emphasized it is unlikely that this fourth round of talks will produce a breakthrough but that participants instead are hoping to agree to a statement of "shared principles." In Washington, an official said the first two principles should be a commitment to denuclearization of the Korean peninsula - which North Korea has agreed to before - and a commitment that North Korea would not transfer nuclear technology to any other state or outside group. The regularity and length of private meetings this week between the United States and North Korea has underscored the vast difference between these and earlier talks when only short and unannounced private discussions took place. Much of the negotiating this week has centered on such diplomatic wrangling as finding a shared definition of denuclearization. "We're pretty close on that," Hill said. (David E. Sanger and Jim Yardley, "U.S. Offers North Korea Evidence That Nuclear Secrets Came from Pakistan's Network," *New York Times*, July 29, 2005, p. A-10) Hill held a one-on-one meeting with Kim for about ninety minutes on July 29. (Bo-Mi Lim, "Few Signs of Progress in Nuclear Talks," Associated Press, July 29, 2005) They remain at loggerheads over the "sequence" of moves, said Hill after the bilateral. "It's not going to be so easy because the DPRK has ideas how we have to normalize relations." (Chris Buckley, "6 Nations Work on Principle for North Korean Nuclear Talks,:" July 30, 2005, p. A-2) China proposed a draft of a "joint statement of principles" on July 30. "There is a drafting committee back at the talks going through the document. ... I don't know how much longer it will go on," Said Hill after a bilateral with South Korea's Song Minn-soon. "(Kim Kwang-tae, "Six Nations Working on China-Proposed Draft Statement on Nuke Talks," Yonhap, July 31, 2005) "The electricity offer of course is in the draft agreement," said Hill on July 31. (Chris Buckley, "Talks Produce South Korean Offer to Send

Electricity to North Korea," *New York Times*, August 1, 2005, p. A-3) "We are trying to come up with an agreed statement which contains all the key points that have been discussed so far, but how long it will take remains to be seen," said South Korean Deputy FM Song Min-soon on July 31. (Bo-Mi Lim, "N. Korea Nuke Disarmament Talks Hit Snag," Associated Press, July 31, 2005) A diplomatic source in Beijing said it is unlikely the joint statement will include the term, "U.S.-North Korea relations," given the multilateral context. A possible compromise, he said, "The related countries will try to normalize their relations with the DPRK." (Park Song-wu, "6-Party Statement Pencils out 'U.S.-NK' Ties," *Korea Times*, July 31, 2005) "Deputy heads of delegations met during the day. On the basis of their discussions, China will introduce a third draft statement overnight," ROK delegation he Cho Tae-yong told reporters. (Kim Kwang-tae, "China to Introduce Third Text of 'Principles' in Nuke Talks," *Yonhap*, August 1, 2005) North Korea objected to China's draft which said the North should abandon its nuclear arsenal and related programs. Valery Yermolov, deputy head of Russia's delegation told reporters on August 1, "Denuclearization does not imply the renunciation of peaceful nuclear programs. We would want this basic notion to be included in the final document." (Yoshitake Yu, "6-Way Talks Split on Final Wording," *Asahi Shimbun*, August 1, 2005) An exasperated Chinese chief negotiators Wi Dawei berated the others on August 1, "It will be difficult to reach an agreement in this state. Let the participant nations reconfirm whether they have the will to compromise and secede whether to continue with the talks or stop." (*Chosun Ilbo*, "Frustration All Round at Six-Party Talks," August 2, 2005) "Of course, we have different opinions with the United States but we'll try to narrow the differences and produce an outcome," Kim Gye-gwan told reporters after the eighth day of talks on August 2. "As you know, we've decided to give up our nuclear weapons and weapons related program in accordance with the elimination of the [level] of U.S. nuclear threat against us and the forging of mutual trust." China presented a fourth draft. (Kim Kwang-tae, "N.K. Envoy: Despite Long Meeting, Disagreements Remain," *Yonhap*, August 2, 2005) A South Korean official said on August 3 the final draft statement allowed North Korea to claim it won the right to continue peaceful use of nuclear energy while the U.S. and Japan can claim it abandoned it. "The sentence, 'North Korea may not use nuclear energy peacefully until it rejoins the NPT and undergoes IAEA inspections' is clear no matter how you look at it," said a South Korean official. "But it means that after a set period it will no longer be forbidden" to use nuclear energy peacefully. (*Chosun Ilbo*, "Fresh Six-Party Draft Lets All Sides Save Face," August 3, 2005) The U.S. and DPRK held a sixth one-on-one meeting. (Xinhua, "DPRK, U.S. Hold Sixth One-on-One Meeting in Beijing," *People's Daily*, August 4, 2005) While the statement will stipulate that all measures will be taken under the principles of "words for words" and "actions for actions," the sequence of each step will be decided in future negotiations. (Lee Joo-hee and Kim Man-yong, "N.K. Hesitates over Final Draft," *Korea Herald*, August 4, 2005) "All countries in the world have the right to peaceful nuclear activities," the North's Kim Kye Gwan told reporter on August 4. "We are not a defeated nation in war and we have committed no crime so why should we not be able to conduct peaceful nuclear activities?" (Brian Lee and Seo Seung-wook, "Key Issue at 6-Party Talks Is Civilian Nuclear Power," *JoongAng Ilbo*, August 6, 2005) Japan's Sasae Kenichiro and North Korea's Kim Kye Gwan held a 20-minute bilateral, the first in eight months on August 7. Sasae said, "There is no change in the policy of the Japanese government of reaching a comprehensive

resolution of various issues, such as nuclear weapons, missiles and the abduction issue, based on the Japan-North Korea Pyongyang Declaration and their normalizing relations after resolving our differences arising from historical issues." (*Asahi Shimbun*, "Japan, North Korea Finally Talk in Beijing; No Progress on Abductions Issue," August 8, 2005) Sasae told Kim that Tokyo "requests the DPRK to send back all abductees still alive," said a Japanese official. He also requested that suspects in the kidnappings be handed over. (*Mainichi Shimbun*, "Japanese Nuclear Envoy Demands North Korea Return Abductees, Hand over Kidnappers," August 8, 2005) Talks recess on August 7 after thirteen days to resume the week of August 29. "The issue came down to the DPRK wanting not only the right to have use of nuclear energy, but also to specifically to have the right to light-water reactors," said Hill. "Our discussion partner demanded that we abandon the right to peaceful nuclear activities," said Kim Kye Gwan. (Kyodo, "Delegates to 6-Way Talks Break for 3-Week Recess," August 7, 2005) Deputy FM Song Min-soon said North Korea did not specifically call for provision of LWRs in recent six-party talks. (Yonhap, "N. Korea Did Not Demand Light-Water Reactors in Recent Nuke Talks: Negotiator," August 10, 2005) Washington endorsed an EU proposal that includes a guarantee of civilian nuclear power to Iran, rejected by Tehran on August 6, while denying it to North Korea. "The explanation is that we tried this once with North Korea and they reneged," [?] said a senior U.S. official. (Carol Giacomo, "U.S. Split on Nuclear Energy for Iran, North Korea," Reuters, August 6, 2005) Hill: "Obviously, light-water reactor is something that came up at the end and would be problematic, but I don't want to put the entire onus on that. ... This is a country that had trouble keeping peaceful energy 'peaceful' ... so there's a track record there that needs to be dealt with. ... The Republic of Korea came forward with a rather robust proposal, a very serious proposal indeed, to provide energy, provide electricity in really the near term. ... And so it seems that to be talking about retaining a right of peaceful use at this point seems like the wrong subject." (Assistant Secretary for East Asian and Pacific Affairs Christopher R. Hill, Press Briefing, DoS, August 10, 2005) At the Asia Society on August 17, Hill said of a peace treaty, "What we signaled to the DPRK is our interest in pursuing it, if they wish to pursue it." He added, "By signaling our interest in it, by the ROK signaling its interest in it, we have signaled clearly to the DPRK that if it wants this and if it sees this as part of ... the need demonstrate to itself and whoever else that we do not have a hostile policy toward the DPRK, we are certainly prepared to pursue it." (*Korea Herald*, "U.S. Backs Korean Peace Treaty: Hill," August 19, 2005)

8/1/05

China and the U.S. hold first round of regular high-level comprehensive dialogue between Dai Bingguo, vice minister of foreign affairs, and Robert Zoellick, deputy secretary of state. (Hwang Yoo-seong, "First Regular High-Level U.S.-China Talks Taking Place," *Dong-A Ilbo*, August 1, 2005) Secretary of State Condoleezza Rice and her deputy, Robert B. Zoellick, have begun to explore with Chinese leaders the economic and political future of the Korean Peninsula "because the status quo was not going to hold," Zoellick said in an interview with a small group of reporters September 6. Zoellick, who held nearly 20 hours of talks on a variety of issues in Beijing in early August, said it was clear the Chinese did not "want a collapsed state on their border," a concern that he suggested had hamstrung Chinese officials in pressing North Korea on its illicit weapons programs. He said that in his talks, he picked up a discussion on the Korean Peninsula's future that Rice had initiated during an earlier trip to Beijing. "Part

of what I was trying to explain to them was that the status quo was not going to hold anyway," Zoellick said. "The status quo wouldn't hold in part because we would have to take defensive countermeasures of various types" against not only Pyongyang's nuclear activities but counterfeiting and other criminal activities. "It's a criminal state," he said. The effort by Rice and Zoellick appeared to be aimed at reducing the anxiety of the Chinese over a possible reunification of North and South Korea. The North is viewed by China as a buffer against having U.S. troops close to China's border. Zoellick also suggested that the United States was interested in using the six-nation talks -- which also include South Korea, Russia and Japan -- as a springboard for creating a multilateral security framework for northern Asia that would mirror organizations in the southeastern part of the continent. Zoellick said he urged the Chinese to consider scenarios for the Korean Peninsula that "would be benign to us and which would be benign to them." He said he told the Chinese that the United States had always supported reunification and emphasized that "we think it would be healthy if the North Koreans took a Chinese model of economic development." (Glenn Kessler, "Zoellick Details Discussions with China on Future of the Korean Peninsula," *Washington Post*, September 7, 2005, p. A-22)

- 8/5/05 A landmark inter-Korean agreement call for equal treatment of commercial vessels when visiting each other's ports came into effect, Seoul's maritime ministry said. The agreement, signed in December 2002, also requires the Koreas to cooperate in maritime accidents and marine pollution. (Yonhap, "Inter-Korean Maritime Agreement Takes Effect," August 5, 2005)

- 8/6/05 Pyongyang Central TV aired the North's losing female soccer match to the South.

- 8/8/05 PM Koizumi Junichiro dissolved the lower house and called a snap election for September 11. The move came after LDP legislators blocked his plan to privatize the postal service. "Four years ago, I said I'd change the LDP," he told reports. "And if it doesn't change, I'll destroy it." (Anthony Faiola, "Japan's Koizumi Calls New Elections in Bid to Win Mandate for Reform," *Washington Post*, August 9, 2005, p. A-10)

Tens of thousands of fans of all ages gathered over the weekend for the annual three-day Rock the Desert Christian music festival screamed for hit bands like Mercy Me and Pillar and kicked Hacky Sacks by a creek renamed the Jordan River and a small pond called the Dead Sea. Between the Prayer Tent and an abstinence-promotion booth, however, worshipful revelers also stumbled into a more sobering pavilion, the North Korea Genocide Exhibit. Inside, Kang Chol Hwan, a North Korean defector recently summoned to meet President Bush, signed copies of his memoir of 10 years in a prison camp. Drawings by defectors depicted the torture of North Korean Christians. A video, available free on DVD, showed shaky, grainy footage of two public executions. In another exhibition, based on a defector's account of a deadly medical experiment, a bloody mannequin and baby doll leaned against the walls of a mock gas chamber made from a shower stall that at one point was filled with sulfurous yellow gas. The displays were part of a growing movement by conservative Christian groups to press the White House on human rights in North Korea, much the way they drew attention to the civil war in Sudan and kept pressure on Bush after his first days in office. Many of

the speakers and exhibitions will travel to churches, campuses and events in the United States and Europe. "God has picked us to be their voice," Deborah Fikes, executive director of the Midland Ministerial Alliance and the main organizer of the Korean display, told a cluster of children gawking at the gas chamber figures. "Christ commands us to be their voice." Last month, Fikes joined dozens of other people from the National Association of Evangelicals, the Southern Baptist Convention and groups like the Religious Action Center of Reform Judaism for a meeting in Washington, where they signed a declaration of principles that laid out their goals. Their aim is to goad the administration to block trade or unrestricted aid to North Korea until it opens its borders and begins to reform human rights, no matter how much that demand might complicate the talks to stop Pyongyang's nuclear weapons program or irk China or American allies like South Korea that favor a less confrontational approach. Although Japan has raised the question of the North Korean abduction of several Japanese decades ago, a broader discussion of North Korean human rights has not been a part of the talks. Fikes and her allies picked the Rock the Desert festival in part because it coincided with the six-nation weapons talks, now in recess. "We are doing it now because they are going back to the table," she said. It is also no accident that the festival was in the oil town where Bush grew up. Since his election, Fikes and the Midland Alliance have capitalized on that connection to put themselves at the forefront of conservative Christian efforts on behalf of persecuted believers and human rights around the world. The group even notes the connection to the president on its letterhead, and members sometimes boast that supportive local parishioners like Charles and Frances Younger are close enough to Bush to send him messages directly when needed. "We play the Bush card," said the Rev. Jon S. Stasney of Christ Church Midland, a member of the group. Senator Sam Brownback, the Kansas Republican, who has worked closely with the alliance and stayed at Fikes's house, said he believed that the group had helped form Bush's view of North Korea. "They are in George Bush's hometown, and he knows those folks and they know him," Brownback said, "and they have used that connection to press him on Sudan and North Korea." Some in Midland prefer to say Bush naturally shares their view of the world. "God has put a man in office who has a heart for the nations, and for the pain and suffering that is happening all over the world," Younger said near a "sponsor's tent" as she recalled a talk with Bush about Kang's book when she visited the White House early last month. Because the president's "hands are tied" at times, she added, "we are his arms reaching out to the nations." To help press the human rights case, Fikes and a delegation from Midland traveled to Seoul in June, where they met the leaders of both major South Korean parties, they said, and invited several ministers and human rights advocates back to Midland for the concert. The daughter of a Korean-American missionary, the Rev. Phillip Jun Buck, said her father had been arrested in China for trying to help North Koreans. "I know that president Bush and his community cares for cases like my father," she said. Later, the festival screened part of a documentary, "Seoul Train," about North Korean refugees. The protagonist, the Rev. Chun Ki Won, told the audience through a translator a secondhand account of a North Korean Christian whose fingers were cut off by authorities demanding the names of other believers. It was such accounts of persecution - though in southern Sudan - that first moved the Midland Alliance, once a strictly local group, to take an interest in foreign affairs. Fikes invited a group of refugees to address the 2002 Rock the Desert festival,

where they worked with a Christian group for troubled teenagers to build a copy of a Sudanese village. They burned part of it in a mock raid to demonstrate the refugees' plight. Soon after, Fikes, a former schoolteacher, decided to advertise on the alliance letterhead that Midland was Bush's hometown. She learned that foreign embassies were suddenly quick to respond. Just how many people practice Christianity underground in North Korea or are persecuted for it is impossible to determine, rights groups say. Communist North Korea has treated Christianity as treason for decades. But missionaries and defectors say they have heard reports of tiny underground churches. Until recently Kang was not very religious, and until the addition of a new preface his memoir did not mention the subject. "He is not really all gung-ho about prayer, prayer, prayer," and he was initially "flabbergasted" at the hero's welcome and shower of prayer here, the Rev. Douglas Shin, his friend and translator, said. Kang is quickly learning to emphasize faith to his new American evangelical allies. Preparing for the festival, Shin helped Kang write a speech emphasizing "the love of Jesus Christ" and quoting the biblical "commission" to "make disciples of all the nations." Kang shook his head in astonishment at the depth of concern evident on Saturday, especially at the mock gas chamber. He had never seen such a thing. "In South Korea," he said, "people are generally ignorant or they don't even care. It is amazing to learn that American youth have this knowledge and they care to build a replica to show other people!" (David D. Kirkpatrick, "Christian Groups Press Bush about North Korea," *New York Times*, August 9, 2005, p. A-12)

8/9/05 North Korea faces a serious food shortage because it won't meet its production target for the year, World Food Program warned. "Earlier this year, the price of maize and wheat was increasing rapidly," said James T. Morris, WFP executive director. (Associated Press, "North Korea Still Facing Serious Food Shortages, WFP Says," *USA Today*, August 9, 2005)

8/10/05 The South and North Korea militaries successfully exchanged calls in a test trial of a new 24-hour telephone hotline for avoiding accidental armed clashes in the West Sea. They also tested a fax line, the first direct military links. (Jung Sung-ki, "Koreas Test Military Hotline," *Korea Times*, August 10, 2005)

Lee Min Bok stared across a narrow inlet at the Korean shoreline, using his compass to gauge the gusting wind's direction. Nodding, the gaunt, soft-spoken missionary then said a prayer with his three assistants and began launching hundreds of helium balloons across the world's most heavily fortified border. The balloons carried plastic bags containing pamphlets of Bible scripture and pairs of nylon stockings to entice wary North Koreans. Lee's aerial evangelism was part of a broader campaign by Christian groups in East Asia and beyond against North Korean leader Kim Jong Il and his government. "Christians have become the alpha and omega of the North Korean issue," said Douglas Shin, a California-based Korean American missionary, who was briefly detained by Mongolia in the 1990s for helping North Korean refugees cross the border to Mongolia from China. "We have picked up this banner to help the North Korean people. Some people don't like using the word crusade, but that's exactly what this is -- a crusade to liberate North Korea." (Anthony Faiola, "An Act of Subversion, Carried by Balloons," *Washington Post*, August 10, 2005, p. A-11)

8/13/05

In an interview with CNN in Pyongyang, Kim Kye Gwan said, "We don't have any uranium-based weapons program, but in the future if there is any kind of evidence that needs to be clarified, we will be fully prepared to do so." Pyongyang is determined to pursue a peaceful nuclear program, he said, adding, "If someone is concerned with regard to our possible nuclear activities which could lead up to the manufacture of nuclear weapons out of the operation of a light-water reactor, then we can leave the operations under strict supervision." He added, "The U.S. itself can have direct participation or the U.S. can pick a nation that they trust." He said, "As we resolve the nuclear issue we are willing to return to the NPT and fully abide by IAEA safeguards." (Mike Chinoy, "N. Korea Hints at Compromise," CNN, August 13, 2005) Konstantin Pulikovskiy, Russia's presidential envoy to the Far East, said Kim Jong-il recently told him North Korea could return to the NPT if the U.S. stopped threatening it. (Associated Press, "Report: North Korea May Return to Nuke Treaty," August 17, 2005)

A 27-member North Korean delegation, part of a 165-member group in Seoul for Liberation Day celebrations, paid an unprecedented visit to the state cemetery for the South's Korean War dead. (Joo Sang-min, "N.K. Delegation Pays Homage to South's War Dead, Korea Herald, August 15, 2005)

8/15/05

South Korea allowed two North Korean civilian vessels to pass through Cheju Strait for the first time. (Kim Tong-hyung, "N.K. Civilian Vessels Pass Cheju Strait," *Korea Times*, August 15, 2005)

Prime Minister Koizumi Junichiro expressed anew Japan's remorse and apology for actions committed during World War II in his statement to commemorate the 60th anniversary of the war's end August 15, also stressing the country's forward-looking stance in apparent efforts to mend strained relations with China and South Korea. Government sources said Koizumi's statement is "the government's basic guideline aimed at acknowledging the past and contributing to future peace and prosperity." However, Koizumi's visit to Yasukuni Shrine remains a flashpoint and it is unclear if Koizumi's statement could lead to restored relations with Beijing and Seoul. On the night of August 15, Koizumi said to reporters, "We shouldn't wage war again." He added, "The path that Japan has been following for 60 years since the end of the war is one in which we have been expressing remorse for the war and learning lessons from it." Drafting the statement began secretly about three months ago under the supervision of Deputy Chief Cabinet Secretary Futahashi Masahiro and with the help of officials of the Prime Minister's Office and the Foreign Ministry. Chief Cabinet Secretary Hosoda Hiroyuki prepared the way for the statement within the Liberal Democratic Party. The statement used former Prime Minister Murayama Tomiichi's statement in 1995 to mark the 50th anniversary of the end of World War II as a base and also borrowed from Koizumi's speech made at the Asia-Africa Conference, or Bandung Conference, in Indonesia in April. Because Koizumi expressed deep remorse for the war and made a sincere apology at the Bandung Conference, some LDP and government officials thought the word "apology" was not needed in Monday's statement. However, Koizumi decided to issue a statement because if Japan had not issued one on the occasion of the 60th anniversary of the war's end, the government might have sent a wrong message to the international community, including China and

South Korea, that Japan is passive toward past problems. A government official who was involved in drawing up the statement said, "A bureaucrat can't write such phrases as 'the peace and prosperity we now enjoy was achieved on the noble sacrifices of many who lost their lives against their will in the war,' and 'In the last major war, more than 3 million compatriots laid down their lives on the battlefield and, falling victim to the ravages of war with their thoughts for their homeland and concern for their families.'" The official implied those phrases were put in at Koizumi's instruction and have been used by Koizumi when he explains his visits to Yasukuni Shrine. A senior LDP official said, "Koizumi seeks to evade opposition party attacks in the [Sept. 11] general election campaign by clarifying his basic stance toward stagnation in diplomacy with other Asian countries because of his visit to Yasukuni Shrine and with historical issues." Koizumi told government officials who were drawing up the statement, "Historical recognition will follow Murayama's statement, but it also should stress the country's forward-looking stance that highlights what our country has achieved as a peace-loving country since the war, and that our country will continue to make contributions to the world." According to government sources, Koizumi's statement copied phrases used in Murayama's statement such as "tremendous damage and pain" and "reflect most deeply and offer apologies from my heart." Although Koizumi's statement dropped a phrase "following a mistaken national policy" that was in Murayama's statement, Hosoda explained, "It's a matter of transition of sentences and it [Koizumi's statement] does not avoid the phrase." Koizumi's statement emphasized the country's international contributions such as official development assistance and peacekeeping operations. Economy, Trade and Industry Minister Nakagawa Shoichi hailed the statement, saying, "It refers to nonproliferation of weapons of mass destruction and the eradication of terrorism, and it presents a strong message that Japan will play an active role [in the world]." Koizumi's statement also mentioned South Korea and China and called for improving relations with them. According to a senior government official, it was the first time for Koizumi to address the two countries in a statement. New Komeito leader Kanzaki Takenori said Monday, "Although the Japan-U.S. relationship is important, relations with Asian countries, including China and South Korea, also are very important for our country." "The prime minister probably understood this and that is why he included South Korea and China in his statement," he added. The phrase "The postwar history of our nation is indeed 60 years of peace where we have expressed our reflections on the war through action" was put in the statement out of consideration for China and South Korea who have criticized that Japan should show remorse for its history through action. Foreign Minister Machimura Nobutaka said at a press conference, "It's wrong to say that relations with China and South Korea are deteriorating because of problems over Yasukuni Shrine. It's important to build better relations with them by admitting differences in perspectives among us and overcoming them," he added. However, Democratic Party of Japan leader Okada Katsuya said Koizumi must do more to build good relations with other Asian countries. "Can Japan, including the prime minister, carry out what is written in the statement?" Okada said. "The prime minister needs to work harder to do so." (*Yomiuri Shimbun*, "Koizumi Tailors Key Statement; Prime Minister Aims to Improve Relations with China, South Korea," August 17, 2005)

- 8/16/05 The first video conference family reunions take place. (Annie I. Bang, "First Video Reunions Held," *Korea Herald*, August 16, 2005)
- 8/17/05 Military forces and coast guards from 13 countries, hosted by Singapore and including Japan, the U.S., Britain, Australia, Canada, France, Germany, Greece, the Netherlands, Italy, New Zealand and Russia staged a large-scale five-day maritime exercise in the South China Sea held under the U.S.-led Proliferation Security Initiative. (Kyodo, "PSI Members Stage Drill in S. China Sea to Halt WMD Proliferation," August 17, 2005)
- 8/17/05 "I sent word through the New York channel to my opposite member in the DPRK to suggest we should be in touch if there are issues that he would like to raise and that I would be ready to be in touch," U.S. negotiator Christopher Hill said at the Asia Society. (AFP, "U.S. in Touch with North Korea ahead of Nuclear Talks: Top Official," August 18, 2005)
- 8/19/05 President Bush announced the appointment of Jay Lefkowitz, a Washington lawyer who worked as a White House adviser on domestic affairs, to be special envoy for human rights in North Korea., a post authorized under the North Korean Human Rights Act. (Tyler Marshall, "Human Rights Envoy to Focus on N. Korea," *Los Angeles Times*, August 20, 2005)
- 8/21/05 A U.S. spy satellite has found that North Korea reactivated its nuclear reactor last month after it spotted vapor coming out of the reactor's boiler, *Asahi Shimbun* reported, quoting unnamed diplomatic sources. Vapor had not been seen at the Yongbyon reactor since early April, and the report quoted a US source as saying that the release of vapor indicated renewed activity. "It is hard to think that the boiler alone can operate without the active nuclear reactor," a US government source was quoted by the daily as saying. In April, North Korea said it had shut down the reactor, 90 kilometers (miles) north of Pyongyang, while it was preparing to reprocess more spent fuel, a move that could result in the production of enough plutonium to double its nuclear arsenal. "North Korea has indicated it will give up on the nuclear reactor, but at the same time it is steadily expanding the level of its nuclear development," a senior US official was quoted as saying. (AFP, "U.S. Satellite Confirms N. Korea Reactivated Nuclear Reactor Last Month," August 21, 2005)
- 8/23/05 Hill told reporters that North Korea's "right" to a civilian nuclear program was a "theoretical, downstream" issue. "If you ask me, it's not exactly a showstopper issue - the real issue is getting rid of all their nuclear programs." (George Nishimiyama, "China Envoy: North Korea Nuclear Talks Likely as Planned," Associated Press, August 24, 2005)
- Gottemoeller: "The crux of the Bush administration's concern has been that cooperative projects in the nuclear arena would somehow abet Pyongyang in its drive for the bomb. But a lot can be done in the world of peaceful nuclear cooperation that does not involve light-water reactors or technology that might have application to a nuclear weapons program. Medicine, agriculture, industry and mining applications - these are all nuclear research areas of great utility to the North Korean economy that

would not lead to a nuclear bomb. Once again, Washington already has a mechanism at hand, a well-established program that would open new directions for peaceful nuclear cooperation with North Korea at very little cost. The Sister Laboratory program was first organized in the 1980's under the Energy Department to fulfill an obligation under the nonproliferation treaty to share peaceful uses of nuclear technology. It brings together experts in American national laboratories with their counterparts in developing countries. In the nine countries where sister laboratories are in place, projects include radioisotope production, nuclear waste management and environmental, safety and health surveillance. The point of the Sister Laboratory program is to build mutual confidence and transparency in a low-key way, without major transfers of funds, equipment or materials. The focus is on exchanges between scientists and on developing new areas of collaboration, including longer-term spinoffs. This message should be very welcome to the North Koreans. The United States, in its turn, has been able to leverage the relationships to establish new joint work in the nonproliferation arena - exactly the goal that Washington seeks with North Korea. If the United States decides to introduce the Sister Laboratory concept into the six-nation talks, it need not do so alone. We already have rich and productive scientist-to-scientist cooperation with several of our negotiating partners, which could share the risks of developing such an endeavor with North Korea. Indeed, Russia has particularly good contacts with North Korean scientists, many of whom trained at Russian universities in the Soviet era. When the six-nation talks resume in a week or so, they need to build momentum in a way that does not cost any one participant too much political capital. The United States should be satisfied that no light-water reactors will be built in North Korea for the foreseeable future. The North Koreans, in turn, should be satisfied that they are still in the running for peaceful nuclear cooperation. (Rose Gottemoeller, "The Process in Place," *New York Times*, August 23, 2005, p. A-17)

North Korean and U.S. diplomats made contact for the third time in a week with the fourth round of talks scheduled to start August 29. (Reuben Staines, "U.S., N.K. Make 3rd Contact on Nukes," *Korea Times*, August 23, 2005)

Red Cross officials of North and South Korea are meeting through to discuss the fate of about 1,000 Southern prisoners of war and civilian abductees believed to be still alive in the North. The three day meeting in the Northern tourist enclave of Kumgangsan comes as the two Koreas are oiling the rusted locks that have kept them divided for decades. Last week, for the first time, Northern officials paid their respects to South Korean war dead and visited South Korea's parliament. Next week, South Korean are to start crossing the Demilitarized Zone in buses to visit Kaesong, the North's closest city to Seoul. In October, trains are to start running from here to the North, restoring rail service ruptured during the 1950-1953 war. Until recently, the former Southern soldiers, bent with age and hard labor in Northern coal mines, were forgotten human footnotes in a deeply divided peninsula. After the end of the Korea War, North Korea tried to ease a labor shortage by secretly holding back thousands of South Korean prisoners of war, historians and escaped prisoners say. "We were hidden away, I did not even know there was an exchange of POWs," Jang Moo Hwan, a Southern prisoner who escaped from the North in 1998, said in an interview at his apartment in Uljin, a coastal village a four hour drive southeast of here. Now, 79 years old, he lives with his

wife, Park Soon Nam, who had waited for him in the South since his capture 1953. "I never dared to say I wanted to send a letter to the South," he said of life North Korea, a hard line Communist nation. "I feared that I would be taken as a political dissident and starved to death. A dictatorship is that scary." South Korea's Defense Minister has reported to the National Assembly that 542 South Korean prisoners of war are still alive in the North, cut off from virtually all contact with families and friends in the South. Separately, South Korea's government has said that over the year the North has seized 486 Southern civilians, largely fishermen. Over the last decade, 38 Southern prisoners of war have escaped from the North. But, the issue rarely surfaces publicly here, partly because much of South Korea's media seeks to avoid antagonizing the North and partly because the defectors shun publicity, fearing that the Communist government will take reprisals against wives and children left behind in the North. (James Brooke, "Red Cross Officials to Discuss P.O.W.'s Still Alive in North Korea," *New York Times*, August 23, 2005, p. A-4)

8/24/05 Pakistan's president, Gen. Pervez Musharraf, confirmed for the first time that a Pakistani nuclear scientist had provided North Korea with centrifuge machines that could be used to make fuel for an atomic bomb, In an interview with Kyodo News. Musharraf said the former head of his country's nuclear program, Dr. Abdul Qadeer Khan, had sent "centrifuges - parts and complete" to North Korea. The Pakistani leader did not divulge the number of centrifuges that arrived in North Korea, saying, "I do not exactly remember the number." (Salmon Masood and David Rohde, "Pakistan Now Says Scientist Did Send Koreans Nuclear Gear," *New York Times*, August 25, 2005, p. A-3)

8/27/05 *Rodong Sinmun* signed commentary: "Some days ago, the U.S. chief executive appointed former presidential aide Lefkowitz as 'envoy for the human rights issue of north Korea.' Supporting this appointment, a spokesman for the White House said it would help somebody redouble his efforts to improve human rights situation and reinforce the U.S. efforts. The appointment proves that what the U.S. had said before its dialogue partner does not agree with what it has done later. This, at the same time, indicates that the U.S. policy to bring down the 'system' in the DPRK has gone over to the phase of practice from the legislative phase. Such U.S. behavior is a very disturbing act as it is little short of challenging the DPRK which has shown generous magnanimity and flexibility for a solution to the nuclear issue and an act of throwing a hurdle in the way of the six-party talks. The U.S. seems not to be interested in the dialogue and the settlement of the nuclear issue at all but more keen on standing in confrontation with the DPRK and bringing about a "regime change" and "bringing down the system" in the DPRK. If the U.S. persists in such behavior, it will compel the DPRK to change its mind. The U.S. should abolish at once such unreasonable post of 'envoy' and abandon its ambition to 'bring down system in the DPRK.'" (KCNA, "U.S. Urged to Roll Back Its Hostile Policy toward DPRK," August 27, 2005)

8/28/05 North Korea will take the almost unprecedented step of having "a minister" attend a regional economic gathering, a UN official announced. The North Korean delegation apparently headed by Finance Minister Mun Il-bong plans to join a five-nation meeting of South Korea, China, Russia and Mongolia in Changchun on September 2 for discussions on the Tumen River Area Development Program (TRADP). The TRADP

ministerial talks are scheduled to last a whole day, while an investors' forum to be attended by about 150 mostly private investors starting the same day will last about three days. In another unusual move, the reclusive country will then let the investors have a two-day look around its Rajin-Sonbong Economic and Trade Zone, which is usually closed to outsiders. TRADP, which started 10 years ago, includes regional development projects in Rajin-Sonbong as well as eastern Mongolia, China's Yanbian Korean Autonomous Prefecture and Russia's Primorsky Territory. This TRADP meeting will decide support for a number of projects, according to Khalid Malik, the resident coordinator for the UN Development Program in China. (*Chosun Ilbo*, "N. Korea to Attend Regional Economic Talks," August 28, 2005)

8/29/05

DPRK Foreign Ministry spokesman: "As known, at the first phase of the fourth six-party talks held between late July and early August, the participating countries agreed to open the 2nd phase of the talks in the week beginning on August 29 and reached understanding of the need to refrain from words and deeds obstructive to the resumption of the talks during their recess. However, no sooner had the talks gone into recess than the United States began the large-scale war exercises "Ulji Focus Lens-05" targeted against the DPRK and staged such charade as appointing a "presidential envoy for the human rights issue of north Korea", an issue that had been put on hold till recently. This has thus eliminated all possibilities of holding the second-phase of the talks in the week beginning on August 29. What the U.S. has done is little short of spitting at the DPRK. It has seriously insulted its dialogue partner and broke faith with the DPRK. It is unimaginable for the DPRK to sit at the negotiating table with the U.S. at a time when the powder-reeking war exercises targeted against it are under way. Under such situation the DPRK, through the New York contact channel, has notified the U.S. side of its stand that it can not return to the six-party talks while those war exercises are going on and its view that the talks may be resumed in mid-September when the atmosphere chilled due to the saber rattling is likely to improve. The U.S. expressed understanding of this view. It is the stand of the DPRK to open the second-phase of the fourth six-party talks in the week beginning on September 12 when one will be able to view that the war exercises have worn down a bit. This is the utmost magnanimity the DPRK can show under the prevailing situation." (KCNA, "DPRK FM Spokesman on Second-Phase of Fourth Six-Party Talks," August 29, 2005)

Declaring its unhappiness with plans for a joint United States-South Korea military exercise, said that it would not return this week to negotiations in Beijing over its nuclear program, as scheduled, but proposed to resume the talks the week of September 12. Responding to the delay, Sean McCormack, the State Department spokesman, said the United States would be ready to return when the North Koreans wanted and suggested that it did not appear that the delay was caused by any problems in the negotiations themselves. "We've seen no indication that anybody is backing off their commitment to returning to the talks," Mr. McCormack said. The participants in the six-way talks are the United States, North Korea, South Korea, Japan, Russia and China, which has been the talks' sponsor. Word of the North's request came from comments by a Foreign Ministry spokesman to KCNA, as reported by South Korean news organizations, and also from news reports from North Korea attributing comments about the delay to the foreign minister, Paek Nam Sun. "Our position is to

resume six-way talks in the week of September 12, when some of the dust of war exercises has subsided," the ministry spokesman was quoted as saying. Paek was quoted as saying that "if things are going well, mid-September is possible." (Steven R. Weisman, "North Korea Delays Resuming Talks on Ending Nuclear Program," *New York Times*, August 30, 2005, p. A-3)

American commanders are making significant changes in their plans in the event of a military conflict with North Korea, to rely in large measure on a new generation of sensors, smart bombs and high-speed transport ships to deter and, if necessary, counter that unpredictable dictatorship, the senior United States commander in South Korea says. The shift in strategy is being undertaken even as the United States cuts the number of troops here by one-third and begins moving the remaining soldiers farther from the demilitarized zone, to improve their chances of surviving any North Korean offensive. Army headquarters in Washington has made a formal announcement that a brigade of Second Infantry Division soldiers sent urgently from South Korea to Iraq last year will not return to South Korea, but will instead return to a base in the United States. That puts the American troop commitment to South Korea on track to drop from 37,500 - a figure maintained since the early 1990's - to 25,000 by 2008. In a recent interview that provided a detailed public description of the highly classified war-planning process, Gen. Leon J. LaPorte, the commander, described how American contingency plans are being reshaped by new theories of war-fighting and by new military technology. "We have better intelligence," he said, so the American and South Korean militaries will have more advance warning if North Korea mobilizes for war, providing the opportunity to locate and attack its vast arsenal of artillery and rockets. "We have precision-guided munitions," he added. "We have better weapons systems. We have better communications. So we are able to not only accomplish our current mission, but increase our capabilities - at the same time reducing the number of personnel it takes to do this." American plans call for moving those troops remaining in South Korea away from the border with North Korea - where for decades they have been within easy killing range of 12,000 artillery pieces and rocket tubes - to new positions where the troops would have greater chances of absorbing, and then responding to, a North Korean offensive. The plans were under discussion before the war in Iraq began. "Why would we want to have our valuable resources underneath the artillery of North Korea?" General LaPorte said. "Our high-value assets are now disposed where they would not be under immediate fires. It gives us the operational agility we need." The shift of the American footprint here has an added benefit, as the movements also ease tensions with South Koreans. The tight embrace of urban sprawl from the South Korean capital, Seoul, had surrounded a number of American bases that were set up decades ago at what had been the end of dusty roads. In the interview, General LaPorte also pulled back the curtain on the latest intelligence assessments of a North Korean threat across a demilitarized zone just 11 miles from this American base. His detailed description of American military efforts can be at least partly be interpreted as a desire by the United States government to indicate to the North Koreans that there is continued commitment in South Korea, despite the reduction in troops. The state of readiness maintained by North Korea's conventional military forces has not altered in response to either a sharper tone of criticism from either side or the resumption of six-party negotiations. "We have not seen any

significant changes," General LaPorte said. "They are operating within what we would call operational norms, seasonal norms. They have a summer training cycle and a winter training cycle. We have not seen any significant deviation outside the norms over the past five years." At the same time, this steady state of readiness has been maintained despite the near collapse of North Korea's economy, including its agricultural system, with the nation's military receiving about one-third of the gross domestic product regardless of the poverty thrust upon North Korea's population. North Korea has announced that it is a nuclear power. But chemical weapons are a source of concern as well, General LaPorte said. "North Korean doctrine does not see chemicals as a weapon of mass destruction, but as a conventional munition," he said. "Their doctrine is that every third round is a chemical round." In case of war with North Korea, "There are a large number of targets that we have a chance of taking out in the opening days of a battle, but not the opening minutes, because of our precision-strike capabilities and I.S.R.," Michael E. O'Hanlon, a scholar at the Brookings Institution in Washington, said, using the initials for intelligence, surveillance and reconnaissance. "Even if that artillery is pulled back inside caves, we have a pretty potent capability." North Korea is believed to have more than 800 missiles that can strike South Korea and beyond, and more than 12,000 artillery pieces, a large proportion in underground bunkers where they could strike Seoul. The North Korean military is said to number 1.2 million in its standing army, with the ability to mobilize another five million. North Korea also has 120,000 special operations forces, whose mission is to infiltrate South Korea for reconnaissance and attacks. The South Korean military has 645,000 active-duty personnel, and a reserve of 1.5 million that can be doubled in case of wartime mobilization. As the South Korean military has grown in capability in recent years, about a dozen significant military missions have been transferred from the United States military here to South Korean forces, including full responsibility for security along the demilitarized zone. American and South Korean war planners have reworked contingency plans in one of the most dramatic examples of how military transformation - often a cliché and vague buzzword in Pentagon conversations - has actually been put into place in a potential crisis zone. General LaPorte emphasized how different the current plans are from those of even his recent predecessors. "Why? Because we can do things faster and with more precision than we could five years ago," he said. The new plans would rely, for example, on being able to move Army units and the service's new Stryker infantry fighting vehicle on C-17 cargo jets from their base at Fort Lewis, Wash., to reinforce South Korea in just 11 hours, General LaPorte said. High-speed troop transport ships can bring larger numbers of marines from Okinawa in less than a day. Heavy equipment for arriving troops is already positioned in South Korea in climate-controlled warehouses, the general said. Fighter aircraft and bombers based in Japan, Guam and as far away as Alaska, Hawaii and the continental United States also would be put under General LaPorte's command in time of war. Aircraft carriers also could be ordered to steam within striking range. A highly visible example of the shift in war plans could be seen in the squadron of F-117 Stealth fighters dispatched in recent weeks to South Korea from their bases in the United States for a series of military exercises. (Thom Shanker, "U.S. Banks on Technology in Revised Military Plan for a Possible North Korean Conflict," *New York Times*, August 29, 2005, p. A-10)

- 9/1/05 Charles Kartman official stepped down as executive director of KEDO. Analysts say that as an advocate of dialogue with North Korea, Kartman has been at odds with conservatives in the Bush administration. (*Chosun Ilbo*, "KEDO Chief Steps down as Program Languishes," August 30, 2005)
- 9/3/05 Rep. Tom Lantos (D-CA) and Jim Leach (R-IA) returned from Pyongyang "cautiously optimistic" about six-party talks. Having spoken to Foreign Minister Paek Nam Sun, negotiator Kim Gae Gwan, and Gen. Li Chan Bok, Lantos said the North seems to have "taken on board" the idea of moving quickly to more substantive discussions, seeing the talks as offering a "win-win" situation rather than a "zero-sum game." "Discussions will continue for a long time, probably ad infinitum," he said. "But the fact remains that unless a set of principles can be agreed upon for continuing the dialogue, there is nothing else to talk about." One sticking point is whether North Korea should have nuclear power plants. (AFP, "'Cautiously Optimistic' U.S. Lawmakers Return from Visit to North Korea," September 3, 2005)
- 9/5/05 Defense Minister Yoon Kwang-ung unveiled a comprehensive reform plan of the South Korean military, downsizing the country's 680,000 troops by one-fourth by 2020, about 40,000 by 2008. The 1st and 3rd Army headquarters will be merged. (Jung Sung-ki, "Korea to Cut Soldiers by 25%," *Korea Times*, September 5, 2005)
- 9/6/05 *Rodong Sinmun* commentary: "The Koreans regard the independent right of the country and their interests as their life and soul and it is their characteristic feature to protect them to the last. So nobody should expect the DPRK to waive its right to peaceful nuclear activity. **At the first-phase of the 4th six-party talks, the U.S. was adamant in insisting that the DPRK totally give up all its nuclear activities including the use of nuclear energy for a peaceful purpose, to say nothing of its nuclear weapons program. That was unilateral and high-handed demand on which the latter can neither make any compromise nor accept.** A complete removal of the U.S. nuclear threat to the DPRK and its drop of hostile policy aimed at stifling the latter would automatically lead to lifting its measures taken to bolster the nuclear deterrence for self-defence. The DPRK's nuclear activity for a peaceful purpose is one of key economic sectors which should be further developed as economy makes progress and the material and cultural demand of the people increases. The nuclear activity for a peaceful purpose is an exercise of a legitimate right enshrined in international law. Russia, China, Japan, the U.S. and south Korea, parties to the six-party talks except for the DPRK, massively produce and use nuclear energies. This being a hard reality, the U.S. is faulting the DPRK's nuclear activity for a peaceful purpose though it is an exercise of its sovereign right and permitted by international law and leaves no stone unturned to stop it. **The DPRK is neither a war criminal state nor a defeated state and has not done anything harmful to others. For what reason should it abandon its right to peaceful nuclear activity? The DPRK had built the nuclear power facilities for decades tightening its belts. It is unimaginable for the DPRK to dismantle its independent nuclear power industry built with so much effort, yielding to outsiders' pressure, without getting any proposal for compensating for the loss of nuclear energy.** The DPRK will as ever make ceaseless peaceful nuclear activity for the economic construction and the

improvement of the standard of people's living. Consistent is the DPRK's stand to seek a negotiated solution to the nuclear issue and denuclearize the Korean Peninsula. If the U.S. tries to have its unreasonable demand met by coercion from the stand of strength in defiance of the principle of impartiality, the situation will only get further complicated, much less any successful progress at the six-party talks. The U.S. should acknowledge the DPRK's legitimate right to nuclear activity for a peaceful purpose and take an option to find a fair settlement of the nuclear issue." (KCNA, "DPRK Will Never Waive Its Right to Peaceful Nuclear Activity," September 6, 2005)

Secretary of State Condoleezza Rice insisted that human rights abuses in North Korea should be highlighted, ignoring the risk of angering the Stalinist regime which has delayed talks designed to end its nuclear weapons drive. Rice said a newly named US human rights envoy for North Korea would raise the profile of the human rights situation in the reclusive state and help look into ways of cooperating with other countries to deal with the problem. She spoke to reporters before receiving the envoy, Jay Lefkowitz, at her office following his nomination by US President George W. Bush last month. Lefkowitz "will have an opportunity to raise the profile of these issues and to see what we can do with the rest of the world to improve the humanitarian situation for the people of North Korea and the human rights conditions there," Rice said. President Bush wanted "people all over the world to (have the) right to live in dignity, to have human rights respected, to have brighter futures," she said. "We believe the people of North Korea to be no different." (AFP, Rice Wants North Korea's Human Rights Abuses Highlighted," September 7, 2005)

9/7/05 Negotiations to eliminate North Korea's nuclear weapons remain in limbo, but the North Koreans are giving hints they might be ready to end another lingering problem with the United States by returning the captured spy ship USS Pueblo. They are setting an unlikely condition, though, considering hostile U.S.-North Korean relations: a visit by Secretary of State Condoleezza Rice or another top-level American official. "It would be a gesture, but somebody needs to make a gesture," said Donald Gregg, a former U.S. ambassador to South Korea who brought home the offer after a mid-August trip to North Korea. (William C. Mann, "North Korea Hints at Returning USS Pueblo," Associated Press, November 7, 2005)

9/?/05 Korea desk director Jim Foster, John Merrill of INR, and Robert Manning of policy planning staff were all skeptical of Treasury's evidence substantiating its claims of North Korean counterfeiting. "It was just like the weapons in Iraq," said one critic. "They weren't there." Christopher Hill shared some of those doubts but was under pressure from the White House, NSC and Treasury. "After all," he said in a meeting with Jim Foster and Joseph DeTrani, "this is law enforcement." Foster retorted, "Chris, this is not law enforcement. This is pure and simple blackmail. It's going to backfire on us. These guys are going to walk away from the talks." Hill replied, "Well, we've got to do this. I've got to preserve my credibility. If we don't do this, I'm going to lose my negotiating leeway." (Chinoy, *Meltdown*, pp. 258-59)

9/8/05 Bank of China and two banks based in Macau are under U.S. scrutiny for possible connections to North Korea's sprawling, illicit fund-raising network, which U.S. officials

believe finances Pyongyang's nuclear program. The banks, which could face stiff sanctions, are caught up in a major new U.S. operation to shut down lucrative North Korean enterprises producing narcotics, counterfeit U.S. currency and fake cigarettes. Law-enforcement officials from several countries described the wide-ranging U.S. operation, while several North Korean defectors gave accounts of Pyongyang's financial network. One of the Macau lenders, Banco Delta Asia SARL, is controlled by Stanley Au, a major player in the Hong Kong financial markets who is also a legislator in Macau and serves as an adviser to the Chinese government. The other bank, Seng Heng Bank Ltd., is controlled by billionaire gambling mogul Stanley Ho, who started a casino in Pyongyang and has close ties to Pyongyang and Beijing. Banco Delta Asia SARL, a unit of Delta Asia Financial Group, has been under scrutiny by the Secret Service and other U.S. agencies since a publicly disclosed 1994 counterfeiting case by the Secret Service and Macau police that led to the arrests of North Korean officials in Macau. The bank is a top candidate for being placed on a Treasury Department blacklist of entities allegedly involved in money laundering, people familiar with the matter said. Inclusion on the blacklist, which could be proposed shortly, could make it difficult for the bank to do business internationally. The Secret Service, the Justice Department, Immigration and Customs Enforcement and other U.S. agencies are investigating the banks as part of a new initiative against nuclear proliferation that the White House unveiled in June. The underlying object of the inquiry is Zokwang Trading Co., a Macau firm run by North Koreans that law-enforcement officials say does business with Banco Delta Asia. In the mid-1990s, Zokwang officials were arrested by Macau police on suspicion of attempting to pass a large number of counterfeit U.S. bills, some of which were traced to Banco Delta Asia. The officials, who had diplomatic immunity, were sent home to North Korea, but Zokwang has remained in business. South Korean officials say that the firm has been involved in raising funds by selling gold and other commodities. The officials believe Zokwang has worked to obtain parts for North Korean weapons programs. In recent weeks, Secret Service, Federal Bureau of Investigation and Immigration and Customs Enforcement agents and other American law-enforcement officers have confiscated bogus currency with a face value of more than \$5 million, known as super notes, in raids in the U.S. and Taiwan. Nearly all of the knockoff \$100 bills are believed to be produced by North Korean state-owned entities, say senior U.S. officials involved in the crackdown. More than 80 people have been arrested in recent weeks, and large amounts of narcotics and cigarettes also have been seized. Former North Korean traders and financiers who have fled their country say North Korean banks and commercial enterprises must rely on foreign banks, especially Bank of China, to conduct nearly all international transactions. "Every North Korean bank has accounts at the Bank of China," through which money is moved, said one former North Korean businessman. Much of the business goes through Bank of China (Hong Kong) Ltd., which functions as a semiautonomous unit of the mainland China bank. Gao Desheng, deputy director of the main bank's overseas business-management department in Beijing, said the bank keeps close tabs on North Korean customers. Seng Heng Bank is owned by a conglomerate, Sociedade de Turismo e Diversoes de Macau, controlled by the gambling tycoon Mr. Ho, who has longstanding ties to North Korea and its ruling Kim clan, according to South Korean and U.S. officials. Mr. Ho's organization opened a casino in a Pyongyang hotel in 1999. A number of U.S. officials said they are frustrated

by the decision not to publicly name North Korea and China as the sources for much of the contraband. The 10 indictments the Justice Department unsealed only referred to the countries by numbers, and FBI officials declined to publicly confirm that North Korea was the source of the super notes. (Glenn R. Simpson, Gordon Fairclough, and Jay Solomon, "U.S. Probes Banks' North Korea Ties," *Wall Street Journal*, September 8, 2005, p. A3) As the Treasury Department was preparing a formal announcement designating BDA as a "primary money-laundering concern," and just days before six-party talks were to resume, the story was leaked to the *Wall Street Journal*. "The neocons seized on BDA," said a former official who had worked on the issue from the start. "Someone leaked it to discredit the other track of the negotiation," said a longtime intelligence officer. (Chinoy, *Meltdown*, p. 259)

John W. Lewis, a retired Stanford University professor, and Siegfried S. Hecker, retired director of Los Alamos National Laboratory, met with Rice this afternoon to provide details of their talks with key North Korean officials, including the top negotiators for the North Korean side. During the talks with Lewis and Hecker, North Korean officials made it clear that they intend to insist that the statement of principles acknowledge North Korea's right to peaceful use of nuclear power, according to Charles L. "Jack" Pritchard, a former State Department Korea expert, who accompanied the two men. To varying degrees, South Korea, China and Russia have supported the North Korean position, while Japan has backed the U.S. stance that North Korea's behavior gives it no right to even a peaceful program, except for research for medical, agricultural or industrial use. "The North Koreans saw a chink in the armor," Pritchard said. "They have concluded this is a winning argument." Pritchard said that as a result, any statement emerging from the talks appears less likely to be as clear and definitive as U.S. officials had hoped. This in turn might drag out future negotiations. From the North Korean perspective, a sovereign nation has a right to peaceful nuclear energy, and one way the United States can demonstrate that it respects North Korea's sovereignty is to support that right. North Korea's position -- which also included a demand for a light-water reactor to compensate it for giving up its current nuclear facilities -- has led to sometimes heated discussions within the Bush administration over how to counter Pyongyang's gambit, U.S. officials said. Some officials, such as Assistant Secretary Christopher R. Hill, the chief U.S. negotiator, have contended that the issue of whether North Korea has a theoretical right to peaceful nuclear energy is not as important as the main question of whether an agreement to eliminate North Korea's nuclear programs can be reached in the first place. Moreover, even if North Korea wanted to build a civilian nuclear program, none of the countries at the table now would even be willing to fund it. "The issue for some of the partners is whether . . . North Korea could then reclaim a right to nuclear energy," Hill said last month. "If you ask me, it's not exactly a showstopper issue -- the real issue is getting rid of all their nuclear programs." But other officials have pushed back, saying that such a concession would allow the North Koreans to chip away at an agreement, especially if they managed to hide materials or programs not discovered during the verification process. (Glenn Kessler, "North Korea Stands Fast on Nuclear Energy Use," *Washington Post*, September 9, 2005, p. A-21) North Korea has said it plans to finish building a 50-megawatt nuclear reactor in as little as two years, allowing it to produce enough weapons-grade plutonium for 10 weapons annually, according to the first public report of an unofficial

U.S. delegation that visited Pyongyang in August. The new reactor would represent a tenfold leap in North Korea's ability to produce fuel for nuclear weapons, which could give it significant leverage in talks aimed at dismantling its nuclear programs. "They're poised to continue their program, to make more plutonium and to strengthen their deterrents," Hecker said, summarizing his talks with the director of North Korea's nuclear facilities and other senior North Korean officials. "We have to assume that the North Koreans also have made at least a few primitive nuclear devices." Hecker, along with Stanford University scholar John W. Lewis, did not return to Yongbyon, but they did meet with the facility's director, Ri Hong Sop. The trip was not sponsored by the U.S. government, but Hecker and Lewis have privately briefed Secretary of State Condoleezza Rice and her top aides on their findings. Ri told Hecker that construction will start soon on the larger reactor. A redesign has been completed and construction workers are preparing to return, he said. Ri did not give an estimated completion date but implied it would be finished in a couple of years, Hecker said, rather than five or six as estimated by some analysts. North Korea has said it has an urgent need for electric power, and Ri told Hecker the electricity generated by the 50-megawatt reactor would go into North Korea's electrical grid. Hecker said Ri acknowledged that such graphite-moderated reactors are not very efficient for electricity, but make very good weapons-grade plutonium. (Glenn Kessler, "North Korea Rushes to Finish Reactor," *Washington Post*, November 9, 2005, p. A-24)

At a ceremony marking the 57th anniversary of the DPRK Premier Pak Bong-ju said, "The denuclearization of the whole peninsula is a dying wish of Comrade Kim Il-sung, and it is the final goal of our republic." (Yonhap, "N. Korean Premier Pledges to Pursue Nuclear-Free Peninsula," September 8, 2005)

Finance Minister Han Duck-soo suggested invited North Korea to the next APEC Foreign Ministers' meeting if six-party talks are resolved successfully. "I believe the time has come for us to seriously consider creating a multinational development program for lesser-developed regions in Northeast Asia, including the northeastern parts of China, Siberia and North Korea to support and accelerate the development of this region." (Kim Jae-kyung, "Finance Minister Han Invites N.K. to Next APEC Meeting," *Korea Times*, September 8, 2005)

9/9/05 Jay Lefkowitz, who assumed the post of special envoy on North Korean human rights two days ago, said future humanitarian aid to the North would be linked to an improvement in human rights conditions. "U.S. policy on food aid has not changed," State Department spokesman Tom Casey said. "We do not use food aid as a weapon. Decisions on such assistance are based on need and our ability to ensure that food will reach those for whom it is intended. (*Korea Herald*, "U.S. May Link Aid to N.K.'s Human Rights, September 9, 2005) Secretary of State Condoleezza Rice, apparently contradicting her special aid on North Korea, said the next day, "Our policy is that we don't use food as a weapon." (Yonhap, "Rice Says Food Aid to N.K. Not for Political Use," *Korea Times*, September 11, 2005)

9/10/05 President Roh Moo-hyun was greeted by North Korea's ambassador to Mexico after a state dinner hosted by President Vicente Fox at the Presidential Palace. "I'm Soh

Chae-myong, the North Korean ambassador," Soh said. Soh told Roh that he speaks to South Korea's ambassador to Mexico Cho Kyu-hyung "very often," according to presidential spokesman Kim Man-soo. (Ryu Jin, "President Encounters N.K. Diplomat," Korea Times, September 11, 2005)

9/12/05

The LDP won 296 seats in the Lower House, its first majority in 15 years, a gain of 47 seats. Combined with New Komeito's 31, it gives the ruling coalition 327, more than two-thirds of the 480 seats. (*Asahi Shimbun*, "LDP Obtains 296 Lower House Seats for First Majority in 15 Years," September 12, 2005) Prime Minister Koizumi Junichiro vowed to do everything in his power to normalize diplomatic ties between Tokyo and Pyongyang in the course of his new term in office. Koizumi was speaking at headquarters of his Liberal Democratic Party after winning snap elections by a landslide. He said a 2002 Pyongyang Declaration announced when he met with North Korean leader Kim Jong-il provides for normalization talks, adding that as North Korea respects that declaration too, it was time to make them happen. Koizumi denied hearing talk from within the party that he was poised for a second visit to North Korea. He said while the possibility could not altogether be ruled out, chances were extremely low. Former LDP vice president Yamasaki Taku, who is widely seen as Koizumi's right-hand man, told a morning TV program the prime minister would have to meet Kim Jong-il one more time by next September. Yamasaki said he understood popular feeling in Japan about the issue of Japanese people abducted by North Korea in the 1970s, but the denuclearization of the Korean Peninsula now under discussion at six-party talks needed to come first. He said the six-party talks were not the forum to discuss strictly bilateral issues. (*Chosun Ilbo*, "Koizumi Vows to Normalize Ties to N. Korea," September 12, 2005)

Rodong Sinmun signed commentary: 'The U.S. Department of State in its recent report unreasonably listed the DPRK as a state violating the convention banning biological weapons. The report asserted that the DPRK, which acceded to the convention, presented a 'false report' on its compliance with the convention to the U.N. while persistently developing biological weapons. In this regard The U.S. mud-slinging was nothing but a plot to isolate the DPRK in the international arena by bringing all sorts of charges to it and justify its policy to stifle the DPRK. The commentary cites facts to prove that the United States has been accustomed to deliberately and systematically violating various international conventions on disarmament including the convention banning biological weapons. The DPRK is not a violator of the above-said convention but the biggest victim of those weapons and the U.S. is chiefly responsible for them. There still exist on the international arena a number of pending issues that arouse a serious concern of the international community chiefly because the U.S. is obstructing the settlement of the issues in pursuit of its sinister aim. The reality goes to clearly prove that a proper behavior on the part of the U.S. alone would make it possible to automatically settle such issues as the non-proliferation of weapons of mass destruction and terrorism, issues of so serious concern of international community, and reenergize the process of disarmament. The United States would be well advised to stop such rash acts as hurting its dialogue partner in a bid to chill the climate for building confidence between the DPRK and the U.S. and becloud the prospects of the

six-way talks and the settlement of the nuclear issue. (KCNA, "U.S. State Department's Report Attacking DPRK Refuted," September 12, 2005)

At the State Department Assistant Secretary Christopher Hill told reporters, "I don't see any reason why North Korea should produce additional electricity through a nuclear energy project that is technically difficult and requires huge sums of money." (Kim Seung-ryun, "Christopher Hill: U.S. Can't Allow North to Develop Civilian Nuclear Program," *Dong-A Ilbo*, September 12, 2005)

9/13/05

"We have this right, and the more important thing is that we should use this right," DPRK envoy Kim Gye-gwan told Xinhua. "If the United States tries to set obstacles to the DPRK's using this right, we utterly cannot accept that." He described the LWRs as the key to resolving the nuclear issue. "The construction of light-water reactors is closely related with the issue of building trust between the relevant parties," he said. "Building trust is the kernel to the process of denuclearizing the Korean Peninsula." Chung Tai-yang replaced Li Gun on the DPRK delegation. Li had been involved in prickly exchanges with his U.S. counterpart Joseph DeTrani, during the first session of the current round of talks. (Park Song-wu, "6-Way Talks Resume in Beijing," *Korea Times*, September 13, 2005)

"We state clearly that we don't have any kind of enrichment program at all," a *Rodong Sinmun* commentary asserted. "Our so-called uranium enrichment program is a concoction cooked up by the United States." (*Mainichi Shimbun*, "North Korea Disputes Uranium Allegations as U.S. 'Concoction,'" September 13, 2005)

KCNA: "A spokesman [Hyun Hak-bong] for the DPRK delegation participating in the six-party talks for the solution of the nuclear issue between the DPRK and the U.S. was interviewed by world media in Beijing [September 13]. At the press conference the spokesman clarified the principled stand of the DPRK on the U.S. side's talk about "provision of light water reactors (LWRs) after the DPRK's return to the NPT." He said: One may say that the nuclear issue between the DPRK and the U.S. was settled by the adoption of the DPRK-U.S. Agreed Framework (AF) in 1994. At that time, we froze our independent nuclear power industry in accordance with the planned U.S. provision of the LWRs to us. However, no sooner had the Bush administration come to office than it scrapped the AF and listed the DPRK as part of "an axis of evil" and a "target of its preemptive nuclear attack." As a self-defense measure to cope with this, the DPRK pulled out of the NPT and under the situation where it was in the imminent danger of meeting the same fate as Iraq's it opted to bolster its nuclear deterrence for self-defense. In the meantime, we positively initiated the six-party talks as a token of our utmost magnanimity and declared the denuclearization of the Korean Peninsula as our general goal. What is essential here is the denuclearization of the peninsula. **At the six-party talks we said we would feel no need at all to keep nuclear weapons when confidence is built between the DPRK and the U.S. after the normalization of their relations and we would feel no nuclear threat from the latter. The U.S., however, interpreted this stand of ours as "weakness" and raised the brigandish demand that we dismantle all our nuclear programs.** The U.S. claim that the DPRK dismantle first its nuclear deterrence built for its self-defense means pressurizing it to

lay down its arms. It is too naive to demand such a thing. **Our stand is that the U.S. had better not even dream of this.** It is said that even at this time the U.S. Department of Defense is contemplating making its doctrine of preemptive nuclear attack official. Under this situation **we can never accept its demand that we dismantle our nuclear program first.** We demanded the **provision of LWRs, deeming it as a basic benchmark for confidence building between the DPRK and the U.S. and said it would put their operation under a joint control and receive inspection,** too, in consideration of the latter's concern. Our demand, therefore, is not far-fetched. **If the U.S. persistently insists that it would not provide LWRs, a basic benchmark for confidence building, we will not be able to suspend even a moment the peaceful nuclear activity of our own style. It is, therefore, our position that the U.S. may provide LWRs to us or not. We are free to go our own way in accordance with our Songun line.**" (KCNA, "DPRK Can Never Accept U.S. Brigandish Demand," September 16, 2005)

President Pervez Musharraf of Pakistan said yesterday that he believed that a Pakistani nuclear expert who ran the world's largest proliferation ring exported "probably a dozen" centrifuges to North Korea to produce nuclear weapons fuel. He added, however, that after two years of interrogations there was still no evidence about whether the expert also gave North Korea a Chinese-origin design to build a nuclear weapon. Musharraf's comments, which echo statements he made last month to Japanese reporters, were made in an interview a day before the United States was to reopen talks with North Korea about its nuclear program in Beijing. The Pakistani leader's comments about the results of the interrogations of the expert, A. Q. Khan. In a wide-ranging discussion in New York with three journalists from the *Times*, Musharraf said that two years of questioning of Mr. Khan - which the Pakistanis insisted they would do themselves, rather than allowing the United States to question him - a critical question had not been resolved: Did the scientist give the same bomb design to North Korea and Iran that investigators found in Libya, when it dismantled its uranium program. "I don't know," he said. "Whether he passed these bomb designs to others - there is no such evidence." (David E. Sanger, "Pakistan Leader Confirms Nuclear Exports," *New York Times*, September 13, 2005, p. A-10)

After nearly two weeks consumed by Hurricane Katrina, President Bush turned his attention back to the rest of the world and flew to New York in the afternoon to attend a division-plagued U.N. summit and to solicit Chinese help in pressuring Pyongyang and Tehran to abandon nuclear weapons ambitions. Bush spent an hour with President Hu Jintao. Bush gave him a list of human rights cases that the United States is concerned about, a list that a senior U.S. official said is topped by the longtime imprisonment of a researcher for the *New York Times* on accusations of disclosing state secrets. During a public appearance, Hu promised "to step up" efforts on North Korea "so that we can facilitate fresh progress" in multilateral talks scheduled to resume in Beijing. During their private session, the U.S. side said Hu was supportive of efforts to curtail Iran's nuclear ambitions as well, but offered no support for Bush's bid to refer Tehran to the U.N. Security Council for possible sanctions. Iran's new president, Mahmoud Ahmadinejad, who will be in New York for his first U.S. visit since winning election, has insisted that his country wants to develop only civilian nuclear power.

"Some of us are wondering why they need civilian nuclear power, anyway," Bush said. "They're awash with hydrocarbons. Nevertheless, it's a right of a government to want to have a civilian nuclear program." That comment caused a stir because the U.S. government has adamantly rejected North Korea's aspirations for civilian nuclear power. Aides later insisted Bush was not trying to signal a policy change toward Pyongyang. "I can guarantee you that's not what he intended to indicate," said National Security Council spokesman Frederick L. Jones II. (Peter Baker, "President Revisits Foreign Policy," *Washington Post*, September 14, 2005, p. A-4)

9/15/05

Treasury Department finds Banco Delta Asia in Macao a "principal money-laundering concern," prompting US banks to cut off correspondent relations with it. (Joel Brinkley, "U.S. Squeezes North Korea's Money Flow," *New York Times*, March 10, 2006, p. A-12) In approving the Treasury action. Bush's former senior director for Asia, Michael Green, told Newsweek last week: "The president said, 'We apply the law'." (Michael Hirsh, Melinda Lu, and George Wehrfritz, 'We Are a Nuclear Power,' *Newsweek*, October 23, 2006) Department of Treasury: "The U.S. Department of the Treasury today designated Banco Delta Asia SARL as a "primary money laundering concern" under Section 311 of the USA PATRIOT Act because it represents an unacceptable risk of money laundering and other financial crimes. "Banco Delta Asia has been a willing pawn for the North Korean government to engage in corrupt financial activities through Macau, a region that needs significant improvement in its money laundering controls," said Stuart Levey, the Treasury's Under Secretary for Terrorism and Financial Intelligence (TFI). "By invoking our USA PATRIOT Act authorities, we are working to protect U.S. financial institutions while warning the global community of the illicit financial threat posed by Banco Delta Asia." In conjunction with this finding, Treasury's Financial Crimes Enforcement Network (FinCEN) issued a proposed rule that, if adopted as final, will prohibit U.S. financial institutions from directly or indirectly establishing, maintaining, administering or managing any correspondent account in the United States for or on behalf of Banco Delta Asia. Banco Delta Asia is located and licensed in the Macau Special Administrative Region, China. The bank operates eight branches in Macau, including a branch at a casino, and is served by a representative office in Japan. In addition, Banco Delta Asia maintains correspondent accounts in Europe, Asia, Australia, Canada, and the United States. Deficiencies at Banco Delta Asia noted in the finding include, but are not limited to, the following: Banco Delta Asia has provided financial services for over 20 years to Democratic Peoples Republic of Korea (DPRK) government agencies and front companies. It continues to develop relationships with these account holders, which comprise a significant amount of Banco Delta Asia's business. Evidence exists that some of these agencies and front companies are engaged in illicit activities. Banco Delta Asia has tailored its services to the needs and demands of the DPRK with little oversight or control. The bank also handles the bulk of the DPRK's precious metal sales, and helps North Korean agents conduct surreptitious, multi-million dollar cash deposits and withdrawals. Banco Delta Asia's special relationship with the DPRK has specifically facilitated the criminal activities of North Korean government agencies and front companies. For example, sources show that senior officials in Banco Delta Asia are working with DPRK officials to accept large deposits of cash, including counterfeit U.S. currency, and agreeing to place that currency into circulation. One well-known North Korean front company that

has been a client of Banco Delta Asia for over a decade has conducted numerous illegal activities, including distributing counterfeit currency and smuggling counterfeit tobacco products. In addition, the front company has also long been suspected of being involved in international drug trafficking. Moreover, Banco Delta Asia facilitated several multi-million dollar wire transfers connected with alleged criminal activity on behalf of another North Korean front company. In addition to facilitating illicit activities of the DPRK, investigations reveal that Banco Delta Asia has serviced a multi-million dollar account on behalf of a known international drug trafficker.” (Department of Treasury Statement, September 15, 2005)

“The issue of what to do, and when, came to a head in the summer of 2005, around the same time as the wrangling in Beijing over the statement of principles for the six-party talks. U.S. officials from several law enforcement and foreign-policy agencies had to decide whether to approve the Treasury action before or after the diplomatic efforts in Beijing moved off dead center (and at that point, it was not clear that they would actually succeed). The decision was made – one participant said it was unanimous – to keep strictly with the president’s orders and push ahead on what was conceived as the defensive-legal front. No one at that point thought the Treasury action would end up being the tsunami in the international financial community it turned out to be. The explanation that the Treasury action was necessary to protect the United States was hardly credible to the other countries involved in the six-party talks. The South Koreans were distressed; the Chinese could hardly believe what Washington had done. ...There was no serious thinking in the Treasury Department, and little elsewhere in the administration either, about how this move might fit with the overall diplomacy. Worse, no consideration was given to how Washington might turn off the effects of the Treasury action when that became necessary. ...Asked about an ‘exit ramp,’ a Treasury official directly involved admitted there wasn’t one. In Seoul, President Roh received the news of the Treasury action with consternation. In November 2005, several weeks after the measure had been announced, the South Korean leader met President Bush in Kyongju, ...where he pressed Bush over and over on the issue, insinuating several times that the ‘coincidence’ of the Banco Delta Asia action and the September 19 joint statement was actually something darker. Each time the president explained his views on the need for legal action to protect the United States, and each time Roh went back to his barely disguised accusations. It was one of the worst meetings the two ever had. ... Determined, as they always are, never to allow themselves to be seen as weak or yielding to pressure, the North Koreans seized the opening presented by what became known in shorthand as ‘BDA’ (Banco Delta Asia) to advance their nuclear weapons program to a new and more dangerous phase.” (Oberdorfer and Carlin, *The Two Koreas*, pp, 409-11)

Zarate: “Pyongyang was dependent on banks to do business. It had a domestic bank, Tanchong Commercial Bank, which the regime used as its primary financial institution and a trading company doing business with the world. It facilitated much of the proliferation activity with the North Korean company KOMID (Korean Mining and Development Corporation). It also relied on the Dadong Credit Bank, the only foreign-owned bank in North Korea. These banks helped give the North Koreans access to other banks and international financial system. ...The network of banks was the key to

our battle plan. All we needed was the right bank to target - one that was assisting the North Koreans to evade sanctions and engaging in illicit financial activity in its own right. ...The bank of choice was Banco Delta Asia (BDA). ...The regime also used the Bank of China, among others. But BDA handled large sums of financial transfers for North Korea and most of the regime's precious metal sales as well as cash deposits and withdrawals. ...Targeting BDA would force Chinese banks and others to choose in favor of isolating North Korea for their own self-interest even if Beijing didn't like it. Perhaps the most important potential strategic impact of the plan would be that we would be employing the unwitting assistance of China to isolate North Korea. It was a strategy reflected well in an ancient Chinese proverb: we had found a way to 'kill the chicken to scare the monkeys.' In 2004, we started work on a 311 regulatory package - readying the designation of BDA as a primary money-laundering concern to cut off any correspondent banking relationships in the United States. Importantly, we would not actually be freezing any accounts or transactions. Instead, our action would send a message to the international financial community that this bank was a pariah because of its illicit business with North Korea. The market would take care of the rest. As it turned out, this move would ultimately prove the most important Section 311 action we would ever unleash. At the same time, David Shedd, a senior director at the National Security Council who was responsible for intelligence policies, called me into his corner office in the Eisenhower Executive Office Building next to the White House to read me into a sensitive project. ...To my surprise, he told me that a small group at the State Department had already been leading an effort to look at North Korean illicit financial activity. He didn't give me many details, but advised me to meet David Asher, a senior adviser to the Assistant secretary for East Asian and Pacific Affairs. ...Asher and his trusted and longtime intelligence analyst and economist from the Bureau of Intelligence and Research (INR) William Newcomb ...developed ... a broad assessment of the North Korean illicit financial networks. ...If we could stop these flows and shut down the networks, it might provide much-needed leverage to diplomats seeking a nuclear deal at the six-party talks that had begun in August 2003. I explained the Bad Bank Initiative and how Section 311 permitted us to target rogue financial actors. ...Though Section 311 was new to them, they were certainly focused on BDA. They invited me to participate in the small interagency group dedicated to the North Korea Illicit Activity Initiative, and I eagerly accepted. At the first meeting I attended in late 2003 - and thereafter at each meeting for nearly two years - I would explain the range of Treasury powers available, how the intelligence and law enforcement cases we were building could be leveraged to isolate an illicit financing regime, and the possible use and impact of Section 311 against Banco Delta Asia. ...A year later, the group would be taken over by the National Security Council, which brought the effort (now called the North Korean Illicit Finance Action Group, or NORKAG) into the White House orbit, with David Shedd leading the meetings and Asher acting as his deputy. ...My principal concern was that the key leaders be aware of the impact this action could have on U.S. relations with China. Targeting BDA would not only put Macao in a negative spotlight - Chinese banks would instantly realize that they might be next on the target list. The move would be sure to upset the Chinese government. The chairman of the New York Federal Reserve Bank, Tim Geithner, and the bank's longtime general counsel, Tom Baxter, were worried that the action would have unintended consequences with the Chinese. But Geithner didn't object, and Treasury

Secretary Snow remained confident that we could manage any Chinese fallout.” (Zarate, *Treasury's War*, 2013) pp. 225-32) “These strategies ... served to resurrect a Treasury Department that was struggling to remain relevant to national security issues.” (p. xi) “It is critical that the financial pressure campaign be viewed as part of a series of actions and policies to change the regime’s trajectory or the regime itself.” (p. 352)

Hill: “Stuart Levy of the Treasury Department, a highly politicized protégé of John Bolton who had been part of the Florida recount battle in the 2000 presidential election, kept good relations with the media and briefed them frequently, often overselling his product. My predecessor at EAP, Jim Kelly, had hired David Asher, a young, very bright, but ideologically minded political appointee, as if to say ‘EAP can be crazy, too.’ Asher, also an overseller of financial measures, saw to it that many developments came to light with the press. Thus when the Banco Delta Asia announcement came, it infuriated almost all our six-party colleagues – especially China, South Korea, and Russia – and was widely seen as a challenge to the entire negotiating process, not to speak of a return to unilateralism. For the Chinese, it was an example of something they had seen during the course of recent centuries: extraterritorialism. ‘What are you doing?’ Wu [Dawei] asked me. ‘It is law enforcement,’ I answered wanly. ‘That is not how law enforcement officials behave,’ he responded without a trace of his usual good cheer. ... I also believed that the publicizing of our efforts was undermining the negotiating track. And what’s more, they seemed intended to do just that. Moreover, these efforts were completely oversold within the U.S. government as something that could supplant the negotiations by inducing the North Koreans to say *no mas* and give up their nuclear ambitions (not likely), or could somehow lead to North Korea’s collapse (even less likely). ... Indeed, the only effect of the steps against the bank was to derail the prospect of negotiations for some eighteen months and, of course, to make the North Koreans more careful about moving their funds abroad.” (Hill, *Outpost*, pp. 242-43)

President Roh Moo-hyun said the United States must overcome old divisions between “them” and “us” in Asia. That would “help regional peace and security in Asia and the national interests of the United States.” Speaking at a Korea Society dinner in New York, Roh said, “it could prove uncomfortable for the U.S. government if it listens to those who would create a confrontational order in the region, but if it wants an order of peaceful cooperation, that would be in everyone’s interest.” (*Chosun Ilbo*, “Roh Warns U.S. against Dividing Northeast Asia,” September 16, 2005) At U.N. World Summit in New York, President Roh met with NSA Stephen Hadley and SecState Condoleezza Rice, to whom he said, “I hope the six-party talks will run successfully,” according to Cheong Wa De spokesman Kim Man-soo. (Lee Joo-hee, “President Warns against ‘Great Power Politics,” *Korea Herald*, September 16, 2005)

Bolton: “Fred Fleitz, formerly of my staff, now working for [under Sec State Robert] Joseph told me that Joseph was depressed about [SecState] Rice on both Iran and North Korea, saying, ‘I’ve never seen her like this before.’ On September 15, 2005, when I was back in Washington, Joseph told me unhappily that Rice was listening to Hill on North Korea ...and certainly not to him ... And still more bad news came in early November, when Joseph said, ‘I’m isolated and J.D. [Crouch] and I are very limited in

what we can do,' noting the widespread impression that Hadley, although now national security adviser, still acted like Rice's aide (Bolton, *Surrender Is Not an Option*, p. 321) Treasury expected that the North Koreans would simply withdraw their cash from BDAS, not that the Macau Monetary Authority would freeze all the suspect accounts. The decision appears to have been taken partly in response to the run on the bank after the Treasury decision was made public. (Chinoy, *Meltdown*, p. 312)

The Institute for Science and International Security released a satellite photo showing that the 5MW reactor at Yongbyon has resumed operating. (*Korea Times*, "'N.K. Reopens Yongbyon Reactor,'" September 15, 2005)

In a message from Prime Minister Koizumi Junichiro passed to North Korea by Unification Minister Chung Dong-young, Japan offered to resume normalization talks. "The North did not state any opposition on that," Chung was quoted as saying. "But I expect [the message] to be conducive to improving relations between the two countries." (*Mainichi Shimbun*, "Japan Offers to Resume Normalization Talks with North Korea," September 15, 2005)

9/?/05 U.S. begins tracking German-owned *BBC China* through Suez Canal, carrying centrifuge components from A.Q. Khan's network to Libya. It was diverted from Tripoli to southern Italy, where it offloaded five large containers of pumps and motors and other equipment seized by Italian customs. Bolton: "I wanted to publicize the BBC China seizure widely, but CIA director George Tenet and the Brits resisted fiercely because they were talking to Libya about renouncing its nuclear program..." (Bolton, *Surrender Is Not an Option*, p. 127)

9/?/05 Lee Jong-seok, who served as NSC chief and Minister of Unification during the Roh Moo-hyun administration (2003-2008), in his recently published book "Peace on a Knife's Edge," reports that the so-called "Banco Delta Asia affair," where the US designated the Macau bank as a major concern for possible laundering of North Korean money in Sept. 2005, not only prevented implementation of the six-party talks joint statement of 2005 but also resulted in a tentative agreement with Pyongyang for an inter-Korean summit being called off. According to the book, when a North Korean delegation led by Workers' Party of Korea secretary Kim Ki-nam visited Seoul in August 2005 for an event to celebrate Korea's liberation from Japanese occupation, Pyongyang relayed that it committed to a summit, which it describe as "something we have already determined to do." (Lee Yong-in, "New Book Reveals U.S. Abandoned Military Plans," *Hankyore*, May 15, 2014)

9/13-17/05 Unification Minister Chung Dong-young flew to Pyongyang for four days of talks. His 49-member delegation included ten journalists. He said he was carrying a U.S. message to be relayed to the North's leadership regarding the nuclear issue. "I am assured that it is time to institutionalize a permanent peace on the peninsula and push for coexistence and co-prosperity." A few hours after his arrival, he met with his DPRK counterpart, Kwon Ho-ung. (Yonhap, "Two-Track Talks over North Korea Open in Beijing, Pyongyang," September 13, 2005) On September 14 Chung proposed that permanent liaison offices be set up in Seoul and Pyongyang. (Seo Dong-shin and Joint

Press Corps, "Seoul Proposes S-N Liaison Offices," *Korea Times*, September 14, 2005)
The two Koreas agreed to hold another round of family reunions in November. A six-point statement issued September 16 noted, "We have decided to make efforts for a durable peace on the Korean Peninsula and seek substantial measures to ease military tension." "We had in-depth discussions on peace on the Korean Peninsula through official and unofficial negotiations," UnifMin Chung told reporters. "It is meaningful that the two Koreas started official discussions on the matter, and the issue was included in the joint statement." The joint statement also said, South and North Korea will try to develop their relationship by scrapping outdated mind-sets and practices in the framework of admitting and respecting the other side's ideology and system." The sides agreed to hold their next cabinet-level meeting on Jeju December 13-16. (Yonhap, "Koreas Agree to Hold Another Reunion for Separated Families in November," September 16, 2005)

Joint Press Statement: "The 16th Inter-Korean Ministerial talks were held in Pyongyang from September 13 to 16, 2005. ... 1. The South and the North, in line with the spirit of national cooperation solely between the Korean people themselves, agreed to give up all face-saving practices and to take practical measures to promote national reconciliation and unity from a utilitarian point of view. In this regard, the two sides agreed to consult on and implement practical measures to throw away outdated ideas and practices and advance inter-Korean relations on the basis of mutual recognition of and respect for each other's ideologies and systems. 2. The South and the North agreed to make efforts to guarantee permanent peace on the Korean peninsula and actively look for practical steps to ease military tensions on the peninsula, being compatible with the era of the June 15th Inter-Korean Joint Declaration. 3. The South and the North agreed to take steps to promote mutual benefits and co-prosperity, facilitate integrated as well as balanced development of the national economy, and pursue inter-Korean economic cooperation in a practical manner. A. The South and the North agreed to take active measures to remove obstacles to economic cooperation and facilitate investment and exchanges between the two sides. B. The South and the North agreed to consult on and deal with issues related to cooperative projects both sides deem necessary, including development of the second-stage Kaesong Industrial Complex, prevention of flood in the Imjin River basin, and exchange of science and technology, public health and medical treatment, at the 11th meeting of the Inter-Korean Economic Cooperation promotion Committee and through relevant working-level contacts. 4. The South and the North agreed to actively promote various humanitarian projects, including family reunions. 5. a. To this end, the South and the North agreed to hold the 12th reunion of separated families in early November and two other video reunions before the end of the year. B. The South and the North agreed to continue at the Inter-Korean Red Cross Talks consultations on the confirmation of fates and whereabouts of the people missing during the Korean War. 5. The South and the North recognized the importance of and agreed to support publication of a Grand Korean Dictionary. 6. The South and the North agreed to hold the 17th Inter-Korean ministerial talks in Jeju Island (South Korea) from December 13 to 16, 2005." (Ministry of Unification, Joint Press Statement of the 16th Inter-Korean Ministerial Talks, September 16, 2005)

9/13-19/05

Fourth round of six-party talks resumes. China proposed a new compromise solution to the North Korean nuclear standoff and gave the countries involved in the talks one day to accept or reject the offer, but there were mixed signals on Friday about whether the United States and North Korea were prepared to come to terms. Under the new proposal - Beijing's fifth such attempt to reach an agreement in the latest round of talks - North Korea was promised the right to retain a peaceful nuclear energy program and to receive a new light-water reactor at some point. The proposal also reflects American demands that any such steps occur after North Korea dismantles its nuclear weapons, according to diplomats who were briefed on the proposal but who spoke on condition of anonymity because they were not authorized to speak publicly. North Korea issued a strong statement late in the day in which it insisted that it must receive a new reactor before it abandoned its nuclear weapons program, a sequence the United States has repeatedly dismissed as unacceptable. "The U.S. is demanding that we give up our nuclear deterrent facilities first," said a spokesman for North Korea, Hyun Hak Bong. "I think this is such a naïve request. Our response is: Don't even dream about it." He said North Korea required nuclear weapons because it had to defend itself against the United States, which he said had singled out his country for a "pre-emptive strike." Earlier, after meetings with the North Koreans and the Chinese, the chief American negotiator, Christopher Hill, sounded a more optimistic note. He suggested that China had pushed the North Koreans to soften their position. But he warned that the talks were so far inconclusive. "At this point, I don't know where this will lead," Hill said. "We're still in business." (Joseph Kahn, "China Proposes a Deal to End North Korean Nuclear Standoff," New York Times, September 17, 2005, p. A-4) "I don't want to use the term deal-breaker," said Christopher Hill. "But a light-water reactor is, for us, a non-starter." Hill said the North has been given a "very generous" proposal. "The deal consists of really a lot of what the DPRK should want - security guarantees, a recognition package, access to international financial institutions, and a very serious energy package." "We clearly know what North Korea wants to have," said South Korea's chief delegate Song Min-soon. "We have opened the window of opportunity for Pyongyang so that it can have the light-water reactor in the future. The target of this six-party talks is to discuss the process and methods for the North to get what it wants through the window." (Park Song-wu, "N.K. Demand for Reactor Is Non-Starter," Korea Times, September 15, 2005) PRC Vice FM Dai Bingguo presents Chinese draft on September 16 as the "most realistic" and pressed U.S. to support it. (*Xinhua*, September 17, 2005) The revised draft mentions possible construction of an LWR. It addresses the right of North Korea to conduct civilian nuclear activities, Russian Deputy Foreign Minister Alexander Alexeyev told Interfax. In return, the draft calls for the North to abandon all its nuclear development programs while underlining the need for it to return to the NPT and accept IAEA inspections, he said. South Korea's chief delegate Sung Min-soon said the reactor "remains as an issue for future opportunity, and discussions will continue on it." (Kyodo, "Revised Draft Refers to Possible Building of Proposed Reactor: Russia," September 16, 2005) Chinese draft makes no reference to LWRs, only to "peaceful nuclear use." Japan, ROK and Russia accepted it. Hill argued for it, noting U.S. isolated. Hard-liners also objected to reference to bilaterals in Chinese draft, "The United States stated that it recognizes and respects the sovereignty of the DPRK, and that it takes steps to normalize its relations with the DPRK, subject to bilateral policies and dialogue." They reworded the

sentence, "The DPRK and the United States undertook to respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations, subject to their respective bilateral policies." When the word "dialogue" was removed, the North insisted on a specific reference to LWRs. The Chinese threatened to go public and blame the U.S. if the talks broke down, Hill responded, "I can handle that. I'd love to go to the press. Let's go together. I can't wait." On September 17 Hill spoke to Rice. The Chinese had come up with new language and made clear it was a take-it-or-leave-it proposition, "The DPRK stated it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light-water reactors to the DPRK." Rice agreed, but Hill had to read a plenary statement. When others on the delegation found out, they were furious. "People in the U.S. delegation were literally screaming at one another in the hallways of the St. Regis Hotel," said one U.S. official. "There was the general impression that we have caved on issues we had said we were resolutely against talking about, like light-water reactors," said one critic on the delegation. (Chinoy, *Meltdown*, pp. 246-49) A last-minute call came from Rice to Hill about joint statement when Cha objected to the words, "peaceful coexistence." They were changed to "existing peacefully together." (Glenn Kessler, *The Confidante*, pp. 80-81) The latest draft of a statement of principles contained a "very general" reference to a peace regime, Hill said. "While I think the six-party process is a good place to support a peace regime, it is probably not a good place to negotiate a peace regime because it's not the appropriate place, not necessarily the appropriate partners, and probably not the appropriate time, given that qwe are working on the nuclear question." (Park Song-wu, "6-Way Talks Support Peace Regime: Hill," *Korea Times*, September 14, 2005) Japan and North Korea met on the sidelines of six-party talks. Chief Cabinet Secretary Hosoda Hiroyuki said said a "due review" of the abductions issue is underway in Pyongyang. Welcoming "certain progress," Hosoda said, the North Koreans "did seem to be listening in the past, but it's different [this time around]." (Sakajiri Kengo, "Japan, N. Korea Hold Talks in Beijing," *Asahi Shimbun*, September 14, 2005) SecState Rice: Chris Hill "called late on the evening of the eighteenth to say that he was close to getting agreement on the Joint Statement ... When the talks stalled, I took advantage of the foreign ministers [at the UNGA] in New York to call together the other four participants in the talks, Russia, China, South Korea, and Japan. ... Then in the presence of his counterparts, Li Zhaoxing...sent a message back to Beijing and apparently to the North Koreans. The delegates made further progress. But at midnight Chris called to say that the North Koreans were demanding the construction of a new light-water reactor before abandoning its nuclear weapons program. I called Minister Li, waking the poor jet-lagged man out of a deep sleep, and negotiated new language sitting on my bed in the Waldorf [Astoria]. It was one time I was very glad to have the President's confidence (and the flexibility that afforded me). We decided that the Chinese would offer a compromise proposal **allowing the North Koreans to keep the nonthreatening elements of their current infrastructure that were clearly related to peaceful nuclear energy purposes**. The statement would mention - only mention - the possibility of the North receiving a light-water reactor at some point, but only after it satisfactorily (meaning satisfying the United States) abandoned its nuclear efforts. I called Steve Hadkey and told him about the compromise, which represented a shift in U.S. policy. We had always refused to discuss, even mention, a

light-water reactor. ...'I'll tell the President about the proposal in the morning and call you if there's a problem,' he said. 'Steve, there can't be a problem,' I said. 'I've committed us to the language.' I could hear Steve swallow hard. 'Okay,' he said." (Rice, *No Higher Honor*, pp. 400-1)

9/19/05

Joint Statement of the Fourth Round of the Six-Party Talks Following is a text of the joint statement at the conclusion of the fourth round of Six-Party Talks, as released in Beijing on September 19, 2005 by the Ministry of Foreign Affairs of the People's Republic of China: "The Fourth Round of the Six-Party Talks was held in Beijing, China among the People's Republic of China, the Democratic People's Republic of Korea, Japan, the Republic of Korea, the Russian Federation, and the United States of America from July 26th to August 7th, and from September 13th to 19th, 2005. Mr. Wu Dawei, Vice Minister of Foreign Affairs of the PRC, Mr. Kim Gye Gwan, Vice Minister of Foreign Affairs of the DPRK; Mr. Kenichiro Sasae, Director-General for Asian and Oceanian Affairs, Ministry of Foreign Affairs of Japan; Mr. Song Min-soon, Deputy Minister of Foreign Affairs and Trade of the ROK; Mr. Alexandr Alekseyev, Deputy Minister of Foreign Affairs of the Russian Federation; and Mr. Christopher Hill, Assistant Secretary of State for East Asian and Pacific Affairs of the United States attended the talks as heads of their respective delegations. Vice Foreign Minister Wu Dawei chaired the talks. For the cause of peace and stability on the Korean Peninsula and in Northeast Asia at large, the Six Parties held, in the spirit of mutual respect and equality, serious and practical talks concerning the denuclearization of the Korean Peninsula on the basis of the common understanding of the previous three rounds of talks, and agreed, in this context, to the following:

1. The Six Parties unanimously reaffirmed that the goal of the Six-Party Talks is the verifiable denuclearization of the Korean Peninsula in a peaceful manner. The DPRK committed to **abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards**. The United States **affirmed that it has no nuclear weapons on the Korean Peninsula and has no intention to attack or invade the DPRK with nuclear or conventional weapons**. The ROK reaffirmed its commitment **not to receive or deploy nuclear weapons in accordance with the 1992 Joint Declaration of the Denuclearization** of the Korean Peninsula, while affirming that there exist no nuclear weapons within its territory. The 1992 Joint Declaration of the Denuclearization of the Korean Peninsula should be observed and implemented. **The DPRK stated that it has the right to peaceful uses of nuclear energy**. The other parties expressed their respect and **agreed to discuss, at an appropriate time**, the subject of the provision of light water reactor to the DPRK.

2. The Six Parties undertook, in their relations, to abide by the purposes and principles of the Charter of the United Nations and recognized norms of international relations. The DPRK and the United States undertook to **respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations subject to their respective bilateral policies**. The **DPRK and Japan** undertook to take steps to **normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of unfortunate past and the outstanding issues of concern**.

3. The Six Parties undertook to **promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally. China, Japan, ROK, Russia and the US stated their willingness to provide energy assistance to the DPRK. The ROK reaffirmed its proposal of July 12th 2005 concerning the provision of 2 million kilowatts of electric power to the DPRK.**

4. The Six Parties committed to joint efforts for lasting peace and stability in Northeast Asia. The **directly related parties will negotiate a permanent peace regime on the Korean Peninsula at an appropriate separate forum. The Six Parties agreed to explore ways and means for promoting security cooperation in Northeast Asia.**

5. The Six Parties agreed to **take coordinated steps to implement the aforementioned consensus in a phased manner in line with the principle of "commitment for commitment, action for action."**

6. The Six Parties agreed to hold the Fifth Round of the Six-Party Talks in Beijing in early November 2005 at a date to be determined through consultations."

Plenary statement by Ambassador Christopher Hill at the Closing Plenary of the Fourth Round of the Six-Party Talks September 19, 2005: "I would like to join with my colleagues from the ROK and Russian delegations in expressing my deep appreciation for China's leadership in chairing and hosting this fourth round of the Six-Party Talks. The United States is able to join in supporting the Joint Statement on the basis of the following understandings: Let me start by noting that the goal of the Six-Party Talks is the **prompt and verifiable denuclearization** of the Korean Peninsula. When this goal is achieved, it will open up a new chapter for all Korean people. We know that the document includes undertakings for all the parties; my government is prepared to fulfill all our undertakings. All elements of the DPRK's past and present nuclear programs - plutonium and uranium - and all nuclear weapons will be comprehensively declared and completely, verifiably and irreversibly eliminated, and will not be reconstituted in the future. According to these principles, the DPRK will return, at an early date, to the NPT and come into full compliance with IAEA safeguards, including by taking all steps that may be deemed necessary to verify the correctness and completeness of the DPRK's declarations of nuclear materials and activities. But in addition to these obligations, there are also benefits that the DPRK will accrue. But these benefits will only accrue in the context of the denuclearization of the Korean Peninsula. In the statement of principles, there is a reference to the "appropriate time" to discuss the subject of the DPRK's use of nuclear energy for peaceful purposes, such as the subject of the provision of a light water reactor, but **that 'appropriate time' will only come when the DPRK has: Promptly eliminated all nuclear weapons and all nuclear programs, and this has been verified to the satisfaction of all parties by credible international means, including the IAEA; and When the DPRK has come into full compliance with the NPT and IAEA safeguards, and has demonstrated a sustained commitment to cooperation and transparency and has ceased proliferating nuclear technology. When these conditions have been met, I want to be very clear - we will support such a discussion.** The United States notes that the NPT recognizes the right of parties to the Treaty to pursue peaceful uses of nuclear

energy in the context of compliance with Articles I and II of the Treaty. Foremost among the Treaty's obligations is the commitment not to possess or pursue nuclear weapons. The Treaty also calls for its parties to adhere to safeguards agreements with the IAEA. Thus, **the DPRK's statement concerning its 'right' to the peaceful uses of nuclear energy should be premised upon the completion of verification of the DPRK's elimination of all nuclear weapons and existing nuclear programs and full compliance with the NPT and IAEA safeguards.** I would like to note also that **the United States supports a decision to terminate KEDO by the end of the year.** We should also note for the record that **the United States will take concrete actions necessary to protect ourselves and our allies against any illicit and proliferation activities on the part of the DPRK.** The United States desires to completely normalize relations with the DPRK, but **as a necessary part of discussions, we look forward to sitting down with the DPRK to address other important issues. These outstanding issues include human rights abuses, biological and chemical weapons programs, ballistic missile programs and proliferation, terrorism, and illicit activities.** The Joint Statement accurately notes the willingness of the United States to respect the DPRK's sovereignty and to exist with the DPRK peacefully together. Of course, in that context the United States continues to have serious concerns about the treatment of people and behavior in areas such as human rights in the DPRK. **The U.S. acceptance of the Joint Statement should in no way be interpreted as meaning we accept all aspects of the DPRK's system, human rights situation or treatment of its people.** We intend to sit down and make sure that our concerns in these areas are addressed. The Joint Statement sets out a visionary view of the end-point of the process of the denuclearization of the Korean Peninsula. It is a very important first step to get us to the critical and urgent next phase - implementation of DPRK commitments outlined above and the measures the United States and other parties would provide in return, including security assurances, economic and energy cooperation, and taking steps toward normalized relations. The United States believes that it is imperative to move rapidly on an agreement to implement the goals outlined in the Joint Statement. We look forward to working with all the other parties, including the DPRK, to do so."

After a tense weekend of heated debate within the Bush administration, U.S. negotiator Christopher Hill made one last call to Washington at noon today, Beijing time, and then signed a statement of principles that committed North Korea, in black and white, to give up "all nuclear weapons and existing nuclear programs." But Hill had misgivings because the vaguely worded agreement left unaddressed the date disarmament would happen, and hinted at a concession to North Korea that President Bush and his aides had long said they would never agree to: discussing at an appropriate time providing North Korea with a civilian nuclear power plant, senior administration officials said. All day the Bush administration said the only appropriate time would be well after North Korea dismantled all its nuclear facilities and allowed highly intrusive inspections of the country. This evening, less than 24 hours after the deal was signed, North Korea declared that the United States "should not even dream" that it would dismantle its nuclear weapons before it receives a new nuclear plant. As described by senior Bush administration officials and Asian participants in the talks, Bush agreed to eventual discussions on providing a nuclear plant only after China

turned over a draft of an agreement and told the Americans they had hours to decide whether to take it or leave it. The North Koreans, dependent on China for food and oil, were unhappy but ready to sign. "They said, 'Here's the text, and we're not going to change it, and we suggest you don't walk away,' " said one senior American official at the center of the debate. Several officials, who would not allow their names to be used because they did not want to publicly discuss Bush's political challenges, noted that Bush is tied down in Iraq, consumed by Hurricane Katrina, and headed into another standoff over Iran's nuclear program. The agreement, they said, provides him with a way to forestall, at least for now, a confrontation with another member of what he once famously termed "the axis of evil." So after two days of debates that reached from Bush's cabin in Camp David to Condoleezza Rice's suite at the Waldorf-Astoria in New York to Tokyo, Moscow and Seoul, Bush gave the go-ahead on Sunday evening, September 18, once he had returned to the White House, to signing a preliminary accord with Kim Jong Il, a leader he has said he detests. Had he decided to let the deal fall through, participants in the talks from several countries said, China was prepared to blame the United States for missing a chance to bring a diplomatic end to the confrontation. The debate over signing the agreement reflected the fact that the North Koreans drove a tough bargain. The agreement has the potential to generate good will for North Korea, increase the aid it receives and possibly reduce its incentive to dismantle its nuclear programs anytime soon. "The risk of this agreement is exactly what many hawks in Washington had warned about," said Peter Beck of the International Crisis Group in Seoul. "You reduce the sense of urgency and let people grow comfortable with the status quo." Proponents of the deal say such fears are misplaced. They argue that the six-nation talks, involving China, Russia, South Korea and Japan as well as North Korea and the United States, exerted heavy pressure on the North to adhere to international norms. All the benefits North Korea was promised in the agreement, including economic aid, security commitments, a possible normalization of relations with the United States, and a large infusion of electricity from South Korea, will not flow until it rejoins the Nuclear Nonproliferation Treaty and readmits international nuclear inspectors. In the end, participants in the discussions said, Bush decided he had little choice but to sign. He concluded several years ago that there were no acceptable military options for taking out the North's two separate nuclear programs. Bush sounded cautious about it today after a meeting in the Cabinet Room. "Now there is a way forward," he said. "They have said, in principle, that they will abandon their weapons programs. And what we have said is great, that's a wonderful step forward, but now we've got to verify whether or not that happens." His caution may reflect the fact that the accord, the culmination of two years of difficult negotiation, still left the administration short of its goal, requiring two major concessions that will take months, maybe years, to fully resolve. The accord makes no mention of the Bush administration's contention that North Korea has a secret, underground program to use enriched uranium to produce nuclear bomb fuel. [?] The new agreement does not explicitly address the existence of a uranium program. North Korea still denies having one, despite growing evidence that it at least tried to develop bomb fuel that way with Pakistan's help. A senior administration official said the uranium program was covered by the agreement because it required North Korea to dismantle all of its existing nuclear facilities, not specific plants or labs. But the accord did not require North Korea to own up to what the administration had described as its

biggest deception, meaning that unless the North admits to the program in a declaration of all its nuclear facilities, inspectors would have to work to uncover the uranium program in an adversarial way down the road. The second concession involved the North Korean demand that it receive a light-water nuclear reactor as a down payment for scrapping its weapons program. Allowing North Korea to have a light-water reactor raises what for the Bush administration are unwelcome parallels with the 1994 Clinton administration agreement, which several administration officials, including Rice, had described as deeply flawed. The 1994 accord promised North Korea two light-water reactors in exchange for freezing its nuclear program. Construction on a site for the reactors began in the 1990's, but the reactors were never delivered. The United States said today that the consortium that provided those reactors would go out of business at the end of the year, meaning any new deal would have to begin from scratch. Hill, in an interview, said that the administration "didn't want to see any mention" of providing North Korea with a light-water reactor in the statement of principles. But the Chinese included it. The United States also balked at the use of the vague term "appropriate" to describe the timing. South Korea, Russia and China were happy to accept that language, because it left open the question of when the North would receive the nuclear reactor, officials of several countries said. To break the impasse, Rice came up with a compromise during meetings on the afternoon of July 17 with her South Korean and Japanese counterparts. Each country, she suggested, would issue separate statements describing their understanding of the deal, with a specificity that is not in the agreement itself. The South Koreans and Japanese went along with the idea, though South Korea, one official said, complained that it would "sour the atmosphere." Russia and China issued vaguer statements that left unclear the sequence of events. As this unfolded over the weekend, the Chinese increased pressure on the United States to sign - or take responsibility for a breakdown in the talks. "At one point they told us that we were totally isolated on this and that they would go to the press," and explain that the United States sank the accord, the senior administration official said. In the end, it was not necessary. The American delegation surprised some of the other parties on Monday morning with word that it could accept the agreement, sealing a deal. (Joseph Kahn and David Sanger, "U.S.-Korean Deal on Arms Leaves Key Points Open," *New York Times*, September 20, 2005, p. A-1)

For the cause of peace and stability on the Korean Peninsula and in Northeast Asia at large, the Six Parties held, in the *spirit of mutual respect and equality*, serious and practical talks concerning the denuclearization of the Korean Peninsula on the basis of the common understanding of the previous three rounds of talks, and agreed, in this context, to the following: Translation: North Korea, formally known as the Democratic People's Republic of Korea, insists that it is the equal of the United States, so here the United States acknowledges its respect for a country headed by a man whom President Bush has said he loathes. 1. The Six Parties unanimously reaffirmed that the goal of the Six-Party Talks is the *verifiable denuclearization of the Korean Peninsula* in a peaceful manner. Translation: This is not only about North Korea, but also about the American nuclear umbrella over South Korea. It appears to give the North Koreans wiggle room to insist on reciprocal inspections of South Korean facilities. The DPRK committed to *abandoning* all nuclear weapons and existing nuclear *programs* and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons

and to IAEA safeguards. Translation: The U.S. goal had been an agreement on dismantling all facilities. "Abandoning" suggests that something less than full dismantlement can take place before the goodies flow to Pyongyang. The United States also has demanded that North Korea admit that it has a clandestine uranium enrichment program in addition to a plutonium facility. But the U.S. side accepted something less than that -- a plural reference to "programs." The United States affirmed that it has no nuclear weapons on the Korean Peninsula and has *no intention to attack or invade* the DPRK with nuclear or conventional weapons. Translation: It sounds unambiguous -- "no intention" -- but it's actually a compromise. North Korea wants security guarantees, but the United States won't give up all options. The U.S. side refused to accept North Korea's preferred phrase, "no hostile intent." After all, North Korea is one of three countries that formed Bush's "axis of evil." The ROK [Republic of Korea, the formal name for South Korea] reaffirmed its commitment not to receive or deploy nuclear weapons in accordance with the *1992 Joint Declaration of the Denuclearization of the Korean Peninsula*, while affirming that there exist no nuclear weapons within its territory. The 1992 Joint Declaration of the Denuclearization of the Korean Peninsula should be *observed and implemented*. Translation: This is a back door way for the United States to once again remind North Korea of its 1992 promise not to develop a uranium enrichment program. But "implemented" doesn't mean Pyongyang will clearly admit that it even has such a program. The DPRK stated that it has the *right to peaceful uses of nuclear energy*. The other parties *expressed their respect* and agreed to discuss, *at an appropriate time*, the subject of the provision of *light water reactor* to the DPRK. Translation: The Bush administration folded on its longstanding insistence that North Korea had defaulted on its right to nuclear power, in part because the other five countries involved in the talks lined up against the United States. "Appropriate time" is language that could mean anything, and everyone issued statements afterward that gave different spins on its meaning. The reference to a "light water reactor" was a bitter pill to swallow for the White House, since it had echoes of a 1994 Clinton deal scorned by the GOP. 2. The Six Parties undertook, in their relations, to abide by the purposes and principles of the Charter of the United Nations and recognized norms of international relations. The DPRK and the United States undertook to respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations subject to their respective bilateral policies. The DPRK and Japan undertook to take steps to normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of *unfortunate past and the outstanding issues of concern*. Translation: Nothing will happen until the North Koreans fess up to what happened to the Japanese citizens who were abducted by North Korean agents many years ago. 3. The Six Parties undertook to promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally. China, Japan, ROK, Russia and *the U.S.* stated their willingness to *provide* energy assistance to the DPRK. Translation: A U.S. concession. Previously, the United States had only said it might be willing to study North Korea's energy needs. The ROK reaffirmed *its proposal of July 12th 2005* concerning the provision of 2 million kilowatts of electric power to the DPRK. Translation: The South Koreans will pony up the lion's share of the money needed to buy off North Korea. The price tag could be as much as \$15 billion. 4. The Six Parties committed to joint efforts for lasting peace and stability in Northeast Asia. The directly related parties will negotiate a

permanent peace regime on the Korean Peninsula at an appropriate separate forum. The Six Parties agreed to explore ways and means for promoting security cooperation in Northeast Asia. 5. The Six Parties agreed to take *coordinated steps* to implement the afore-mentioned consensus in a *phased manner in line with the principle of "commitment for commitment, action for action."* Translation: Who goes first? The negotiators couldn't agree on how to sequence these ideas, so they agreed on the general idea that if one side takes a step, the other side will match it with a corresponding step. But which steps? North Korea has indicated that it wants that light water reactor sooner rather than later. 6. The Six Parties agreed to hold the *Fifth Round* of the Six-Party Talks in Beijing in early November 2005 at a date to be determined through consultations. Translation: We get to start this all over again. (Glenn Kessler, "What That Accord Really Says," *Washington Post*, September 25, 2005, p. B-2)

The unexpected agreement by North Korea to abandon its nuclear weapons program, announced yesterday in Beijing, followed decisions by both the Pyongyang government and the Bush administration to compromise on positions they had clung to during nearly three years of crisis over North Korea's nuclear ambitions. The document signed by North Korea, the United States and the other participants in the six-party nuclear disarmament talks opened the way for what all sides say will be lengthy negotiations on the actual dismantling of North Korea's nuclear weapons program. The breakthrough accord followed a compromise proposed by China aimed at persuading both countries to sign a document of principles. The Bush administration dropped its opposition to North Korea receiving a light-water nuclear reactor in the future, a softening of its position that the demise of the North's nuclear ambitions must be "irreversible." North Korea said it would give up its nuclear weapons and all of its existing nuclear programs, would rejoin the nuclear Non-Proliferation Treaty and would allow inspections again by the U.N.'s International Atomic Energy Agency..In an immediate demonstration of the difficulty ahead, the official North Korean news agency early today quoted an unnamed Foreign Ministry spokesman as asserting that Pyongyang would not give up its weapons program until it received nuclear reactors from the United States. A State Department official shrugged off the statement, saying the focus would remain on the Beijing declaration. Several key issues were deferred or avoided through diplomatic sleight of hand, such as the Bush administration's demand that North Korea admit the existence of the uranium project. The agreement contained no clear timeline for when the North would give up its nuclear programs, or how. But by finally signing an agreement, North Korea took a major step toward securing international acceptance. The move, analysts said, will allow the North Korean leader, Kim Jong Il, to hang on to power for the foreseeable future and will gradually open the nation to foreign investment and avoid a sudden collapse of one of the world's most isolated nations. For the Bush administration, analysts said, the agreement was welcome at a time when the war in Iraq has lost support at home and negotiations with Iran over its nuclear programs have sputtered. In addition, the president's approval ratings are low in the wake of his administration's response to Hurricane Katrina. "It's an all-front crisis for the Bush administration," said Kongdan Oh, an expert on the North Korean nuclear program at the Institute for Defense Analyses in Alexandria. "I think they thought, hey, North Korea is a small country and maybe we can handle it if we put it to the side for a while." But

she said she did not believe North Korea would ever give up nuclear weapons, "its platinum trump card." Surprisingly, diplomats said, the main sticking point in this round of negotiations was not persuading North Korea to make the paramount commitment to give up nuclear weapons and research. Rather, they explained, it was North Korea's side demand for a light-water reactor to produce electricity in return for giving up the other programs. The United States adamantly opposed the demand, saying the North could not be trusted because it already had converted the Yongbyon reactor into a source of weapons-grade plutonium. The only possible outcome, U.S. negotiators said, was agreement to complete, verified abandonment of all nuclear programs. China sought to bridge the gap, playing its leadership role as sponsor of the talks. Chinese diplomats proposed language according North Korea the right to a reactor for electricity production but implying that it could invoke that right only after dismantling its weapons program and rejoining the international nuclear inspection regime. For two days, U.S. diplomats refused to embrace the Chinese suggestion. Assistant Secretary of State Christopher Hill, the chief U.S. negotiator, told reporters several times he was insisting that all ambiguity be removed, refusing to open the way for problems in interpretation. During the standoff, Hill was in frequent telephone contact with Secretary of State Condoleezza Rice, and Rice in turn discussed what to do with other senior officials in the U.S. government, said a senior U.S. diplomat involved in the negotiations, joking that their involvement could be seen as "adult supervision." As China became increasingly firm that the compromise on the table was the best bargain possible, he said, the administration finally relented on September 18. "We didn't want to lose the agreement over this," he explained. The decision to make a final concession was approved at the highest level of U.S. government, he added, referring to President Bush. U.S. officials stressed that significant obstacles remained in securing the ultimate end of North Korea's programs, and they insisted that any concessions were relatively minor. The Bush administration's Korea policy has long been troubled by conflicts between officials skeptical that a diplomatic solution could be found and those eager to strike a deal. Those conflicts could reemerge in talks over implementation. The administration envisions what one senior official described yesterday as a "very intrusive verification regime that will go well beyond what is required" by the IAEA. "It's going to be tough getting there," he said. "This is an important step, but I don't think anyone is overselling this" agreement as a major diplomatic achievement. Bush administration officials are wary of any comparisons between this week's agreement and a failed pact reached with North Korea by the Clinton administration in 1994. Diplomats from the six nations recessed immediately after their signing session, promising to return to Beijing in early November to start talks in which Hill said verification procedures would be the priority. He indicated the next step would be determining how the United States and other nations can confirm that North Korea is shutting down its Yongbyon research reactor and dismantling its weapons program. Hill, in a telephone interview as he was changing planes in Chicago, said, "Verification is a big deal that has yet to be worked out." He said the importance of the agreement was that "we got them on the record in an international deal. . . . I am not prepared to be cynical about it." Specialists pointed out that North Korean diplomats were likely to seek immediate economic and energy aid in return for each step toward verification. "At the moment, we still can't be sure of Kim's intentions," said Izumi Hajime, a professor at Japan's University of Shizuoka. "They

have bought some time to consider seriously whether they will give up all their weapons and programs . . . but there are so many points along the road in which this process could again reach a stalemate that it's simply too early to celebrate." U.S. officials say North Korea in an October 2002 meeting acknowledged the existence of a secret uranium enrichment program designed to become another source of weapons material. North Korea has since denied that. Although that issue was not mentioned in the document, U.S. officials said it is covered by the pledge to dismantle "all nuclear weapons and existing nuclear programs" and by a separate reference to a 1992 agreement with South Korea, which prohibited uranium enrichment. A good first step, Hill suggested, would be shutting down the Yongbyon reactor, which produces plutonium. Under the accord signed yesterday, it must be taken apart, he said, so it makes little sense to keep it running. "The time to turn it off is about now," he added. One long-term incentive in the joint agreement was the call for the United States and Japan to "take steps to normalize relations with North Korea" if the Pyongyang government gives up its weapons program. Such a historic rapprochement could mean billions of dollars worth of economic assistance from Japan alone in belated World War II-era reparations. (Glenn Kessler and Edward Cody, "N. Korea, U.S. Gave Ground to Make Deal," *Washington Post*, September 20, 2005, p. A-1) Christopher Hill, it turns out, does his best work by moonlight. The U.S. Assistant Secretary of State and chief negotiator at the six-party North Korean nuclear talks had a Chinese draft proposal in hand that could jump-start the long-stalled negotiations. The proposal offered Pyongyang the possibility of a light-water reactor for producing electrical power in the future if it agreed to completely dismantle its nuclear programs, both military and civilian. But Hill needed assurances from the other delegations - China, Russia, Japan, South Korea - that they would not help North Korea get the reactor until international inspectors verified that Pyongyang had kept its word. So at a lavish Mid-Autumn Festival party of September 17 hosted by Vice Minister Wu Dawei, Hill went to work. According to a U.S. official, in between calls to Secretary of State Condoleezza Rice, who was in New York buttonholing foreign ministers as they attended the U.N. World Summit, Hill nailed down agreements that the others said would not help Pyongyang get its reactor until Pyongyang's nuclear warheads and fissile material were eliminated. (Bryan Walsh and Elaine Shannon, "How to Keep Talking," *Time*, September 26, 2005) Hill: "[A]s we got ready for the announcement, Secretary Rice called me to say there was another problem. ... 'Chris, in the second paragraph of section two, could you take out the reference to North Korea and the United States living in 'peaceful coexistence.' Several of us don't like it. It's an old Cold War term.' ... 'Um, Madam Secretary, that line has been in the text for weeks now. Um, I'm standing here looking over at the main room where television cameras are being set up right now. Do you have any thoughts on what we could put in its place?' 'Doesn't matter. You just need to take it out.' ... [C]ould I change it to 'exist peacefully together'?' 'Sure.'" (Hill, *Outpost*, p. 239)

Bush: "Q ... Given what you've said in the past about North Korea's record of noncompliance, what makes you think that this time North Korea will abandon its pursuit of nuclear weapons? **THE PRESIDENT:** Five nations, in working with North Korea, have come up with a formula which we all hope works. Five nations have spoken and said it is not in the world's interest that North Korea have a nuclear

weapon. And now there's a way forward. And part of the way forward is for the North Koreans to understand that we're serious about this, and that **we expect there to be a verifiable process**. In other words, they have said, in principle, that they will abandon their weapons programs. And what we have said is, great, that's a wonderful step forward, but now **we've got to verify** whether or not that happens. It was a positive step yesterday. It was a step forward in making this world a more secure place. And I want to thank our other partners in the six-party dialogue, you know, by working together. The question is, over time, will all parties adhere to the agreement." (The White House Office of the Press Secretary, President Meets with Homeland Security Council, September 19, 2005)

Q: Madame Secretary, you didn't want to discuss it up until now. I mean, does "discuss" mean -- **RICE:** When the North Koreans have dismantled their nuclear weapons and other nuclear programs verifiably and are indeed nuclear-free, when they are back in the NPT, when they have gotten into IAEA safeguards, **I suppose we can discuss anything.** **Q:** (Inaudible.) **RICE:** I suppose we can discuss anything. But I would just have you take note of the fact that the North Koreans asserted their right to peaceful nuclear uses. All that is done here is that we've taken note of that assertion and then a number of the states have made very clear what the sequence is here. The sequence is dismantling, NPT, IAEA safeguards, and then we can discuss. Because I don't think there's anyone who is prepared to try to go back to a circumstance under which we're debating sequences." (DoS, Secretary of State Condoleezza Rice Press Availability at UN Headquarters, September 19, 2005)

9/20/05

DPRK Foreign Ministry spokesman's statement: "The second phase of the fourth six-party talks on the nuclear issue between the DPRK and the U.S. that opened in Beijing on September 13, drawing the attention of the international community, closed on September 19. The talks that started on the DPRK's positive initiative in August 2003 were held several times for the last more than two years, repeatedly going through twists and turns. The talks, however, repeatedly proved fruitless and unproductive due to the conflicting stands among the parties concerned, contrary to the unanimous expectation of the international community toward the denuclearization of the Korean Peninsula. We have approached the talks with magnanimity, patience and sincerity, proceeding from the principled, fair and aboveboard stand to achieve the general goal of the denuclearization of the peninsula at any cost. As a result, we have at last succeeded in meeting all these challenges, making it possible to agree on the joint statement, "verbal commitments." **The joint statement reflects our consistent stand on the settlement of the nuclear issue between the DPRK and the U.S. and, at the same time, the commitments of the U.S. and south Korea responsible for denuclearizing the whole of the peninsula.** As already known, the issue over which the DPRK and the U.S. have had most serious differences in the "verbal commitments" to denuclearize the peninsula so far was the issue of the former's right to nuclear activity for a peaceful purpose, to be specific, the issue of the U.S. provision of light water reactors (LWR) to the former. It was due to these differences that the first phase of the fourth talks held in August last was compelled to go into recess without yielding any desired fruits. **The present U.S. administration, denying in principle the DPRK the right to nuclear activity for a peaceful purpose which pertains to an**

independent right of a sovereign state, insisted that it could not provide LWRs in any case under the pretext that the DPRK pulled out of the NPT and is no longer member of the IAEA. Opposing this wrong stand of the U.S., we made it clear that the basis of finding a solution to the nuclear issue between the DPRK and the U.S. is to wipe out the distrust historically created between the two countries and a physical groundwork for building bilateral confidence is none other than the U.S. provision of LWRs to the DPRK. We strongly demanded that the U.S. remove the very cause that compelled the DPRK to withdraw from the NPT by providing LWRs to it. **At the talks, all the parties concerned except the U.S. supported the discussion of the issue of respecting the DPRK's right to nuclear activity for a peaceful purpose and providing LWRs to it. This time the U.S. delegation got in touch with Washington several times under the pressure of the trend of the situation and had no option but to withdraw its assertion.** The six-parties agreed to take harmonious measures to implement phase by phase the points agreed on in the joint statement in accordance with the principle of "action for action" in the days ahead. As clarified in the joint statement, **we will return to the NPT and sign the Safeguards Agreement with the IAEA and comply with it immediately upon the U.S. provision of LWRs, a basis of confidence-building, to us.** As already clarified more than once, we will feel no need to keep even a single nuclear weapon if the DPRK-U.S. relations are normalized, bilateral confidence is built and we are not exposed to the U.S. nuclear threat any longer. What is most essential is, therefore, for the U.S. to provide LWRs to the DPRK as early as possible as evidence proving the former's substantial recognition of the latter's nuclear activity for a peaceful purpose. **The U.S. should not even dream of the issue of the DPRK's dismantlement of its nuclear deterrent before providing LWRs, a physical guarantee for confidence-building. This is our just and consistent stand as solid as a deeply rooted rock.** We have so far shaped our policies towards the U.S. hardliners and will do so in the future, too. **One should wait and see how the U.S. will move in actuality at the phase of "action for action" in the future but should it again insist on "the DPRK's dismantlement of nuclear weapons before the provision of LWRs", there will be no change in the nuclear issue between the DPRK and the U.S. and its consequences will be very serious and complicated.** If the U.S. opts for reneging on its promise, we will go ahead without an inch of deflection along the road indicated by the Songun line, our faith and signpost." (KCNA, "Spokesman for the DPRK Foreign Ministry on Six-Party Talks," September 20, 2005)

9/22/05

Seoul will consider repatriating 29 unconverted North Korean ex-prisoners, Unification Minister Chung Dong-young told a National Assembly committee on unification. "The government is willing to consider sending back those who wish to go back to the North on a humanitarian basis." Hundreds of North Korean soldiers or spies who were captured during or after the Korean War served prison terms. Those who ditched their beliefs were released, but those who did not, remained captives until 1999. All have now been released A group of 63 North Koreans were repatriated in September 2000. They reportedly received a hero's welcome. Chung said 29 who previously wanted to stay in the South apparently changed their minds after receiving reports that Pyongyang is warmly treating the returnees. He underlined, however, that the government will also seek repatriation of South Koreans in the North. More than

84,000 soldiers were taken prisoner during the war and 485 South Koreans, mostly fishermen, were abducted since. The government has only been able to confirm the whereabouts of some 100, according to the Ministry of Unification. (Park Song-wu, "Seoul Intends to Repatriate 29 N. Korea Spies," *Korea Times*, September 22, 2005)

UnifMin Chung Dong-young said the provision of energy to North Korea would cost South Korea between \$6.3 and \$10.7 billion over the next decade. "I expect it will take two or three years to dismantle nuclear programs and to complete the light-water reactor, it would take six to ten years. So about nine to 13 years will be needed at least," he told a National Assembly committee. "Because we proposed the electricity provision to the North, we will be in charge of all expenses." (Annie I. Bang, "Energy Provision to N. Korea Costs at Least US\$6.3 Billion," *Korea Herald*, September 23, 2005)

KCNA: "The DPRK's stand to seek a negotiated solution to the nuclear issue between the DPRK and the U.S. remains consistent. The DPRK government will as ever make patient efforts to realize the denuclearization of the Korean Peninsula. Choe Su Hon, vice-minister of Foreign Affairs who is leading the DPRK delegation, declared this when addressing the plenary meeting of the 60th UN General Assembly on Sept. 22. The DPRK participated in the discussion of the issue with magnanimity and sincerity from its principled and fair stand to realize at any cost the denuclearization of the Korean Peninsula, its avowed ultimate goal, at the recent fourth six-party talks held in Beijing, thus making it possible to meet all challenges and reach an agreement on the principle for the denuclearization of the Korean Peninsula in a broad sense, he noted. What is most important at this stage is for the U.S. to provide the DPRK with light water reactors **as early as possible** as evidence proving its substantial recognition of the DPRK's right to nuclear activity for a peaceful purpose, Choe said, adding the DPRK will closely follow how the U.S. will move in actuality at the phase of action in the future." (KCNA, "DPRK Will Watch Closely How U.S. Will Move at OPhase of Action in the Future," September 25, 2005)

Deputy FM Choe Su Hon said at a news conference in New York that the humanitarian situation has improved "to a great extent," grain production is expected to increase, and the government can feed its people. Another reason for the termination, he said, is that 13 countries especially the United States is attempting "to politicize the humanitarian assistance" by linking it to human rights. (Associated Press, "Experts: North Korea Seeks Independence," September 25, 2005) NGO officials in Irish Concern, German Agro Action, and France's Triangle Generation operating in North Korea are bewildered by its official request for them to hand over their work to its control or leave by year's end, Radio Free Asia reports. The North has called for humanitarian aid to be changed to development aid and asked most of the 12 NGOs working there to complete their current aid activities. (*Korea Times*, "NK's Pullout Request Baffles NGOs," September 25, 2005) After mass mobilizations of workers in June to plant rice, North Korean officials now say that their overall crop is up 10 percent over last year's yield. With memories fading of the famine that killed as much as 10 percent of North Korea's population of 22 million in the 1990's, according to estimates by international organizations, officials now cite this year's bumper rice and

corn crops to justify new restrictions on foreign aid and foreign aid workers. Famine death tolls range from 1 million to 2.5 million, a figure cited at a recent conference on North Korea in Washington by Andrew S. Natsios, administrator of the United States Agency for International Development and the author of the book "The Great North Korean Famine." By the end of this year, the World Food Program of the United Nations, source of 90 percent of the aid here, is under orders from North Korea to shift from direct food to development aid. In addition, new government policies dictate that all foreign personnel from the 12 private aid groups operating from Pyongyang, the capital, are to leave the country. "December 31 is the deadline for all internationals to have left," Padraig O Ruairc, country director for Concern Worldwide, a private group based in Ireland that works on water, sanitation and midwife projects in North Korea, said by telephone from Pyongyang. Aid groups, he added, "are getting refusals for their field visits." "There are a lot of indications that this is serious," he said. North Korean officials say they want private aid projects to continue, but they want resident foreigners to leave, returning occasionally to monitor the work. Under those conditions, Mr. O Ruairc and Jérôme Bossuet, country director for Triangle Génération Humanitaire, a French group, predicted that most aid groups would wind up their projects and leave. Oversight by resident foreigners is essential for aid programs to continue, said David Hill, North Korea representative for the European Commission Humanitarian Office. Speaking from Pyongyang, he estimated that his \$21 million annual budget provided most of the funds for nine of the private groups here. "Our prime requirement is that our partners are present on the ground, permanently," Hill said. Noting that talks are under way with North Korean officials to save the aid programs, he added, "Brussels is not going to shift on permanent residency." Richard Ragan, an American who runs the World Food Program in North Korea, faces a different challenge: repackaging a program that helps to feed 6.5 million people as development aid. Until now, the agency has avoided describing its aid here as development assistance, largely out of fear of alienating its largest supporter, the United States. Now, to maintain this flow of food deemed vital to the most vulnerable one third of North Korea's population, United Nations officials are saying it was development aid all along. Ragan said he was now engaged in "a repackaging exercise." "We have been dressing up development aid as humanitarian aid," Mr. Ragan said by telephone from Pyongyang. "There has been a reluctance by the donors to say they are doing development assistance." His food-for-work program helps to build infrastructure, he said. His 19 "food enrichment" factories employ 2,100 people, largely women, making noodles, biscuits and drinks made from a blend of corn and soy beans. The program sponsors lectures by nutritionists. "Out of the half a million tons we bring into the country every year, 75 percent is for classical development assistance," he said of food rations paid to workers on infrastructure projects. "Anytime you are in a situation with a chronic food problem for a number of years, the humanitarian and the developmental aspect blur." After a year of hints, North Korea's policy changes were adopted at the cabinet level last summer, Mr. Ragan said. With talks continuing with North Korean officials and with the three primary donor nations, the United States, Japan and South Korea, he said he did not know what his program would look like next spring. "After 10 years, the North Koreans were concerned about creating a culture of dependency," he said. But, he added, if the crop is up by 10 percent, North Korea will still be short 700,000 to 800,000 tons. In New York, Jan

Egeland, the United Nations emergency relief coordinator told reporters on Sept. 23, "Abruptly halting humanitarian assistance programs at the end of the year would be potentially disastrous for the millions of people who benefit from the humanitarian assistance including food and medicines provided by the United Nations." His organization estimates that 7 percent of North Koreans are starving, and 37 percent are chronically malnourished. According to United Nations statistics, 40 percent of the children suffer from stunted growth, and 20 percent are underweight. The average 7-year-old boy is 7 inches shorter and 20 pounds lighter than his South Korean counterpart. Jay Lefkowitz, the American envoy on human rights in North Korea, suggested on September 8 that the Bush administration would review whether to link food aid to changes in North Korea's human rights practices. A private bipartisan group that is considered the leading American group on the issue, the U.S. Committee for Human Rights in North Korea, recently issued a report, "Hunger and Human Rights: The Politics of Famine in North Korea," that said "up to half of aid deliveries do not reach their intended recipients," but instead might be diverted for sale. At the Washington conference, Natsios said continued American aid was contingent on the presence of the World Food Program staff in North Korea. "If the World Food Program leaves, we're leaving," he said. The shift from food to development aid comes as North Korea's government grapples with a politically powerful anniversary 10 years after the 1995 floods that set off the years of famine, said Stephen W. Linton, chairman of Eugene Bell Foundation, a Washington-based private group that aids 44 North Korean hospitals and tuberculosis centers. "I have never seen any evidence that North Korea wanted to become a permanent ward of the international community," Linton said by telephone. Noting that the foreign aid groups pay a price by agreeing to only have non-Korean speakers in Pyongyang, he said, "I would much rather send in Korean-speaking delegations than have someone living in Pyongyang who makes trips to the countryside with an official interpreter." The attention given to the fate of a dozen European aid groups, said Linton, a Korean-speaker, overshadows "the absolute boom" in private aid from South Korea. The South Koreans, he said, will have a much greater and more fundamental impact on North Korea "than foreigners who run around in SUV's and do not speak the language." (James Brooke, "North Korea Says Bumper Crop Justifies Limits on Aid," *New York Times*, October 6, 2005, p. A-3) The World Food Program reported that North Korea will resume rationing, "As of October 1, reports are that cereal sales in the markets will cease and public distribution centers will take over countrywide distribution." (Associated Press, "North Korea to Resume Food Rationing," October 2, 2005)

9/23/05 North Korea agree to bilateral talks with Japan in October but Jong Thae Hwa, former lead negotiator in normalization talks told reporters the abduction issue has been "fully resolved" and main obstacle to improved relations is the "settling of issues concerning the past," a reference to Japan's colonial rule over Korea. (Kyodo, "Abduction Case Closed: North," *Japan Times*, September 24, 2005)

9/24/05 Kim Jong-il recently ordered his Foreign Ministry to arrange a visit from President Bush, Secretary of State Rice or former president George H.W. Bush. The State Department denied any plans for a visit. (Lee Joo-hee, "North Korea Seeking Visit by Bush, Top U.S. Officials," *Korea Herald*, September 24, 2005)

9/26/05

U.S. Committee for Human Rights in North Korea, Executive Summary: "North Korea is well into its second decade of chronic food shortages. A famine in the 1990s killed as many as one million North Koreans or roughly five percent of the population. North Korean claims that the famine was due primarily to natural disasters and external shocks are misleading in important respects. The decline in food production and the deterioration of the public distribution system (PDS) were visible years before the floods of 1995. Moreover, the government was culpably slow to take the necessary steps to guarantee adequate food supplies. With plausible policy adjustments—such as maintaining food imports on commercial terms or aggressively seeking multilateral assistance—the government could have avoided the famine and the shortages that continue to plague the country. Instead, the regime blocked humanitarian aid to the hardest hit parts of the country during the peak of the famine and curtailed commercial imports of food once humanitarian assistance began. Coping responses by households during the famine contributed to a bottom-up marketization of the economy, ratified by the economic policy changes introduced by the North Korean government in 2002. What began as a socialist famine arising out of failed agricultural policies and a misguided emphasis on food self-sufficiency has evolved into a chronic food emergency more akin to those observed in market and transition economies. Incomplete reforms have not solved the problem of declining food production and have given rise to a large food-insecure population among the urban non-elite. The world community has responded to this tragedy with considerable generosity, committing more than \$2 billion in food aid to the country over the past decade. The United States has contributed more than \$600 million, equivalent to 2 million metric tons of grain. Yet at virtually every point, the North Korean government has placed roadblocks in the way of the donor community, and more than 10 years into this process, the relief effort remains woefully below international standards in terms of transparency and effectiveness. Up to half of aid deliveries do not reach their intended recipients. Due to these programmatic problems, diplomatic conflicts, and competing needs elsewhere in the world, patience with North Korea has waned among some major donors. In recent years, aid through the World Food Program (WFP), the principle channel for delivering multilateral assistance, has consistently fallen short of its targets. At the same time, North Korea has been able to partly, if not fully, compensate for these shortfalls through generous assistance from South Korea and China. The bilateral assistance from these countries is weakly monitored, if conditional at all, and thus undercuts the ability of the WFP and other donors to negotiate improvements in the transparency, and ultimately, effectiveness, of multilateral assistance. These problems cannot be separated from the underlying political situation in the country; it is misguided to separate the humanitarian and human rights discourses. North Korea would have faced difficulties in the 1990s regardless of its regime type. But it is difficult to imagine a famine of this magnitude, or chronic food shortages of this duration, occurring in a regime that protected basic political and civil liberties. (Stephan Haggard and Marcus Noland, *Hunger and Human Rights: The Politics of Famine in North Korea*, U.S. Committee for Human Rights in North Korea, September 2005)

9/28/05

U.S. negotiator Hill at USIP briefing: The US wants the six-party process "to encourage a peace mechanism. We don't want the six-party process to negotiate a peace

mechanism. It's not an appropriate forum, and I would argue it's not the appropriate players because not all six members of the six-party process should be sitting down in a peace mechanism." (Jane Morse, "Six-Party Talks Still Face 'perilous' Times, State's Hill Says," U.S. Department of State, Bureau of International Information Programs, Washington Files, September 30, 2005)

9/29/05

South Korea could face nuclear inspections in parallel with North Korea as part of efforts to verify Pyongyang's disarmament. "We have to make absolutely clear that there are no nuclear weapons on the Korean peninsula," Assistant Secretary of State Christopher Hill told reporters. (Reuben Staines, "S. Korea May Face Nuke Inspections," *Korea Times*, September 29, 2005) A South Korean government official said on September 30, "If the North that accepted the dismantling of its nuclear programs and inspections through the joint statement reached through the fourth round of the six-party talks insisted to investigate the U.S. and South Korea's claim that there are no nuclear weapon in the South in the North's process of scrapping its nuclear programs, we would accept the North's request." The official continued to say, "Pyongyang brought up the issue at the just-concluded six-party talks mid-September," adding, "Seoul and Washington replied that they would be willing to accept these terms because they are convinced that there are no nuclear weapon in Seoul." He added, "The subject of the inspection also includes the USFK's facilities," and, "On top of that, some nuclear power plants and related research institutes might also be on the inspection list." (Yoon Jung-koo and Kim Syung-ryun, "Government Willing to Accept Pyongyang's Mutual Inspection Request," *Dong-A Ilbo*, October 1, 2005)

President Roh Moo-hyun appointed Vice FM Lee Tae-shik ambassador to the U.S. and Yu Myung-hwan as first vice FM and Lee Kyu-hyung as second vice FM. (Rhu Jin, "Roh Appoints Amb. To U.S., Vice Foreign Ministers," *Korea Times*, September 29, 2005)

9/30/05

Zarate: "A BDA spokesman said that all DPRK accounts had been closed. "The ramifications of cutting off BDA were just beginning. The compliance officers and general counsels of other international banks with North Korean clients quickly realized the reputational risks they faced. ...Now that the Treasury appeared to be openly hunting banks associated with North Korean illicit activity, no bank wanted to be seen as Pyongyang's financial lifeline. ...In China, officials were not sure exactly what had happened, let alone how to respond. ...The day before the 311 announcement Secretary Snow had even made a courtesy call to let the Chinese People's Bank know what was coming. Even with these warnings, Chinese officials had not anticipated the gravity of this action or its ripple effects, including within the Chinese financial system. ...The 311 action revealed an important cleavage in the Chinese system. On the one hand, the Chinese financial system and actors has clear economic and financial interests that required them to preserve the perceived legitimacy of their system. The wanted Chinese banks to be accepted by the United States as serious actors on the right side of financial legitimacy. On the other hand, Chinese Ministry of Foreign Affairs and political officials were not pleased that this issue was interrupting the diplomatic dance with North Korea. On March 16, 2007, the Chinese foreign ministry spokesman, Qin Gang, expressed his 'deep regret' that the United States had issue such a ruling. Meanwhile, the Chinese foreign ministry and

political establishment campaigned to unwind the BDA actions and returns the North Koreans to the six-party talks. ... Already skeptical of Treasury's plans, Chris Hill and others at the State Department would come to see our handiwork as an outright hindrance to diplomacy." (Zarate, *Treasury's War*, pp. 241-43, 247)

10/4/05 AsstSec SecSt Hill at Washington Foreign Press Center: North Korea "has not wanted to have all of its obligations front-loaded with all of our obligations back-loaded. So we have to figure something out." If North Korea "is truly, truly prepared" to abandon its programs quickly, he thinks "we can find a solution to the sequencing problem. ... The first step is to declare what they have. And we hope the declaration is complete," he said at the Foreign Press Center. "It's very important that it's complete, because we do have to overcome a lot of mistrust. ... It is not our intention that we -- that is, the collective 'we,' the international community -- **would go into the DPRK and begin a sort of Easter egg hunt for weapons and for programs,**" he said. "We expect the DPRK as part of its voluntary commitments to cooperate with us." (Peter Baker and Glenn Kessler, "U.S. to Push Koreans on Nuclear Program," *Washington Post*, October 5, 2005, p. A-20)

10/6/05 Assistant SecState Christopher Hill told the House International Relations Committee, "We believe that KEDO as an organization has served its purpose and that now we need more secure arrangements to carry our denuclearization." The six parties joint statement committed to discuss the LWR "at an appropriate time." Japan's Foreign Minister Machimura Nobutaka said October 11, "Any way you look at it, there is no one who thinks there is that option for KEDO to continue." (Kyodo, "Japan Sees Frozen KEDO Plan on Reactors for N. Korea Being Scrapped," October 11, 2005)

House hearing: "Rep. Henry Hyde (R-IL) chair: ...Is CVID no longer in our negotiating lexicon? Can anything less than CVID guarantee the security of the American people and ensure that the rogue regime in Pyongyang will not sell weapons of mass destruction to terrorists who would threaten our very shores and seaports? I am also concerned that the Joint Statement specifically raises a key Pyongyang propaganda point aimed directly at the South Korean public. This is the clear reference to supposed United States hostile intent. The statement says: "The United States affirmed that it has no nuclear weapon on the Korean Peninsula and has no intention to attack or invade North Korea with nuclear or conventional weapons." Yet where in any portion of the statement is there a reference to Pyongyang's half century of unswerving hostile intent directed at the Republic of Korea? This hostility is clearly demonstrated by a forward deployment of North Korean conventional forces and artillery near the demilitarized zone, designed to turn Seoul into a sea of fire. There is no mention of this present threat at all, notwithstanding the fact that its existence is the cornerstone of our 1953 Mutual Defense Treaty with the Republic of Korea. A recent poll in a South Korean newspaper indicated that 65.9 percent of South Korean youth would take North Korea's side in the event of the outbreak of hostilities. This clearly demonstrates that we cannot afford to cede any propaganda points to Pyongyang at this critical juncture. The future of our very alliance is at stake as we compete for the hearts and minds of South Korea's people. ...The House of Representatives is the holder of the purse strings of the American people. This is a sacred trust. The Joint Statement from

the fourth round of the Six-Party Talks declares that China, Japan, the Republic of Korea, and the United States stated their willingness to provide energy assistance to the Democratic People's Republic of Korea at a time of overwhelming national concern for homeless fellow citizens along the gulf coast without electricity due to Hurricanes Katrina and Rita. Any energy deal for North Korea will not be an easy matter for consideration by Congress. More shipments of heavy fuel oil to Pyongyang, when the price of gasoline in the United States averages \$3 a gallon, will be met with an angry shriek. The green eye shades of congressional accountants will go over any final agreement that involves the commitment of U.S. tax dollars with a fine-tooth comb. Such a final deal must be air-tight to ensure we haven't given away the farm with little in return beyond more broken promises from Pyongyang. In conclusion, Mr. Ambassador, I must return to those famous words of President Ronald Reagan when considering the ongoing Six-Party Talks in Beijing, "Trust but verify." If verification was crucial to success in Cold War negotiations with the Soviet Union, it is even more so in striking any deal with the secret, active, and patently nontransparent North Korean regime. ...Rep. Tom Lantos (D-CA) ...Mr. Chairman, the United States must keep its eye on the prize and not allow itself to be sidetracked by overheated North Korean rhetoric and dubious negotiating tactics. The reality is that the agreement in Beijing, skillfully negotiated by our witness today, represents a major step toward peace on the Korean Peninsula. ... In dealing with North Korea at this stage of our relations, it is exceptional important to understand that the United States looks like not only the world's one remaining Superpower, but a country of incredible power and wealth, which, looked at from Pyongyang, looks even more overwhelming. And if we wish to make headway, as I certainly do, we must be exceptionally aware of the enormously inequitable and uneven relationship between our two countries. It is very important to go the extra mile in assuring them that we have no hostile intent, as we clearly do not, and to be understanding of their great anxiety and concern in dealing with the United States. ...Based upon my experience during my recent discussions in North Korea, it is my strong recommendation to you, Ambassador Hill, that you travel to North Korea at the earliest possible time. The goal of a mission to Pyongyang is not to land a breakthrough deal, which you will not be able to achieve; rather, it is to continue working on a establishing some civility in the discourse and the beginnings of mutual confidence so that a comprehensive verifiable Six-Party agreement would become achievable. We must open new channels of communication between the United States and North Korea not only for our diplomats, but also on the cultural and the educational front. ... Rep. James Leach (R-IA) ...The most profound question remains. Whose side is time on? From an American perspective, we have no interest in the status quo which allows North Korea to pursue the headlong development of additional nuclear weapons and materials. By the same token, North Korea also should have no interest in the status quo, which means its continued isolation from the progressive economic and social march of the rest of Asia. ... Ambassador Hill ...What we wanted to make very clear—and this was accepted by the DPRK delegation—that all of their existing programs to date are, in fact, weapons-related. They are all weapons-related, and therefore, all their programs should be abandoned. So the concept here is that they get rid of their weapons and all their programs. They then reenter the Nonproliferation Treaty as a non-nuclear state. And once they reenter, they accept the IAEA safeguards. At that point we would be prepared, subject to the appropriate

time—and the appropriate time comes after that point, to have a discussion about peaceful nuclear energy; i.e., about the subject of a provision of a light water reactor. ...The way the process worked is that the Chinese delegation also acted as a sort of secretariat to the Six-Party Talks, and as such they would produce drafts. In fact, they produced four drafts, and then on the last day they produced changes to the fourth draft. In so doing they would take the comments of the various delegations, and they would incorporate the comments into the draft on the basis of forming their own compromises. That is saying, okay, side A seems to really want this sentence, so we are going to put this in there. And this other sentence did not seem as important to side A, but country C wanted that. So there were no brackets in the text. These were intended as final documents if they could get everyone to agree to them. There were elements of the earlier drafts that I simply told the Chinese were absolutely unacceptable, and we had some vigorous discussions about those, often through interpreters, which perhaps was useful at certain moments, I must say, since certain words did not get translated in ways that would embarrass any of us. But we, I think, had very, very clear understanding of what our bottom lines were.” (U.S., House International Relations Committee Hearing, The Six-Party Talks and the North Korea Nuclear Issue: The Old Wine in New Bottles? 109th Cong., 1st Sess., October 6, 2005)

- 10/8-11/05 PRC Vice PM Wu Yi in North Korea promises new economic cooperation. (Shirley A. Kan, *China and Proliferation of WMD and Missiles*, Congressional Research Service Report, November 15, 2006, p. 28)
- 10/10/05 The Defense Ministry will investigate who leaked a secret document related to OPLAN 5027-04, which Rep. Kwon Young-ghil of the Democratic Labor Party says, envisages pre-emptive strikes on North Korea by the South. (*Chosun Ilbo*, “Ministry to Investigate Leak of Military Document,” October 11, 2005)
- 10/11/05 The South Korean military fired warning shots to prevent ten South Korean fishing boats from crossing the NLL into North Korea, military officials said. (*Korea Times*, “Warning Shots Fired at N.K.-Bound Boats,” October 11, 2005)

The Ministry of Foreign Affairs and Trade brought eight people believed to be North Korean refugees to its consulate in Qingdao after consultations between Vice Minister Yu Myung-hwan and China’s ambassador to Seoul, Ning Fukui. The ten are expected to leave for South Korea via a third country in the near future. (Park Song-wu, “China Hands over 8 N.K. Refugees,” *Korea Times*, October 11, 2005)

Amid plans for a sweeping realignment of United States military services in Asia and the Pacific, the U.S. Army in the Pacific has begun extensive changes intended to turn it into the most flexible expeditionary force that it has been since the end of the war in Vietnam 30 years ago. Says Lt. Gen. John M. Brown, commanding general of the Army in the Pacific: “Almost every one of our brigades and divisions, and all of our major headquarters, will be undergoing transformation over the next two years to better enable us to fight the war on terrorism or engage in any other military operation.” This week, the Army activated a new air defense command at Fort Shafter, headquarters of the Army in the Pacific. The 94th Air and Missile Defense Command can be deployed

anywhere in the region to fight alongside the Pacific Air Force against aerial attack. Next year, the first elements of a new Stryker Brigade are scheduled to arrive at Schofield Barracks, the Army's main post in Hawaii. The key equipment for the brigade's 3,900 soldiers will be 300 of the 20-ton armored vehicles that can be transported by air. Another Stryker brigade has been posted in Alaska and three more will be formed at Fort Lewis in the state of Washington. Supporting the brigade combat teams for the first time will be a reconnaissance battalion equipped with long-range sensors, including unmanned aerial drones, and analysts to provide quick assessments to brigade commanders. Before, such capabilities were available only at higher levels and it took time for intelligence to trickle down to combat commanders. At Pearl Harbor is based an Army experimental ship, the twin-hulled catamaran Spearhead that can move Strykers, troops and weapons at 40 knots for 4,050 km. The Army plans to acquire 12 such vessels, starting in 2010, with high-tech planning and communications gear that can prepare a force in transit to fight when it lands instead of needing time to get marching orders on the ground. A brigade of paratroops that was recently activated in Alaska has already shown an ability to overcome what U.S. military people call the "tyranny of distance" in the vast reaches of the Pacific. The brigade loaded 600 paratroops into six C17 aircraft where they strapped on chutes in-flight and flew 17 hours with aerial refueling to jump into northern Australia at 1 o'clock in the morning. To set up a forward operational headquarters, the Army plans to move the I Corps headquarters from Fort Lewis to Camp Zama, a U.S. post southwest of Tokyo. At the next level up, the Army headquarters in Hawaii, known officially as United States Army, Pacific or USARPAC, has been primarily responsible for providing trained and equipped troops to other commands in Asia and as far away as Iraq and Afghanistan. "Over the next 18 to 24 months," Gen. Brown said, "things will change; we'll keep all our existing missions but we will also become a war-fighting headquarters." That will require the command to devise war plans, prepare for contingencies, and organize a staff to control forces across the full spectrum of military operations. In addition, the headquarters of the Army in the Pacific is preparing to assume command of Army forces in South Korea, which are gradually being reduced and may eventually be largely withdrawn. Plans call for dismantling or shrinking the United Nations Command in Seoul that dates back to the Korean War that ended in 1953. The Army also plans to transfer the Eighth Army headquarters from Seoul to Hawaii and to turn back to the South Koreans control of their forces commanded today by a joint U.S.-South Korea headquarters. The four-star American general's post in Seoul would move to Hawaii. Military officers say this could happen by 2008 or any time after. The official line is that the threat from North Korea must lessen and stability come to the peninsula first. The unofficial betting is that rising anti-Americanism in Seoul will cause that move to be made more sooner than later. (Richard Halloran, "America Overhauls Its Asia-Pacific Force," *Japan Times*, October 11, 2005)

For four years, Secretary of State Colin L. Powell and his team faced off against administration hawks on one foreign policy issue after another, and usually went down in defeat. These days, his successor, Condoleezza Rice, is pushing nearly identical positions, and almost always winning. An administration that was criticized in the first term for an assertive, go-it-alone approach has reversed ground again and again, joining multinational efforts to keep nuclear arms from North Korea and Iran, mending

ties with Europe, and softening a hard line on the United Nations and International Criminal Court. "She's clearly trying to accomplish a number of the goals that Powell was going after, until he found himself stymied," said Stewart Patrick, who served in Powell's policy planning office. A former senior State Department official put it more bluntly: "It's Powell's policy without Powell." In 2002, when Assistant Secretary of State James A. Kelly wanted to try to open a discussion with North Korea, other senior officials decided that he could travel to Pyongyang only in the company of other U.S. aides, who would keep an eye on him. "They made sure that there couldn't be anything like the kind of engagement that led to this [new] deal," said one former Powell aide, who declined to be identified. (Paul Richter, "Under Rice, Powell's Policies Are Reborn," *Los Angeles Times*, October 11, 2005)

Special presidential aide on political affairs Kim Doo-kwan said President Roh Moo-hyun could visit North Korea to meet Kim Jong-un. (Lee Joo-hee, "Roh Could Visit N. Korea: Aide," *Korea Herald*, October 12, 2005)

- 10/11/05 Hill: "President Musharraf of Pakistan was here in New York about six weeks ago, and he told the press that in fact North Korea has imported centrifuges from Pakistan. So the question is, what happened to those centrifuges. We know that they've imported some aluminum tubes. What has happened to them? It may be that the program was unsuccessful and that they never set up the centrifuges. You need many more than 13, so they would have to be doing a lot of reverse-engineering of those 13. Have they been able to put them together in a program? Or are these centrifuges just sitting in a warehouse somewhere? What's happened to the aluminum tubes? Our point is not to prove that the North Koreans have a program, and then to have them disband the program. Our point is to prove what they have done with this material. If they've used the aluminum tubes as a playground, just show us the playground and we'll be satisfied with it. We need to know what has happened to these things. So there are going to be a lot of questions in the coming session." (Ambassador Christopher Hill, Remarks on the Six-Party Peace Talks, Asia Society, New York, October 11, 2005)
- 10/12/05 South Korea has called for formal talks to regain wartime control over its military and is still awaiting a U.S. response. Cheong Wae Dae spokesman Kim Man-soo said, "The government raised the issue of discussing wartime operational control of the ROK military to the United States at the Security Policy Initiative last month, but has not received any response from the U.S. side." (Annie Bang, "Seoul Seeks Talks to Regain Wartime Control of Troops," *Korea Herald*, October 12, 2005)
- 10/13/05 North Korea said it would hear out what Japan has to say about the ashes which Japan has concluded are not of a Japanese abductee as claimed by Pyongyang, in the first sign of flexibility over the issue that has caused a deadlock in bilateral talks. Song Il Ho, vice director of the North Korean Foreign Ministry's Asian Affairs Department, also said in an interview, "We would agree to anyone who would want to visit to improve bilateral relations, of course including Japanese Prime Minister Koizumi." Song said, "There are several questionable points" about the DNA tests Japan conducted on the ashes that North Korea says are of Yokota Megumi, who was kidnapped by North Korean agents in 1977 at the age of 13. "If Japan cannot return the ashes (as

demanded by Pyongyang), it should unveil the truth about how they are currently being preserved as well as the tests that were carried out on them," he said. The ashes were handed over to Japan by North Korea in November last year. But Japan later concluded through DNA tests that the ashes were those of two unknown people and lodged a strong protest with North Korea. In response, Pyongyang called Tokyo's conclusion a fabrication, urged Japan to return the ashes to North Korea, and said it has no desire to discuss the topic with Japan. Song's comments were the first hint that Pyongyang may hear out Japan's position over the issue. Japan and North Korea are also at odds about other Japanese who were kidnapped in the 1970s and 1980s by North Korean agents, including their number and some of the victims' fates. Song also said that Japan and North Korea have yet to set a date and a place for the next round of bilateral governmental talks, which the two countries agreed in September to hold. "Initially, we thought it could be held in mid-October, but since there has yet to be a decision on where it should be held, I think mid-October is possible," Song said. Song said that Japan initially proposed that the meeting take place either in Pyongyang or Beijing, but when North Korea replied that it prefers Pyongyang, Japan said that it wants the talks to be held in Beijing. "I do not understand the Japanese position on this," Song said. "I think we need more negotiations over this issue." Song also said that North Korea believes that the "settlement of past issues" from Japan's 1910-1945 colonization of the Korean Peninsula should take priority in the bilateral discussions. "The basic spirit of the Pyongyang Declaration is not the comprehensive solution to the nuclear, missile and abduction issues (as demanded by Japan)...but the settlement of Japan's past," Song said.

That "should be solved first, regardless of the existence of issues of nuclear, missile and abduction," he said. The issues referred to by North Korea include topics such as Koreans who were forcibly brought to Japan as laborers and Korean women who were forced to serve as sex slaves to Japanese troops. Song also said it does not matter to Pyongyang whether Japan resumes provision of food aid it pledged in 2004 to North Korea or continues to suspend it, as it has done since the dispute over whether the ashes given to Japan are those of Yokota's. "The humanitarian aid was not something we requested, but something that Japan mentioned (voluntarily)," Song said. It would be alright for North Korea either way, he said. Song, who is believed to be a candidate for the post of North Korea's top negotiator in bilateral normalization talks with Japan, declined to comment when asked whether he would be taking the post which has been vacant since earlier this year. (Kyodo, "N. Korea Hints at Flexibility about Remains of Abductee," October 13, 2005)

10/14/05

Assistant Secretary of State for East Asian and Pacific Affairs Christopher Hill told a U.S. Institute for Peace audience September 28 that North Korea should provide a declaration of its nuclear programs, including a suspected gas centrifuge-based uranium-enrichment program, during the next round of six-party talks likely to take place in November. North Korea continues publicly to deny having such a program, although some of its officials have suggested a willingness to discuss the matter with the United States. A former Department of State official told Arms Control Today Sept. 26 that North Korea has probably imported enough components for 3,000-5,000 centrifuges and may have acquired enough for 6,000-7,000. A June Asahi Shimbun report that Pyongyang acquired materials from Russia for possible use in about 2,600

centrifuges appears to partly support this assessment. The former U.S. official, however, cautioned that the number of completed centrifuges in North Korea's possession is unknown, adding that Pyongyang has most of the key components but may lack certain essential parts. Expressing a bit more skepticism regarding North Korea's centrifuge holdings, a congressional source familiar with the issue told Arms Control Today in February that, according to U.S. intelligence, Pyongyang probably does not have certain critical items for its program and is apparently making little progress in acquiring them. (Paul Kerr, "Questions Surround N.K. Uranium Program," *Arms Control Today*, October 2005)

KCNA: "It is the top priority for denuclearizing the Korean Peninsula for the U.S. to stop its nuclear threat to the DPRK and decisively roll back its hostile policy aimed at bringing down its system. The U.S. should make a bold decision to take a practical measure for eradicating the last leftover of the Cold War from the Korean Peninsula. A delegate of the DPRK said this, addressing the meeting of the First Committee of the 60th U.N. General Assembly on Oct. 7. It still remains a pressing issue to prevent a nuclear arms race and denuclearize the world through nuclear disarmament and in order to realize substantial disarmament and ensure durable peace in the world it is necessary to analyze the present situation with a cool head and indicate right ways for it, he noted, and went on: The DPRK will feel no need to keep even a single nuclear weapon only if the DPRK-U.S. relations are normalized and confidence is built between them and, accordingly, the former is no longer exposed to the latter's threat. The DPRK sincerely approached the discussion at the recent fourth round of the six-way talks held in Beijing from its principled and fair and aboveboard stand and out of magnanimity in order to realize the denuclearization of the Korean Peninsula, its avowed final goal, thus making it possible to meet all challenges and reach an agreement on the principle of the denuclearization in broad terms. What is essential at present is for the U.S. to provide light water reactors (LWR) to the DPRK as early as possible as evidence proving its halt to the nuclear threat to the latter and its substantial recognition of the latter's right to nuclear activity for a peaceful purpose. The denuclearization of the Korean Peninsula is the DPRK's avowed final goal and it is its consistent stand to seek negotiated peaceful solution to the nuclear issue. The peninsula cannot be nuclear-free through the DPRK's abandonment of its nuclear weapons program alone. The DPRK will make every possible effort to clear the peninsula of the threat of foreign forces and ensure lasting peace in the future, too, he concluded." (KCNA, "DPRK Delegate on Top Priority for Denuclearization of Korean Peninsula," October 14, 2005)

- 10/17/05 In a move expected to exacerbate already strained Sino-Japanese ties, Prime Minister Koizumi went to Yasukuni Shrine, his fifth visit as prime minister. (Yoshia Reiji, "Koizumi Visits Yasukuni Shrine," *Japan Times*, October 18, 2005)
- 10/18/05 British American Tobacco, the world's second largest cigarette company, has secretly been operating a factory in North Korea for the past four years. (Ian Cobain and David Leigh, "North Korea's Tobacco 'Secret,'" *The Age* (Australia), October 17, 2005)
- 10/20-21/05 Gov. Bill Richardson met with Kim Yong Nam. (Associated Press, "Richardson Meets N. Korea's No. 2 Leader," October 20, 2005) K.A. Namkung, deputy head of the

delegation, said they had been given "full access" to the Yongbyon reactor. (AFP, "U.S. Team Says N. Korea Shows Signs of Transparency," October 22, 2005) "They stated they will be prepared to have us or any other six-way talk countries participate in the fuel cycle ion the front or back end," Richardson told reporters in Seoul. "We found further flexibility that the U.S. or some combination of the six-way talks countries could bring in fuel for the light-water reactor. At some point there was talk on bringing in an American CEO to run the light-water reactor." (Lee Chi-dong, "N.K. Vows to Co-Manage Light-Water Reactors with U.S.: Richardson," Yonhap, October 22, 2005)

10/21/05

The Bush administration is expanding what it calls "defensive measures" against North Korea, urging nations from China to the former Soviet states to deny overflight rights to aircraft that the United States says are carrying weapons technology, according to two senior administration officials. At the same time, the officials said, the administration is accelerating an effort to place radiation detectors at land crossings and at airports throughout Central Asia. The devices are intended to monitor the North Koreans and the risk that nuclear weapons material could be removed from facilities in the former Soviet states. The new campaign was speeded up this summer after a previously undisclosed incident in June, when American satellites tracked an Iranian cargo plane landing in North Korea. Rather than watch silently, senior Bush administration officials began urging nations in the area to deny the plane the right to fly over their territory. China and at least one Central Asian nation cooperated, according to senior officials, who confirmed the outlines of the incident to demonstrate that President Bush's strategy to curb proliferation, which has been criticized by some experts for moving too slowly, is showing results. The officials said they believed the Iranian plane left without its cargo, but they were not sure. Nonetheless, the new effort underscored the efforts the administration is undertaking to curb the North's exports of missile parts, drugs and counterfeit currency that are widely believed to be its main source of revenue and the way it finances its nuclear program. In interviews, the officials insisted that the more aggressive tactics would enhance the effort by the United States to continue negotiations over disarming North Korea, which have lasted for two years and resulted last month in a statement of broad principles to disarm, but no agreement about when or how. "We are taking a number of new steps - defensive measures - that are intended to provide protection against all aspects of the North Korean proliferation threat," said Robert Joseph, the undersecretary of state for arms control and international security, who has been visiting former Soviet republics and other nations to secure commitments to halt flights like the one in June. "These measures are necessary for our defense and the defense of our friends and allies," said Mr. Joseph, regarded as an administration hawk on North Korea. He also said the measures "are independent of the diplomatic efforts that we are pursuing" with the North that also include China, Russia, Japan and South Korea. "We believe that they will reinforce the prospect for the success of those talks." But the Asian allies are divided on that question. South Korea's government, which is preparing for a visit by Mr. Bush next month, has been privately warning against taking steps that would aggravate North Korea. Arguing that "status quo isn't working," one senior administration official said this weekend that "we have to defend against illicit activity that harms America." Russia has expressed similar concerns about pressuring Iran, saying that such action may force Tehran to show its defiance by resuming the

enrichment of uranium. On October 23 Stephen J. Hadley, the president's national security adviser, arrived here to meet President Vladimir V. Putin and a range of Russian national security officials. The American efforts to exert more pressure on both North Korea and Iran - questions on which Moscow and Washington have been deeply divided - are expected to figure in his discussions. Hadley is the second high-level administration official to arrive here in the past 10 days. Earlier this month, Secretary of State Condoleezza Rice was here on a similar mission, though when she left, Russian officials said they were still opposed to any step that would refer Iran to the United Nations Security Council for sanctions. For Russia, it is a matter of business as well as politics: Moscow is selling Iran the technology for a civilian nuclear reactor. The new administration effort has three components, according to Joseph and other officials. The first is to block the sale of any bomb material or radioactive material from North Korea. The second is to beef up anti-proliferation efforts, including denying overflight rights. Joseph recently visited Turkmenistan, Tajikistan, Kyrgistan and Kazakhstan, urging them to join a program called the Proliferation Security Initiative, which began as an effort to seize equipment at sea - like the *BBC China*, a freighter filled with centrifuge parts bound for Libya that was seized two years ago. "We were inspired by the June incident," one senior official said this weekend, "and we said, 'Let's be more systematic.'" A third component of the effort is to step up "counterproliferation," which involves preparing nations to counter chemical or biological weapons, and work out ways to defend against a missile attack. Japan, which has grown more hawkish on North Korea, has said it will join the American missile defense program, basing its anti-missile system on ships offshore. South Korea has declined, though it has long made use of the American-made Patriot system against short-range missiles. One administration official cautioned that "some of these programs are new descriptions of older efforts, with more money in the pot." But while the administration has been taking steps to isolate North Korea since President Bush took office in 2001, the combination of the effort to deny overflight rights to the Iranian plane and other recent activities suggests that the effort is being reinvigorated. It is being spurred, officials say, by some in the administration who suspect the North's willingness to sign a "statement of principles" to give up its weapons was a stalling tactic. So, using a series of existing powers and a new executive order signed by President Bush, the Treasury Department charged a bank based in Macao, Banco Delta Asia, with money-laundering, saying it was aiding North Korea's black-market dealings. The bank has denied the charge. This summer, American officials seized \$2 million in counterfeit bills, which it said were produced in the North, and a man linked to the Irish Republican Army was arrested in Belfast, charged with trafficking in fake currency produced in the North. (David E. Sanger, "U.S. Widens Campaign on North Korea," *New York Times*, October 24, 2005, p. A-7)

The U.S. Department of the Treasury today designated eight North Korean entities pursuant to Executive Order 13382, an authority aimed at freezing the assets of proliferators of weapons of mass destruction (WMD) and their delivery vehicles. Today's action prohibits all transactions between the designated entities and any U.S. person and freezes any assets the entities may have under U.S. jurisdiction. "Proliferators of WMD often rely on front companies to mask their illicit activities and cover their tracks," said Stuart Levey, the Treasury's Under Secretary for

Terrorism and Financial Intelligence (TFI). "Today's action turns a spotlight on eight firms involved in WMD proliferation out of North Korea. We will continue to expose and designate these dangerous actors." Today's action builds on President Bush's issuance of E.O. 13382 on June 29, 2005. The Order carried with it an annex that designated eight entities -- operating in North Korea, Iran, and Syria -- for their support of WMD proliferation. The President at that time also authorized the Secretaries of Treasury and State to designate additional entities and individuals proliferating WMD and the missiles that carry them. Korea Mining Development Corporation (KOMID), which was designated in the annex of E.O. 13382, is the parent company of two of the Pyongyang-based entities designated today, Hesong Trading Corporation and Tosong Technology Trading Corporation. These direct associations meet the criteria for designation because the entities are owned or controlled by, or act or purport to act for or on behalf of KOMID. Korea Ryonbong General Corporation, also named in the annex, is the parent company of the remaining six Pyongyang-based entities designated today. These entities include Korea Complex Equipment Import Corporation, Korea International Chemical Joint Venture Company, Korea Kwangsong Trading Corporation, Korea Pugang Trading Corporation, Korea Ryongwang Trading Corporation, and Korea Ryonha Machinery Joint Venture Corporation. As subsidiaries of KOMID and Korea Ryonbong General Corporation, many of these entities have engaged in proliferation-related transactions. (U.S. Department of the Treasury, Treasury Targets North Korean Entities for Supporting WMD Proliferation, October 21, 2005)

David Asher at Woodrow Wilson Center on "the rise of the criminal state in North Korea": "Although it is hard to pin down the exact scale of the illicit activity we can make a rough guess. In 2003 the DPRK ran a trade deficit of at least \$835 million and that if more broadly measured to exclude concessionary trade with the ROK was more like \$1.2 billion. Even making a very bold estimate for informal remittances and under the table payments for that year, the DPRK probably ran a current account deficit of at least \$500 million. Moreover, North Korea's accumulated trade deficit with the ROK and China alone since 1990 is over \$10 billion. North Korea has not been able to borrow on international markets since the late 1970s and has at least \$12 billion in unrepaid debt principal outstanding. Yet, until recently - at least - it has managed to avoid self-induced hyper-inflation (which should have occurred given the need to reconcile internal and external monetary accounts, even in a communist country). Instead, the street stalls in Pyongyang and other North Korean cities seem to be awash in foreign made cloths, food, and TVs and the quality of life of the elite seems to have improved. What's apparently filling the gap and accounting for the apparent improvements to the standard of living for the elite? The short answer as I see it: Crime. And if I am right, then the criminal sector may account for as much as 35-40% of DPRK exports and a much larger percentage of its total cash earnings ... [A]ll analysts and law enforcement authorities agree that overseas illicit and weapons trading activities have become increasingly important sources of foreign exchange for the DPRK. These earnings have provided support to North Korea's "military-first" economy and contributed to Pyongyang's ability to resist demands from the international community for an end to its nuclear weapons program. They also apparently have persuaded the Kim Jong-il regime it can affordably maintain its political isolation and resist the

imperative for sweeping economic and social reforms that all other communist states have had to engage in. ... DPRK Narco trafficking continues as a major income generator, although less prominently perhaps than before. China continues to be the major market for North Korean drugs ... Japan probably still comes in second. From 1998-2002 Japanese police interdicted nearly 1500 kg of meth that in six separate prosecuted cases was shown to have originated in the DPRK. This amounts to thirty-five percent of all methamphetamine seizures in Japan in that period and had a wholesale value of over \$75 million and a street value of as much as \$300 million. Given the chemical profile for DPRK produced methamphetamines (essentially of extremely high purity) several Japanese authorities I spoke with the week before last believe that a fairly large percentage of the meth coming in from Northern China today is consistent with DPRK origin. As elsewhere, in Japan to mask their fingerprints the North Koreans are going through triads, snakeheads, and other indirect channels. This has been less true with Heroin where North Koreans continue to be observed selling the drugs. The Australian seizure of 125 kg of Heroin worth \$150 million off the Pong Su - a Worker's Party linked vessel and with a KWP secretary on board - in my mind was hardly a random or isolated incident ... As the recent DOJ indictment of Sean Garland and other members of the Official IRA for their partnership in the criminal distribution of counterfeit US currency reads: "Beginning in or about 1989, and continuing throughout the period of this Indictment, a type of high-quality counterfeit \$100 FRNs began to be detected in circulation around the world. Their high quality made it particularly difficult for them to be detected as counterfeit by untrained persons. The United States Secret Service initially designated these counterfeit notes as 'C-14342' and they came to be known as 'Supernote' or 'Superdollar.' Quantities of the Supernote were manufactured in, and under auspices of the government of, the Democratic People's Republic of Korea ('North Korea'). Individuals, including North Korean nationals acting as ostensible government officials, engaged in the worldwide transportation, delivery, and sale of quantities of Supernotes." The Royal Charm and Smoking Dragon investigations that were concluded this summer revealed a willingness to sell millions of dollars in DPRK supernotes into the US by Asian OCs linked to the North Korea government. Whether this was a deliberate act of policy decided in Pyongyang or just business among crooks is hard to tell but it seems unusual that according to the public indictment the cost of the notes was less than 40 cents per dollar, far below the market value associated previously with the counterfeit supernotes, given their ability to be circulated without ready detection by the naked eye. One wonders how such a price could be obtained unless the notes were coming from a very high source inside the country in question. ... The production of counterfeit cigarettes also appears to be a very large and profitable business for North Korea and one with global reach. Indeed, Counterfeit cigarettes may well be North Korea's largest containerized export sector with cargoes frequently coming from the ports of Najin and Nampo for shipment via major ports in China and the ROK throughout the world. Phillip Morris International, Lorillard, Japan Tobacco and others have identified numerous factories producing counterfeit cigarettes in North Korea. Affected industry participants have worked assiduously with relevant government authorities around the world to stop this trade. The numbers explain why. A forty foot container of counterfeit cigarettes might cost as little as \$70,000 to produce and have a street value of 3-4 million dollars, so it's not surprising that the North has focused on

this business line with its profits increased if tax stamps are forged (something that has been observed repeatedly of late, costing affected states such as California tens of millions in stamp revenue per year). A 1995 Associated Press article reported the seizure by Taiwan authorities of 20 shipping containers of counterfeit cigarette wrappers destined for North Korea. According to officials of the cigarette company whose label and trademark were being violated, the seized materials may have been used to package cigarettes with a retail value of \$1 billion. Increasingly DPRK counterfeit cigarettes, counterfeit pharmaceuticals (especially counterfeit Viagra), and counterfeit currency are being moved in parallel. Royal Charm revealed that weapons, too, potentially even manpads might be run through the same channels. ... In the early 1980's, five North Korean diplomats were forced to leave Africa for their attempts to smuggle rhino horns. The horns were transported from Luzaka to Addis Ababa to South Yemen. From there, they traveled to the consulate in Guangzhou, which ran operations in Macau, Zhuhai, and Hong Kong. This kind of activity has apparently not changed. As Stanford researcher, Sheena Chestnut, noted in a recent thesis, in the years since 1996, "at least six North Korean diplomats have been forced to leave Africa after attempts to smuggle elephant tusks and rhinoceros horns." Ivory seizures directly linked to North Korean officials amounted to 689 kg in Kenya in 1999; 537 kg in Moscow in 1999; and 576 kg in France in 1998. I don't have more recent data I can share publicly but I don't think they have given up on the illicit ivory trade. ... The extent to which the DPRK uses banking partners around the world to launder funds has recently gotten a lot of attention in the wake of the Macau based Banco Delta Asia designation under Section 311 of the USA Patriot Act. The Treasury Department's website paints a pretty clear picture: 'One well-known North Korean front company that has been a client of BDA for over a decade has conducted numerous illegal activities, including distributing counterfeit currency and smuggling counterfeit tobacco products. In addition, the front company has also long been suspected of being involved in international drug trafficking. Moreover, Banco Delta Asia facilitated several multi-million dollar wire transfers connected with alleged criminal activity on behalf of another North Korean front company.' ... Unfortunately, neither the PSI nor the CSI are attuned to addressing these threats. The Container Security Initiative is a worthy effort to move US customs outward, inspecting select cargoes destined for US waters overseas before they embark in our direction. I am impressed by the work being done by US Customs and ICE officers overseas to look into suspect cargoes and the dedication of personnel at the National Tracking center to identify ships and cargoes that may have not been covered by the CSI or fallen through the loop. Nonetheless, the CSI has no application to containers destined for non-US ports and, moreover, it is only operating in a small number of foreign venues. What happens to the majority of containers coming here or going elsewhere? Nothing. **Moreover, the hallowed Proliferation Security Initiative unfortunately remains much more talk than action.** ... In essence, North Korea has become a 'soprano state' - a government guided by a Worker's Party leadership whose actions, attitudes, and affiliations increasingly resemble those of an organized crime family more than a normal nation."

Defense Secretary Donald H. Rumsfeld and Defense Minister Yoon Kwang Ung reaffirmed the commitment of both nations to "a solid combined defense posture," and agreed to "accelerate discussions" on whether South Korea should gain command

of its military forces in times of war. A statement issued after Rumsfeld's meeting with made clear that any changes in wartime control of South Korean military forces, as well as any decision on a shift in America's nuclear guarantee for the South, would be postponed to the future. The annual Security Consultative Meeting between the American and South Korean military officials ended in reaffirming the status quo for now on those issues, although both are open to review. "The minister and the secretary agreed to appropriately accelerate discussions on command relations and wartime operational control," the joint statement stated. "As the capabilities of the Republic of Korea grow, obviously they will assume more and more responsibility as they have been doing in recent years," Rumsfeld said. "As that happens in an orderly way, over time, there will be adjustments in the command relationship and those are the kinds of things allies discuss." (Thom Shanker, "Rumsfeld and South Korea Defense Chief Agree to Keep Status Quo," *New York Times*, October 22, 2005) SCM Communiqué: "The Minister and the Secretary agreed on the need to maintain a U.S. troop presence in the ROK to ensure security on the peninsula and stability in Northeast Asia. Both sides recognized the importance of the United Nations Command's role in maintaining the Armistice Agreement. Secretary Rumsfeld reaffirmed the U.S. commitment to the security of the ROK, and to the continued provision of a nuclear umbrella for the ROK, consistent with the Mutual Defense Treaty." At a reception just before the SCM, ROK Foreign Ministry representative Kim Sook, under instructions from National Security Council deputy Lee Jong-seok, informed the Americans that Seoul did not want to include the "nuclear umbrella" reference in the statement. After long and difficult negotiations, the Americans told Kim, "No reference to the nuclear umbrella, no communiqué." Lee expressed surprise, but told Kim to leave the reference in. (Oberdorfer and Carlin, *The Two Koreas*, p. 390)

10/?/05 SecSt Rice called Hill in for a "pep talk" and tells him, "Don't worry about all the people against dealing with North Korea. They're on the team." He retorts, "That's the problem. They're on the team." (Chinoy, *Meltdown*, p. 262) Cheney was opposed to "starting down the road of paying off the North Koreans up front for something they haven't done," said Aaron Friedberg, OVP Asia specialist, but the vice president's office adopted a "rope a dope" strategy in the interagency meetings - slowing things down, "playing out the string and not being coerced into making bad agreements." On North Korea, he said, "the basic concern is, 'Do no harm, and don't let others do harm by accepting something they shouldn't accept.'" (Gellman, *Angler*, p. 375)

10/22/05 Christopher Hill, the top U.S. negotiator for the six-party nuclear talks, is likely to give up his plan to visit North Korea before the six meet for the fifth round in early November, U.S. and other six-party sources said. The sources attributed it to the tough conditions set by hard-liners in the U.S. administration who are insisting on the need for the visit to produce such concrete results as Pyongyang halting operations at its Yongbyon nuclear complex. A U.S. congressional source said Vice President Dick Cheney has expressed his reluctance to allow the planned visit by Hill, assistant secretary of state for East Asian and Pacific affairs, to go ahead. The hard-liners have been displeased with a joint statement of principles agreed and issued by the six parties after their fourth round last month in Beijing because it mentioned such benefits as discussing the provision of a light-water nuclear reactor in exchange for

North Korea committing to abandon all its nuclear weapons and programs. The sources said the State Department has been seeking to arrange Hill's visit for the first week in November and set up meetings with North Korean leader Kim Jong Il's aides, including First Vice Foreign Minister Kang Sok Ju, who are ranked higher than the North Korean chief delegate to the six-party talks, Vice Foreign Minister Kim Kye Gwan. But the hard-liners are focused on verification and inspections of the nuclear dismantlement, the sources said. Against this backdrop, they are stressing the need for Hill's planned visit to yield achievements such as North Korea suspending operations of an experimental graphite-moderated reactor in Yongyang and admitting the alleged existence of a uranium enrichment program, the sources said. Their insistence has in effect placed conditions on any visit by Hill to North Korea, raising the possibility that the trip will not be realized, a six-party negotiation source said. Under these circumstances, Secretary of State Condoleezza Rice "has become cautious" about the planned visit, another six-party negotiation source said. (Kyodo, "Hill Likely to Give up Visiting N. Korea, Faces U.S. Hardliners," October 22, 2005) Hill visit to Pyongyang accompanied by Jay Lefkowitz, nominated in August to be special envoy on human rights in North Korea is accepted by DPRK but opposed by OSD, NSC, OVP. "We didn't want a PR fiasco," said one senior Pentagon official. "We didn't want another Madeleine Albright thing frankly. We had visions of him going over there and pulling a Madeleine Albright, taking him into a stadium with roaring crowds, mass gymnastics. We didn't want North Korea to make a spectacle out of him, and we didn't think it was appropriate, given that North Korea really still at that point had not shown any intention or sincerity that they wanted to dismantle." Rice was also skeptical. "Don't sell yourself short," she told Hill. Soon a new precondition was given to North Korea: Hill could go if it shut down the Yongbyon reactor. (Chinoy, *Meltdown*, p. 261)

The Bush administration is expanding what it calls "defensive measures" against North Korea, urging nations from China to the former Soviet states to deny overflight rights to aircraft that the United States says are carrying weapons technology, according to two senior administration officials. At the same time, the officials said, the administration is accelerating an effort to place radiation detectors at land crossings and at airports throughout Central Asia. The devices are intended to monitor the North Koreans and the risk that nuclear weapons material could be removed from facilities in the former Soviet states. The new campaign was speeded up this summer after a previously undisclosed incident in June, when American satellites tracked an Iranian cargo plane landing in North Korea. The two countries have a history of missile trade - Iran's Shahab missile is a derivative of a North Korean design - and intelligence officials suspected the plane was picking up missile parts. Rather than watch silently, senior Bush administration officials began urging nations in the area to deny the plane the right to fly over their territory. China and at least one Central Asian nation cooperated, according to senior officials, who confirmed the outlines of the incident to demonstrate that President Bush's strategy to curb proliferation, which has been criticized by some experts for moving too slowly, is showing results. The officials insisted on anonymity because they were discussing sensitive information. The officials said they believed the Iranian plane left without its cargo, but they were not sure. Nonetheless, the new effort underscored the efforts the administration is undertaking to curb the North's exports of missile parts, drugs and counterfeit currency that are widely believed to be its main

source of revenue and the way it finances its nuclear program. In interviews, the officials insisted that the more aggressive tactics would enhance the effort by the United States to continue negotiations over disarming North Korea, which have lasted for two years and resulted last month in a statement of broad principles to disarm, but no agreement about when or how. "We are taking a number of new steps - defensive measures - that are intended to provide protection against all aspects of the North Korean proliferation threat," said Robert Joseph, the undersecretary of state for arms control and international security, who has been visiting former Soviet republics and other nations to secure commitments to halt flights like the one in June. "These measures are necessary for our defense and the defense of our friends and allies," said Joseph, regarded as an administration hawk on North Korea. He also said the measures "are independent of the diplomatic efforts that we are pursuing" with the North that also include China, Russia, Japan and South Korea. "We believe that they will reinforce the prospect for the success of those talks." But the Asian allies are divided on that question. South Korea's government, which is preparing for a visit by Bush next month, has been privately warning against taking steps that would aggravate North Korea. Arguing that "status quo isn't working," one senior administration official said this weekend that "we have to defend against illicit activity that harms America." Russia has expressed similar concerns about pressuring Iran, saying that such action may force Tehran to show its defiance by resuming the enrichment of uranium. This evening, Stephen J. Hadley, the president's national security adviser, arrived here to meet President Vladimir V. Putin and a range of Russian national security officials. The American efforts to exert more pressure on both North Korea and Iran - questions on which Moscow and Washington have been deeply divided - are expected to figure in his discussions. Hadley is the second high-level administration official to arrive here in the past 10 days. Earlier this month, Secretary of State Condoleezza Rice was here on a similar mission, though when she left, Russian officials said they were still opposed to any step that would refer Iran to the United Nations Security Council for sanctions. For Russia, it is a matter of business as well as politics: Moscow is selling Iran the technology for a civilian nuclear reactor. The new administration effort has three components, according to Joseph and other officials. The first is to block the sale of any bomb material or radioactive material from North Korea. The second is to beef up anti-proliferation efforts, including denying overflight rights. Joseph recently visited Turkmenistan, Tajikistan, Kyrgistan and Kazakhstan, urging them to join a program called the Proliferation Security Initiative, which began as an effort to seize equipment at sea - like the BBC China, a freighter filled with centrifuge parts bound for Libya that was seized two years ago. "We were inspired by the June incident," one senior official said this weekend, "and we said, 'Let's be more systematic.'" A third component of the effort is to step up "counterproliferation," which involves preparing nations to counter chemical or biological weapons, and work out ways to defend against a missile attack. Japan, which has grown more hawkish on North Korea, has said it will join the American missile defense program, basing its anti-missile system on ships offshore. South Korea has declined, though it has long made use of the American-made Patriot system against short-range missiles. One administration official cautioned that "some of these programs are new descriptions of older efforts, with more money in the pot." But while the administration has been taking steps to isolate North Korea since President Bush took office in 2001, the

combination of the effort to deny overflight rights to the Iranian plane and other recent activities suggests that the effort is being reinvigorated. It is being spurred, officials say, by some in the administration who suspect the North's willingness to sign a "statement of principles" to give up its weapons was a stalling tactic. So, using a series of existing powers and a new executive order signed by President Bush, the Treasury Department charged a bank based in Macao, Banco Delta Asia, with money-laundering, saying it was aiding North Korea's black-market dealings. The bank has denied the charge. This summer, American officials seized \$2 million in counterfeit bills, which it said were produced in the North, and a man linked to the Irish Republican Army was arrested in Belfast, charged with trafficking in fake currency produced in the North. (David E. Sanger, "U.S. Widens Campaign on North Korea," *New York Times*, October 24, 2005, p. A-7)

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Rodong Shinmun signed commentary: "The DPRK will neither accept nor allow the unjust double standards of the U.S. over the nuclear issue in the future, too. There will be a prospect of settling the nuclear issue only when the U.S. gives up the unfair and prejudiced double standards over the nuclear issue as demanded by the DPRK. The U.S. is allowing some countries to go without any trouble even after failing to fulfill their commitments under the NPT, while pressurizing other countries to remain true to it. The U.S. has connived at and even cooperated with Israel in its development and production of nukes and kept mum about Japan which has stepped up its moves to emerge a nuclear power after stockpiling plutonium more than what it actually needs. Recently the U.S. has become evermore undisguised in its policy of double standards. To cite a few examples, it promised those countries outside the NPT to transfer nuclear technology to them and expressed its "willingness" to permit some countries' nuclear activities for peaceful purposes on condition. In the final analysis, the U.S. stand on the nuclear issue depends on whether a country is its ally or not. Its approach towards the nuclear issue on the Korean Peninsula is a typical example of its double standards. The DPRK demands that the U.S. take measures and treat the former as it does those countries which possess nukes outside the NPT. The U.S. words that it respects the DPRK's sovereignty as a member of the United Nations can be proved in practice only when it behaves so. If the U.S. persistently clings to its double standards over the nuclear issue, lending no ear to the DPRK's demand, this behavior will only result in paralyzing the worldwide nuclear non-proliferation regime and disturbing the world stability." (KCNA, "U.S. Double Standards Accused," October 23, 2005)

The Bush administration has finally publicly acknowledged what U.S. and international law enforcement agencies suspected for decades: North Korea seeks to finance its impoverished economy, and fund its nuclear and other arms programs, with massive production of counterfeit U.S. dollars. Sean Garland, 71, a veteran of the Irish Republican Army, was arrested in Belfast in September. He awaits extradition to the United States on a federal warrant that alleges that he and others bought, moved and either passed or resold high-quality counterfeit \$100 notes. The United States further charges that Garland, who denies his guilt and was released on bail pending receipt of U.S. extradition papers, arranged with North Korean agencies "for the purchase of quantities of notes and enlisted other people to disseminate" the bogus money, known as superdollars or supernotes. U.S. federal prosecutors broke decades of

official silence about North Korea's printing and distribution of top-quality \$100 counterfeits and related traffic in cigarettes, drugs and arms last August. In California and several other states, arrests were made of people linked to a major Asian crime ring. Prosecutors named the Asian Delta Bank in Macao, the former Portuguese colony in China, as a "primary money-laundering concern," for helping North Koreans distribute forged currency and other criminal activities. The North Korean counterfeiting story begins almost simultaneously with the late Shah of Iran's purchase in 1975 and 1976 of two intaglio-color-8 presses, the type then used by the U.S. Treasury to print genuine dollars, from De La Rue Giori, in Lausanne, Switzerland. These survived the Shah's overthrow by Islamic revolutionaries in 1979 and provided an industrial base for the flood of expertly crafted superdollars. Specimens first appeared in Singapore in 1983, then, a decade later, inundated Europe and the Middle and Far East. Kim Il Sung's hermetic and desperately poor North Korean dictatorship purchased a similar press from the same Swiss company, also in the mid-1970s. Several North Korean defectors have described the press's subsequent location as central Pyongyang. Distribution networks were organized that extended into China and later into Southeast Asia and as far as North America. After criminal complaints against North Korean diplomats who have been caught distributing supernotes since 1994, Phil Williams, a professor at the University of Pittsburgh, observed: "We've rarely seen a state use organized crime in this way. This is a criminal state, not because it's been captured by criminals but because the state has taken over crime." In 1994, an alert teller in the Hong Kong branch of the New York-based Republic National Bank discovered that currency shipments from the Delta Bank in Macao were larded with supernotes. U.S. Secret Service agents traced them to North Korean businessmen in Macao, but the North Korean ringleader escaped to mainland China and the trail went cold. The forged dollars migrated across the Pacific into North America. The Canadian police discovered the main masterminds: a Chinese crime gang called Dai Hien Jai or the Big Circle Boys. During the mid-1990s, they spent and laundered superdollars in casinos in Lake Tahoe, Nevada, in New York's East Broadway Chinatown district and elsewhere. The most publicized law enforcement breakthrough was the arrest and conviction in Thailand in 1996 of Tanaka Yashimi, a former Japanese Red Army terrorist who had taken refuge in North Korea in 1970. Tanaka was caught in Cambodia trying to launder into Thai currency supernotes with a face value of \$250,000. In the summer of 1998, the U.S. Treasury refused comment when the Japanese Navy seized a North Korean ship stuffed with superdollars. The Japanese police, backed by the Tokyo field office of the U.S. Secret Service, rounded up intended distributors in Japan. Within 48 hours of the ship's seizure, officials in Tokyo and Washington had muffled the affair. Washington's tardy but welcome acknowledgment of Pyongyang's role in counterfeiting, and further developments in the Sean Garland case and other related cases, deserve careful scrutiny for links between the now supposedly disarmed IRA and other violent groups, including Al Qaeda, and the rogue money printers in North Korea. (John K. Cooley, "The Rogue Money Printers of Pyongyang," *International Herald Tribune*, October 23, 2005)

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DPRK Foreign Ministry spokesman: "It is our consistent and invariable stand to realize the denuclearization of the Korean Peninsula through dialogue. We will, therefore, go to the 5th six-party talks at the date to be agreed upon early in November as the six

parties had committed themselves to do so. This reflects our sincere stand to respect and faithfully abide by the principles agreed upon in the Beijing Joint Statement. The United States, however, has been careless in its words and deeds quiet contrary to the spirit of the statement in a little over one month since the publication of the statement. This makes us doubt the U.S. will to implement the statement. The U.S., in violation of the principle of simultaneous action agreed upon among the six parties, is again demanding the DPRK abandon its nuclear program first on the basis of CVID. It is staging a noisy campaign to pressurize the DPRK, bringing utterly groundless charges such as "human rights issue" and "illegal deal" against it. These moves of the U.S. are rendering the joint statement, a co-product of the six parties, invalid. We will hold the U.S. accountable for this situation much more deplorable than what was before the publication of the statement and keep tabs on this at the forthcoming talks." (KCNA, "Spokesman for the DPRK FM Refers to Issue of Participation in 5th Six-Party Talks," October 24, 2005)

10/25/05 *Rodong Sinmun* signed article: "In order to establish national sovereignty throughout Korea and achieve the cause of national reunification and prosperity, all Koreans should struggle to have the foreign military bases dismantled and occupation forces withdrawn from south Korea. The reality proves that it is impossible to achieve national reunification, the true sovereignty of the country and national prosperity unless an end is put to the U. S. imperialists' policy of occupation of south Korea and their moves to provoke a new war. The U.S. imperialists chiefly responsible for the partition of the Korean Peninsula into two have built high political and physical barriers in a bid to block the Korean nation's development, prosperity, peace and independent reunification. It is due to the U.S. imperialists that the Korean nation with a history spanning 5,000 years still remains divided into the north and the south and has not yet achieved uniform development and prosperity in all fields of economy and social life. A tense situation always prevails in Korea. It is impossible to realize the people's desire for uniform development and prosperity wherever peace is disturbed and a tense situation persists. The June 15 era is the era of independent reunification in which the Koreans are paving the way for independent reunification through national reconciliation and unity. The Koreans are called upon to put a period to the U.S. policy of occupation of south Korea and drive the U.S. troops out of it in order to win back the sovereignty dearer than their life and soul and build a strong and prosperous reunified country to demonstrate the honor of the nation to the world." (KCNA, "Withdrawal of U.S. Troops from South Korea Urged," October 25, 2005)

10/26/05 Japan and North Korea agreed to hold senior working-level talks in Beijing starting November 3, Foreign Ministr Machimura Nobutaka announced. Saiki Akita, deputy dirgen of the Foreign Ministry Asian and Oceanian Bureau and Song Il-ho, vice director of the Asian Affairs Department will head the talks. (Kyodo, "Japan, N. Korea to Hold Talks from Nov. 3 in Beijing," October 26, 2005)

10/27/05 DPRK Ambassador Han Song-ryol: "The so-called 'issues,' such as s the nuclear issue, which the U.S. sets as preconditions for the improvement of DPRK-U.S. relations are, in fact, neither serious nor difficult to solve. If bilateral relations are normalized and trust is built, those issues will be solved of their own accord. We have a good example in

that we have improved relations with Western European countries. **The focus point is the U.S. willingness to change its policy with the intention to co-exist with the DPRK.** Normalization of the DPRK-U.S. relations is not a kind of 'gift' to the DPRK by the U.S. It would be beneficial to both countries and to Northeast Asia. Senior members of the Bush administration say quite often that surprising 'benefits' would be rewarded if we dismantle our nuclear program first. But improvement of the DPRK-U.S. relations will bring about great strategic benefits to the U.S. side. Recently the United States is putting into practice sanctions blocking legitimate financial transactions of the DPRK based on the false charge of 'illegal deals such as drug deal and counterfeit notes,' ... **This indicates that the U.S. remains unchanged in its real intention to 'bring down the system' in the DPRK.** It is the DPRK's understanding that by applying sanctions against the DPRK in a 'roundabout way,' the U.S. seeks to put pressure upon it in advance so as to force Pyongyang to accept the former's assertion that the latter should abandon its 'nuclear program first' at the six-party talks slated to take place in the near future. **This compels the DPRK to suspect whether the U.S. side is willing to implement the joint statement of the six-party talks or not.** The DPRK has already declared that it would regard the U.S. sanctions as a declaration of war. **If the U.S. persists in its hostile acts against the DPRK contrary to the spirit of the six-party talks, the DPRK will be left with no option but to take self-defense steps to cope with those acts.** ... All the parties concerned except the U.S. supported the discussion of the issue of respecting the DPRK's right to nuclear activity for a peaceful purpose and providing LWRs to it. The DPRK will return to the NPT and sign the Safeguards Agreement with the IAEA and comply with it immediately upon the **U.S. provision of LWRs, an act of confidence-building. The DPRK will feel no need to keep even a single nuclear weapons if the DPRK-U.S. relations are normalized, bilateral confidence is built, and we are not exposed to the U.S. nuclear threat any longer.**" (Han Song-ryol, Deputy Permanent Representative of the DPRK Mission to the United Nations, Institute for Corean-American Studies Fall Symposium, Washington, October 27, 2005)

The lights dimmed at the May Day stadium and a rapt crowd of 150,000 fell silent at the start of a spectacle considered so important to North Korean leader Kim Jong Il that it has merited a rare, if limited, opening to the outside world. North Korea has creaked open its doors for Arirang, a festival that celebrates national pride and, this year, commemorates the 60th anniversary of the Stalinist state's ruling Workers' Party. Performers, who numbered almost as many as the spectators, won furious applause for their coordinated displays of rhythmic gymnastics, flying acrobatics, traditional dancing and military taekwondo routines -- all synchronized to a massive video and laser light show. "You are about to see the true identity of our great nation," a North Korean guide proudly told a cluster of South Korean tourists as one evening session opened last week. "Please pay attention. This is our message to the world." North Korea has rolled out the red carpet this month in exceptional style. Tour operators, diplomats and analysts describe the gathering of foreigners as the largest since Kim inherited the leadership on the death of his father and North Korea's founder, Kim Il Sung, in 1994. The guests have included hundreds of Americans, typically barred by the North Koreans. Among them have been New Mexico Gov. Bill Richardson and former CBS News anchorman Dan Rather. The festival has brought official delegations

from China, Russia and Cuba as well as ranking visitors from Mexico and a host of other nations. Thousands of South Korean tourists, usually forbidden to travel into the North Korean capital of Pyongyang, are also being embraced during October in this spruced-up city. The North Koreans have not offered an explanation for the strictly controlled and likely temporary opening. But analysts have said it amounts to a demonstration of public support for Kim, 63, in which hundreds of thousands of North Koreans are attending the festival -- many walking for days to reach the stadium. The festival is being so well attended, North Korean officials said, that its original run of two weeks was extended to the entire month of October. Meanwhile, modest economic reforms made in North Korea since 2002 appear to have somewhat eased the country's bitter poverty and once-rampant starvation. That at least seemed true within the relatively affluent capital of Pyongyang, where people look to be well fed, many buildings have been newly refurbished and street vendors are surprisingly outgoing and eager to make sales to foreign visitors. Analysts said the scenes are the picture-perfect snapshots Kim is eager to project. He largely shut foreigners out of the last Arirang festival, in 2002, but he has far different considerations this time. First and foremost is the need to reflect his government's solidity and strength during protracted negotiations to dismantle its nuclear weapons programs. The talks are expected to resume in Beijing within two weeks. "This is 'invitation diplomacy' -- a tool Kim's father used to use to great effect," said Suzuki Noriyuki, director of Tokyo-based Radiopress, which monitors television and radio broadcasts in North Korea. "Kim is trying to show how strong and stable North Korea is -- how firmly he is in control and how popular he remains with the people. Unless there are select groups of foreigners there to see this, his message will not get out loud and clear." The North Koreans also appear eager to portray themselves as flexible. Richardson, for example, said high-ranking North Koreans appeared to backtrack on a threat they made in September to expel foreign food-aid workers on grounds they were no longer needed. Richardson, who was in Pyongyang for four days last week, served as U.S. ambassador to the United Nations during the Clinton administration and has been long considered by the North Koreans as a trusted intermediary. "The atmosphere there is the best I've seen in 15 years," Richardson said during a stop in Tokyo after his visit. He said he went to Pyongyang by personal invitation from the government, and not as an official U.S. envoy. "Of course, there are still problems," he added, "but the atmosphere is much improved." He said the North Koreans, who contend that they had a bumper farm crop this year, would allow as many as 60 of the roughly 100 foreign aid workers in North Korea to stay. Abraham DeKock, deputy country director for the U.N. World Food Program in Pyongyang, said in a telephone interview that the North Koreans had yet to confirm that offer. But he added that a North Korean delegation is scheduled later this week to visit the program's Rome headquarters, where officials hope to hash out an agreement. Return visitors to North Korea, meanwhile, have noted that anti-American propaganda and slogans have been taken down in the capital. At the run-down and mostly empty airport, a dozen young North Korean women stood in front of outdoor stalls, calling to tourists with a capitalist verve not unlike that of street vendors in other Asian cities. "Come and see our snake whiskey!" they beckoned. "It's all natural! We take euros -- and dollars." Visitors were not permitted to speak with anyone other than designated North Korean shop clerks and guides. The South Koreans, who had paid \$1,000 each for the trip, included members of citizen groups that support contacts

with the North, along with curiosity-seekers and older South Koreans born in the North before the Korean War divided the peninsula. The performance at the May Day stadium dazzled the visitors with its flawless choreography and dogged loyalty to Kim and his father. The crowd roared as massive images of the elder Kim, known as the Great Leader, and the younger Kim, known as the Dear Leader, were unfurled. "No one can defeat us!" sang a battalion of marching soldiers. At the same time, people dressed as flying angels soared from tethers above the stadium, singing, "Oh, we are so happy!" The crowd joined in the patriotic songs and slogans, which rapidly changed tempo and theme. One minute, performers belted out a chorus of "Let the Moon Shine on the Path of Our Great Leader's Struggle Against the Japanese Colonizers," referring to Japan's long and still freshly remembered occupation of the Korean Peninsula in the first half of 20th century. Next, they crooned "Science and Technology to the Most Advanced Level," sung to a melody reminiscent of the theme from "Star Wars." The spectacle often seemed particularly aimed at the South Korean visitors. At one point, participants held up flashcards creating a montage of South and North Korean children, while uttering the chant: "How much longer do we have to be split due to foreign forces?" Soon, most of the visiting South Koreans were chiming in for the chorus: "We are one." (Joohee Cho and Anthony Faiola, "North Korea Sends a 'Message to the World,'" *Washington Post*, October 27, 2005, p. A-12)

U.S. and Japanese officials have agreed to allow the Navy to station a nuclear-powered aircraft carrier in Japan for the first time, the Navy said. Nuclear-powered warships have visited Japanese ports more than 1,200 times since 1964. (Associated Press, "Japan to Allow Nuclear-Powered Warship," *Washington Post*, October 28, 2005, p. A-24)

10/28/05 The 11th round of North-South economic cooperation talks in Kaesong failed to narrow differences. (Seo Dong-shin and Joint Press Corps, "Koreas to Continue Talks on Economic Issues," *Korea Times*, October 28, 2005)

South Korea is like to pull one-third of its 3,260 troops out of Iraq early next year. A Defense Ministry official said Minister Yoon Kwang-ung instructed officials to study the reductions. "We will first bring back 1,000 men from Iraq early next year and then decide on additionally reducing a portion of the forces around next June based on our assessment of the political situation in Iraq at that time," a senior government official said. (*Chosun Ilbo*, "Korea Could Cut Iraq Troops by One-Third," October 28, 2005) "The first indication of the ROK troop reduction was from the ROK media," Lt. Col. Brian Maka told Yonhap over the phone. (Yonhap, "'U.S. Learned of Zaytun Reduction from Media,'" *Korea Times*, November 22, 2005) U.S. officials said they had indeed been consulted on Seoul's plan to withdraw some Korean troops from Iraq, DoS spokesman Adam Ereli said. "At worst, they were holding talks at the working level and then the story got out at a bad time without an 'official' stamp being put on the matter," said a Seoul-based foreign diplomat. (Brian Lee, "Missteps Led to Snit over Korea's Troop Force in Iraq," *JoongAng Ilbo*, November 23, 2005)

10/28-30/05 Kim Jong Il has told President Hu Jintao of China that he is committed to ending the North's nuclear weapons program and that he will push forward with multinational

negotiations on the matter soon, Chinese officials said October 30. The upbeat assessment of the nuclear talks was issued shortly after Mr. Hu concluded a state visit to North Korea, his first since becoming China's top leader in 2002. Mr. Hu promised during the visit to provide aid to neighboring North Korea's struggling economy "within China's means." Wang Jiarui, chief of the Chinese Communist Party's international department, said that it was difficult to forecast the results of a new round a nuclear talks, but that both sides intended to carry out a framework agreement that North Korea signed with the United States, South Korea, Japan, Russia and China in September. The talks are expected to resume in early November. "I am no fortuneteller, but from my observations we have reason to believe that the fifth round of talks will be held on schedule and will lead to results," said Wang, who helped arrange Hu's visit. (Joseph Kahn, "Chinese Upbeat after Talks with North Korea," *New York Times*, October 31, 2005, p. A-11)

KCNA: "An agreement on economic and technological cooperation between the Democratic People's Republic of Korea and the People's Republic of China was signed in Pyongyang." (KCNA, "Agreement on Economic and Technological Cooperation Signed between DPRK and China," October 28, 2005)

KCNA: "Talks between Kim Jong Il, general secretary of the Workers' Party of Korea and chairman of the National Defense Commission of the Democratic People's Republic of Korea, and Hu Jintao, general secretary of the Central Committee of the Communist Party of China and president of the People's Republic of China, were held in Pyongyang Friday. Present at the talks from the DPRK side were Pak Pong Ju, premier of the DPRK Cabinet, Choe Thae Bok, secretary of the WPK Central Committee, Kang Sok Ju, first vice-minister of Foreign Affairs, Pak Nam Gi, department director of the WPK Central Committee, Kim Yang Gon, councilor of the National Defense Commission of the DPRK, Rim Kyong Man, minister of Foreign Trade, Kim Thae Jong, vice-director of the International Department of the WPK Central Committee, and Choe Jin Su, DPRK ambassador to China. Present there from the Chinese side were Wang Gang, alternate member of the Political Bureau of the Central Committee of the CPC who is also secretary of the Secretariat and director of the General Office of the C.C., CPC, Wang Jiarui, head of the International Liaison Department of the CPC Central Committee, Li Zhaoxing, Minister of Foreign Affairs, Wang Huning, director of the Policy Research Office of the CPC Central Committee, Wu Donghe, Chinese ambassador to the DPRK, Liu Hongcai, deputy head of the International Liaison Department of the CPC Central Committee, Liao Xiaoqi, vice-minister of Commerce, Chen Shiju, director of the General Secretary's Office of the CPC Central Committee, and other suite members. At the talks they informed each other of the situation in the two countries, had a wide-ranging and in-depth exchange of views on the issue of boosting the friendly and cooperative relations between the two countries and a series of issues of mutual concern and reached a consensus of views on all issues discussed. The talks held with other officials attending were followed by *tete-a-tete* talks. The talks proceeded in a comradely, sincere and friendly atmosphere." (KCNA, "Talks Held between Kim Jong-il and Hu Jintao," October 28, 2005)

10/29/05 Japan and the United States agreed to cut the number of U.S. Marines based in Okinawa by 7,000 in a move aimed at gaining local support. Under an interim report adopted at talks between SecDef Donald Rumsfeld and Defense Agency Director General Ono Yoshinori, the sides will strengthen joint coordination such as through a new U.S. Army headquarters at Camp Zama just southwest of Tokyo, relocation of Futenma Air Station in Okinawa, shared use of bases, information-sharing, relocation of carrier-based aircraft from Atsugi base in Kanagawa to the U.S. Marine Corps' Iwakuni Air Station in Yamaguchi prefecture, and expanded Self-Defense forces training exercises in the United States. (Kyodo, "Japan, U.S. Step up Military Integration, Transform Alliance to Global Scale," October 29, 2005)

10/31/05 The government has decided to support modernization of North Korea's economy called "Korean Peninsula Peace and Economy Initiative" to go into effect immediately after six-party talks reach agreement on implementing principles for nuclear disarmament, Cheong Wa Dae and government sources said. Cheong Wa Dae decided on the name October 20. The plan focuses on aid for energy, logistics, and telecommunication infrastructure as "pre-investment for reunification." (Lee Joo-hee, "S. Korea Prepares 'Korean Peninsula Peace Initiative,'" *Korea Herald*, October 31, 2005)

Prime Minister Koizumi Junichiro appointed several leading conservative figures to top positions in a new cabinet narrowing the field of potential candidates to succeed him as prime minister next year. Koizumi, who after his landslide victory last month said he would shuffle his cabinet to groom possible successors, appeared to have picked aides who would pursue his economic reforms and maintain his tough stance toward Asian countries, especially China. Koizumi handed one of the most high-profile posts, chief cabinet minister, to Abe Shinzo, 51. whose hawkish stance on North Korea and China has helped him become one of Japan's most popular politicians and a favorite of the Bush administration, but has earned him the deep distrust of Asian neighbors. Another hard-liner, Aso Taro, 65, was appointed foreign minister at a time when Japan has solidified its security alliance with the United States but has grown diplomatically isolated in this region. Because Koizumi has repeatedly said he will step down as prime minister and leader of the governing Liberal Democratic Party next September, Japanese media and political circles have already shifted their attention to the post-Koizumi era. In a telling development, another candidate, Yasuo Fukuda, 69, was not given any portfolio. Fukuda, a moderate with longstanding ties to China, is known to support cultivating friendly ties with Beijing and building a secular alternative to the Yasukuni Shrine, where 14 Class A war criminals are deified. The cabinet reshuffle clearly made Abe the frontrunner. Japan's relations with China have deteriorated even as economic ties have deepened. Koizumi's annual visits to Yasukuni, considered the symbol of unrepentant militarism by Asian countries that were brutally invaded by Imperial Japan but a sacred spot for Japanese nationalists, have been a constant irritant. At a news conference after his appointment, Abe, who in the past has prayed at the shrine on the most sensitive of dates, August 15, the day on which Japan was defeated in World War II, pledged to continue the visits. "I've visited as one citizen up to now, as well as a politician," Abe said. "I'd like to keep this stance in the future."

(Norimitsu Onishi, "Koizumi Shuffles His Cabinet, Narrowing Field of Successors," *New York Times*, November 1, 2005, p. A-8)

11/1/05

South and North Korea agreed in principle on Tuesday to have their athletes compete together at the 2008 Olympic Games in Beijing. In another sign of reconciliation on the Korean Peninsula, officials from the two countries issued a short statement agreeing to a unified team after a three-hour meeting in Macao, where Korean athletes were competing in the East Asian games. The Koreas also announced that they had agreed to compete as one team at the Asian Games in Doha, Qatar, next year. "We have agreed to have a unified team, but we haven't agreed on the details yet," Baek Sung Il, a spokesman for South Korea's Olympic Committee, said in a telephone interview from Macao. "We have to work out the details on how to select our athletes and how to train them. It's not something we can agree on at once. But we will send unified teams to the Asian Games and to the Olympics." Baek said that the two sides had verbally agreed during the 2004 Athens Olympics to work toward unifying their teams and have held talks on the subject since then. After a meeting in September on combining their teams for the Asian Games went smoothly, South Korean officials approached their North Korean counterparts about the Beijing Olympics during their meeting in Macao, Baek said. "When we suggested it, they immediately agreed to our suggestion," Baek said. According to the three-paragraph agreement, in addition to sending unified teams to the two games, the two sides said that they would meet on December 7 to iron out the details of selection and training in Kaesong, a North Korean city just north of the demilitarized zone. The vice chairman of each side's Olympic committee will head the December meeting. (Norimitsu Onishi, "The Two Koreas Agree to Field a Unified Olympic Team in 2008," *New York Times*, November 2, 2005, p. A-10)

11/2/05

Chief Cabinet Secretary Shinzo Abe showed a slightly more relaxed stance on the possibility of imposing economic sanctions on North Korea as a means of pressuring it to respond to Japan's demand to resolve the issue of its abduction of Japanese nationals. "We hope to steadily work toward resolving the abduction issue," Abe said at a news conference at the Prime Minister's Office in Tokyo. "It is important for North Korea to respond sincerely, but if it does not, we have to think about various things." Just two weeks ago, when he was acting secretary general of the governing Liberal Democratic Party, Abe told reporters that bilateral talks should not entail negotiations for the sake of buying time and there was no change in his position that Japan must go for economic sanctions if the North does not improve its attitude. This evening, Prime Minister Koizumi Junichiro said Japan will keep urging Pyongyang to respond better to its demands and the international community's concerns over its nuclear ambitions when the Japan-North Korea working-level talks get under way tomorrow in Beijing. "We have been seeking a sincere response on the abduction and the nuclear issues, but we have not yet been able to observe such a situation, so we will continue steady efforts so that it (North Korea) will deal sincerely with what Japan is saying," Koizumi told reporters at his office. This morning, Abe expressed hope that the upcoming bilateral talks would produce results on the abduction issue. "It is naturally desirable for the two governments to hold dialogue with the aim of completely resolving the abduction issue. I certainly hope they will produce such an outcome," Abe said. Foreign Ministry Press Secretary Katori Yoshinori said at a news conference

Wednesday that the Japanese government has been dealing with North Korea with both "dialogue and pressure" and will consider the most effective measure to take following the upcoming talks. Japan and North Korea are set to hold in Beijing their first full-fledged bilateral negotiations since November last year, when their government representatives met in Pyongyang and mainly discussed the abduction issue. Their talks this time are expected to cover various topics, including the abductions, North Korea's nuclear and missile development programs and issues stemming from Japan's 1910-1945 colonial rule of the Korean Peninsula. (Kyodo, "Abe Shows Eased Stance on Economic Sanctions on N. Korea," November 2, 2005)

11/3-4/05

Japan and North Korea wrapped up two days of talks in Beijing without a breakthrough on thorny issues such as Japan's concerns about North Korea's past abductions of Japanese nationals, but agreed to meet again soon, their head delegates said. The two sides also discussed the idea of holding discussions separately on issues such as the abduction dispute and the North's demand for Japan to atone for its brutal 1910-1945 colonial rule of the Korean Peninsula, Japan's chief delegate said. "While there were times when the two sides exchanged severe words, the working-level talks were beneficial, and we will make arrangements to meet again soon," Saiki Akitaka, deputy head of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau, said. Song Il Ho, vice director of the North Korean Foreign Ministry's Asian Affairs Department, described the talks as useful, adding that the two sides will decide on the next round of talks through diplomatic channels. "I think the talks were useful," Song said. "Although there are no agreements, I would like to think that both sides are hoping that we can move in a direction toward a solution." Saiki said that during the talks, he proposed discussing three topics separately -- the abduction issue, the settlement of Japan's past actions and security. While exactly how to do this is still up to discussion, the idea is to hold such talks "on a parallel basis," Saiki said. "Both sides will consider this idea," he added. Foreign Ministry officials had said prior to the talks that they may table the idea of setting up working groups in a bid to prevent specific issues from deadlocking the entire bilateral process. "There was no specific progress on this point during the current round of talks," a Japanese Foreign Ministry official briefing reporters said. A particular point of contention involves the cremated remains North Korea gave the Japanese delegation during the previous bilateral talks in November 2004, saying they were those of abduction victim Yokota Megumi. Yokota was kidnapped and taken to North Korea in 1977 at age 13 and, according to the North Korean government, committed suicide in 1993 while being treated for depression. Japan later said a DNA analysis of the remains showed they were not Yokota's but of two unknown people, and it lodged a strong protest with North Korea. North Korea calls Japan's analysis a fabrication. North Korea "expressed the same view it has in the past," the Japanese Foreign Ministry official said during the current round of talks. "We believe there is a need to continue discussing this topic whenever the chance arises," the official said. Yokota is one of 11 Japanese people Tokyo says North Korea abducted and remain unaccounted for. The figure was raised to 11 from 10 in April, when the Japanese government added a man who disappeared in the 1970s. Pyongyang maintains that of the initial 10 people, eight died in North Korea after being kidnapped or going to North Korea voluntarily. It says the two others never entered the country. Song, meanwhile, said the two sides agreed that issues remaining

from the past needed to be settled. "Of course, there are differences in views," Song said. "But we did reach a common notion on the need to liquidate the past. The question of how that will be done will be discussed through governmental contacts," he said. North Korea's priority in the talks has been to push Japan to atone for its brutal 35-year colonial rule of the Korean Peninsula. When Japan and South Korea normalized diplomatic relations in 1965, Tokyo provided Seoul with \$500 million, a substantial sum at the time, in grants and loans. North Korea is demanding an apology and compensation from Japan. (Kyodo, "Japan, N. Korea Reach No Breakthrough, to Meet Again," November 4, 2005)

- 11/?/05 The night before the annual Security Consultative Meeting, Deputy NSA Lee Jong-seok objected to a longstanding reference in the draft communiqué to South Korea's remaining under the U.S. nuclear umbrella. According to one South Korea official, Lee reasoned that "since North Korea was insisting that the nuclear umbrella be removed from the peninsula, why should we provoke the North Koreans." That infuriated the Americans. ASD Richard Lawless insisted on keep the language in or there would be no communiqué, and the South Koreans backed down. President Roh abruptly began his campaign to alter the Combined Forces Command to transfer OPCON to the ROK. "The president and a lot of Blue House officials were for it," said one Blue House official. "The Ministry of Defense was not comfortable with it, and they were concerned it was being pushed too fast for essentially a political motivation rather than a military motivation." At the Pentagon there was concern about the South's capacity to handle the change. "Since the South Koreans have never done it, they had a lot of learning to do," said one U.S. officer. "They aren't going to replicate U.S. capability. The need more attack helicopters, multiple rocket launcher systems, high performance aircraft, and especially C4I - command, control communication, computers and intelligence." When the South Korean minister of defense raised the issue with Secretary Rumsfeld, he was told to his surprise, "You're pushing through an open door. We're comfortable with that." One Pentagon official said, "The ROKs have to be in charge if we want this relationship to be politically viable." (Chinoy, *Meltdown*, p. 262)
- 11/6/05 President Bush once again referred to Kim Jong-il as a "tyrant." In a speech in Brasilia, he said, "I'm going to Japan in two weeks. I will be sitting down with one of the best friends that I have in the international area [Koizumi]. What happened between the time when America was fighting Japan and when, now, Japan is an ally with the United States in dealing with a tyrant in North Korea, for example? And what happened was, Japan adopted a Japanese-style democracy." (*Chosun Ilbo*, "Bush Call Kim Jong-il a Tyrant Again," November 7, 2005)
- 11/8/05 DPRK Foreign Ministry spokesman "as regards the report that recently the U.S. chief executive again hurled mud at the supreme headquarters of the DPRK: According to foreign press reports, on Nov. 6 Bush, revealing again his inveterate rejection of the DPRK during his tour of Brazil, malignantly slandered our supreme headquarters with such unspeakable vituperation as "tyrant" and the like. If this is true, what he uttered is a blatant violation of the spirit of the joint statement of the six-party talks which calls for "respect for sovereignty" and "peaceful co-existence." It is hard to discern whether Bush is aware of the content of the joint statement or he intentionally pretends to be

ignorant of it. However, what is clear is that he does not know about the trend of the times at all. These remarks made by the U.S. chief executive against the backdrop of his administration's intensified moves for economic and financial sanctions against us quite contrary to the spirit of the joint statement arouse our serious concern about the prospect of implementing the joint statement and deprive us of any trust in the negotiators of the U.S. side to the six-party talks who claim to be have been mandated by him. We will never pardon whoever dares speak ill of our supreme headquarters in any case." (KCNA, "Spokesman for DPRK FM. Refutes U.S. Chief Executive's Anti-DPRK Vituperation," November 8, 2005)

North Korea has said it plans to finish building a 50-megawatt nuclear reactor in as little as two years, allowing it to produce enough weapons-grade plutonium for 10 weapons annually, according to the first public report of an unofficial U.S. delegation that visited Pyongyang in August. The new reactor would represent a tenfold leap in North Korea's ability to produce fuel for nuclear weapons, which could give it significant leverage in talks aimed at dismantling its nuclear programs. North Korea tentatively agreed in September to "abandon" its programs. North Korea is "moving full speed ahead with its nuclear weapons programs," said Siegfried S. Hecker, a former director of Los Alamos National Laboratory, during a presentation at a conference sponsored by the Carnegie Endowment for International Peace. Outside analysts and U.S. officials believe North Korea currently has as much as 53 kilograms of plutonium, enough to produce about 10 or more weapons. Before North Korea restarted its reactor in 2003, the United States believed North Korea possessed enough plutonium for only one or two weapons. "They're poised to continue their program, to make more plutonium and to strengthen their deterrents," Hecker said, summarizing his talks with the director of North Korea's nuclear facilities and other senior North Korean officials. "We have to assume that the North Koreans also have made at least a few primitive nuclear devices." Hecker, along with Stanford University scholar John W. Lewis, did not return to Yongbyon, but they did meet with the facility's director, Ri Hong Sop. The trip was not sponsored by the U.S. government, but Hecker and Lewis have privately briefed Secretary of State Condoleezza Rice and her top aides on their findings. Ri told Hecker that construction will start soon on the larger reactor. A redesign has been completed and construction workers are preparing to return, he said. Ri did not give an estimated completion date but implied it would be finished in a couple of years, Hecker said, rather than five or six as estimated by some analysts. North Korea has said it has an urgent need for electric power, and Ri told Hecker the electricity generated by the 50-megawatt reactor would go into North Korea's electrical grid. Hecker said Ri acknowledged that such graphite-moderated reactors are not very efficient for electricity, but make very good weapons-grade plutonium. (Glenn Kessler, "North Korea Rushes to Finish Reactor," *Washington Post*, November 9, 2005, p. A-24)

Delegates to the six-party talks on North Korea's nuclear programs arrived in Beijing and predicted a rough way ahead in negotiations aimed at drawing a roadmap for denuclearizing the Korean Peninsula. Chief delegates from the two Koreas, the United States, China, Japan and Russia are expected to meet from tomorrow morning in a three-day session. Comparing the six-party talks to finding a lighthouse at sea, Chinese

Foreign Ministry spokesman Liu Jianchao said, "The lighthouse is the goal of all parties, is the already obvious goal of a nuclear-free Korean Peninsula." "But on this course, the parties will definitely encounter this kind and that kind of problem or setback," he said. North Korean delegation leader and Vice Foreign Minister Kim Kye Gwan said before leaving Pyongyang he saw uncertainties in the negotiations, China's state-run Xinhua News Agency reported. "The lighthouse is too far away from the DPRK and becomes less visible sometimes as the sea is always full of fog," Kim was quoted as saying. (Kyodo, "6-Way Delegates Arrive in Beijing, See Rough Way Ahead," November 8, 2005)

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At fifth round of six-party talks, Kim Gye-gwan said that the U.S. move against the BDA showed "an utter lack of basic trust" and warned that unless sanctions were lifted, it would be "impossible to discuss the nuclear issue." (*Chosun Ilbo*, "N. Korea Demands End to U.S. Financial Sanctions," November 11, 2005) The meeting was "so tense that the other delegates could hardly continue dialogue." (Lee Chi-dong, "Nuclear Talks Turn Sour after Pyongyang's Accusation of Washington," November 10, 2005) DPRK FoMin spokesman: "at the fifth round of the six-party talks the DPRK strongly demanded the U.S. lift those financial sanctions against it among other things and thus remove the hurdle lying in the way of the progress of the talks. The participating countries expressed understanding of the DPRK's just demand and urged the U.S. to deal with and settle the issue through separate bilateral talks with the DPRK side at the earliest possible date to prevent the issue from festering and adversely affecting the six-party talks. Accordingly, the DPRK and the U.S. agreed to have **talks between the heads of the delegations** to the six-party talks in order to take up and settle the issue of financial sanctions. The U.S. side, however, again reneged on its promise and perpetrated such perfidy as shunning the talks." (KCNA, "DPRK FM Spokesman Urges U.S. to Lift Financial Sanctions against It," December 2, 2005) China proposed working groups. "I think that the time to stop reprocessing, the time to stop the reactor, is now," Hill told reporters November 10. "Once that is topped, we look forward to the DPRK making declarations of what it has in the way of nuclear programs." (AFP, "U.S. Calls for North Korea to Close Reactor," November 10, 2005) Kim Gye-gwan warned "financial sanctions imposed by the U.S." on North Korea would "hinder the implementation of the commitments we have made." (Philip P. Pan, "N. Korea Arms Talks End with Little Progress," *Washington Post*, November 12, 2005, p. A-26) The United States and North Korea sparred over financial penalties and whether to negotiate a nuclear freeze or focus on full disarmament, as six-nation nuclear talks ended on November 11 on the same inconclusive and irresolute note they began with three days earlier. The meeting, the first since the parties reached a framework agreement in September on ending the North's atomic weapons efforts, failed to resolve even basic procedural issues, like setting up working groups to tackle technical problems pertaining to inspections and other matters. All sides agreed to resume discussion soon, but they did not set a date to do so, according to China, the host of the talks. North Korea accused the United States of "spoiling the atmosphere" of the negotiations because the Treasury Department imposed penalties on a bank in the Chinese territory of Macao on September 15, a senior American official said. The bank, Banco Delta Asia, was accused of laundering money for North Korea. The United States rejected a North Korean proposal simply to freeze production of nuclear fuel in return for aid.

Washington insisted that the focus remain on complete disarmament rather than the interim steps that North Korea would have to take anyway if it intended to end its weapons program, the American official said. "They are going to have to surrender the program anyway, so I'm not going to pay them for the same thing twice," said the official, who requested anonymity in exchange for speaking candidly about the talks. "We would really like to avoid tit-for-tat negotiations that could take years." The parties all acknowledged that the latest talks had produced no results, but that they also had appeared to be mostly low-key and businesslike. Beijing emphasized the positive, calling the talks "pragmatic and constructive" and saying they would reconvene soon. "The parties reaffirmed that they would fully implement the joint statement in line with the principle of 'commitment for commitment, action for action,' so as to realize the verifiable denuclearization of the Korean Peninsula at an early date," the Chinese side said in a statement. Among issues that remain contentious are conflicting claims about the scope of North Korea's nuclear program. "H.E.U. is going to be a major issue when we get to the declarative stage," said Chris Hill, the top American negotiator at the talks. The latest round of talks was also sidetracked by North Korean complaints that the United States tried to poison the atmosphere of the talks when it imposed a ban on American financial institutions doing business with Banco Delta Asia in the former Portuguese colony of Macao, which is now Chinese controlled. The penalties, prompted by American allegations that the bank worked surreptitiously with North Korea for 20 years and helped it traffic in drugs, led to a run on the bank. That prompted the authorities in Macao to freeze the bank's assets. The United States agreed to send a team to explain the penalties to North Korea in the near future, Hill said. [?] But he added that North Korea would continue to face such penalties unless it stopped trafficking in illicit arms and drugs. American officials said that they were determined to keep the talks moving, but that making progress depended mainly on the North Koreans' deciding that it was in their interest to end the nuclear standoff. "I'm not going to be more concerned about getting an agreement than North Korea is," said the senior American official. "They have to decide that it's in their interest as well." (Joseph Kahn, "North Korea and U.S. Spar, Causing Talks to Stall," *New York Times*, November 12, 2005) North Korea proposed a five-step plan to abandon its nuclear weapons programs at the round of disarmament talks that ended last week, Unification Minister Chung Dong Young said in Seoul. Under the plan, North Korea would drop its intention to test nuclear weapons and agree to not transfer nuclear technology or materials to other nations. The North would agree to not produce more weapons, then suspend and later dismantle its nuclear program, subject to verification, Chung said. Finally, the North would rejoin the Nuclear Nonproliferation Treaty and adhere to safeguards under the International Atomic Energy Agency, he said. Despite the proposal, North Korea has stuck by its insistence that it won't make any move until the United States offers concessions to the North for giving up its arms. "We will never move first," Vice Foreign Minister Kim Gye Gwan said Saturday in Beijing. (Associated Press, "North Korea Proposed 5 Steps to Disarmament, Official Says," *Los Angeles Times*, November 14, 2005)

11/11-12/05 Family reunions at Mount Kumgang.

- 11/11/05 Two North Korean fighter planes violated South Korean airspace over the West Sea this afternoon. The South immediately deployed six fighters to warn them and the North planes soon withdrew. (*Korea Herald*, "N.K. Fighter Planes Briefly Cross Border," November 12, 2005)
- 11/13/05 Nine North Korean fishing boats and one patrol boat crossed the NLL early this morning but returned to the North after the South Korean navy's warning. (Yonhap, "N.K. Boats Cross Sea Border," *Korea Times*, November 13, 2005)
- 11/16/05 President Hu Jintao and President Roh Moo-hyun in Seoul reaffirmed a "comprehensive cooperative partnership," planning to double trade by 2012. "In the one-and-half-hour talks, the two leaders exchanged views on a broader picture of the situation in Northeast Asia, such as the disputes in the region caused by Japan's problematic historical recognition," a government official said. "It was a really useful meeting." (Ryu Jin, "Korea, China Agree to Double Trade by 2012," *Korea Times*, November 16, 2005) The joint statement said, "Both sides shared the view that each party should show sincere flexibility on its position, and implement the statement in order to ensure continued progress in the talks." (Hwang Doo-hyung, "S. Korea, China Calls for Flexibility on N.K. Denuclearization," Yonhap, November 16, 2005)

Secretary of State Condoleezza Rice said North Korea should "get serious" about complying with the September 2005 agreement. "The North Koreans need to have a different attitude and a different approach when they come to the next round of six-party talks," she told reporters after meeting with Foreign Minister Ban Ki-moon at the APEC Forum in Pusan. "I think the jury is out on whether the North Koreans are doing what they are prepared to do, which is to get serious about dismantlement obligations and verification." (Jung Sung-ki, "Rice Says Jury Out on N.K. Nuke Issue," *Korea Times*, November 16, 2005)

Increased commercial and diplomatic ties were intended as an incentive for North Korea to drop its nuclear program. But the North Korean government is receiving benefits although it has not fulfilled a disarmament agreement that it signed at six-party talks in September. In fact, the North has said it will move forward with a 50-megawatt reactor capable of boosting its avowed nuclear arsenal. South Korea's National Assembly last week approved \$2.6 billion in economic and humanitarian aid to North Korea -- an amount that is more than double the 2005 allotment and so large that it may require the South to issue bonds to finance part of it. South Korea also opened an official liaison office this month in the North for the first time since the 1950-53 Korean War. The two Koreas, meanwhile, inaugurated a new \$10 million joint venture textile company last month in Pyongyang, the North Korean capital. Plans are being mapped out to more than double the size next year of a South Korean-funded industrial park built just across the border in the North Korean city of Kaesong, where 15 South Korean companies now employ 5,000 North Koreans. Meanwhile, a railroad line that will transit the most heavily militarized border in the world is set to be completed by year's end. Eager to lure more foreign investment for the North, the South Koreans will unveil a Kaesong Industrial Tradeshow in the southern city of Pusan this week at the Asia-Pacific Economic Cooperation, or APEC, summit of 21 world

leaders including President Bush. After the six-party agreement in September, "the mood for reconciliation has improved," said Moon Dae Keun, director of economic cooperation for South Korea's Unification Ministry, the South's agency responsible for dealing with North Korea. "We still need to resolve the nuclear issue, but the agreement has helped us to move ahead with South-North cooperation." China has also increased its profile with North Korea. President Hu Jintao visited Pyongyang last month, a rare visit for a Chinese official. He was greeted by North Korea's leader, Kim Jong Il, at Pyongyang's international airport, visited a new Chinese-financed glass factory and was quoted by China's official New China News Agency as promising more economic cooperation. Leading critics of North Korea are complaining about the reaction to the September agreement. "We can't give them everything they want now. Instead, we need to make them understand the consequences if they don't comply" with the agreement, said Hwang Jin Ha, a member of the National Assembly from the opposition Grand National Party. "We should only make positive gestures with food aid, economic assistance and investment when we see real steps being taken to resolve the nuclear issue." But others, particularly in South Korea, contend that the aid gives North Koreans an early taste of the far larger economic and diplomatic benefits possible if it complies with the nuclear agreement. Now, aided by a burst of investment during the second half of 2005, trade between North and South is set to break \$1 billion for the first time, according to the Unification Ministry. In addition, South and North Korea reached a historic agreement in principle this month to field a joint team at the 2008 Olympic Games in Beijing. North Korea is still negotiating a dispute with its largest South Korean investor, Hyundai Asan Corp., over the dismissal of a company official against the Pyongyang government's wishes. But following the September agreement, several South Korean companies that had invested millions of dollars building factories at the new industrial park in Kaesong saw their stock prices jump as much as 10 percent. Several are now making plans to expand their investments across the border, although analysts have said that few South Korean companies have managed to make such investments profitable. Nevertheless, Kim Ki Mun, chairman of Romanson Co., a major watch manufacturer, praised the nuclear agreement as a "major breakthrough." His company employs 500 North Koreans at Kaesong and is eager to double production in North Korea next year. Romanson's North Korean employees earn about \$60 a month, about 10 percent of a typical South Korean factory worker. Kim said he will begin raising the salaries for the best North Korean workers, and wants to teach them about capitalism by rewarding talent and hard work. Kim said the greatest obstacle to expanding business in North Korea is U.S. opposition to rapid engagement with the North, not the nuclear issue. He cited a case last week in which U.S. officials blocked the installation of a South Korean switchboard system at Kaesong on grounds that the equipment contained components that could have been adapted for military use. As a result, Kim said, the 15 companies operating at Kaesong share a single phone line -- and messages to his staff there must often be hand-delivered across the border. "We will only win over the North Koreans by engaging them and showing them what kind of benefits are in store for them if they join the world community," Kim said. "I honestly believe it is the only way. Now, we just need the Americans to see that too." (Anthony Faiola, "N. Korea Gains Aid Despite Arms Standoff," *Washington Post*, November 16, 2005, p. A-15)

11/17/05

At summit in Kyongju in advance of APEC, President Bush and President Roh Moo Hyun staked out an uncompromising stand toward North Korea and labored to play down differences of opinion about strategy. Bush again flatly rejected North Korea's demand to help it build a light-water civilian nuclear reactor until it has dismantled its entire nuclear weapons program. "We'll consider the light-water reactor at the appropriate time," Bush said. "The appropriate time is after they have verifiably given up their nuclear weapons and/or programs." Roh said the two leaders agreed "that a nuclear-armed North Korea will not be tolerated" and added that "we have no disagreement at all that this issue must be resolved." The public show of harmony came a day after Roh emerged from a meeting with President Hu with a joint declaration urging negotiators at nuclear arms talks to show "sincere flexibility" toward the government of North Korea. The Chinese-South Korean position appeared to further distance the two from the approach adopted by the United States and Japan drawing a hard line against the North, a schism complicating Bush's attempt to promote solidarity during his week-long, four-nation Asian trip. The joint declaration reflected a move by South Korea to build closer ties with China, a move that leaves U.S. officials and some Korean officials nervous. The two sides agreed to deepen military and security dialogues, establish a hotline between their foreign ministers and hold regular meetings between vice foreign ministers. According to Roh's critics, however, that agreement may come at the expense of ties between South Korea and its traditional key ally, the United States. Michael J. Green, the top Asia adviser at the National Security Council, said the different rhetorical approaches among the nations this week were understandable. "The tone is different sometimes because, of course, for the people of the Republic of Korea, the demilitarized zone is right at their doorstep," Green told reporters aboard Air Force One, referring to South Korea by its official name. "Seoul is as close to the DMZ and North Korean artillery as the White House is to Dulles Airport. So it's very much a clear and present threat for the people of the Republic of Korea." After their meeting Wednesday, Roh and Hu issued a statement declaring that they "shared the view that each party to the six-party talks should show sincere flexibility on its position, and implement the statement in order to ensure continued progress in the talks." (Peter Baker and Anthony Faiola, "U.S., S. Korea Find Unity against North's Nuclear Arms Program," *Washington Post*, November 17, 2005, p. A-20) President Bush and President Roh Moo Hyun of South Korea tried to reconcile their differing approaches to dealing with North Korea, with Roh repeating his vow that a nuclear armed North would "not be tolerated," even while defending his efforts to take a softer approach toward the country. In the weeks leading up to President Bush's arrival in South Korea, where the annual Asian economic summit meeting opens tomorrow, Roh's government had been engaged in a debate in Parliament about whether to double its aid to North Korea next year, pouring nearly \$2.5 billion into its bankrupt neighbor, despite the North's claims that it has built new nuclear weapons. The Bush administration is heading in exactly the opposite direction. For months, it has been working behind the scenes to cut off as many of North Korea's sources of revenue as it can get its hands on. It is closing down bank accounts in Macao and quietly asking allies around the world to seal off their air space to North Korean aircraft suspected of carrying the missiles, drugs or counterfeit currency that are the lifeblood of North Korea's economy. The differences were underscored even as Mr. Bush was arriving in the country. South Korea's unification minister was telling

reporters that he envisioned some kind of economic union between North and South Korea within 15 years. Bush, in contrast, in a speech yesterday in Kyoto, warned of "prison camps the size of whole cities" in the North, and many in his administration make no secret of their desire to see the government's collapse. A Korean reporter asked Roh at the news conference why he had not been more outspoken about North Korean human rights abuses. He responded by citing Abraham Lincoln, who he said was "very slow in liberating the slaves" because he put the unity of the nation ahead of all other priorities. (David E. Sanger, "U.S. and Seoul Share a Goal but Not a Strategy on North Korea," *New York Times*, November 17, 2005, p. A-6) "In November 2005, several weeks after the [Treasury] measure had been announced, the South Korean leader met President Bush in Kyongju, ...where he pressed Bush over and over on the issue, insinuating several times that the 'coincidence' of the Banco Delta Asia action and the September 19 joint statement was actually something darker. Each time the president explained his views on the need for legal action to protect the United States, and each time Roh went back to his barely disguised accusations. It was one of the worst meetings the two ever had." (Oberdorfer and Carlin, *The Two Koreas*, p, 410)

"Joint Declaration on the US-ROK Alliance and Peace on the Korean Peninsula" says "The two leaders agreed that **reducing the military threat on the Korean Peninsula and moving from the current armistice mechanism to a peace mechanism would contribute to full reconciliation and peaceful reunification on the Korean Peninsula**. Pursuant to the September 19th Six Party Joint Statement, the two leaders agreed that discussions on a peace regime should take place amongst directly-related parties in a forum separate from the Six-Party Talks and following progress in those Talks, and expected that the discussions on a peace regime and the Six Party Talks will be mutually reinforcing."

South Korea abstained from voting on an EU-sponsored resolution on North Korean human rights in the U.N. General Assembly. (Park Song-wu, "Seoul Abstains from N.K. Human Rights Vote," *Korea Times*, November 17, 2005) The opposition GNP criticized the move as "humiliating stain on the nation's history." (Seo Dong-shin, "S. Korea Polarized over N.K. Human Rights," *Korea Times*, November 18, 2005)

North Korea sold missiles to the Taliban in Afghanistan in November 2005 even as the North was taking part in six-party nuclear disarmament talks, a U.S. intelligence report claims. The report is among confidential documents that constitute the so-called "war logs" released by the website WikiLeaks. According to the *Washington Post*, "A powerful Afghan insurgent leader and a man identified as Osama Bin Laden's financial adviser purchased ground-to-air missiles from North Korea in 2005." It quoted the intelligence report as saying, "On 19 November 2005, Hezb-Islami party leader Gulbuddin Hekmatyar [sic] and Dr. Amin [no last name], Osama Bin Ladin's financial advisor, both flew to North Korea departing from Iran." "While in North Korea, the two confirmed a deal with the North Korean government for remote controlled rockets for use against American and coalition aircraft." The shipment was expected in early 2006 but the terms of the deal were not printed, the report said. In 2007, about 18 months after the deal, a U.S. CH-47 Chinook helicopter was downed by a missile near the Helmand River in Afghanistan. The weapon was assessed to be bigger than the usual

rocket-propelled grenades insurgents use. "If true, it illustrates the length to which North Korea will go to kick the United States -- and generate cash for its sanctions-strapped economy," an expert told the paper. "If they are a paying customer, that would help the North Korean cash flow... Arms sales are an important source of income for the regime." (*Chosun Ilbo*, "N. Korea 'Sold Missiles to Taliban,'" July 28, 2010) Text of the intelligence report: "THREAT TO AIRCRAFT IN HELMEND PROVINCE Organization(s) Involved: HEZB E ISLAMI GULBUDDIN TEXT: on 19 November 2005, Hezb-Islami Party leader, Gulbuddin Hekmatyr and Dr. Amin [no last name], Usama bin Ladin's financial advisor, both flew to North Korea departing from Iran. They returned to Helmand, Afghanistan on approximately 03 December 2005. While in North Korea, the two confirmed a deal with the North Korean government for remote controlled rockets for use against American and coalition aircraft. The deal was closed for an undetermined amount of money. The shipment of said weapons is expected shortly after the new year. NFI. Upon return from North Korea Dr. Amin stayed in Helmand, and Hekmatyr went to Konar, Nuristan province."

11/19/05

Rodong Sinmun signed article: "The U.S. Department of Treasury recently made public a decision calling for freezing overseas assets of the DPRK trading companies dealing with economic institutions of the U.S. and including on the list of targets of its sanctions even those companies and individuals of third countries making deals with the DPRK companies under the absurd pretext of "suspected proliferation of weapons of mass destruction (WMD) and their delivery means." Needless to say, this is part of the U.S. extremely provocative hostile policy to stifle the DPRK as it reveals its attempt to lay an "international siege" to the DPRK which has already been put into practice under a carefully worked-out plan. **The U.S. application of economic sanctions against the DPRK and its blockade operation against it are a prelude to a war** aimed to have a firm grip on a strategic stronghold in Northeast Asia. The U.S. economic sanctions against the DPRK presuppose military aggression and are aimed at achieving its strategic aim to carry out it with ease. Through economic sanctions and blockade the U.S. seeks to isolate the DPRK as thoroughly as possible and neutralize it economically and militarily and contain it by force in the end. It even urged the DPRK's neighboring countries to reduce economic ties and trade with it and apply sanctions against it. At its instructions the Japanese reactionaries participated in the multi-national joint military exercises of intercepting and seizing DPRK airliners and ships and perpetrated such mean acts as restricting and barring the DPRK-flagged ships from entering their ports. It is nothing but a folly for the U.S. imperialists and its followers to try to browbeat the Korean people through "sanctions" and "blockade" and attain their political and military purposes. The Korean people value peace and do not want a war. But they will never allow the enemies to infringe upon the sovereignty of their country and try to conquer their inviolable territory by force. They will mobilize all potentials and strongly react against them. The U.S. should draw a serious lesson from its past unsuccessful moves to blockade and apply sanctions against the DPRK and properly judge the strength and staunch fighting spirit of the Korean people. Should the U.S. imperialists and international reactionary forces dare violate the sovereignty and right to existence of the Koreans through vicious blockade and sanctions and come in attack to destroy the socialist system by force, the Koreans will deal thousand-fold retaliatory blows at them. The U.S. had better properly understand the strength

and will of the Korean people and stop its sanctions and blockade policy aimed to launch a war against the DPRK." (KCNA, "U.S. Sanctions and Blockade Policy towards DPRK under Fire," November 19, 2005)

Prime Minister Koizumi and President Roh Moo-hyun failed to narrow their differences over Koizumi's visit to Yasukuni Shrine. Roh strongly protested the visit as "a challenge" to South Korea, according to Japanese officials. But Koizumi rejected the protest. (Endo Yazuo, "Koizumi-Roh Talks Flop; Leaders Fail to Narrow Differences over Yasukuni Issue," *Yomiuri Shimbun*, November 19, 2005)

11/22/05

DPRK Foreign Ministry spokesman's statement "in connection with the fact that a "resolution on human rights performance" in the DPRK was adopted in a coercive manner at the third committee of the UN General Assembly on November 17: The resolution is peppered with sheer lies aimed to negate the advantages of the man-centered Korean style socialist system, tarnish its international image and attain the ridiculous purpose of "regime change" in it. That's why the majority countries of the world have taken issue with the sinister purpose sought by the resolution from the outset, a document clearly indicating politicization, selectivity and double standards concerning the human rights issue. This was clearly evidenced by the results of the voting in which the majority countries voted against or abstained from voting or stayed away from it. We strongly denounce the U.S. and the EU for using the discussion on the human rights issue for attaining their sinister purposes of opposing developing countries, those anti-U.S. independent countries and categorically oppose and reject the resolution as an illegal document mocking at and violating the inviolable sovereignty of the DPRK. The U.S. was chiefly to blame for the adoption of such anti-DPRK resolution. **Finding it difficult to force the DPRK to scrap "its nuclear program first" and thus disarm itself, the present U.S. administration with inveterate enmity toward the DPRK has put spurs to its moves to realize the absurd attempt at a "regime change" under the signboard of "human rights."** It has malignantly slandered the DPRK by staging such farce as publishing "report on human rights performance" every year. It has spent tens of millions of U.S. dollars for a smear campaign against the DPRK after adopting even the "North Korean Human Rights Act" in 2004. It defined the act as a "framework for pressurizing the system in the DPRK in two ways i.e. over the nuclear and human rights issues" and worked out a strategy for bringing down its system under the pretext of protecting defectors from north Korea. This has already entered the phase of full-scale effectuation. What was mentioned in the resolution is no more than sheer fabrications deliberately made by undesirable NGOs on the basis of misinformation to get meager rewards from the U.S. Just before voting for the resolution the Bush administration launched a big anti-DPRK human rights campaign by setting in motion CNN and other media in the country. **As if it were not enough with this, the U.S. has worked hard to build up force for a "regime change" inside the DPRK, openly clamoring that the U.S. would stand by north Koreans when they rise up in demand of freedom.** The resolution is, therefore, no more than a politically-motivated document faked up by the U.S. to paint its human rights offensive as a "unanimous message of the international community" in a bid to realize a "regime change" in the DPRK. The U.S. is, however, gravely mistaken. Neither slander nor calumny against the Korean-style socialist system can ever do any

harm to it as it was chosen by the Korean people themselves and defended by them at the cost of their lives. Noisier racket of outside hostile forces against the DPRK over its "human rights issue" would only reinforce their faith and will for socialism. The Korean people have already keenly realized that human rights precisely represent the state power through their bitter past and life experience. So they are fully determined not to tolerate any attempt to bring down the socialist system, their life and soul. It is the biggest misfortune and shame for humankind today to see the world's biggest human rights abuser painting itself as a "human rights judge." It is a stark fact recognized by itself and other countries that the U.S. is the world's worst human rights abuser. It is by no means fortuitous that many Americans including high-ranking officials deplore the fact that their country tops the world's list of murder cases, saying that political rights and freedom and freedom of speech, thinking and expression are in the grip of a crisis.

The Iraqi crisis has clearly proved that the U.S. is a typical human rights abuser.

The Iraqi war is recorded with state-sponsored terrorism and hideous human rights abuses as it has seriously abused human rights with ultra-modern war means and medieval methods involved. The U.S. dropped depleted uranium shells and chemical weapons and other weapons of mass destruction upon the heads of civilians under the pretext of "anti-terrorism" in Iraq. GIs are torturing prisoners in a medieval manner at secret prisons it set up in different countries of the world at the instruction of the U.S. authorities. These crimes put even the Nazi junta into the shade. The U.S., therefore, is not entitled to say anything about "human rights performance" in any other countries from the moral and legal points of view. Had the EU countries been interested in the human rights issue so much and so willing to handle it in the international arena, they should have taken issue with the U.S. hideous human rights abuse, to begin with. However, Britain and some other EU countries selected only the human rights performances in developing countries as targets of their accusations, while uttering not a word about the U.S. human rights abuses. We can not but question the true aim sought by them; whether they need this resolution, truly prompted by their will to promote human rights or they require this as a smokescreen to cover up their on-going and past human rights abuses. What draws our attention is the fact that such countries as Britain and Japan that took the lead in sponsoring the anti-DPRK "human rights resolution" have become rich at the cost of the blood and sweat shed by the people of many countries which they invaded and colonized in the last century. It was none other than Britain which participated in the unjust Iraqi war, killing innocent civilians and reducing the sovereign state to debris even in this new century. It is again Britain that caused terrorist incidents to break out in the heart of its capital that killed citizens in cold blood. Violent racism, xenophobia, discrimination against minority nationalities and immigrants and police brutality arouse big apprehension even within Britain as well as among the international community. As for Japan, it is a war criminal state unqualified to become a responsible member of the international community, to say nothing of its right to discuss human rights issues. Japan has become the target of bitter resentment and denunciation of the international community because it has beautified its past history of aggression and justified visits to the "Yasukuni Shrine" by its politicians including the chief executive, far from apologizing for the hideous crimes it has committed against humanity even today. Such being a hard fact, these countries, ignorant of how the world views them, have served the U.S. prompted by their inveterate servility towards America for years. This is a height of folly. They seem to

regard themselves as suzerain states even in the 21st century. We are also compelled to point fingers at those countries that co-sponsored the resolution and supported it. Those countries that got involved in the adoption of the resolution away from their principle at the U.S. instigation and under its pressure and manipulation should not expect any reward for such behavior. The U.S. is by no means such honest country they deem to be. Those countries that have infringed upon the interests of other countries in the foolish hope of meeting their immediate interests will have to deeply regret their behavior. The resolution helped us to clearly realize the nature of the humanitarian aid advertised by the U.S. and the EU and convinced us once again that the DPRK took the just and timely measure not to receive humanitarian aid any longer. The U.S. and its allies in the resolution accused the DPRK of taking such measure. This made it clear that they behaved so not out of their concern about human rights but to use aid as leverage for spying on what's really going on in the DPRK and lay a springboard from which to realize a "regime change" in it. Recently we have decided to conclude international humanitarian aid as the food situation in the country has markedly improved. We considered it to be beneficial for lessening the burden of the international community. **Strange enough, such countries as the U.S. and Japan that had worked persistently to obstruct aid projects for the DPRK by raising political conditionalities when it was in the dire need of humanitarian aid are describing its measure as violation of human rights.** The prevailing situation compelled us to take action to bring the humanitarian aid to an end. The U.S., Britain and major EU forces that sponsored the resolution reduced even humanitarian aid organizations as well as the DPRK to victims. **The recent adoption of the resolution spearheaded by the U.S. and the EU convinced us once again that it is stark reality in the international arena dealing with human rights issues that any crime committed by the strong is considered as a good conduct but even a good conduct by the weak is regarded as an evil deed and that accordingly, if one is to protect human rights one should have state power among other things and powerful deterrent to defend its state power.** We regard the recent human rights resolution no more than barking of a dog at the moon. The Korean people will hold the banner of Songun higher to defend the precious socialist system and bolster up the deterrent for self-defense a thousand times under any circumstance and situation." (KCNA, "DPRK Foreign Ministry Refutes Anti-DPRK 'Resolution on Human Rights Issue,'" November 21, 2005)

North Korea hosted a seminar with U.N. legal experts on refugee issue and wanted further talks next year. "North Koreans were generally sympathetic, showed no adverse reactions," said Palitha Kohona, chief of the treaty section's office of legal affairs over the phone from New York. "North Korean side was very enthusiastic." Roughly 30 North Korean officials participated in the November 16-19 seminar that covered who is considered a refugee, protection of refugees, the question of asylum and the principle of non-refoulement. Christopher Bierwirth of the UNHCR accompanied Kohona to Pyongyang (Lee Dong-min, "N.K. Discusses Refugee Issues with U.N. Legal delegation," Yonhap, November 22, 2005)

The Korean Peninsula Energy Development Organization executive board voted to terminate the LWR project at Kumho. (*Chosun Ilbo*, "KEDO Puts Final Nail in N. Korea

Reactor Project," November 23, 2005) Japan will demand that North Korea repay about \$406 million in loans for the LWR project, but odds are Tokyo will be stuck with the tab, officials said. (Watanabe Tetsuya, "Japan to Demand Repayments from North Korea for Scrapped KEDO Project," *Asahi Shimbun*, November 25, 2005)

The governing Liberal Democratic Party released a draft revision of Japan's pacifist constitution that for the first time since World War II would recognize the country's armed forces as a fully functioning military. The constitution, originally written by the United States after the defeat of Japan in 1945, would continue to reject war as an option. But the new draft would remove limitations on the country's 240,000-member Self-Defense Forces, which have been defined as being strictly limited to defending Japan's home islands. The new military status would explicitly authorize Japanese participation in foreign peacekeeping efforts, although the country has sent small troop contingents on such missions, including about 600 soldiers now serving in a noncombat capacity with the United States in Iraq. The constitutional draft would broaden the government's ability to send forces overseas; such an order now requires special legislation in parliament. The revision also opens the door to a broader interpretation of the constitution, permitting what some call "collective self-defense" -- or coming to the military aid of other countries. The most likely beneficiary would be Japan's closest ally, the United States, which has urged Japan to adopt such measures. Changes in Japan's constitutional status would have major significance in the region, particularly in the event of a conflict between China and the United States over Taiwan. "In addition to activities needed for self-defense . . . the defense forces can take part in efforts to maintain international peace and security under international cooperation, as well as to keep fundamental public order in our country," the draft says. Parliamentary approval requires a two-thirds vote by both the lower and upper houses, and the debate is likely to be highly emotional. New Komeito, the LDP's coalition partner since 1999, favors new clauses and refinements, rather than major changes, in Article 9 of the constitution, which deals with the military. After parliamentary approval, the draft would also require majority approval in a national referendum. "Today, a major step was taken toward the revision of the constitution," Yamasaki Taku, an LDP lawmaker and adviser to Prime Minister Koizumi Junichiro, told reporters. The draft maintains language that defines the emperor of Japan, once revered as a divine being, as a symbol of the state. But the constitutional revision waters down the concept of separation of church and state, which would make it easier for sitting prime ministers to visit Tokyo's Yasukuni Shrine. The official New China News Agency described Japan's revision as a document "designed to provide legal support for its ambition of playing a greater political role on the global stage and of boosting the defense force's status." (Anthony Faiola, "Japan's Draft Charter Redefines Military," *Washington Post*, November 22, 2005)

11/23/05

North Korea is becoming increasingly dependent on China in a development that could weaken inter-Korean cooperation, the National Intelligence Service told lawmakers. The NIS said Beijing is prodding Pyongyang to open its economy, saying it can offer more support when that happens. It said North Korean and Chinese officials frequently inspect each other's military and economic facilities. An NIS official said Kim replaced older aides with a new generation to consolidate his regime. NIS data show

that China's investment in North Korea increased from US\$50 million last year to \$88 million this year, mainly in the mining, fisheries and construction materials industries so it can easily recoup its investment. Trade volume between the two countries was \$1.18 billion in the first nine months this year, up 32.9 percent from \$895 million in the same period last year. The North's trade with China accounted for 48 percent of its entire trade volume. But Pyongyang's import of food from China dropped from 61 percent in 1994 to 22 percent last year, thanks to aid from South Korea and the international community. (*Chosun Ilbo*, "N. Korea Getting More Dependent on China, NIS Warns," November 24, 2005)

11/24/05

On the first day of a two-day reunion of 40 families on each side by videoconferencing, UnifMin Chung Dong-young told reporter, "We will propose to the North to either make the video reunion sessions a monthly event or to hold them on a regular basis." (See Dong-shin and Joint press Corps, "Seoul to Propose Regular Family Reunions to North Korea," *Korea Times*, November 24, 2005)

Hyundai Group, a major industrial conglomerate, pioneered South Korean economic development in North Korea in recent years, building hotels and restaurants and sending busloads of cash-laden tourists across the world's most militarized border. At the same time, company officials argued that they were giving their communist northern kin a lesson in capitalism. But instead Hyundai has learned a hard lesson: Doing business on the Cold War's last frontier can make bad business sense. Hyundai is attempting to resolve a dispute with the North Korean government that has jeopardized more than \$1 billion worth of investments and cast a shadow on South Korea's "sunshine policy" of engagement with the North. The dispute began in August after Hyundai Asan Corp., the subsidiary in charge of North Korean tourism operations, fired a top executive for allegedly misappropriating more than \$1 million in company and South Korean government funds. The dismissal was considered a heavy offense in Pyongyang because the executive in question had been granted several rare meetings with North Korean leader Kim Jong Il. Top Communist Party officials last month abruptly announced a review of all concession rights purchased by the company while secretly courting one of Hyundai's rivals, Lotte Group, to take over Hyundai's North Korean operations. Lotte officials, concerned about North Korean business practices, decided they did not want to take over Hyundai's business. Under intense pressure from the South Korean government, the North Koreans and Hyundai reached an understanding last week aimed at smoothing over the rift. They resolved Hyundai's most immediate problem; the North Korean government agreed to rescind its decision in September to cut by half the number of tourists allowed to visit Hyundai's resort at Mount Kumgang in the North. Other issues will be discussed in the near future, Hyundai officials said. Since South Korea opened up friendly relations with the North in the late 1990s, more than 1,000 South Korean firms have gone bankrupt or lost significant investments in North Korea, according to South Korea's Unification Ministry. Most were small, low-tech enterprises involved in textile-making and rudimentary housewares. But the problems at Hyundai have shown that the fortunes of even the largest investors are linked to the whims of the North's government. "In the first place, there aren't that many companies left that really want to go into there given the bad investment environment," said Choi Soo Young, senior research fellow at the Seoul-

based Korea Institute for National Unification. "But the Hyundai case shows how dangerous it can be to make the decision to invest in North Korea." Hyundai's dealings with North Korea began with the efforts of its late founder, Chung Ju Yung, who moved from north to south before the Korean War. He built a diversified manufacturing and heavy-machinery company, including its well-known automobile business. The Hyundai Group, which divested itself of its auto manufacturing and heavy-machinery operations in 2000, had sales of more than \$5 billion in 2004. Chung, nostalgic and dreaming of reunification, eventually campaigned to open up investment in the North, and donated 500 head of cattle and \$8.5 million in aid to the famine-stricken nation in 1998. Chung died in 2001. His son, Chung Mong Hun, became chairman of Hyundai Asan after the company signed a \$942 million deal with the North Koreans to develop Mount Kumgang, where the exquisite landscape has been lore among great poets and painters for millennia. The resort has lost millions of dollars and was constantly hampered by North Korean activities. In 1999, for instance, North Korean agents arrested a vacationing South Korean woman after she suggested that the capitalist South -- the 11th-largest economy in the world -- enjoyed a higher standard of living than the impoverished North. In 2003, an independent counsel in South Korea investigated allegations that Hyundai had paid millions of dollars in illegal bribes to ease the way for a June 2000 summit in Pyongyang between South Korea's president at the time, Kim Dae Jung, and North Korean leader Kim Jong Il. The younger Chung, 54, was barred from leaving the country ahead of an expected indictment. He committed suicide by leaping from the 12th floor of his office in the Hyundai headquarters in downtown Seoul. His wife, Hyun Jeong Eun, took over operation of Hyundai Asan, along with Vice Chairman Kim Yoon Kyu, who had worked at the business from its beginnings. "Our mission was never just to make money," Kim said in an interview in 2003. "We are there to foster North-South relations. If we make money, all the better." Kim was ousted by Hyun after a company investigation found he had bilked Hyundai Asan of more than \$1 million and taken kickbacks from South Korean companies wanting to do business at Mount Kumgang. Kim, who has denied the allegations, was traveling out of the country and could not be reached for comment. A company spokesman said Hyun sought to impose modern business practices and eliminate corruption and bribery in the company. Kim's dismissal was "a seriously heartless act of throwing cold water on relations between Hyundai and us," the official North Korean KCNA news service said in an article published October 19. The action left North Korea "no choice" but to "completely review and reorganize all of our businesses with Hyundai," it said. Hyundai sources said Pyongyang was outraged mostly because Kim Yoon Kyu had set up a meeting last summer that he attended with Hyun and Kim Jong Il in Pyongyang in which the North Korean leader asked that they work toward greater prosperity in North Korea. Hyun's decision to fire her second in command was seen by the North as a breach after the meeting. "They didn't respect Hyun much because she was fresh in the business," said a top Hyundai executive, speaking on condition of anonymity because of the sensitivity of current relations with North Korea. "But the North Koreans have to be given credit for the fact that they continued to communicate with the South and Hyundai Asan all through these problems. That's a huge step forward. In the past, they didn't know the ABCs of doing business. At least they are trying to negotiate." Hyundai officials said they were repairing relations with the North Korean government and pointed to the successful

celebration last week of the seventh anniversary of the Mount Kumgang resort. More than 200 company officials were permitted to travel there to raise a toast with their North Korean hosts. Hyundai officials said they would keep working with North Korea and said the problems were part of Pyongyang's learning curve. "Although they are resistant," the Hyundai official said, "the North Koreans are learning." (Anthony Faiola and Joohee Cho, "Perils of Investing in N. Korea Becomes Clear to a Pioneer," *Washington Post*, November 24, 2005, p. A-23)

11/26/05

Tehran is making overtures to Pyongyang in an attempt to share a bit of nuclear knowledge, as well as the burden of the West's animosity. According to information obtained from western intelligence sources, the Iranian government is said to have offered North Korea an economic aid package in exchange for continuing to cooperate on the development of nuclear-tipped missiles. A high-ranking Iranian emissary is reported to have traveled to Pyongyang in October to offer the North Korean regime massive oil and gas supplies. The extreme energy shortages in North Korea had forced the regime to consider giving in to US pressure to abandon its nuclear weapons program. Earlier this month, negotiations between North and South Korea, the US, Russia, China and Japan had addressed the possibility that North Korea may give up its nuclear ambitions in exchange for energy assistance and other benefits. However, the offer from Tehran would give Kim Jong Il the breathing room to negotiate better conditions to the deal. Tehran has a double interest in sabotaging any detente between the North Koreans and Washington. While North Korean Nodong missiles are based on the design of Iran's Shabab-3 ballistic missiles, making Pyongyang an important partner for Tehran, Iran also fears that if North Korea were to give up its position as the great nuclear foe, the pressure from Washington, the EU and the UN would be even more focused on Iran's nuclear program. It is uncertain how North Korea will react to the offer from Tehran. What is also unclear is how Iran will react to the compromise solution, proposed by Russia, that it continue to convert uranium ore itself into "yellow cake" and then into a gas ready for the enrichment process. The actual enrichment would then be carried out in Russia, monitored by international observers. Although talks are due to take place on Dec. 6 in Vienna, Great Britain, France and Germany are only prepared to negotiate with Iran once it has agreed in principle to this solution. (*Der Spiegel*, "Tehran Lends Pyongyang a Helping Hand," November 26, 2005) An apparent improvement in ties between Iran and North Korea could lead to a hardened U.S. stance in the stalled Korean nuclear talks, analysts in Seoul said. A senior Iranian official visited Pyongyang during the second week of October to make the offer, *Der Spiegel*, a German weekly magazine, reported Saturday, citing unidentified Western intelligence sources. It was unclear how North Korea responded to the visit. The report came a week after a news conference in Washington at which an Iranian exile announced specific details at about what he called an extensive Iranian network of underground tunnels designed and built by North Korean specialists to conceal production of nuclear-capable missiles. The exile, Alireza Jafarzadeh, former spokesman for the National Council of Resistance of Iran, which first disclosed Iran's clandestine nuclear program in 2002, said the underground tunnel network reflected Tehran's determination to shield its nuclear activities from international scrutiny. U.S. and South Korean officials would not vouch for the allegations. But they acknowledged that the North Koreans are known as expert tunnel

diggers who have built a broad network of tunnels in their own country. "It's an anti-U.S. alliance between countries pushed into the corner," said Nam Sung Wook of Korea University, referring to relations between Iran and North Korea. Iran wants North Korea to share its expertise in missiles, while Iranian oil could allow the energy-starved North some breathing space in the drawn-out nuclear talks, experts said. "Who has given you the right to prevent Iran from acquiring the nuclear technology?" President Mahmoud Ahmadinejad of Iran said today, blasting Western attempts to curb his country's nuclear program. (Choe Sang-hun, "Iran-North Korea Talks May Harden U.S. Stance," *International Herald-Tribune*, November 27, 2005)

11/28/05

Rice invw: "Barbara Slavin: "Are you going to invite a couple of the North Korean negotiators to New York to discuss the sanctions? I understand that there's a proposal to have them come to New York to continue talks and - SecState Rice: "I think that we are prepared to tell the North Koreans what the laws are, but they know what they're doing. **They don't need to have a bilateral on how to stop counterfeiting other people's money. Just stop doing it.**" (DoS, Office of the Spokesman, Secretary of State Condoleezza Rice interview with Barbara Slavin and Ray Locker, *USA Today*)

DPRK Foreign Ministry spokesman "as regards a total stop to the construction of the light water reactors (LWRs) under the DPRK-U.S. Agreed Framework (AF): The U.S. and the KEDO made a final decision on November 22 to completely stop the construction of LWRs which has been held off for the past nearly two years. The KEDO thus ceased to exist and the construction of LWRs came to a final stop. This is what the DPRK has already anticipated. As a matter of fact, the Bush administration has suspended the construction of the reactors for the nearly two years since it took the measure to stop the provision of heavy fuel oil in a bid to scrap the AF. The final stop to the construction of LWRs was, therefore, just a matter of time. The U.S. has thus completely pulled out of the AF, causing huge economic losses to the DPRK. All the facts go to clearly prove that the DPRK was quite just when it demanded the U.S. abide by the principle of simultaneous actions in handling the issue of the latter's provision of LWRs and the former's abandonment of its nuclear program, a physical groundwork for building confidence between the two countries. Now that the construction of the LWRs came to a final stop, the DPRK is compelled to blame the U.S. for having overturned the AF and demand it compensate for the political and economic losses it has caused to the former." (KCNA, "DPRK FM Spokesman Demands U.S. Compensate for Political and Economic Losses," November 28, 2005)

North Korean officials bragged of having developed ways to compensate for power shortages during a recent visit by South Koreans, who said Pyongyang appeared much brighter than in recent years. The delegation was accompanied by an Associated Press reporter. "I was astonished to see how much Pyongyang has brightened over the past few years," said Oh-Yeon-ho, head of *Ohmy News*, which organized an inter-Korean marathon in the city this month. Darkness has been one of the best words to describe North Korea. Satellite pictures of the Korean peninsula at night have contrasted the gleaming capitalist South with the unlit, communist North. North Korea needs at least 4 million kilowatts of electricity but produces only about half that. (Jae-soon Chang, "North Korean Capital Appears Brighter," Associated Press, November 28, 2005)

Findings: North Korean Law and Practice Restricting Freedom of Religion Although the North Korean government has formally subscribed to international standards with regard to freedom of religion or belief through its accession to international human rights treaties, based on the information gathered for this report, it is evident that the DPRK government has committed—and continues to commit—severe human rights violations in this area. Article 68 of the DPRK Constitution states that “citizens have freedom of religious beliefs.” However, despite the DPRK government’s assertion to the UN Human Rights Committee that there are no limitations on religious practice, Article 68 also has provisions on drawing in foreign forces and harming the state or social order, provisions that could lead to potentially severe limitations that could easily result in the arbitrary application of the constitutional provision on “freedom of religious beliefs.” Article 67 of the DPRK Constitution provides for “freedom of speech, of the press, demonstration and association.” However, as is the case with “freedom of religious beliefs,” these freedoms are overshadowed and heavily, if not entirely, limited and circumscribed by other constitutional provisions, including that “the State shall adhere to the class line, strengthen the dictatorship of people’s democracy”; “the State shall oppose the cultural infiltration of imperialism”; and “the State shall eliminate the way of life inherited from the outmoded society and establish a new socialist way of life in every sphere.” Those interviewed for this study claimed that there are four mutually reinforcing reasons for the lack of religious freedom in North Korea: the intensive and continuous anti-religious propaganda by the government; the banning of religious activity, resulting in the fact that none of the interviewees was aware of any authorized religious activity inside North Korea; the severe persecution of persons caught for engaging in religious activity, which most interviewees had either heard about or personally witnessed; and the fact that Juche, the official state ideology of Kim Il Sung Revolutionary Thought, was the only officially permitted system of thought or belief in North Korea. The Institutionalization of Juche Ideology: Anti-religious Propaganda and Veneration of the Kim Family Article 3 of the DPRK Constitution sets out the guiding role for Juche as an official system of thought or belief. Kim Jong Il, largely as prelude and/or precursor to his succession, merged the Juche ideology with the ideology of Kim Il Sung known officially as “Kimilsungism.” This merged ideology is presented by the state as a “monolithic” or “unitary” ideological system, and it is the basis for the cult of personality, pre-1945 Japanese-style “emperor worship,” or semi-deification that surrounds the memory of North Korea’s Great Leader, Kim Il Sung. According to those interviewed, North Korean propaganda continually portrays religion as “opium”—the term used by virtually all of the interviewees. Television programs also regularly denigrate religion. North Koreans are exposed to this anti-religious propaganda in youth groups, political education sessions, and neighborhood or workplace study groups where attendance is mandatory. These sessions included indoctrination on the principles of Juche/Kimilsungism as a religious ideology to the exclusion of other religious beliefs and practices. Virtually all interviewees described the life-long system of ideological propagation and indoctrination. This starts with children learning to say “Thank you father Kim Il Sung” when learning to talk, and continues with ongoing, mandatory adult education classes in the workplace or in shrine-like “Kim Il Sung Revolutionary Idea Institutes,” “Study Halls,” or “Research rooms. The institutions are described as venues for education and for veneration of the Kim family and its political

philosophy. Interviewees describe the experience as “solemn,” “divine,” and “holier than the churches of South Korea.” The interviewees also reported that the formal “studies” are supplemented by other forms of Workers Party control and education efforts, particularly Party-led weekly, obligatory small group discussions, held either at work or in residential neighborhoods through which the population would be kept on the correct path of revolutionary thought. Awareness of or Participation in Religious Activities Most respondents said that they had never seen or encountered any religious activity, places of worship, religious literature, or clerical officials prior to fleeing to China. Some were aware of former Buddhist temples or shrines in the mountains that were preserved as “cultural relics,” but to their knowledge there were no Buddhist monks or worship practiced at these places. A few interviewees had knowledge of religion because their parents or grandparents had been believers, and they remembered it from their childhood. Many more knew of religion from the anti-religious propaganda at school or from the North Korean state-controlled media. Others knew of religious activity from witnessing or hearing about religious believers who were publicly executed for their beliefs. Alternative Systems of Thought or Belief The interviews revealed the widespread re-emergence in North Korea of a remnant element of Shamanism, the ancient pan-Asiatic animistic belief system: “fortune telling,” or the belief that one’s destiny or fate is not under one’s own control (as in Juche), but lies in the stars or other natural phenomena. All described fortune telling as an illegal activity. However, all said it was much too widespread for the authorities to eliminate it, and that even North Korean officials utilized the services of fortune tellers. Many interviewees associated the re-emergence of fortune telling with the onset of the famine and the severe deterioration in social conditions in the mid-1990s. Only a handful of persons interviewed had ever heard about the three—soon to be four—Christian churches that operate in Pyongyang. Nor had any interviewees heard about or encountered any of the 500 “house churches” or home worship services that the DPRK has claimed in its reports to the UN are operational in North Korea. With one exception, the interviewees simply did not believe that such activities were permitted by the authorities. On the basis of the information obtained over the course of conducting this study, it is not possible to corroborate claims about the existence of a substantial underground Christian church in the DPRK. Fully half of the interviewees said simply “no” when asked if they had ever seen or encountered underground churches or non-recognized, unofficial religious activities in North Korea. Others also replied “no,” but then went on to describe acts of persecution against religious believers or those involved in presumed religious activity, such as the possession of a Bible. Only two interviewees said they were aware of an unofficial or underground church network. Penalties for Religious Activity Two interviewees provided graphic and detailed eyewitness testimony of the summary executions of individuals accused of engaging in unauthorized religious activities. Another interviewee said that her brother was executed for involvement in such activities, but that she had not personally witnessed the execution. One additional interviewee had heard of executions of North Koreans involved in unauthorized religious activities, and as a police official had been involved in two separate cases resulting in the arrest of eleven individuals accused of involvement in such religious activities. Of the eleven arrested, two died during interrogation; the interviewee believed that the other nine had been executed. Others mentioned executions they had heard about but had not witnessed themselves.

Several interviewees described instances where possession of a Bible or other religious text was an offense punishable by imprisonment or execution. One interviewee, imprisoned following repatriation to North Korea, met a fellow prisoner who was imprisoned because a Bible had been found in his home.

Religious Persecution along the North Korean-Chinese Border Despite the provisions in international human rights documents that provide for the freedom to leave one's country of origin, leaving North Korea without the authorization of the DPRK authorities is a violation of the North Korean penal code. Despite the UN's contention that these North Koreans in China should be considered to be refugees, the Chinese police regularly apprehend large numbers of them and forcibly repatriate them back to the DPRK, in violation of Article 33 of the 1951 Convention Relating to the Status of Refugees. Following sometimes extremely brutal interrogation by North Korean police officials, repatriated North Koreans are apparently sent in large numbers to the jipkyulso misdemeanor level provincial incarceration facilities, and to shorter-term small, local mobile labor detention facilities. From interviewee responses it can be determined that religion is a factor in the process of interrogation and meting out punishment. One interviewee reported that while detained following repatriation from China, six other detainees were sent to a prison camp for political prisoners after confessing that they were "followers of Jesus." Another interviewee reported that he was severely beaten upon repatriation from China because, after repeated questioning, he admitted to studying in a Korean-Chinese church. Two-thirds of the interviewees had been forcibly repatriated from China. Virtually all of these interviewees report that after being asked the preliminary questions about how they had fled to China, where they had crossed the border, and where they went and what they did in China, they were specifically asked (1) if they had attended Korean-Chinese churches, and (2) if they had had any contact with South Koreans in China (some of whom are representatives of religious organizations doing charitable and humanitarian work in the border area). Contact with Korean-Chinese believers, and, more certainly, contact with South Koreans is considered a political offense. Several of the interviewees related tales of persecution as a result of their contacts with churches in China.

Existing Religious Life in North Korea By the 1960s, the King Il Sung regime had suppressed and eliminated virtually all public observance of religion, substituting Juche/Kimilsungism in its place. However, due to a changed international environment in the 1970s, the regime decided to allow the re-emergence of a highly circumscribed and controlled public religious practice. It is this revival of highly circumscribed and tightly monitored and controlled religious practice, organized and supervised through a series of religious "federations" for Buddhism, Chondokyo, and Protestant, Catholic and, most recently, Orthodox Christianity, that is cited by DPRK authorities to indicate that North Korea respects religious freedom. Religious believers inside North Korea today generally fit into one of three general categories: 1) People who participate in the officially sanctioned religious federations and who are described as "old society, pre-WWII" religious adherents and their children; 2) pre-WWII religious adherents who, along with their children, worship clandestinely outside of the officially sanctioned system; and 3) religious adherents who maintain religious beliefs in secret, but who acquired these beliefs from exposure to co-religionists in China, either by crossing the border themselves or through correspondence with others who cross the border and return. Persons in category three are not tolerated. Information gathered

for this study reveals that the two Protestant churches and one Catholic church in Pyongyang, while under tight control of the government, are able to conduct some genuine religious activities. Worshipers at these churches as of 2005 are mostly old society, pre-WWII Christians and their children who are taking advantage of the opportunity to profess their faith openly and worship in the presence of other believers. These churches have, at least since 1995, held activities regularly, although these activities are under consistent government monitoring. Membership in, and attendance at, the churches in Pyongyang are controlled by the Korean Workers Party, and there is reportedly a lengthy waiting list. South Koreans and others interviewed for this study reported on their visits to eight officially sanctioned "house churches" in North Korea, including five in Pyongyang, one in Kaesong, one in Sungchon, and one in South Hwanghae Province. Attendees at these gatherings were consistently identified as old-generation Christians and their children who gather to pray, read scriptures, and sing hymns, often from memory. The number of officially sanctioned house churches in North Korea could not be verified in the course of this study. There are no Roman Catholic priests in North Korea, and the one Catholic church in the country has no direct relationship with the Vatican. Leaders of the Chondokyo religion in South Korea state that while it is possible to study the religion at Kim Il Sung University, there is no freedom to propagate Chondokyo beliefs in North Korea. The number of Chondokyo adherents and "preaching rooms" could not be confirmed from the information gathered for this study. Many of the interviewees knew of the existence of some of the more famous mountain-top Buddhist temples in North Korea, but surmised that these temples were maintained as "cultural heritage sites." None had seen a temple open for public religious activities or that housed Buddhist monks. The extent to which worship, study, and meditation is carried out at Buddhist temples could not be ascertained during the course of this study. Despite the assertions of the North Korean government that the state and religion are separate, it is clear that the religious activities that take place in the DPRK under the auspices of government-sponsored religious federations could more accurately be described as emanations of the North Korean party-state. The religious activity that is allowed takes place under the authority and control of the corresponding religious federation. The religious federations are members of, and controlled by, the National United Front for the Unification of the Fatherland, which is in turn controlled by the Korean Workers Party, the ruling arm of the regime. Under the federation structure, there is no apparent mechanism, procedure, or structure for allowing belief systems and forms of worship that are not covered by an appropriate federation. Interaction between North Korea federation churches and churches in South Korea is used as a medium of Korean reconciliation. Religious interaction between North Koreans and religious adherents outside North Korea that takes place outside of the supervision of the religious federations is not permitted. (David Hawk, *Thank You Father Kim Il-sung: Eyewitness Accounts of Severe Violations of Freedom of Thought, Conscience and Religion in North Korea*, U.S. Commission on International Religious Freedom, 2005)

12/1/05

A high-level North Korean delegation has canceled a trip to New York for discussions with U.S. official after differences about the nature of the talks. Kim Gae-gwan earlier described the meeting as "bilateral talks" connected to the six-party talks and demanded that his U.S. counterpart Christopher Hill take part, but the U.S. said only

working-level Treasury officials would meet them and explain the U.S. position. (*Chosun Ilbo*, "N. Korea Cancels Meeting with U.S.," December 1, 2005)

DoS Daily Briefing: "**Q:** Do you have anything to say about the so-called semantics dispute that led to postponement of the meeting with the North Koreans?

MCCORMACK: Well, I'm not sure it was a semantic dispute. Assistant Secretary Hill, when he was at the last round of the six-party talks, gave a press conference and he went -- he went into this issue. He was asked about North Korean concerns about certain actions that the United States and others are engaged in to curb North Korean illicit behavior outside of the six-party talks and Assistant Secretary **Hill stated publicly that the U.S. is prepared to provide a briefing to the North Korean representatives on issues related to actions taken under Section 311** of the Patriot Act that has to do with trying to prevent counterfeiting. And that offer still stands and it would appear that the North Korean Government isn't interested in accepting this offer for such a briefing. As part of this offer of a briefing, the United States never offered to engage in negotiations with North Korea on this matter. There are negotiations in the context of the six-party talks, which are directed at the nuclear issue. I think that nobody should expect that the United States as well as other states aren't going to pursue actions that would curb other illegal behavior including counterfeiting by any state, by any party. ... **Q:** You are not concerned it could hamper your efforts on the nuclear aspect of the negotiations? **MCCORMACK:** We said from the very beginning that we are not going to fail to speak out or fail to act concerning issues that are of concern to us, whether that happens to be on the human rights front or whether that happens to be on taking steps to prevent disbursement of counterfeit bills on the world -- country -- U.S. bills on the world markets. I think that you can expect that any state would take actions to prevent such counterfeiting to protect its currency. We've said from the very beginning that that is going to be -- that that is the case. We are committed to pursuing the six-party talks and we are devoting quite a bit of time, energy and diplomatic effort to have those negotiations move forward. We have seen some progress in the round before last concerning a statement of principles and we hope that in the next round that the North Koreans and others are prepared to work in a serious, concerted manner to move that process forward and focus on the nuclear issue." State Department Spokesman Sean McCormack, DoS Daily Briefing December 1, 2005)

The United States is delaying the purchase of 25,000 tons of food it has promised to give North Korea in response to the North's announcement that it wants United Nations aid efforts to switch over from food aid to development assistance. The State Department, in a statement, cited concerns that food not delivered through the United Nations operation, the World Food Program, would be diverted. "We cannot continue to supply food if we cannot even minimally assure that it will reach its intended recipients," the State Department continued. The 25,000 tons is about half the allocation for the year that the United States pledged in June. The first installment has been given to the World Food Program for distribution in North Korea. (AFP, "U.S. Delaying Food Donation to North Korea," *New York Times*, December 4, 2005), p. 34)

12/2/05

DPRK Foreign Ministry spokesman "in connection with the fact that the U.S. is now working in the direction of escalating its sanctions and pressure upon it: The world has welcomed the adoption of the joint statement on the denuclearization of the Korean Peninsula at the fourth round of the six-party talks and hoped in unison that it would not turn out to be an empty promise. The denuclearization of the Korean Peninsula is the ultimate goal of the DPRK and its stand is to faithfully fulfill its commitment made in the joint statement and realize the denuclearization. **It was the DPRK's hope that the U.S. would drop its hostile policy towards the DPRK as it had committed itself to do so and thus remove the very cause of the nuclear issue between them and seek a peaceful negotiated settlement of the nuclear issue.** The U.S., however, has escalated its pressure offensive against the DPRK quite contrary to its expectation since the publication of the joint statement, thereby throwing a great hurdle in the way of the progress of the six-party talks and the implementation of the joint statement. It has become evermore undisguised in its moves to isolate and pressurize the DPRK as evidenced by the fact that it labeled the dignified DPRK a 'lawless state,' raising a hue and cry over 'counterfeit notes,' 'drug smuggling' and the like and applied financial sanctions against it even while the talks were underway. The U.S. loudmouthed 'illegal dealing' is nothing but part of its anti-DPRK smear campaign as it has nothing to do with the intrinsic nature of the socialist system of Korean style. Though the U.S. claims to stand for a negotiated solution to the issue, **it is, in actuality, seeking to 'bring down the DPRK's system' by isolating and pressurizing it.** It is quite **unreasonable for the DPRK to sit at the negotiating table with the party keen to 'bring down its system' and discuss the issue of dismantling the nuclear deterrent built up to defend it.** Should the U.S. persist in its sanctions and pressure in violation of the joint statement agreed upon by the six parties, **the DPRK will be left with no option but to take all corresponding self-defense measures.** The U.S. pressure offensive against the DPRK not only runs counter to the spirit of the joint statement but makes it impossible for the latter to honor its commitment. **Lifting the financial sanctions against the DPRK is essential for creating an atmosphere for implementing the joint statement** and prerequisite to the progress of the six-party talks. It was against this backdrop that at the **fifth round of the six-party talks** the DPRK strongly demanded the U.S. lift those financial sanctions against it among other things and thus remove the hurdle lying in the way of the progress of the talks. The participating countries expressed understanding of the DPRK's just demand and urged the U.S. to deal with and settle the issue through separate bilateral talks with the DPRK side at the earliest possible date to prevent the issue from festering and adversely affecting the six-party talks. Accordingly, **the DPRK and the U.S. agreed to have talks between the heads of the delegations to the six-party talks in order to take up and settle the issue of financial sanctions. The U.S. side, however, again reneged on its promise** and perpetrated such perfidy as shunning the talks. It said it would set in motion working officials of its Department of Treasury and the Secret Police Service to brief the DPRK side on the U.S. Act, backtracking from the agreement on holding talks to find a solution to the issue. **The U.S. side should fulfill its commitment made before the five parties,** if it truly wishes to see progress at the six-party talks." (KCNA, "DPRK FM Spokesman Urges U.S. to Lift Financial Sanctions against It," December 2, 2005)

12/4/05 North Korea has notified the United States of its intention not to attend the next round of six-party talks until the U.S. negotiator agrees to meet with his North Korean counterpart on U.S. financial sanctions, *Sankei Shinmun* reported. (Yonhap, "N.K. Notices of Intention Not to Attend Fresh 6-Way Talks: *Sankei*," December 4, 2005) "The core question of escalating tension is whether the U.S. can impose financial sanctions on North Korea and has sufficient grounds to do so," said Deputy FM Song-Min-soon told reporters after returning home from two days of consultations in Beijing. (Reuben Staines, "N.K., U.S. Feuding over Sanctions," *Korea Times*, December 4, 2005)

A summit meeting between China, Japan, and South Korea planned for later this month will be postponed, the Chinese Foreign Ministry said because of "the current atmosphere and conditions," a reference to PM Koizumi Junichiro's visit to Yasukuni shrine. (Kyodo, "Summit between Japan, S. Korea, China to Be Postponed: China," December 4, 2005)

12/5/05 "The United States and North Korea should try to solve their pending six issues [drug trafficking, money laundering, arms sales, counterfeiting, human rights, conventional weapons] through bilateral consultations, UnifMin Chung Dong-young said in a speech. "We have a principle that the six-party issues and such bilateral issues should be addressed in a separate way." (Park Song-wu, "Banking Sanction Shouldn't Impede Nuke Talks: Seoul," *Korea Times*, December 5, 2005)

12/6/05 *Rodong Sinmun* signed commentary: "The U.S. is persisting in such perfidy as escalating its sanctions and pressure upon the DPRK **renegeing on its promise made to the DPRK at the first phase of the fifth round** of the six-party talks. **This is evidenced by its behavior of shunning the proposed DPRK-U.S. direct talks to discuss the issue of lifting financial sanctions against the DPRK** under this or that pretext. This only increases public skepticism about the possibility to resume the six-party talks. In order for the six-party talks to proceed smoothly in a sound atmosphere and make progress it is necessary for the participating countries to be discreet in their words and deeds in the direction of respecting each other and promoting the relations of confidence. However, the U.S. diplomatic chief, when interviewed by the U.S.A. Today shortly ago, openly blustered that there is no need to hold DPRK-U.S. bilateral talks over the lift of financial sanctions, hinting that the U.S. is pressurizing the DPRK in all aspects. Such behavior of the U.S. cannot be construed otherwise than a deliberate act to touch off anti-American sentiment among the servicepersons and people in the DPRK and deter the six-party talks from resuming. **It is impossible to resume the six-party talks under such provocative sanctions applied by the U.S. upon the DPRK.** This is the stand of the DPRK. The prospect of the six-party talks will depend on whether the U. S. works hard to build confidence with the DPRK on the principle of mutual respect and equality or persists in its self-justified and unilateral acts. If the U.S. truly wants the resumption and progress of the six-party talks it should take practical measures to lift the financial sanctions against the DPRK at an early date as it committed itself to do so before the other five parties at the talks. Only then a prospect will be opened for the resumption of the six-party talks." (KCNA, "U.S. Perfidy under Fire," December 6, 2005)

Cabinet Abduction Issue Task Force 18th meeting reaffirms six policies of 12/28/04 and agrees to continue investigation of “missing people” and internationalize abduction issue. (Text in James L. Schoff, *Political Fences and Bad Neighbors* (Cambridge: IFPA, June 2006), appendix B)

12/7/05

Ambassador Alexander Vershbow told journalists, “This is a criminal regime and you can’t somehow remove sanctions as a political gesture when this regime is engaging in dangerous activities such as weapons exports to rogue states.” He described North Korea as the first government to run a state program of foreign currency counterfeiting since Adolf Hitler’s Germany. Asked for comment, Minister of Foreign Affairs and Trade Ban Ki-moon said, “Related countries need wisdom to refrain from using expressions [unfavorable to] dialogue partners.” (Reuben Staines, “U.S. Envoy Embarrasses S. Korean Government,” *Korea Times*, December 7, 2005)

Kim Thae-jong, vice director of the KWP International Department, told former Diet member Kawakami Yoshihiro last week that it is considering accepting Japan’s proposal to resume normalization talks by year’s end. (Kyodo, “Korea Mulls Accepting Japan’s Bid to Resume Normalization Talks,” December 7, 2005)

12/8/05

Jack Pritchard: “What is clear about the fifth round is that because of APEC, a serious discussion was not going to take place in a return to the pre-fourth round schedule of three day meetings. What is also clear is that there are two distinct U.S. policy tracks regarding North Korea occurring simultaneously. What is unclear is whether or not the two tracks are well coordinated. Track one, represented by the good-faith effort of Ambassador Hill, is committed in the short run to a negotiated settlement that takes into account the concerns of the other players. Track two, represented by Undersecretary Bob Joseph, is bent on cracking down on North Korea’s illegal activities as well as enhancing the capabilities of the Proliferation Security Initiative (PSI). The second track is in the enviable position of being able to justify its actions based solely on the illegal actions of North Korea. Under these circumstances, it is difficult to argue within or without the administration that the second track actions are inappropriate. The most chilling aspect of this reemerged bifurcation of U.S. policy toward North Korea is the potential that Ambassador Hill has lost a skirmish or two within the administration and in an effort to maintain his goal of best-effort negotiating, he has had to adopt some of the philosophy and language of the second track advocates. He has repeated as U.S. policy the additional language of the September 19 U.S. statement (beyond that which he negotiated as common language among the U.S., Japan, and the ROK) requiring Pyongyang to demonstrate a sustained commitment to cooperation and transparency and has ceased proliferating nuclear technology. He has also repeated the (purported) Vice President’s requirement for North Korea to shut down Yongbyon (voluntarily, since the administration is opposed to negotiating a freeze of the facilities). What remains to be seen is whether Bob Joseph has succeeded in capturing the lead in North Korea policy as he did in the first term or whether Ambassador Hill can rebound from events that began to slip out of his control beginning with the U.S. statement of September 19, 2005.” (Charles L. Pritchard, “Six-Party Talks Update: False Start Or Case for Optimism?” NAPSnet, December 8, 2005)

12/9/05

The U.S. envoy for human rights in North Korea argued Friday that the lack of basic liberties in the communist country was an international issue and called on the world to press the North to make changes. Jay Lefkowitz, speaking at a U.S.-supported international conference on the issue in Seoul, said a campaign to improve human rights in North Korea - which he labeled a "deeply oppressive nation" - would serve to strengthen regional stability, not shake it. "We do not threaten the peace by challenging the status quo," Lefkowitz said in his first public appearance in South Korea. "Indeed, failing to follow this path and take steps towards liberalization is a far greater risk to the long-term security and economic prosperity in the region." Lefkowitz's remarks appeared to be pointed at the South Korean government, which has pursued a path of reconciliation with the North and has refrained from openly criticizing the human rights situation there. South Korean officials say their policy of maintaining stability on the divided peninsula takes precedence over public demands for improving human rights. Chung Eui Yong, chairman of the foreign relations committee of the South Korean National Assembly and a member of the governing Uri Party, said Seoul was not ignoring human rights issues in the North. "Human rights and economic aid are linked, but the government has no reason to officially confirm it," he told reporters at the conference. Chung said Seoul sought to refrain from "unnecessarily provoking North Korea," which might react by suspending inter-Korean negotiations. The North Korean newspaper *Minju Joson* said, "The U.S. has become loud in trumpeting that there exists a human rights issue" in North Korea. "This is, however, a product of its strategy to realize a regime change," the newspaper said in a commentary carried by KCNA. The U.S. ambassador to Seoul, Alexander Vershbow, said that Washington was simply urging the North to make changes and live up to its obligations under the UN charter and other international treaties. "The U.S. government has no hidden agenda in raising the issue of human rights in North Korea, we simply want to improve the living conditions of the people of North Korea," Vershbow said. The United States wants North Korea "to change its policies and undertake reforms that end the hardships endured by its people," he said. Lefkowitz said there were growing signs that more information was reaching inside the isolated North, where citizens are denied access to outside media and subjected to omnipresent propaganda glorifying the regime founded by Kim Il Sung, Kim Jong Il's father. "As dark as the situation may seem today, there may be some light beginning to peer through," Lefkowitz said. He said his office would try to increase efforts to get information inside the North. Calling on China to stop sending North Korean refugees back to their homeland, Lefkowitz said Beijing should also allow the UN refugee agency to have access to the defectors. Saiga Fumiko, newly appointed Japanese special envoy on North Korea human rights, who was attending the conference, told reporters she hoped the event would have an impact there and also called for international cooperation on the issue. The conference was organized by South Korean human rights groups and Freedom House, a pro-democracy organization partly funded by the U.S. government. (Associated Press, "U.S. Officials Call for Human Rights Changes in North Korea," *International Herald-Tribune*, December 9, 2005)

12/12/05

The counterfeiting operation began a quarter of a century ago, he recalled, at a government mint built into a mountain in the North Korean capital. Using equipment from Japan, paper from Hong Kong and ink from France, a team of experts was

ordered to make fake U.S. \$100 bills, said a former North Korean chemist who said his job was to draw the design. "The main motive was to make money, but the secondary motive was inspired by anti-Americanism," said the chemist, now 56 and living in South Korea. Before long, sheets with 30 bills each were rolling off the printing presses. By 1989, millions of dollars' worth of high-quality fakes were showing up around the world. U.S. investigators dubbed them "supernotes" because they were virtually indistinguishable from American currency. The flow of forged bills has continued ever since, U.S. officials say, despite a redesign intended to make the cash harder to replicate. For 15 years, U.S. officials suspected that the North Korean leadership was behind the counterfeiting, but they revealed almost nothing about their investigations into the bogus bills or their efforts to stop them. Now, however, federal authorities are pursuing at least four criminal cases and one civil enforcement action involving supernotes. U.S. authorities have unsealed hundreds of pages of documents in support of the cases in recent months, including an indictment that directly accuses North Korea of making the counterfeit bills, the first time the U.S. has made such an allegation in a criminal case. The documents paint a portrait of an extensive criminal network involving North Korean diplomats and officials, Chinese gangsters and other organized crime syndicates, prominent Asian banks, Irish guerrillas and an alleged ex-KGB agent. The criminal cases and U.S. Treasury enforcement action are part of a concerted campaign to deprive North Korea of as much as \$500 million a year from counterfeiting currency and other criminal activities, senior U.S. law enforcement and intelligence officials say. The officials say criminal syndicates in South America, Eastern Europe and elsewhere have also churned out large sums of fake U.S. cash. But North Korea's is the only government believed to do so, despite international pressure and laws that characterize such activity as an economic *casus belli*, or act of war, they say. "It is simply unacceptable for a member of the international community to engage in this type of irresponsible conduct as a matter of state policy, and [North Korea] needs to cease its criminal financial activities," Daniel Glaser, deputy assistant Treasury secretary for terrorist financing and financial crimes, said in an interview. "Until then, the United States will take the necessary actions to protect the U.S. and international financial systems from this type of misconduct." In the fall, the U.S. unsealed an indictment against the head of an Irish Republican Army splinter group alleging that "quantities of the supernote were manufactured in, and under auspices of the government of, the Democratic People's Republic of Korea," as North Korea is formally known. North Korea's government in Pyongyang strenuously denied wrongdoing. A report by North Korea's official news service called the charges "a clumsy and base political farce" by a Bush administration intent on toppling the communist government. David L. Asher, an administration point man on North Korean issues until this summer, said there was overwhelming evidence that Pyongyang had become a brazen "criminal state" reliant on illicit activity, in part to finance its nuclear weapons program. "This is state-sponsored counterfeiting. I don't know of any other case like this except the Nazis, and they were doing it in a state of war," said Asher, who headed the administration's North Korea Working Group and was the State Department's senior advisor for East Asian and Pacific affairs. The administration, he said, has made a strategic decision to press the issue, even if doing so affects delicate six-nation talks aimed at getting North Korea to give up its nuclear arms. "The administration made a determination early on that irrespective of what happened in diplomacy, this should

not be tolerated," Asher said. U.S. authorities say the increasingly high-profile campaign against the counterfeiting is proceeding amid information that North Korea is minting more American currency than ever before and smuggling it and other contraband, such as weapons and knockoff pharmaceuticals, directly into the United States. A number of U.S. officials who are knowledgeable about the campaign spoke on condition of anonymity because of the issue's political sensitivity. U.S. authorities fear that the communist state has been able to step up its illicit activities by forging more alliances with transnational organized crime syndicates. Those alliances have made Pyongyang's suspected nuclear arsenal and other weapons more vulnerable to theft by rogue elements of the North Korean government and sale to nuclear traffickers or terrorists, the U.S. officials said. They worry that the same pipelines used to smuggle fake currency into the United States could be used to traffic in weapons of mass destruction. An unclassified version of a March report to U.S. lawmakers by the independent research arm of Congress warned that North Korea's increasing reliance on criminal networks meant it may not be able to curtail its illegal activities even if it wanted to. "Korean crime-for-profit activity," analyst Raphael Perl of the Congressional Research Service wrote, "may become a 'runaway train,' gaining momentum, but out of control." One of the first places authorities picked up the supernotes' trail was Ireland, more than 5,000 miles away from North Korea. By the early 1990s, so many supernotes were circulating there that Irish banks stopped exchanging American \$100 bills. The Secret Service soon homed in on Sean Garland, whose exploits with the Irish Republican Army years earlier had made him a local hero. Garland was chief of staff of the Official Irish Republican Army, or Old IRA, after it split with other IRA factions in 1969 and became the most left-leaning. He also heads its political wing, the Irish Workers' Party, in Northern Ireland. In that capacity, Garland traveled extensively to see Socialist and Communist party leaders in the Soviet bloc and, authorities contend, North Korea. According to Garland's indictment in federal court in Washington this year, which was unsealed this fall, his discussions with North Korean operatives eventually turned from a shared rejection of capitalism to a scheme for him to buy bogus \$100 bills, perhaps to destabilize the U.S. dollar by flooding the market with fakes. The former North Korean chemist, who spoke anonymously for fear of reprisal, said that over the years, people from China, Hong Kong, Japan and other countries helped distribute the bills. "There was a lot of cooperation with Ireland," he said. In the indictment and in interviews, U.S. authorities said Garland ultimately teamed up with Old IRA members, street crooks and an alleged former member of the KGB, the Soviet intelligence service. They said the men traveled widely to circulate the bills and sell them to customers who would buy suitcases full at wholesale prices. The indictment accuses Garland and six other men of buying, selling and circulating fake U.S. \$100 bills during the 1990s. Authorities say they passed up to \$28 million worth of bogus currency. From 1997 to 2000, the group bought, sold and circulated the counterfeit notes in Russia, Belarus, Poland, Denmark, the Czech Republic and Germany, the indictment says. It alleges, in detail, that couriers made frequent ferry trips to Ireland loaded down with real cash to pay Garland for the counterfeits. Authorities said Garland did much of his business with North Korean suppliers at Pyongyang's embassies in Moscow and, later, Minsk, Belarus, using his status as a Workers' Party official as cover. Things began to unravel in 1999, when Garland's group allegedly went ahead with a deal to sell \$1 million in supernotes to a pair of

undercover agents posing as wholesalers. Authorities in Britain described the counterfeit ring as the largest of its kind in their country's history. But Garland wasn't arrested or charged until British authorities, acting on a U.S. warrant, took the 71-year-old into custody October 7 in a hotel in Belfast, Northern Ireland. The U.S. quickly moved to extradite Garland. But when he was released for medical treatment, he fled to Ireland, which has no extradition treaty with the U.S. In a recent statement, Garland insisted that the U.S. charges were baseless and politically motivated. He vowed in an Internet posting to surrender for trial if it were by a jury in Ireland. No North Korean citizens or front organizations are charged or even identified in the Garland indictment. U.S. authorities would not say whether any of the 10 unnamed and unindicted co-conspirators listed in the document were from North Korea. Channing Phillips, a spokesman for the U.S. attorney's office in Washington, would not comment on why authorities waited until this year to obtain a grand jury indictment, which alleges criminal acts only through mid-2000. He also would not say whether other suspects from North Korea or elsewhere had been identified or charged under seal. "I can only say that the case is continuing," Phillips said. The chemist, though, said the counterfeit bills were routinely used by North Korean officials. "Any North Korean official who goes abroad has to change a big note and bring back small, real currency," he said. "If you come back with real money, you get medals."

When he decided to flee North Korea in 2000, he crossed into China with thousands of dollars in counterfeit notes, he said. When Chinese police caught him without official papers, they kept \$4,000 of the fake cash and let him go. "Thanks to that money," he said, "my translator and I were released." Besides the Garland case, U.S. officials say three criminal cases the Justice Department is pursuing offer evidence that North Korea is intensifying its efforts to churn out fake U.S. money and conspire with organized crime to smuggle the bills and counterfeit drugs and other products into the United States. None of those cases explicitly mentions North Korea, but they refer to a foreign country that several U.S. sources say is North Korea. One case involves supernotes, drug trafficking and three suspected members of a Chinese crime syndicate who were arrested in the Mariana Islands last year. According to federal court documents and interviews, the Justice Department's central money-laundering section continues to present evidence in the case to a federal grand jury. In the two other cases, dubbed Operation Smoking Dragon and Operation Royal Charm, at least 87 people have been arrested or indicted in New Jersey and California on charges of smuggling or conspiring to smuggle at least \$6 million in counterfeit cash, knockoff Viagra, brand-name cigarettes and weapons into the United States from "Country A" and "Country B." Several U.S. officials said those countries were North Korea and China and that the money was printed by the North Korean government. One of the alleged ringleaders, Co Khanh Tang, told undercover agents in April that he was expecting an especially lucrative product from suppliers in China: "new and better samples" of counterfeit U.S. currency, the indictment against him says. Stuart Levey, a top Treasury Department official, said North Korea recently began churning out improved copies of U.S. bills. In October, Levey headed a Treasury delegation to Beijing, Macao and Hong Kong, where he pressed government officials and banking executives for more help in cracking down on North Korean counterfeiters and banks that helped them. Just before the trip, the Treasury Department designated an Asian financial institution, Macao-based Banco Delta Asia SARL, as a "primary money-laundering concern" under

the Patriot Act. U.S. authorities allege that the bank was a longtime pawn of North Korean front companies, which used it to conduct "illegal activities, including distributing counterfeit currency and smuggling counterfeit tobacco products" and aid North Korean drug-trafficking efforts. The bank denied any intentional wrongdoing and later cut off several dozen clients – including 40 North Korean people and businesses – replaced several managers and allowed a panel named by Macao's government to administer its operations. The U.S. sanctions on the bank, as well as those against several North Korean companies accused of helping proliferate weapons of mass destruction, have infuriated North Korea. The nation is threatening to boycott disarmament talks unless the United States reverses course. The Smoking Dragon case has raised concerns beyond counterfeiting. In court documents, prosecutors allege that Tang and another suspect offered undercover FBI agents a catalog of weapons available for purchase from the arsenals of at least two foreign countries, believed to be North Korea and China. The agents ordered dozens of AK-47 assault rifles and in July 2004 began negotiating a deal for surface-to-air missiles "manufactured by communist countries," an indictment said. The indictment added that the agents were told the weapons' high prices were "necessitated by the need to bribe officials" of at least one of the foreign governments. Asher, the former State Department official, asserted in a November speech at the Woodrow Wilson Center in Washington that absent a worldwide crackdown on North Korean counterfeiting and the government's other illicit activities, the country would continue to rely on criminal profits to maintain its political isolation and its nuclear program and to withstand pressure to reform. "Given that periodic exposure of illegal dealings by North Korean officials overseas in the past has not resulted in serious or lasting consequences," Asher said, "Pyongyang may believe that an open door for global criminality exists." (Josh Meyer and Barbara Demick, "Counterfeiting Cases Point to North Korea," *Los Angeles Times*, December 12, 2005)

12/13/05

Treasury Department advisory: **"This advisory warns U.S. financial institutions that the U.S. Department of the Treasury has concerns that the Democratic People's Republic of Korea ("North Korea"), acting through government agencies and associated front companies, is engaged in illicit activities and may be seeking banking services** elsewhere following the finding of Banco Delta Asia SARL to be a financial institution of "primary money laundering concern" pursuant to Section 311 of the USA PATRIOT Act. Accordingly, U.S. financial institutions should take reasonable steps to guard against the abuse of their financial services by North Korea, which may be seeking to establish new or exploit existing account relationships for the purpose of conducting illicit activities. This advisory is consistent with the U.S. Department of the Treasury's efforts to ensure that U.S. financial institutions are not used as a conduit for the laundering of proceeds from such illicit activities as currency counterfeiting, narcotics trafficking, counterfeit cigarette smuggling, and the financing of and involvement in weapons of mass destruction and missile proliferation. We encourage financial institutions worldwide to take similar precautions. The Department of the Treasury is actively monitoring this situation and will take any further action as appropriate. We will provide updated information to the financial industry as warranted." (Department of the Treasury, Financial Crimes Enforcement Network, News Release, December 13, 2005)

North Korea has told the KEDO office in Kumho to withdraw its workers from the reactor site by early January. KEDO officials said it would not be allowed to repatriate equipment and materials at the site. (Ser Myo-ja, "KEDO Told to Leave North Korea," *JoongAng Ilbo*, December 13, 2005)

Rodong Sinmun signed commentary "blasting the U.S. ambassador in Seoul: The U.S. outcries terming the DPRK a 'criminal state' along with its reckless remarks designating it as 'part of an axis of evil' and an 'outpost of tyranny.' are premeditated provocative remarks intended to violate the Korean nation's right to existence and hamstringing its efforts for independent reunification. What should not be overlooked is that those outcries are made at a time when the U.S. administration has escalated its pressure upon the DPRK by applying financial sanctions against it in contravention of the joint statement at the fourth round of the six-party talks, the commentary says, and goes on: The developments prove that the U.S. is deliberately bedeviling its relations with the DPRK in a bid to fundamentally overturn the spirit of the joint declaration and break up the talks. The U.S. once said it recognizes the DPRK as 'a sovereign state' and 'respects' it. Clearer is that the recent outpourings were nothing but tongue-rolling to deceive the public opinion. The reality goes to prove that the U.S. hostile policy toward the DPRK aimed to overturn its system remains unchanged. The U.S. should be held fully responsible for all the consequences to be entailed by its reckless remarks seriously getting on the nerves of the DPRK by calling it a 'criminal state' and straining the bilateral relations." (KCNA, "Anti-DPRK Outcries of U.S. Ambassador in Seoul Flayed," December 13, 2005)

12/13-14/05 There was little of substance agreed at the second day of the North-South ministerial meeting in Jeju, sources familiar with the talks said December 14, but perhaps the most interesting point was what the North Koreans did not say: They have not raised the question of recently renewed criticism of the country by U.S. officials, including President George W. Bush and the U.S. ambassador to Seoul. The sources said Seoul has once again failed to engage its visitors from Pyongyang on the question of an accounting of South Korean prisoners of war and abducted civilians believed to be in North Korea or to have died in captivity there. The Unification Ministry had listed that issue as one of its priorities, but a source said that the two delegations had postponed any discussions until March, when another separated family reunion will be held at Mount Kumgang in North Korea. But there was little else of note. The North Koreans did reportedly complain about restrictions imposed by Seoul on the locales its citizens are allowed to visit in Pyongyang; South Koreans are barred from visiting some memorials to the North's political dynasty and ideology because of the appearance of paying honor to them. Separately, officials at Hyundai Group said they have been told to send remittances for North Korea in connection with its tours to Mount Kumgang to a new bank account in Austria. Hyundai had in the past made those payments to a branch of the Bank of China in Macao. A Hyundai official said the group had also been given the account numbers of several additional accounts; he refused to identify the bank involved or even the currency being used, although he said it was not U.S. dollars. The currency is almost certainly euros, however; about two years ago, the North announced that it would no longer deal in U.S. dollars. "Deal legally" in that currency, perhaps. Washington has recently stepped up attacks on Pyongyang for its

alleged involvement in counterfeiting U.S. currency, and slapped sanctions on another Macao bank, Banco Delta Macao, for assisting in that counterfeiting. The Bank of China account that Hyundai had used was also the account through which undisclosed payments totaling about \$500 million were channeled to North Korea before the 2000 meeting of President Kim Dae-jung and North Korean leader Kim Jong-il. (Chae Byung-gun, "North Holds Its Peace on U.S. Attacks," *JoongAng Ilbo*, December 15, 2005) The two Koreas could agree on little more than scheduling a reunion of separated families in March and a videoconferenced reunion in February. The press statement agreed on contained nine points but little of any substance. It did not deal directly with Pyongyang's complaints about Seoul's restrictions on travel by its citizens in the North. The two sides agreed to consider military-to-military talks "at the earliest possible date," language used before but not yet acted upon. It reaffirmed the September 2005 joint statement. It called for more projects at Kaesong and test runs of the newly restored but as yet unused cross-border links. It made no mention of repatriation of POWs and kidnapped civilians. UnifMin Chung Dong-young and his counterpart Kwon Ho-ung agreed to hold the 18th round of ministerial talks in Pyongyang March 28-31. (Ser Myo-ja, "Scoreless Draw in Koreas' Talks," *JoongAng Ilbo*, December 17, 2005) Press Statement: "The 17th Inter-Korean Ministerial Talks were held in Jeju Island from December 13 to 16, 2005. The South and the North made a positive assessment of developments in inter-Korean relations during this year which marked a turning point in the implementation of the June 15 Inter-Korean Joint Declaration, and based on their common understanding and resolves that the two parties should advance inter-Korean relations to a higher level in 2006, the two sides agreed as follows: The South and the North shared a common understanding that in line with the spirit of the June 15 Inter-Korean Joint Declaration, both sides should break away from the outdated mindsets of the confrontation era which undermine the national reconciliation and union, and respect each other's ideologies and systems, and agreed to take practical measures to that end. The South and the North shared a view that the Joint Statement of the Fourth Round of the Six-Party Talks should be implemented at an earliest possible date for the denuclearization of the Korean Peninsula, and agreed to actively cooperate with each other in solving the North Korean nuclear issue in conformity with national co-safety and benefits. The South and the North agreed to make proactive and practical efforts in order to ease military tensions and guarantee peace on the Peninsula. In this regard, the two sides agreed to hold talks between the military authorities from each side at an earliest date in the coming year. The South and the North agreed to expand and develop inter-Korean economic cooperation to a new level for mutual benefits and national co-prosperity, as well as a balanced and integrated development of a national economy. The two sides, under the principle of recognizing inter-Korean economic cooperation as internal cooperation within one nation, agreed to take practical measures in order to expand investments and cooperation in terms of regions, economic sectors and scale. The two sides had a common understanding that the second stage of development of the Kaesong Industrial Complex, the procedures related to transit, customs and communications in the Complex as well as trial operations of Gyeongui and Donghae railways should be pursued as soon as possible, and agreed to discuss and solve them through the Inter-Korean Economic Cooperation Promotion Committee. The South and the North agreed to actively pursue humanitarian projects on the occasion of lunar

New Year's Day in the coming year. The two sides agreed to hold Inter-Korean Red Cross Talks within February, 2006, and discuss and solve humanitarian issues of mutual concerns to the two parties. The two sides agreed to hold the fourth video reunion for separated families around the end of February, 2006 and the 13th reunion for separated families at Mt. Kumgang around the end of March, 2006. The South and the North agreed to provide active support for close cooperation between the World Taekwondo Federation (in South Korea) and the International Taekwondo Federation for the unified development of Taekwondo, which is a national martial art. The South and the North agreed to cooperate with each other in the registration of historical remains in the district of Kaesong as the World Cultural Heritage, and their preservation and maintenance projects. The South and the North agreed to take measures to move Bukkwandaechubbi, an ancient monument during the Chosun Dynasty, which had recently been brought back from Japan to the South, to its original location in the North at an earliest date. The South and the North agreed to hold the 18th Inter-Korean Ministerial Talks in Pyongyang from March 28 to 31, 2006." (Full Text of Final Agreement on Inter-Korean Economic Talks, December 16, 2005)

12/14/05

North Korea's state news agency recently proposed a novel punishment for the new United States ambassador here, Alexander Vershbow: South Koreans should force him to stand in the midst of Seoul's notorious downtown traffic, and then "punish him in the name of the nation and immediately expel him from their land." But as rush hour traffic thickened outside the embassy windows this evening, the ambassador was ensconced in his eighth-floor corner office, unruffled by North Korea's verbal fusillade, which included the charge that the Bush administration "is made up of political imbeciles and master hands at faking up lies." The nuclear disarmament talks with North Korea will continue, the American envoy said with an evenness polished by nearly three decades in the Foreign Service. "We have been there before, we have seen similar brinkmanship tactics from the North Koreans in the past," said Vershbow, a Russian expert who arrived here two months ago. "We remain ready to resume the talks." But lately, both sides seem to be playing at brinkmanship. In three appearances over the last week, Ambassador Vershbow has seemingly gone out of his way to talk tough to the North Koreans. In a news conference December 7 he referred to North Korea's government seven times as "a criminal regime." Noting that North Korea tries to make money by counterfeiting American currency, he said, "North Korea is the first regime that has done that since Adolf Hitler." On the ninth he said: "North Korea's people remain oppressed by a regime whose policies have failed to address even the most basic needs of its citizens. The people of North Korea are unable to enjoy even the simplest freedoms that we in the free world often take for granted." On the 11th, at an economic conference here, he said: "Despite our best efforts to engage with North Korea, and despite our best intentions, we cannot turn our faces away from the fact that North Korea remains a military threat, with over one million troops, claims to possess nuclear weapons and has near total control of its people." No one interviewed here this week disagreed with the substance of the statements, but several said they would do nothing to revive talks intended to induce North Korea to give up the nuclear weapons it announced with great fanfare last February. To coax the process along, South Korea proposed that representatives of the six nations involved in the talks meet this month on the South Korean resort island of Cheju. But that proposal died for lack

of interest. "With the six-party talks, we are back to late last winter, when North Korea was saying, 'We are a nuclear power, these have to be disarmament talks,' " said Peter Beck, Korea director for International Crisis Group. "The Bush administration is willing to get tougher. We are back to the name-calling." But Michael Horowitz, a Washington-based human rights advocate, said here that Vershbow was right to criticize North Korea's leaders. He argued that the pressure would put them on the defensive and force them to reach a deal on nuclear weapons."As Ronald Reagan and the pope understood, if you operate from a position of strength on democracy and human rights, they will become desperate to change the subject, and far more accommodating on the weapons issues," Horowitz said, speaking of the tactics used against the Soviet Union in the 1980's. (James Brooke, "Talks Stalled, U.S. Envoy Matches Insults of North Korea," *New York Times*, December 15, 2005, p. A-10)

The World Food Program (WFP) is shutting down its food aid program in North Korea as it moves from feeding people to offering development aid following Pyongyang's request, officials said. "We're very much sort of in a closure mode on the humanitarian side," Richard Ragan, the WFP's country director for North Korea, told reporters in Beijing. The UN relief agency has closed down the 19 food processing plants it operated in the country as well as its five sub-offices, Ragan said. "We've stopped our programs. We will not feed anybody past the end of December ... We're only feeding 600,000 people today out of 6.5 million people (WFP had been feeding)," Ragan said. North Korea announced in early August that it no longer required food assistance from the WFP and other overseas aid groups from January 2006, despite international concerns of widespread starvation in the country. WFP officials said they still believe food shortages in the North exist, but the government seems confident it can cope thanks to recent better harvests in the country, as well as food aid from China and South Korea. The head of the WFP, James Morris, who just returned from a two-day trip to Pyongyang, said North Korea had asked WFP to stay in the country and provide development assistance instead. WFP has agreed, and is now negotiating with Pyongyang on the conditions. "They clearly want us to stay and we want to stay," Morris told reporters at the press conference. "But we have to be able to stay in a context that will give us a chance to be successful and to continue our focus on the most vulnerable, usually women and children, the poorest people, the most at-risk people." Negotiations have stumbled over the size of the WFP expatriate staff and the organization's high standards of monitoring where the aid is going, Morris said. "They have concerns about the number of international staff we will have there," Morris said. WFP currently has 34 staff members in North Korea including two who are locally hired. The number of staff WFP wants to have in the future will depend on the type of development program it will run, officials said. "Having the right number of people and adequate number of people is very important," Morris said. "We hope to work through this in the next few weeks." Morris said Pyongyang has asked WFP to provide assistance in agricultural development, which would include building infrastructure such as irrigation systems, as well as roads to allow farmers to transport their crops. The WFP between 1995 and 2004 provided North Korea with nearly four million tonnes of food, valued at up to 1.7 billion dollars, to feed 6.5 million people a year, out of a population of 23 million. (Cindy Sui, "WFP Closing Food Aid Program to North Korea," AFP, December 15, 2005)

12/15/05

Crisis Group: "Shifting power relations in North East Asia are spurring rising nationalism in China, Japan and South Korea, aggravating long-standing disputes over territorial claims and differing interpretations of history. ... A number of events in 2005 illustrate the simmering tensions. In March, South Korean demonstrators cut off their fingers in protest over Japanese claims to a pair of small islets. The next month, Chinese demonstrators attacked Japanese businesses and diplomatic missions over a Japanese history textbook, while in June, Japanese Prime Minister Koizumi Junichiro and South Korean President Roh Moo-hyun spent most of a two-hour meeting discussing history, rather than current issues. China began drilling for oil in September in a disputed area of the East China Sea, over Japanese protests, and in November, as a result of the visit Koizumi paid to the Yasukuni Shrine, where Japanese war criminals are among the millions of honored dead, President Hu Jintao refused to have a one-on-one meeting with Koizumi on the margins of the Asia-Pacific Economic Cooperation summit. ... The territory known as Tokdo in Korean, Takeshima in Japanese, consists of two rocky islets with an area of 186 square meters in the East Sea/Sea of Japan, 93 kilometers east of the South Korean island of Ulleung and 157 kilometers west of the Japanese island of Oki. Lacking fresh water, the islets historically have been uninhabited, although South Korea has posted a few guards on the barren rocks to reinforce its claim. Without a record of habitation to point to, the ownership debate revolves around ancient documents and archaic usage patterns. Koreans point to the incorporation of the island state of Usanguk - the islands of Ulleung and Tokdo - by the Korean kingdom of Silla in the year 512 as the basis for their historic claim to the islets. They produce numerous old documents and maps that purport to show Tokdo as belonging to Korea. They also point to a seventeenth century incident, when a Korean fisherman protested the incursion of Japanese fishermen into the area around Tokdo, resulting in Japanese authorities affirming Korean claims to the island. Conversely, Japan claims that in 1483 the Korean king banned his subjects from travelling to Ulleung island, to prevent criminals and tax evaders from taking refuge there. Japan maintains that from that point forward, Ulleung was ungoverned territory. In the seventeenth century, the Tokugawa Shogunate allowed Japanese fisherman to visit Ulleung. On the way, many would stop at Takeshima, to rest or hunt seals. Thus, Japan claims that it was actually ruling both territories during this period. In January 1905, at the request of a Japanese fisherman, the Meiji government formally incorporated Takeshima into the territory of Oki Island. Japan argues that this act designated the islets as Japanese territory under international law. Koreans, however, see this move as one of the opening acts of imperial aggression, pointing out that the Korean government, having been forced to sign a treaty accepting Japanese advisers the year before, was in no position to protest. Thus, what for the Japanese is purely a legal issue, stirs bitter memories for Koreans of Japanese colonialism. ... At the end of World War II, the victorious allies declared that Japan would have to relinquish all its former colonies, including Korea. Early drafts of the San Francisco Peace Treaty alternated in awarding Tokdo/Takeshima (referred to by the name given by French explorers, Liancourt Rocks) to Korea or Japan. In the end, the islets were left out of the treaty altogether. In 1952, as the U.S. prepared to return sovereignty to occupied Japan, South Korean President Syngman Rhee acted pre-emptively by declaring a sea boundary that included Tokdo. This so-called "Rhee Line" remains the area of South Korean territorial claims in the East Sea/Sea of Japan but has never been accepted by

Japan. During negotiations on Japan-South Korea diplomatic normalization in 1965, South Korean President Park Chung-hee complained to U.S. Secretary of State Dean Rusk that Tokdo remained “an irritating problem” and that “he would like to bomb the island out of existence to resolve the problem.” A South Korean diplomat who was at the meeting emphasized that the proposal was not serious, but that it represented Park’s frustration with the difficulties in normalizing relations. ... Subsequent South Korean governments have been more protective of the country’s claim, reinforcing sovereignty over the islets by building a landing dock, stationing police, and organizing boat tours. According to the Law of the Sea Convention, disputes that can not be settled by peaceful negotiation should be submitted to “a court or tribunal having jurisdiction in this regard,” such as the International Tribunal for the Law of the Sea or the International Court of Justice. While Japan has expressed willingness, South Korea refuses to acknowledge the area as in dispute. From the Korean standpoint, since Tokdo is already de facto Korean land, there is nothing to be gained by submitting the issue to international arbitration and potentially everything to lose if a capricious court rules in Japan’s favor. “Even though South Korea may have a better historical claim, the International Court of Justice tends to favor the intention of colonizers in settling territorial disputes,” argues Lee Seok-woo, an expert on international law at Inha University in South Korea. “So because the U.S. planned to give Tokdo to Japan in some earlier drafts of the Peace Treaty, there’s a good chance that they would rule in favour of Japan.” The main tangible value of Tokdo/Takeshima relates to fisheries. Japan and South Korea have agreed on a “median zone” that includes waters around the islet where fishermen are allowed to operate, though they have yet to agree on rules for governing the area, and Japanese fishermen complain that South Korean boats monopolize the fishing grounds. According to an editorial in the *Yomiuri Shimbun*, Japan’s leading daily newspaper, “behind the passage of the Takeshima Day ordinance is strong discontent among those in the fishing industry.” The dispute over fishing rights has occasionally led to clashes. On 1-2 June 2005, South Korean and Japanese coast guard vessels held a literal tug-of-war for 30 hours, attaching themselves to either side of a South Korean fishing trawler that Japanese patrol boats accused of violating Japan’s EEZ. The standoff was finally settled when South Korea agreed to try the ship’s owner under its own laws. ... For Japan, the islets also have some strategic value as a potential site for a radar station to monitor the movements of Chinese, North Korean, and Russian planes and warships. ... Another set of eight small islets in the East China Sea, known as Senkaku in Japan and Diaoyu in China, is the subject of a sovereignty row among those two countries and Taiwan. The islets total 6.32 kilometers in area, and are located roughly 200 kilometers north east of Taiwan, 300 kilometers west of Okinawa, and 300 kilometers east of mainland China. Senkaku/Diaoyu have more economic potential than Tokdo/Takeshima due to the likelihood of significant underwater deposits of oil and gas. The dispute is also complicated by the ambiguous status of Taiwan. Japan says the islands were unclaimed until 1885, when its government, through Okinawa Prefecture, surveyed them. On 14 January 1895 Japan erected a marker on the islands to incorporate them formally. Therefore, Tokyo claims the islands were not part of the land ceded from China to Japan under the Treaty of Shimonoseki ending the First Sino-Japanese War, which came into effect in May 1895. Chinese claims to ownership of the islets date to the sixteenth century, when Ming dynasty envoys charted them on their tribute

voyages to the Ryukus (Okinawa). When the U.S. placed Okinawa under trusteeship in the San Francisco Peace Treaty, it specifically included the Senkaku/Diaoyu islets in the territory of Okinawa. While neither Taiwan nor China signed the treaty, neither raised any objections until 1968, when a UN survey suggested there might be significant petroleum deposits in the area. When the U.S. restored Okinawa to Japanese sovereignty in 1971, it explicitly included the Senkaku/Diaoyu, against strong protests from both China and Taiwan. The official U.S. position is that the revision treaty "does not affect the legal status of those islands at all," and Washington takes a neutral position on ownership. Japanese nationalists built lighthouses on the islets in 1990 and 1996 to reinforce Tokyo's claim. While China has been consistent in claiming Diaoyu, Taiwan's status has hampered it in pressing its case. Taiwanese students in the 1970s held large demonstrations to protest the granting of the islands to Japan. The Legislative Yuan included Diaoyu as its territory in its 1999 Act of Territorial Sea and Contiguous Zone. More recently, Japanese Coast Guard patrols have chased away Taiwanese fishing vessels that approached the island, leading the fishermen to complain that their government is not doing enough to protect them. Because Japan's declared EEZ comes close to Taiwanese territory, Taiwanese fishing boats are often seized by Japanese patrols and only released after paying a large fine. In retaliation, Taiwanese fishermen have threatened to seize any Japanese fishing boats crossing into Taiwan's EEZ. Some have even threatened to start flying the PRC flag. Part of the problem is that Japan, like most countries, does not recognize Taiwanese sovereignty, making diplomatic negotiations problematic. A second reason for Taiwan's relative quiescence is that pro-independence politicians want to maintain good relations with Japan as a bulwark against China, and thus avoid antagonizing it over the territorial dispute. In addition to the island dispute, Japan and China also disagree over their EEZ border in the East China Sea, with Japan claiming the midpoint between the two countries' territory, approximately 180 nautical miles between the two countries, and China claiming that its territory extends to the limit of the continental shelf, which comes within 130 nautical miles of Japan. Japan has also attempted to extend its territorial claims to other rocky outcroppings. In the case of Okinotori, it has built concrete barriers for \$280 million to keep the reef above sea level in hopes that the territory can continue to be defined as an "island" under international law. Tensions have also been exacerbated by Chinese submarine incursions into Japanese waters. Over the last few years, the two sides have engaged in a tit-for-tat energy exploration contest. In 2003, China began construction on an oil rig that Japan argued could be used to tap into reserves on the Japanese side, even though it was within Chinese territorial waters. In April 2005, Japan announced that it would begin taking bids for drilling rights in the disputed area, and in July it granted permission to Teikoku Oil Company to begin exploratory drilling. China completed its platform in September 2005 and may have begun actual drilling in October. During September talks, Japan suggested joint development. China has not accepted, arguing that the two sides should focus on demarcation of the boundary while continuing to discuss joint development. A more long-term dispute is over the Kando (Chinese: Jiandao) region of Manchuria, along the Sino-North Korean border. There are nebulous claims about Kando's territory, with the most extensive including most of North East China; a more modest version includes only the area around the Tumen River known as the Yanbian Korean Autonomous Region. The dispute over Kando dates back to the 1712 border

demarcation between the Choson Dynasty Korea and the Qing Dynasty China, which set their border at the Yalu and Tumen rivers. The ambiguity stems from whether the term "Tumen" referred to the river which now forms the border of North Korea or a similarly named tributary of the Songhua river to the north. "Tumen" derives from a Manchu word, and the 1712 documents used phonetic Chinese characters that are not the same as those now used to write the river name, contributing to the confusion. In the late nineteenth century, Koreans began immigrating in large numbers to the area, which had been left largely unpopulated due to the Qing government's policy of banning Han Chinese settlement in Manchuria. Negotiations to clarify the border in 1885 and 1887 made little progress. When Japan assumed control over Korean foreign policy in the 1905 protectorate treaty, some Japanese officers in the Kwantung Army investigated the history and argued that there was a basis for claiming Kando as part of Korea. After protests from China, Japan and China signed an agreement in 1909 recognizing the present border. Korean activists maintain that the treaty is illegitimate, as it was imposed upon Korea - technically then still a sovereign country - by the colonial power. A recently revealed Japanese government document has added to the debate. Written in October 1950, it declares that the 1909 treaty was invalid because it amounted to one country giving away another's territory and that the Korean claim to the Kando territory was correct. According to Jin Chang-su, a researcher at the Sejong Institute, "[t]he opinion of an unrelated country that Kando is our territory is of great historical importance." Japan's motivation for producing that document gives pause, however. In 1950, Japan was still under U.S. occupation. U.S.-led UN forces had crossed the 38th parallel in an attempt to reunify Korea under South Korean control on 7 October. The U.S. would thus need to know the location of the China-Korea border, both to know where to halt its army and for the purpose of drafting the San Francisco Peace Treaty. It makes sense that the U.S. occupation authorities would have asked the Japanese government for this information. "This document wouldn't legally affect Korea's claim to the territory, since the South Korean government has not made any official claim to the territory up till the present time", argues legal scholar Lee Seok-woo. A 1962 treaty between China and North Korea also recognized the current border at the current location. Officially, neither South Korea nor North Korea claim Kando as Korean territory. However, a number of activist groups in South Korea have called for repudiating both the 1909 and 1962 treaties. On 3 September 2004, 59 lawmakers from South Korea's ruling party submitted a bill to the National Assembly calling for nullification of the 1909 Kando Convention. The move was not supported by the Roh Moo-hyun government, and the foreign ministry warned that it would only aggravate ties with China. Connected with the Kando issue is a dispute between China and both Koreas over the historical "ownership" of the ancient kingdom of Koguryo, which occupied the northern part of the Korean Peninsula and large parts of Manchuria from the first century BCE to the seventh century CE. Korean historiography has traditionally viewed Koguryo as one of the "Three Kingdoms" that ruled ancient Korea before unification of the peninsula by Silla in the late seventh century. In recent years, however, China has begun to claim Koguryo as a "local minority government within China." Since 1999, Chinese textbooks have taught that Koguryo was part of China. The government in 2002 launched the "North East Asia Project," under the stewardship of the Chinese Academy of Social Sciences and the three North East provinces, to study the history of the region. China also applied in

2003 to have the Koguryo tombs on its territory listed by UNESCO as "World Heritage Sites," causing uproar in both Koreas, which had applied two years earlier to register the Koguryo-era tombs in their territory. On the face of it, the debate over Koguryo's historical "status" is anachronistic. Nationalistic concepts of being "Chinese" or "Korean" surely did not exist in the seventh century, and the debate is really more about the present - and future - than about the past. China's current territory is roughly that controlled by the Qing Dynasty, which was established by Manchu invaders who conquered Ming China in the seventeenth century. It includes large pockets of minority groups, many of whom - like the Uighurs in Xinjiang and the Mongolians in Inner Mongolia - have strong ethnic ties with groups in neighboring countries. To counter the possibility of ethnic separatism, the Chinese government pushes the idea of a continuous Chinese "unified multinational state" occupying the current territory of China since time immemorial, with minority groups within that territory as part of that state, regardless of whether they had distinct governments, languages or cultures. This conflicts with the Korean belief that the inhabitants of the peninsula make up a single, homogenous ethnic group with 5,000 years of history. The Chinese concern over ethnic separatism calls into question how the government would view Korean unification. According to Yun Hwytak, who has studied Chinese strategic documents in his position as a researcher with the Koguryo Foundation, China is not fearful of Korean reunification per se, but does worry about U.S.-South Korean joint intervention in the case of North Korean collapse. "If the U.S. and South Korea unilaterally occupied North Korea, China might try to claim that the northern part of North Korea has been Chinese since the Han dynasty and that the Korean Choson Dynasty then expanded northward. Some scholars talk about the possibility that if the U.S. and South Korea enter North Korea, China needs a legitimate reason to send troops in to protect its interests." Yun sees this as creating a volatile situation, post-unification: The unification of the Korean Peninsula could lead to a situation in which South Koreans, North Koreans, ethnic Korean Chinese, and North Korean defectors will commingle on the Korean Peninsula and in the northeast region of China. Such a human network among ethnic Koreans would obliterate the borders between the Korean Peninsula and the northeast region of China, transforming the northeast region into a base for ethnic Koreans. Couple[d] with the idea of Manchuria as part of Korean territory, it would drastically increase the influence of unified Korea on China's northeast region as well as on ethnic Korean Chinese. However, extensive interviews with ethnic Koreans in the region paint a very different picture. On the one hand, they have maintained a strong cultural identity, with the vast majority of even the fifth generation speaking fluent Korean and less than 5 per cent marrying non-ethnic Koreans. On the other hand, none of those interviewed showed any interest in becoming part of a "Greater Korea." Part of the reason is economic: relatively well-off in China, Chinese-Koreans would become "poor cousins" if joined with their wealthier counterparts in the south of the peninsula. Another is the less-than-hospitable reception Chinese-Koreans who have gone to South Korea have received. "Ethnic Koreans feel intense discrimination when they visit South Korea. In contrast, they feel no discrimination in China," argues Kim Kang-il, a professor of political science at Yanbian University. Ethnic Koreans also enjoy privileges that are not shared by Han Chinese, such as not being subject to China's one-child rule. Nevertheless, the proportion of ethnic Koreans among the residents of Yanbian has been falling, from a peak of around 70 per cent during the 1940s and 50s

to less than 40 per cent today. As long as the two Koreas remain divided, it is unlikely that any South Korean government would advance a claim on Kando, especially as it involves the border between North Korea and China, over which Seoul has no say. But there is always the possibility that a rise in nationalist sentiments at the time of reunification could prompt revanchist claims. Doing so, however, would undoubtedly lessen China's enthusiasm for supporting reunification. ... In contrast to Europe, the wounds of World War II in North East Asia still have not fully healed, 60 years after the close of hostilities. Questions of responsibility for atrocities, compensation for victims, and the adequacy and sincerity of apologies continue to bedevil Japan's relations with its neighbors. In the absence of true reconciliation among former enemies, Japanese attempts to strengthen the country's military posture and seek a permanent seat on the UN Security Council generate fears of renewed militarism in China and the Korean Peninsula. The relative equanimity with which most of Europe accepted German reunification contrasted with the anxiety with which much of Asia views Japanese rearmament is largely due to the fact that Germany has come to terms with its past in a way that Japan has not. ... The issue of Japanese contrition is most strongly symbolized by the controversy over the prime minister's visits to Yasukuni Shrine, a Shinto memorial that honors Japan's war dead, including fourteen Class-A war criminals. Yasukuni Shrine was built in 1870 as a festival ground for soldiers. In 1888, it began to be used for honoring the dead from the victorious side of the Meiji Restoration civil war. The shrine quickly became the center of National Shintoism, the new national religion based by the Meiji leaders on traditional Japanese animistic beliefs. The shrine honors all who "died for the country;" not only soldiers but also nurses, telecommunications operators, civilians killed in bombing raids, etc. Nearly 2.5 million people are commemorated there. The Ministry of Justice is responsible for approving the admission of new honorees. The Class-A war criminals were added in 1978. Supporters of the move argue that it is reasonable to consider them as war dead because they were executed under the U.S. occupation in unfair trials. Shrine officials maintain that, as the 1953 law establishing pensions for bereaved families included Class-A war criminals, they are not considered criminals under domestic law. While shrine officials profess to take no position on the fairness of the trials, Radhabinod Pal, the Indian justice at the trials who was highly critical of the proceedings, is honored with a prominent display on the shrine grounds. ... One possible solution that has been put forth is to create an alternative memorial to the war dead, which would not honor specific individuals, but rather be a place to "remember the dead and pray for peace," but be non-religious in character. This idea was first proposed by a private panel convened by then-Chief Cabinet Secretary Fukuda Yasuo. ... The way Japanese history textbooks portray the country's past aggressions has been an enduring bone of contention. On one side of the debate are Chinese and South Korean critics, Japanese liberals, and teachers' unions, who believe the textbooks should give a proper accounting of past crimes. On the other side are right-wing activists, who with support from some officials, politicians, and bureaucrats, argue that Japan should abandon what they see as self-flagellation and embrace a more patriotic education. Textbooks have to be based on Ministry of Education guidelines. Pre-war textbooks were made by the government, so only one version of war history was taught. Until the first half of the 1960s, they included some recognition of Japanese responsibility for the war. Upon coming to power in 1955, the LDP launched a movement to change this. All

references to war against other Asian countries were erased. In 1965, Japanese historian Ienaga Saburo sued the government to try to end this practice. The first judgment, rendered in 1970, came down in his favor. In 1980, however, the LDP again undertook a campaign to change textbooks. As part of this, the ministry's authority was strengthened. Among the changes was the deletion of the word "invasion" from discussions of the war against China. In 1982, China and South Korea protested the revisions. In response, the government promised not to soften the image of Japan's actions in Asia, and from the mid-1980s, more balanced textbooks appeared. The 1984 version for middle schools contained the first reference to the Nanjing massacre; in 1987, this appeared in all high school textbooks. From 1994 all textbooks had references to the comfort women. Also in 1995, references were added to high school textbooks about the reparations controversy. In 1997, all middle school textbooks added references to reparations for comfort women. The onset of historical amnesia soon returned. In the summer of 1996, the LDP and private interest groups started pressing for removal of those references. The civic group Tsukurukai (Japanese Society for Textbook Reform) got approval in 2001 to put out its own textbook, which was published by Fusosha Publishing Company. It has been criticized for ignoring Japanese war crimes and presenting an emperor-centered version of Japanese history. For instance, mention of the Nanjing "incident" is relegated to a footnote which says that "many Chinese soldiers and civilians were killed or wounded by Japanese troops" but "documentary evidence has raised doubts about the number of victims." A battle ensued over whether to adopt this textbook in individual school districts. The Ministry of Education uses discretion to give regional committees the power to choose textbooks. The local education committee selects the teachers. "There's no similar system anywhere else; it's a very backward system," argues Tawara Yoshifuma, who heads a civil society group that fights to keep the references to the war crimes in the textbooks. On 13 July 2005, Otawara, Tochigi Prefecture, became the first municipality to adopt the Fusosha textbook. Japanese and South Korean civil society groups have worked closely together to lobby local governments against adopting this textbook. South Korean politicians got into the act as well, helping to raise more than \$600,000 for advertisements against the textbook. Suginami district in Tokyo was bombarded with over 4,500 letters on the issue, with almost three against adoption to every one supporting it. 83 came from Korea, including some from the Seocho district office in Seoul, which has a sister relationship with Suginami. While Suginami did adopt the Fusosha textbook, overall lobbying efforts were highly successful. Tsukurukai had set a goal of getting its textbook adopted by 10 per cent of all school districts, but only 0.4 per cent actually chose it. Perhaps more important was the publicity generated by the campaign, which spread awareness of the historical dispute in Japanese society. "They had to think about why Asian countries reacted the way that they did, and whether or not Japan had done enough to solve historical issues. They learned what Japan needs to do to play a bigger role in the world," argues Bong Young-shik, an expert on Japan-Korea relations at Williams College. Attempts to solve the textbook disputes have also led to greater collaboration among scholars in Japan, China and South Korea. At a summit in 2001, then-South Korean President Kim Dae-jung and Japanese Prime Minister Koizumi agreed to form a joint committee for studying shared history. It encountered many areas of disagreement, primarily over whether the colonial period had been all bad or had helped Korea to modernize. In many cases the scholars were

able to reach consensus, while relegating to footnotes those on which they could not. The committee finished its first phase, publishing research papers, in May 2005 and plans to reconvene to begin to write a joint textbook. A separate, non-governmental effort involving South Korea, Japan, and China resulted in a book published in all three languages, *History that Opens the Future*. The project faced problems at the beginning, particularly from the relative lack of independence of the Chinese scholars. But through their participation, the Chinese government gradually saw the value in such joint research and began giving the Chinese participants greater support. While the focus has been on the textbooks, Japanese students learn very little about any modern history. The subject is taught for about three hours per week in middle school. In high school, world history is required, but Japanese history is an elective. Even for those who take it, ancient history predominates; the modern era is barely touched upon. ... Museums in Japan demonstrate the dichotomous interpretation of the war experience among Japanese. For many on the right, Japan's defeat was a national humiliation that must be overcome by reclaiming its past glory and rightful place among nations. For many on the left, the war proved the folly of militarism and the necessity of peaceful settlements of disputes. The competition over these understandings is fought out in the museums that commemorate the war. Located within the grounds of the Yasukuni Shrine is the Yushukan, a museum covering all of Japan's wars from the 1868 Meiji Restoration through the Pacific War, with a separate room dedicated to each. While the brochure asserts that the museum shows Japan's "true history," the displays distort the record in order to justify Japan's actions. They can be broadly divided into two categories; memorabilia from soldiers fill one wall of the exhibition rooms, while another wall discusses the history of the wars, at least as it is understood by right-wing ideologues. The Yushukan whitewashes Japanese aggression. The advance into China is described as a self-defense reaction to attacks on Japanese troops by "terrorists," while the question of why Japan had hundreds of thousands of troops deep inside Chinese territory is not addressed. The display admits that the 1931 Mukden incident was staged by members of Japan's Kwantung Army but justifies their response as "self-defense" against Chinese encroachments on Japanese interests. In the most egregious distortion, the display on the Nanjing attack claims that the army set up the "safety zone" to separate civilians from Chinese soldiers. In fact, it was established by foreigners in Nanjing to help protect the Chinese; the Japanese soldiers felt free to rape and murder civilians outside the zone (and within it when they could get away with it). As John Breen, the head of the Japanese and Korean Department at the School of Oriental and African Studies in London puts it, "the Yushukan remembers a war that was only ever glorious; it obliterates the possibility that not all the Japanese war dead died glorious deaths, that lives lost (Japanese or others) were lives wasted, and that war was brutal and squalid." If the Yushukan glosses over Japan's victimization of others, the Hiroshima Peace Museum commemorates the victimization of Japanese by the dropping of the first atomic bomb. However, it strives to avoid nationalistic spin. ... South Korean museums generally provide a single interpretation of the colonial period - that of predatory Japanese invaders and gallant Korean defenders. Questions regarding Korean collaboration with Japan, Japan's contribution to Korean economic development, or the role of communists in the independence movement are dealt with summarily or not at all. The museums thus gloss over the differences that continue to divide South Korean society by focusing on

Japan as the cause of all problems. ... The proliferation of museums in China with an anti-Japanese theme developed recently in response to domestic and diplomatic changes. During the Cold War, Chinese propaganda focused on the victory of the Communists over the Nationalists in the Civil War. The war against Japan was deemphasized, and discussion of war atrocities forbidden, largely due to China's need to maintain cordial relations with Japan during the standoff with the Soviet Union. After the Tiananmen Square massacre, the Chinese Communist Party (CCP) instituted "patriotic education" to fill the void left by the decline of ideology. By 1993, the State Education Commission had instituted guidelines for this campaign. In keeping with the renewed emphasis on nationalism, the CCP's victory over the Nationalists was given less attention, while its role in defeating the Japanese invasion was placed in the forefront. ... The largest, state-sponsored museums commemorate the major events of the war: the Nanjing Massacre Museum in Nanjing, the Marco Polo Bridge Museum in Beijing, and the 18 September Museum in Shenyang, which focuses on the incident that led to the Japanese conquest of Manchuria. A number of smaller museums have sprung up through the collaboration of private individuals and local officials. In many cases, these are focused on events of local significance, such as the Unit 731 Museum in Harbin. In Shanghai, a local scholar raised funds to restore former comfort women stations, and arranges guided tours for visitors. The largest private museum in China is the War of Resistance against Japanese Aggression Museum, which opened outside of Chengdu on 15 August 2005 to house the vast collection of war relics accumulated over the years by Fan Jianchuan, a former soldier, local official, and real estate developer. ... One of the major regional disputes is over whether Japan has sufficiently accepted responsibility for its past deeds. It is not true, as is sometimes asserted, that Japan has never acknowledged its crimes or apologized. Since the 1970s, ten Japanese prime ministers, the last two emperors, and several chief cabinet secretaries have issued apologies for Japan's mistreatment of its neighbors. Apologies made in the 1970s and 1980s by Prime Ministers Tanaka, Suzuki, Miyazawa, and Nakasone, and by Emperor Hirohito himself, tended to express "regret" (*tuukan*) and "remorse" (*hansei*) for the suffering of Japan's neighbors, but without really taking responsibility. The 24 August 1982 apology of Prime Minister Suzuki Zenko, for instance, stated that Japan "needs to recognize that there are criticisms that condemn [Japan's occupation] as an invasion." Emperor Hirohito, meeting with South Korean President Chun Doo-hwan on 6 September 1984, stated "It is indeed regrettable that there was an unfortunate past between us for a period in this century and I believe that it should not be repeated again." Starting in the 1990s, Japan's apologies became more comprehensive, with the word *owabi* (apology) coming into use. The most comprehensive is generally regarded to be that made by Socialist Prime Minister Murayama Tomiichi on the 50th anniversary of the war's end, 15 August 1995: "During a certain period in the not-too-distant past, Japan, through its colonial rule and aggression, caused tremendous damage and suffering to the people of many countries, particularly those of Asia. In the hope that no such mistake will be made in the future, I regard, in a spirit of humanity, these irrefutable facts of history, and express here once again my feelings of deep remorse and state my heartfelt apology." Subsequent Japanese officials have reiterated Murayama's statement. Foreign Minister Tanaka Makiko stated on 8 September 2001 that the Japanese government reaffirms Murayama's apology, and Prime Minister Koizumi repeated it almost word-for-word on

the 60th anniversary in 2005. On 4 August 1993, Chief Cabinet Secretary Kono Yohei became the first to officially apologize for a specific act when he extended the government's "sincere apologies and remorse" to the comfort women, while also noting "the involvement of the military authorities of the day." Every prime minister since 1995 has signed a letter of apology to the comfort women. Other than that, the Japanese government has not officially addressed any specific war crimes, such as the Nanjing Massacre or Unit 731 experiments. Japan has apologized specifically to South Korea eleven times, China three times, and North Korea once, with all other apologies directed at "Asian peoples" or "neighboring countries." The language of the apologies has not differed significantly by country, although the apologies to Korea have more often mentioned specific issues (such as forcing Koreans to speak Japanese), while those to China have been more general apologies for "suffering" and "invasion." Critics remain dissatisfied not so much with the wording of Japan's apologies, but Japanese leaders' actions and often contradictory statements, leaving the apologies seen as virtually meaningless. A Crisis Group survey of South Korean undergraduates found that 95 per cent believed Japan has not sufficiently apologized for its colonial rule. Emperor Akihito, visiting Saipan to commemorate the anniversary of the battle on that island, made an unexpected pilgrimage to a shrine for Korean war dead. Instead of welcoming this gesture, however, many Koreans criticized him for not allowing photographs or laying a wreath. His silent head bow was compared unfavorably to how German Chancellor Willy Brandt fell to his knees in 1970 at the memorial in the Warsaw Ghetto. It was also noted that Akihito did not acknowledge his father's war responsibility. ... While Murayama, as a socialist, had no problems in making a clear statement of apology, many members of the LDP have more difficulty because their family backgrounds include people who were high officials in the imperial government. This did not, however, prevent Japanese Foreign Minister Aso Taro, whose father employed slave labour in Korea, from urging Japanese to "maintain continuously a spirit of deep remorse." ... The underlying cause of all these simmering disputes is rising nationalism throughout the region. China and South Korea have undergone enormous economic and social changes in recent decades, leading to a re-evaluation of national identity. In the Chinese case, nationalism has largely taken the place of communism as the glue for maintaining national integrity. In South Korea, economic development and democratization have led to a re-examination of the authoritarian past. In Japan, meanwhile, the relative decline from regional leader status has triggered a conservative backlash. In all cases, domestic politics help stimulate nationalistic sentiments. Convincing people in the three countries to eschew nationalism in favor of more cooperative approaches to regional problems will be difficult. ... China's rapid economic rise has in one generation lifted the country from poverty into one of the world's most vital powers. While economic growth has vastly improved the lives of a large portion of the population, it has also contributed to grumblings about the desirability of continued one-party rule. With the declining appeal of ideology, the government has turned to nationalism, emphasizing the Communist Party's role in restoring China to global prominence, after centuries of colonial depredations. ... South Korea has undergone profound social and demographic changes since its transition to democracy in 1987. The generation that fought against communism and achieved economic development has been supplanted by the generation that fought dictatorship and achieved democracy. This

sea change has led to questioning of everything from the proper approach to North Korea to the assessment of the country's modern history. Throughout the Cold War, North Korea emphasized its leadership's role in the anti-colonial struggle as the source of its legitimacy, while South Korea gave pride of place to its superior economy and glossed over questions of collaboration during colonial times. The generation of South Koreans that came of age during the pro-democracy movement of the 1980s is attempting to develop a more nationalistic consciousness. The "liquidation of history" (as the Roh Moo-hyun administration frequently puts it) gained added resonance in 2005, the 100th anniversary of Japan's colonization of Korea and the 60th anniversary of Korea's liberation from Japanese rule. The new leaders, many of whom served prison terms under past military regimes, seek to re-evaluate South Korea's modern history. This includes looking not only at the past dictatorships, but also at the question of collaboration with the colonizers. The "pro-Japanese activities" of such prominent Koreans as the founders of the three leading newspapers and former President Park Chung-hee, who served as an officer in the Japanese army, have received much media attention. For some observers, it is no coincidence that those three newspapers - all with roots in the colonial era - and President Park's daughter, Park Geun-hye, are among the current government's leading antagonists. The leading liberal newspaper, *Hankyoreh Shinmun*, has focused particular attention on the collaboration issue, devoting more than three pages to it when a commission released a new list of collaborators. In 2004, the National Assembly passed a "Special Law on Truths Concerning Anti-Korean Activities during Forcible Japanese Occupation". In his speech on the 60th anniversary of national liberation on 15 August 2005, President Roh Moo-hyun emphasised the issue and called on the National Assembly to pass a law confiscating property from the families of former collaborators. President Roh's interest in questioning the nationalist credentials of the traditional ruling elite stems from his status as an outsider. ... Japan has always had its share of xenophobic nationalists. Throughout the Meiji and Showa periods, and even during the brief flourishing of "Taisho democracy" in the 1920s, government officials who were seen as insufficiently aggressive in pushing national interests risked assassination. In post-war Japan, the zealots are reduced to the somewhat less intimidating method of riding through the streets in sound trucks bellowing slogans. Although extreme right-wing nationalism remains on the margins, the country as a whole has been moving in a more conservative direction. Comic books attacking Korea and China and with titles like "Hating the Korean Wave" have become best-sellers. Among other things, the anti-Korea comic book justifies Japanese colonialism of Korea, stating: "What we truly did in Korea is we tried to make Korea a better country." One reason is the demographic shift. Japan has the oldest population in the world; in 2005 the death rate surpassed the birth rate, which will lead to an inexorable population decline. Coupled with this, a decade of economic stagnation, while recently reversed, reduced the self-confidence Japan had built up as the second-largest economy in the world. At the same time, the rise of China and North Korea's nuclear program and missile tests have contributed to a sense among Japanese that the region is more dangerous than they previously thought, and that international institutions will not protect them. The end of the Cold War and the decline of the Socialist Party of Japan have deprived left-leaning groups of an institutional presence to counter moves toward the right. A primary manifestation of the changing attitude is Japan's move toward acquiring military power, or as it is

often referred to, becoming a "normal" country. ... The backlash is growing over South Korean "whining" and Chinese "bullying" over the Yasukuni Shrine and textbook issues. A study group on policy toward China sponsored by the right-of-centre Tokyo Foundation argued: "The visit to Yasukuni Shrine never leads to a revival of militarism in Japan," and concluded that "conciliatory policies toward China have later resulted in a confrontational state between the two nations, [and therefore] we recommend that Japan should change its policy stance in a reciprocal and non-accommodative direction". ... Following his landslide re-election victory in October 2005, Prime Minister Koizumi appeared to take a turn toward the right, appointing noted conservatives Abe Shinzo and Taro Aso chief cabinet secretary and foreign minister, respectively. Many observers, however, are rather sanguine about the foreign policy implications. Lee Jong-won, an expert on Japan-Korea relations at Tokyo's Rikkyo University, argued that bringing Abe and Taro into positions of such prominence could be Koizumi's way to ensure conservative support for his plans to improve relations with China and North Korea. Another observer pointed out that all members of the current administration were already in the cabinet and had merely been shuffled to different positions. The new head of the ministry of economy, trade and industry, Nikai Toshihiro, has good relations with China and has pledged to seek an amicable resolution of disputes over energy reserves." (International Crisis Group, *Northeast Asia's Undercurrents of Conflict*, December 15, 2005)

12/16/05

The U.N. General Assembly adopted a draft resolution expressing strong concern over North Korea's weak human rights record by a vote of 88 to 21, with 60 abstentions. It is the first resolution specifically citing North Korea's human rights violations to be adopted by the United Nations. Pyongyang had strong words for co-sponsors Japan, the United States, Britain and the European Union as a whole before the vote, attacking all three as "kingpins of human rights violations" and the European Union as a "hypocrite." It accused the United States of using its war on terror to legitimize the torture of suspects. "It is cowardly and hypocritical for the EU to cry for human rights in small and weak countries, while turning away from horrible human rights violations by the U.S. and the U.K.," a North Korean representative said. North Korea presented itself as a country of "small territory and population" being victimized by "big powers boasting of military and economic strengths" through human rights and nuclear weapon issues, outlining what Pyongyang perceived as each country's violations in its speech, including Japan. "The DPRK is sick of Japan's desperate campaign to force its will on other countries by using its economic influence," the North Korean representative told the world body. He stated that Japan was still a "war-criminal state" from World War II, "who has not settled the crimes against humanity...but is embellishing them and pushing forward with preparations to repeat the criminal history." "All these facts and realities eloquently prove that the (draft resolution), even if adopted, would not carry lofty authority and legitimacy of the resolution of the General Assembly of the United Nations," he concluded. Japanese Ambassador to the U.N. Ozawa Toshiro responded after the vote only by saying that Tokyo strongly hoped and requested that North Korea would take the adoption of the resolution seriously, and would cooperate fully with Vitit Muntarbhorn, the U.N. **special rapporteur** for human rights. The Geneva-based U.N. Human Rights Commission has adopted similar resolutions over the last three years. The European Union-sponsored

resolution to the third committee, which deals specifically with human rights issues, again urges North Korea to address the concerns from the previous texts. While a General Assembly resolution is not legally binding, a resolution approved by the 191 member states carries more political weight than those passed by the 53-member human rights commission. In addition to the 25 members of the European Union, the resolution was co-sponsored by 45 member states, including Japan, the United States, Britain, Canada and Australia. The draft expresses serious concern about Pyongyang's refusal to cooperate with Muntarbhorn as well as its "systematic, widespread and grave violations of human rights," including torture, execution and forced labor; sanctions on repatriated North Korean citizens; restrictions of freedom of thought, religion, assembly and travel; trafficking of women for prostitution and forced marriage; and "unresolved questions" relating to the abductions of foreigners, including Japanese nationals. The text also calls for North Korea to cooperate fully with Muntarbhorn, allow humanitarian organizations free access to all parts of the country, and "fully respect all human rights and fundamental freedoms." Among the countries voting against the resolution were China, Russia, Indonesia, Vietnam and Venezuela. (Kyodo, "U.N. Adopts Human Rights Resolution, Sparks Reaction from Pyongyang," December 16, 2005)

12/18/05 North Korea has serious doubts about the future of six-party talks because of a hostile U.S. policy toward it, Park Gil-yon, DPRK ambassador to the U.N. said in an interview with Xinhua and Itar-Tass. (Yonhap, "Pyongyang Doubts Future of Nuke Talks," Korea Times, December 18, 2005)

Japanese FM Aso Taro told a press briefing the government was doing its best to arrange a meeting with North Korea. (*Yomiuri Shimbun*, "N. Korea Talks May Resume Soon," December 18, 2005)

12/19/05 DPRK Foreign Ministry spokesman's statement "blasted the frantic anti-DPRK 'human rights' racket kicked up under the U.S. supervision. The U.S. instigated its allies to railroad the anti-DPRK "human rights resolution" through the Third Committee of the 60th UN General Assembly this year and recently brought together riff-raffs in Seoul to stage such farce as the 'international conference on north Korean human rights performance,' the statement said, and went on: The U.S. plans to stage a similar farce in Brussels next year. It can not but be a tragedy in the 21st century for the U.S. to talk about human rights as it has the world's poorest human rights record and is an empire of evil. The U.S. occupied a sovereign state by force in broad daylight under the pretext of combating the "spread of weapons of mass destruction" in utter defiance of the UN and the system of international law. It advocated the defense of 'human rights' in a sea of blood shed by Iraqis. The Bush administration openly asserted that the Geneva Convention strictly restricting interrogation methods falls behind the times. It did not hesitate to perpetrate medieval torture which would make even brutes blush after issuing even the official directive to the effect that it approves a modification of the understanding of the Geneva Convention and more strict interrogation methods. The U.S. is a typical criminal state which politicizes the human rights issue and applies selectivity and double standards concerning the issue. Its talk about "protection of human rights" is nothing but leverage for interfering in the internal affairs of anti-U.S.

independent countries and other countries which incurred its displeasure and using force against them and toppling governments there. That is why voices categorically opposing and rejecting the U.S. trumpeting about human rights are ringing louder in different parts of the world. This is evidenced by the mounting criticism of the U.S. anti-DPRK 'human rights racket.' Washington's escalated anti-DPRK 'human rights offensive' is prompted by its sinister intention to realize a regime change in the DPRK at any cost. The Bush group's noisy anti-DPRK 'human rights racket' only discloses its vulgar and despicable true nature. The U.S. 'human rights offensive' against the DPRK will never work on it and people-centered socialism of Korean style is not such a weak system which would shake in face of the U.S. 'human rights offensive.' A lesson the Korean people have drawn from the U.S. undisguised human rights campaign against the DPRK is that human rights precisely means the state sovereignty and defending human rights precisely means protecting this sovereignty. **The DPRK will increase self-reliant national defense capacity including nuclear deterrent, pursuant to the Songun policy, to cope with the U.S. escalated policy to isolate and stifle it with the nuclear issue and the 'human rights issue' as pretexts.**" (KCNA, "DPRK Foreign Ministry Denounces U.S. Anti-DPRK 'Human Rights' Racket," December 19, 2005)

KCNA: KCNA issued "a detailed report in connection with the fact that the construction of Light Water Reactors (LWRs) promoted by the Korean Peninsula Energy Development Organization (KEDO) under the U.S. supervision came to a final end. It said: In November the U.S. and the KEDO made a final decision to completely stop the construction of the LWRs which they committed themselves to provide to the DPRK. **The construction of the LWRs, the keynote of the DPRK-U.S. Agreed Framework (AF), provided a guarantee for putting an end to the hostile relations between the two countries** and peacefully solving the nuclear issue on the Korean Peninsula as groundwork for building the bilateral confidence. The construction of the LWRs which the U.S. had committed itself to provide to the DPRK on a turnkey basis by the year 2003 under the AF has not gone beyond the phase of the groundwork although it is two years behind the deadline for the completion of the construction due to the U.S. obstructive moves. The U.S. has procrastinated over their construction, regarding it as a sort of "gift" to the DPRK. It has finally made such unilateral decision, a wanton violation of the agreement between the governments and a perfidy to its dialogue partner. It is the Bush administration which is chiefly to blame for having reduced the AF to a dead document. The basic spirit of the AF adopted on Oct. 21, 1994 calls on both sides to respect mutual sovereignty, build an atmosphere of reconciliation and confidence, terminate the hostile relations between the two countries and ensure peace and security in the world, to say nothing of those on the Korean Peninsula and in Asia-Pacific. **The Bush administration, however, has deliberately refused to abide by the AF and systematically scrapped all official documents** signed between the two countries in a premeditated manner, asserting that the AF and a series of other agreements its previous government concluded with the DPRK bring "benefits" to the DPRK only while harming the interests and dignity of the U.S. side. The hard-line conservative forces of the U.S. Republican Party did not let even a single opportunity pass by without escalating the pressure as regards the DPRK policy pursued by the Democratic Party government, talking about the AF. This had thrown this or that hurdle in the way of the smooth implementation of the AF. No sooner had the Bush

administration emerged than it opted for modifying the policy toward the DPRK and totally negating the AF. It has systematically pursued a hard-line policy toward the DPRK, terming it a "lawless state", a "rogue state", a "human rights abuser" and a "sponsor of terrorism," etc. even without having any chance to talk to it. The keynote of the AF was the provision of the LWRs as it reflected the political will to solve the nuclear issue between the DPRK and the U.S. on the principle of reciprocity. The AF committed the U.S. to building LWRs of 2,000 MW and providing them to the DPRK by the year 2003. On Jan. 17, 2003 the Bush administration adopted the "stop to the provision of LWRs to north Korea" through KEDO as its official policy and decided to negotiate with the relevant parties. On Nov. 22, 2005 it finally decided to completely stop it. **Now that the U.S. has completely given up the construction of the LWRs, a yardstick showing its confidence, the DPRK is left with no option but to pursue without let-up its peaceful nuclear activities based on the graphite-moderated reactors (GMRs) of Korean style.** The Bush administration's abandonment of its commitment to provide LWRs to the DPRK compels it to develop in real earnest its independent nuclear power industry based on 50,000 KW and 200,000 KW GMRs and their related facilities and start developing and building LWRs of Korean style in reliance upon its indigenous technology and potential when an appropriate time comes to put further spurs to its peaceful nuclear activities. The U.S. is now under a legal and moral obligation to compensate for the huge political and economic losses it has caused to the DPRK by totally stopping the construction of the LWRs and scrapping the AF. **The DPRK has suffered enormous political and economic losses due to the Bush administration's breach of the AF as evidenced by the suspension of the delivery of heavy fuel oil and the complete stop to the provision of the LWRs.** First of all, the freeze of the independent nuclear power generating facilities has brought huge losses to the DPRK, having an immeasurably adverse impact on different domains of the national economy. The U.S. non-compliance with its commitment to build LWRs by 2003 and put them on a normal operation in return for the DPRK's freeze of its independent nuclear power industry has caused the latter to suffer the loss of tens of billions kwh of electricity annually since 2004. Therefore, the DPRK is not in a position to meet the growing demands of different domains of the national economy for electricity which has seriously affected the development of industry, agriculture and other fields of economy and the efforts to improve the standard of people's living. **The DPRK has the legitimate right to demand the U.S. compensate for having pulled out of the AF and caused huge political and economic losses to the DPRK.** This demand is quite reasonable and just in view of internationally recognized laws, norms and common practice. The DPRK is entitled to urge the U.S. to fully compensate for the huge losses it has brought against the DPRK even under the DPRK-U.S. agreement and Article 16 of the Agreement on the Provision of LWRs "Actions in case of non-compliance." The U.S. which organized the KEDO and supervised it has unilaterally disbanded it without full agreement with the KEDO member countries. Therefore, it should compensate to them for the possible future losses. **The fact that the U.S. has systematically violated the AF and shunned its implementation proves that it was quite right for the DPRK to have decided to maintain the nuclear facilities without dismantling them.** The present reality once again convinces the DPRK that it was far-sighted when it took a measure for self-defence every time it deemed necessary, predicting that the Bush administration might scrap the AF and completely halt the

construction of the LWRs anytime. The DPRK was quite right when at the six-party talks it insisted on observing the principle of simultaneous actions as regards the provision of LWRs and the abandonment of nuclear program, a physical foundation for building confidence between the DPRK and the U.S. The DPRK will deal with the U.S. in the future, too, on the basis of simultaneous actions on the principle of "action for action." The U.S. has neither a pretext nor justification to blame the DPRK for bolstering its nuclear deterrent as a defensive means because it has persistently pursued a hostile policy toward the DPRK. **As long as the Bush group persistently pursues the policy to stifle the DPRK, bent on arrogant, self-justified and high-handed practices while regarding "force" as all-powerful, the DPRK will steadily bolster its nuclear deterrent** as a powerful treasured sword for defending the sovereignty of the country, averting a war on the Korean Peninsula and ensuring peace in Asia and the rest of the world." (KCNA, "KCNA Urges U.S. to Compensate for Losses Caused by Scrapping AF," December 19, 2005)

KCNA: "The U.S. is persisting in its campaign to impair the image of the DPRK. The Bush administration recently let such ignorant and rude political hooligans as U.S. Under-Secretary of State Joseph and U.S. Ambassador in Seoul Vershbow make reckless remarks terming the DPRK a 'criminal state' and 'an enterprise engaged in criminal acts.' This is one more grave provocation against the DPRK which stands dignified and sacred in the international arena as the above-mentioned 'outcries' are nothing but a version of the reckless remarks about 'part of an axis of evil' and 'an outpost of tyranny.' The Bush administration painted the DPRK as a 'lawless state' and a 'criminal state,' not content with labeling it a 'rogue state.' This smear campaign is aimed at creating an environment for implementing its hard-line policy towards the DPRK according to its premeditated 'scenario.' Once the U.S. said that the DPRK is a sovereign state and it respects the sovereignty of the DPRK. However, the reality proves that this was nothing but a ruse to deceive the international community and buy time for stifling the DPRK militarily. It is a hackneyed method the U.S. has employed throughout its history **to brand a government and leadership of a country as a 'criminal' before perpetrating aggression and intervention** in other country and nation. It is well known to everyone that such false propaganda of the U.S. means a prelude to a war of aggression. The reckless remarks let loose by the U.S. conservative hardliners are no more than part of the campaign to invent **a pretext for starting a war** against the DPRK. As was the case with Iraq, the U.S. smear campaign is always accompanied by its aggression against a sovereign state and the disturbance of peace and stability and such human rights abuse as massacre, its consequences. As far as a 'criminal state' is concerned, one cannot but mention the U.S. which was set up through the most savage human rights abuses and which has become rich as a result of aggression, war, plunder and killing. The U.S. is the biggest criminal state as it has carried out wars of aggression in different parts of the world and killed innocent civilians in cold blood defying the UN Charter and international law and it is chiefly to blame for zealously fostering terrorism and spreading nuclear weapons. Is there any other lawless and cruel country than the U.S. and any other group of criminals than the Bush group on the earth? It is preposterous for the U.S. to dare term the DPRK a 'criminal state' and so on. The U.S. conservative hard-liners' reckless remarks against the DPRK are an expression of the undisguised hostile policy of the Bush

administration towards the DPRK. This is a **foolish attempt to justify its financial sanctions** against the DPRK and **shift the responsibility for the deadlocked six-party talks** onto it. It is **the principled stand of the DPRK that it cannot discuss the issue of the abandonment of the nuclear program unless the U.S. withdraws its hostile policy** towards the DPRK. **The U.S. increased pressure upon the DPRK would only compel it to hold higher the banner of Songun and bolster its deterrent for self-defense in every way** to cope with the possible provocation of the hostile forces." (KCNA, "KCNA Blasts U.S. Moves to Scuttle Six-Party Talks," December 19, 2005)

12/20/05 The United States has urged South Korea to reduce its economic aid to North Korea, expressing its displeasure that the aid is not helping to resolve the nuclear issue, sources close to the matter said. Deputy Secretary of State Robert Zoellick conveyed this position to South Korean Unification Minister Chung Dong Young during their talks in Washington, the sources said. The United States made the rare demand at a time when it has stepped up pressure on Pyongyang. Washington recently imposed financial sanctions on a Macao-based bank suspected of laundering money gained from illicit activities for the North and against North Korea entities for allegedly proliferating weapons of mass destruction. The sources said Zoellick stressed that North Korea's currency counterfeiting and other illicit activities threaten not only the United States, but also the entire world. Zoellick explained that the United States is working with Japan as well as European and other nations to prevent the money earned through such activities from falling into the hands of the North Korean leadership and military, the sources said. Against this backdrop, Zoellick told Chung that South Korea's economic aid undermines these efforts and is making it hard to get DPRK to abandon its nuclear programs, the sources said. Zoellick also conveyed Washington's policy of refusing imports of products made at an industrial complex being developed in the North Korean border city of Kaesong, which is the core project of an inter-Korea economic cooperation effort, stressing that the United States considers the products to be made in North Korea. At a press conference a day before the meeting, Chung said South Korea has proposed holding an informal meeting in January of chief delegates of the six-party talks on North Korea's nuclear ambitions. South Korea earlier offered to host the informal session on December 19 on Jeju Island to set the stage for Washington and North Korea to hold talks in a multilateral setting to resolve the disputes over the sanctions and get the full six-party talks back on track. (Kyodo, "U.S. Urges S. Korea to Reduce Economic Aid to N. Korea," December 21, 2005) South Korea dismissed as "unfounded" a Kyodo report that Zoellick had asked it to reduce its aid to North Korea. (Yonhap, "Seoul Denies Report That U.S. Asked S. Korea to Cut Aid to N.K.," December 22, 2005)

Kim Dae-jung said he would meet Kim Jong-il for a second time in the near future. He told *Monthly Joong-Ang* the governments of both Koreas had agreed to his trip but that he would travel in a private capacity. (*JoongAng Ilbo*, "Kim Dae-jung to Visit North," December 20, 2005)

12/22/05 With diplomatic relations between Japan and China already chilled by a succession of events this year, the Japanese foreign minister bluntly described China's military

buildup as a threat, immediately drawing an angry response from Beijing. In a news conference, Aso Taro said China was "a neighboring country with one billion people, nuclear arms, military spending that has shown double-digit growth for the last 17 years, with extremely little transparency." "It's becoming a considerable threat," Aso said. In Beijing, the Chinese Foreign Ministry's spokesman, Qin Gang, called the comments irresponsible and said China was committed to "a path of peaceful development." "We'd really like to know his real motive this time in raising groundless claims of a China threat," Qin said. Last year, as it realigned its own military forces, Japan described China's military buildup as a security concern. But Aso's comments were the bluntest yet by a Japanese official. Known as a hawk, Mr. Aso was responding to a question about similar comments made recently by the leader of the opposition Democratic Party, Maehara Seiji. Aso's comments were later backed by the chief cabinet minister, Abe Shinzo, another hawk who, along with Aso, is considered a possible successor to Prime Minister Koizumi Junichiro, who has said he will retire next September. "I think Minister Aso made his comments based on a view that securing transparency at a time when its military spending has shown double-digit increases in recent years would lead to trust among foreign countries toward China," Abe said. (Norimitsu Onishi, "Foreign Minister Says Japan Sees Military Threat in China Buildup," *New York Times*, December 23, 2005, p. A-10)

12/24/05 The Cabinet approved the government's plan to increase outlays on missile defense in FY2006 to 139.9 billion yen while cutting the overall defense budget by 0.9 percent to 4,813.9 billion yen, the fourth straight year of cuts. The 139.9 billion includes 3 billion for joint Japan-U.S. development of the next generation of sea-based Standard Missile 3 interceptor and 700 million for the current stage of joint research, 18.9 billion for the FPS-XX ground-based missile warning system and 10.1 billion for the Patriot Advanced Capability 3 interceptors. (Kyodo, "Japan to Boost Missile Defense, Cut Overall Defense Budget by 0.9%," December 24, 2005)

12/24-25/05 Japan and North Korea will hold bilateral talks in Beijing, with the issue of Pyongyang's abductions of Japanese citizens high on the agenda, the Japanese Foreign Ministry said December 21. In the talks, Japan will demand the return of any abductees still in North Korea and ask Pyongyang to provide "convincing accounts" of what happened to all those abducted and to hand over to Japan the agents or officials responsible for the abductions, Chief Cabinet Secretary Abe Shinzo said in a press conference. Japan will also demand that North Korea provide information on missing Japanese citizens whose relatives believe they have also been abducted by North Korea, he said. In bilateral talks on November 3-4 in Beijing, Japanese delegates proposed that they resume talks to normalize diplomatic ties in parallel with separate talks on the abduction and security issues. Abe, the government's top spokesman, said Japan will seek a reply to the proposal but reiterated Japan's stance of not normalizing ties with North Korea until the abduction issue is resolved, terming the abductions "the most important" issue for Japan. Should North Korea accept Japan's proposal, the negotiations aimed at normalizing bilateral ties would be held at the ambassadorial-level, as was done in October 2002, Katori Yoshinori, the ministry's press secretary, said. While Foreign Ministry sources suggested that North Korea has basically accepted the Japanese proposal, Katori did not confirm that at a press conference and

refrained from going into details. "We would like to hear what North Korea has to say about our proposal in our upcoming talks. It would be too premature to say at this point what North Korea's response would be," he said. Last week, a ministry official said, "We have to know beforehand what North Korea's response will be. It's no use if we hold talks and they say they cannot accept our proposal." Saiki Akitaka, deputy director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, is expected to head the Japanese delegation again, with his counterpart being Song Il-ho, vice director of the DPRK Foreign Ministry's Asian Affairs Department. North Korea has decided to meet with Japan again apparently because the North thought it would be wise to continue the dialogue amid the deadlock in the six-party talks, the sources said. Indicating Japan's role in the six-party framework, Katori said Japan intends to convey to North Korea during their weekend talks that it is "desirable" to hold the six-party talks as soon as possible. (Kyodo, "Japan, N. Korea to Hold Talks in Beijing on Abductions," December 21, 2005) Japan and North Korea agreed on a new format for bilateral talks, three working groups that will address diplomatic normalization, abductions, and the North's nuclear and missile programs. "They will hold discussions on a parallel basis. We will begin at the end of January if it is possible," said Saiki Akitaka. "Specific discussions will be held by experts" on the DNA analysis in the abduction panel, said Song Il-ho. (Kyodo, "Japan, N. Korea Agree to Hold Talks under New Format in January," December 25, 2005)

12/26/05

The National Assembly's budget committee has agreed on cuts of 150 billion won (\$149 million) from the 2.6 trillion won allocated to four projects on inter-Korean cooperation. (*JoongAng Ilbo*, "Inter-Korean Funding Cut 5% by Committee," December 26, 2005)