



# **NORTH KOREA CHRONOLOGY 2008**

Northeast Asia Cooperative Security Project  
Social Science Research Council

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12/31/07

No North Korean declaration of its nuclear programs by year's end. According to Kyodo, the North has also told the United States it is reducing the shifts of workers carrying out disabling. "There has been no last-minute change," DoS spokesman Tom Casey told reporters. "It's unfortunate but we are going to keep on working on this." North Korea now risks losing out on diplomatic and economic incentives promised in return for a full nuclear declaration, White House spokesman Scott Stanzel said. "This is an action-for-action process," he told reporters in Texas, where US President George W. Bush was to ring in 2008 on his ranch. "In order to have action on one side, we have to have action on the other side as well." "While the disablement is a technical issue, the declaration is a politically strategic one which requires lots of thought," Kim Sung-Han, an international politics professor at Korea University, told AFP. "The declaration is seen as a litmus test of whether Pyongyang is really willing to be a nuclear-free state. Given the current stalemate, it must have made no strategic decision yet." (AFP, "N. Korea Fails to Meet Year-End Deadline," December 31, 2007)

Russia's HFO delivery delayed.

1/1/08

North failed to fulfill its October 3, 2007 promise to declare all its nuclear programs by the end of 2007 -- and the United States did not make a big deal out of it. "I'm not going to put a deadline on it," said White House spokesman Scott Stanzel. "We think there is an opportunity to move forward." While saying that North Korea cannot "pretend to give a complete declaration" of its weapons program, Stanzel noted that the United States itself is responsible for some of the delays in the disabling of the

Yongbyon nuclear reactor -- for safety and security reasons. "The United States slowed down part of the disablement process," Stanzel said. "We wanted it to be done in a safe and secure manner." After the deadline passed, the North issued a New Year's message Tuesday calling on Washington to scrap what it calls "hostile" policies toward the regime, although it made no mention of the missed deadline. "The source of war should be removed and lasting peace be ensured," the North said in the message carried by KCNA. "An end should be put to the U.S. policy hostile towards (North Korea)." The North also said the armistice signed at the close of the 1950-53 Korean War should be replaced by a peace treaty. The lack of a formal treaty ending the conflict means the Korean peninsula still remains technically at war. It also said the North would "make earnest efforts for stability on the Korean peninsula and peace in the world" and that the country is ready to develop "relations of friendship and cooperation with all the countries that are friendly toward it." The message, published in the form of a joint editorial by three major North Korean newspapers, also called for strengthening the country's military force, but stopped short of calling for boosting nuclear capabilities. **It mentioned "nuclear weapons" only once when it said the "mental power" of the people "is more powerful than nuclear weapons."**

(Jaesoon Chang, "North Korea Misses Deadline for Nuclear Declaration," January 1, 2008) "An end should be put to the U.S. policy hostile toward the DPRK and the Armistice Agreement be replaced with a peace pact." (KCNA, "Joint New Year Editorial of Leading Newspapers in DPRK," January 1, 2008) "It's a rare New Year joint editorial in the face of the incoming conservative administration in South Korea," said Professor Nam Sung-wook of Korea University who advises Lee's transition team on North Korea policy. "The editorial showed both the North's recognition of the Lee administration and its demands for the incoming administration to honor the summit accords." Lee's spokesman Joo Ho-yeong said the North's low-key attitude was a positive sign for inter-Korean relations. "We express strong sympathy with the North's flexible position (on inter-Korean affairs)," said Joo. "At the same time, we express hope that Pyongyang will honor the multinational agreement to disable its nuclear programs in a sincere manner to further develop inter-Korean relations under the new South Korean government." (Jung Sung-ki, "Pyongyang Urges Seoul to Honor Summit Accords," *Korea Times*, January 1, 2008)

In Japan's relations with its most important ally, the United States, are drifting apart and trans-Pacific tensions could run high in 2008, especially over U.S. diplomacy with [North Korea](#). A key test will come when Washington moves to take North Korea off its list of state sponsors of terrorism. In fact, many Japanese officials and experts wonder how much concern ordinary Japanese have about the abduction issue and what impact taking North Korea off the blacklist would have on bilateral relations. (Kajita Takehiko, "U.S. Policy toward Pyongyang Looks to Test Japan Relations," *Kyodo*, January 1, 2008)

1/4/08

During a New Year ceremony on Wednesday, Foreign Minister Song Min-soon put his own spin on the words of Pyongyang regime: "The most important task that we must solve 'by the people and of our people' is the nuclear problem, in order to have healthy inter-Korean relations." It was one of the strongest messages he has sent to North Korea, which habitually invokes "by the people and of our people" in its

attempts to get more economic cooperation; the comradeship-of-the-two-Koreas mantra is a favorite in Pyongyang. But when it comes to the nuclear negotiations, the regime prioritizes the role of Washington. Song's comments reflect the elevating hope in the Foreign Ministry that, with the incoming Lee Myung-bak administration, foreign policy will come before inter-Korean relations. This is indeed a stark contrast to the mood at the Unification Ministry, which has been feeling increasingly anxious about its expected downsizing. Lee vows to put nuclear dismantlement at the top of the agenda. His transition committee has openly stated that the new administration may seek to defer many economic agreements reached with the North, depending on their feasibility and relative importance. Rumors also have it that the Unification Ministry's role in economic cooperation between the Koreas may be passed on to the Finance and Economy Ministry and the analysis department within the National Intelligence Service; also, various negotiations tasks may be delegated to the Foreign Ministry. The Foreign Ministry, on the other hand, is cautiously welcoming this planned change that is being led by Rep. Park Jin, Lee's point man on North Korean and other foreign policies. Park has argued for expanding the Foreign Ministry. "When we talk about an effective government, one of the most imminent tasks is to adjust the administrative roles among the ministries related to foreign policy," Park Jin said during a roundtable hosted by the Korea Economic Daily last week. "The Foreign Ministry only uses 0.7 percent of the government budget. For the world's tenth largest economy and a nation that has provided a U.N. secretary general, foreign policy must be liberated from the frame of inter-Korean relations, and we need to fortify international cooperation which could eventually enhance inter-Korean relations," he was quoted as saying. (Lee Jo-hee, "Foreign, Unification Ministries at Odds," January 4, 2008) "So far, the Foreign Ministry did not have enough say concerning the foreign policy by being sandwiched between Cheong Wa Dae, the Unification Ministry and the National Intelligence Service. We will seek for ways for it to appropriately function as the main administrator," a source from the transition team said. The Ministry also underscored a need to beef up energy diplomacy to nations in Central Asia, the Middle East and Africa in order to become an advanced economic country. Also on the agenda was the expansion of peace-keeping operations and overseas development assistance, which is also dubbed as one of Lee Myung-bak's keen interests. Through fortified Overseas Development Assistance, Korea will enjoy heightened status in the international community as well as securing a better place to expand energy cooperation with the countries in need, it explained. Regarding relations with Russia, the ministry said it has enjoyed closer cooperation especially in the six-party talks, and cooperation in science, technology and aerospace engineering. A source from the ministry said that the report also included a vision to construct an oil pipeline from Siberia depending on the progress in the six-party talks and consequent inter-Korean relations. (Lee Jo-hee, "Lee to Bolster the Role of Ministry on Foreign Affairs," *Korea Herald*, January 5, 2008) "We pointed out the need to consolidate and strengthen the government's foreign policy functions, which are scattered around the Blue House [ROK presidential offices] and the Unification Ministry," said Lee Dong-gwan, the transition team spokesman. He said it was too early to say whether the Unification Ministry will be merged into the Foreign Ministry. However, the two major plans to restructure the government that have been submitted to the transition team -- one from Seoul National University and the other from a think tank run by a close friend of Lee Myung-bak -- both call for the Unification

Ministry to be merged into another ministry. "There will be detailed discussions about whether the functions of the Blue House [ROK presidential offices] and the Unification Ministry will be scrapped or added as we talk about reorganizing the government," Lee said. A Foreign Ministry official, requesting anonymity, said the change would make the Unification Ministry focus strictly on inter-Korean economic cooperation, while the Foreign Ministry would devise overall policy toward North Korea. "There are still areas that are the territory of the Unification Ministry, but inter-Korean relations are complex and our relationship with other countries has to be considered," the official said. The change will weaken the agency, which has stood at the forefront of inter-Korean relations for the last decade. "There is a need for the Foreign Ministry to recast itself," Lee Dong-gwan said. "The Foreign Ministry itself reflected (today) upon the past five years. The ministry admitted that there has been a lack of consultation between South Korea and the United States." The spokesman also said that the transition team pointed out inconsistencies regarding the North Korean human rights situation. (Brian Lee, "Foreign Ministry to Handle Policies Involving North" *JoongAng Ilbo*, January 4, 2008) DPRK

DPRK FoMin spokesman: "The disablement started early in November last year and all the operations were completed within the "technologically possible scope" as of Dec. 31. At present, the unloading of spent fuel rods scheduled to be completed in about 100 days is underway as the last process. However, **the delivery of heavy fuel oil and energy-related equipment and materials to the DPRK, commitments of other participating nations, has not been done even 50 per cent.** The schedule for the monthly delivery of heavy fuel oil as well as the delivery of energy-related equipment and materials and relevant technical processes are being steadily delayed. **The U.S. has not honored its commitments to cross the DPRK off the list of 'sponsors of terrorism' and stop applying the 'Trading with the Enemy Act' against it.** ... The DPRK worked out a report on the nuclear declaration in November last year and notified the U.S. side of its contents. It had a sufficient consultation with the U.S. side after receiving a request from it to have further discussion on the contents of the report. When the U.S. side raised 'suspicion" about uranium enrichment, the DPRK allowed it to visit some military facilities in which imported aluminum tubes were used as an exception and offered its samples as requested by it, clarifying with sincerity that the controversial aluminum tubes had nothing to do with the uranium enrichment. As far as the fiction about nuclear cooperation with Syria is concerned, the DPRK stipulated in the October 3 agreement that "it does not transfer nuclear **weapons**, technology and knowledge." This is our answer to this question. **This was also done in line with the prior discussion with the U.S. side.** All facts go to clearly show what is the reason behind the delayed process of the implementation of the October 3 agreement. Consistent in all agreements reached at the six-party talks including the September 19 joint statement is the principle of 'action for action.' Now that **other participating nations delay the fulfillment of their commitments**, the DPRK is **compelled to adjust the tempo of the disablement of some nuclear facilities** on the principle of 'action for action.' **The DPRK still hopes that the October 3 agreement can be smoothly implemented should all the participating nations make concerted sincere efforts on the principle of simultaneous action.** (KCNA,

"DPRK Foreign Ministry Spokesman on Issue of Implementation of October 3 Agreement," January 4, 2008)

Hill left Washington en route to China, where North Korea's adherence to its commitments to dismantle its nuclear weapons program will be the focus of a new round of negotiations. An administration official, speaking on condition of anonymity because of the delicacy of the situation, played down the North Korean statement, saying it followed a pattern of public posturing in advance of new talks. **It has so far received 150,000 tons of oil and 5,010 tons of steel products to renovate its aging power plants.** (Choe Sang-hun and Steven Lee Myers, "North Korea Says It Met Nuclear Disclosure Deadline in Previous Declaration," January 5, 2008, p. A-5) "We've been notified about some of the contents," Kyodo quoted Hill as saying at the airport before leaving for Asia. "But when we receive a declaration, first of all, the declaration should be received by the chairman of the six-party talks -- the Chinese." Hill was in Pyongyang last month and is said to have pressed North Korean officials to include all the required details in the declaration. U.S. officials said Pyongyang wanted to hand over the declaration to Washington, possibly to make the issue a bilateral one, but Hill made a point of ensuring that it is given to China. Instead, Hill and the North Koreans discussed the contents as "reference material," they said. (Yonhap, "U.S. Says N.K. Yet to Provide Nuclear Declaration," January 5, 2008) "We're not going to sacrifice fullness and completeness in the interests of time," State Department spokesman Sean McCormack said. "The North Koreans need to get about the business of completing this declaration." (Blaine Harden, "All Nuclear Efforts Disclosed, N. Korea Says," *Washington Post*, January 5, 2008, p. A-13)

1/6/08 In mid-December *Mainichi* poll, 46 percent back DPJ, 33 percent LDP. (AFP, "New Poll Spells More Bad News for Japan Government," January 6, 2008)

1/7/08 "They were prepared to give a declaration which wasn't going to be complete and correct, and we felt that it was better for them to give us a complete one even if it's going to be a late one," Hill told reporters after arriving in Tokyo for talks with his Japanese counterpart. "We understand that this is always a difficult process, one that is rarely completed on time. So I think we have to have a little sense of patience and perseverance." MOFAT spokesman Cho Hee-young said, "As far as we know, there was a consultation between North Korea and the United States about the nuclear declaration but we have not heard of North Korea submitting the list." (Teruaki Ueno, "Envoy Urges Patience on North Korea Deadline," Reuters, January 7, 2008)

Hill: "We have had a number of discussions with the DPRK on the declaration. But the issue is that the declaration needs to be complete and correct, and they have not provided a complete and correct declaration. By that I mean they have not included all of the nuclear programs that they've had. They've not included all of the nuclear facilities that they've had. So just in those two areas alone, there were some omissions. ... They discussed what elements should be in the declaration, and it was clearly not a complete and correct declaration. But whether they have provided a declaration, I think you would have to ask the Chinese, because any declaration is in respect to the Six-Party process. And I'm not aware that they have provided any declaration to the

Chinese. But, once again, I want to stress the declaration must be complete and correct. And if it's not complete and correct, frankly speaking, a partial declaration is really no declaration at all. ... But I think some of the programs are ones that they would rather not discuss publicly. And I must say that this is a society and a government whose first instinct is not to be transparent." (Christopher Hill, Joint Press Availability with Sasae Kenichiro, MOFA, Tokyo, January 7, 2008, DoS text)

"A sincere declaration" of all nuclear materials and stockpiles "is more important even if it were delayed a little," President Lee Myung-bak said regarding North Korea's failure to meet the Dec. 31 deadline. "An exact declaration, rather than keeping the declaration deadline, can generate trust and mark a first step toward a genuine disablement of the nuclear facilities." (Kim Dae-joong, "Lee Myung-bak's North Korea Policy," *Chosun Ilbo*, January 7, 2008)

"Humanitarian programs such as the reunion of displaced families should be implemented on schedule, but inter-Korean business projects should be linked to progress over the North's nuclear issue," a Lee Myung-bak transition team official said. As a result, large-scale cross-border projects struck during the inter-Korean summit in October in Pyongyang are likely to take a backseat, he said, referring to a "peace zone" project to build an inter-Korean business complex in North Korea's Haeju region. Plans to repair outdated roads and railways in the North and expand the inter-Korean industrial park in the North's border city of Gaeseong will also be delayed for the time being, he said. (Jung Sung-ki, "Big Ticket Inter-Korean Projects Put on Backburner," *Korea Times*, January 7, 2008)

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"They have not wanted to list certain programs that we know about and they know that we know about," Hill said after arriving in Seoul. "The DPRK is not often automatically inclined to be transparent." Hill, who is traveling to Northeast Asia and Russia, urged patience and said the United States was looking for a full declaration from North Korea: "I don't think there is any reason to panic, no reason to get upset or turn this into a crisis." (John Herskovitz, "North Korea Seen Reluctant to Divulge Nuclear Plans," Reuters, December 8, 2008) "I'm not too concerned about them being a little late," Hill said. "The main concern is that when they do give a declaration we want it really to be complete." (Jae-soon Chang, "U.S. Want 'Full Disclosure' from N. Korea," Associated Press, January 8, 2007)

A report by experts from the Center for Strategic and International Studies and the U.S. Institute of Peace -- which published the report -- and Asia Foundation following their visit to China in June last year says, "If deemed necessary, PLA troops would be dispatched into North Korea," adding, "China's strong preference is to receive formal authorization and coordinate closely with the UN in such an endeavor." (P. Parameswaran, "China Planning to Secure North Korea's Nuclear Arsenal: Report," AFP, January 8, 2008) "In the event of instability in North Korea, China's priority will be to prevent refugees from flooding across the border," says the report, entitled "Keeping an Eye on an Unruly Neighbor." To beat China to the punch, joint planners should go farther and prepare for a South Korean occupation of the North, argues the author, Army Capt. Jonathan Stafford. "A failure to prepare for this monumental task

risks losing the Korean dream of reunification to Chinese hegemony," he writes. "If South Korea cannot occupy the DPRK immediately and effectively, China will." China's People's Liberation Army has contingency plans for at least three possible missions in the country, the report says. One is humanitarian: refugee assistance, or helping with the aftermath of a natural disaster. The second is policing the country to maintain order. The third is to secure North Korea's nuclear weapons and fissile material, or clean up nuclear contamination in the event of a strike -- the report does not specify by whom -- on North Korean nuclear facilities near the border. A Chinese FM spokeswoman on Jan. 8 denied knowledge of the plan, according to AFP, "I have never heard of nor seen the so-called plan mentioned in the report." (*Korea Herald*, "China, U.S. Make Plans for North Korea Collapse, Reports Say, January 13, 2008)

Toloraya: "Does marketization necessarily mean that the North Korean variant of the economic system would be similar to other, basically liberal and therefore internationally accepted ones? I think the DPRK's national interests are likely rather to dictate that it adopt a 'state market system,' not unlike East Asian 'guided capitalist' models of development, but still stressing national uniqueness, 'self-reliance' and 'socialist principles.' ... Pyongyang still regards the economic innovations under way since the 1990s as an instrument for survival, not a development strategy. Therefore, changes in the economy are not yet bringing about system transformation. ... The words 'reform' and 'openness' are still not acceptable to Pyongyang. Kim Jong-il himself stated as much during his October 2007 talks with President Roh Moo-hyun of South Korea. ... The DPRK rulers from the very start proclaimed 'economic independence' to be a key component of protecting national sovereignty and the country's security. ... The system of workforce mobilization was established in accordance with Stalinist prescriptions: 'If we conduct political work properly, increase the political consciousness of the masses, their revolutionary enthusiasm ... regardless of the size of the economy there is plenty of room for its speedy development.' The doors of the nation's economy were closed to the extent that North Korea came to resemble some of the world's least-developed countries, in which foreign trade equals about 10% of the gross national product (GNP). Economic thinking has not changed much since then. The same theories are still taught at universities (although with a small addition of 'bourgeois economic theories') and remain the guidelines for practical conceptualization. The DPRK economy is still subordinate to the regime's political purposes to the extent that it has lost its own substantive function. ... Economically speaking, the lack of savings and investment was and remains the chief reason for North Korea's economic malaise. If investment at the beginning was funneled into industrial development at the expense of agriculture, in the period from the 1970 to the 1990s this source of growth was exhausted while low-efficiency and over-diversified industries could not generate enough savings. The sorry state of agriculture led to agricultural shortages, and no funds were available to import food. The DPRK's economy entered a period of stagnation (and at times crisis) after the initial industrialization phase was completed in the early 1970s, declining in that decade and the 1980s. Remaining technically backward, it was plagued by a lack of innovation, dependence on imported raw materials and fuel with no possibility of generating financial resources to pay for them, degradation of its capital stock (even compared with the USSR and Eastern European countries), high costs and low quality of its

industrial products. In the 1970s and 1980s the country fell into a classic poverty trap, with economic growth insufficient to replace deteriorating capital stock or invest in new technologies to increase productivity. For continued economic growth, North Korea required external investment, but this dried up by the beginning of the 1990s with the breakup of the USSR. The North Korean centrally planned economy entered a downward spiral from which it seemed it might never recover. Much of the country's industrial stock was lost in the 1990s. ... Reports on recent microeconomic improvements do not imply any corresponding macroeconomic trend. The structure of the GNP has changed because of the virtual termination of a large part of industrial production while consumption has grown somewhat with the help of individual production and trade as well as foreign aid. But that does not constitute economic growth in the usual sense of the word - at least not for internal production. Some positive figures indicting consumption growth since the early 2000s are mostly attributable to economic aid, chiefly from China, South Korea and international relief organizations. ... The North Korean economy is still not working as an industrial economy. Only macroeconomic reforms can take it out of its dead end. ... The virtual disablement of North Korea's centralized industry made it necessary for the people to resort to market-driven economic activity for survival - first, the simplest forms of barter, then chaotic, money-mediated exchanges based not on the former central distribution symbolic prices but on real cost proportions, often measured in foreign currency. This process was given tremendous - over-hyped - attention in the West, where it was largely seen as signifying the introduction of market principles that would eventually lead to the breakup of the North's centrally planned economic system and then (most interesting to observers) to the collapse of the political regime. However, the uncontrolled breakup of the command economic system does not necessarily signal the birth of a capitalist market system. The economic reality that started to emerge in the DPRK in the 1990s was a primitive quasi-market division of labor with mostly horizontal ties on a regional basis. No monetary system existed, and no macroeconomic policy too shape. In the absence of leadership from above, it was unlikely that these processes could lead to spontaneous emergence of a modern economic system. 'Productive forces,' especially a modern industrial and postindustrial economy, cannot develop on such a narrow basis unless further market-oriented policies are implemented. In the 1990s, however, Kim Jong-il was concerned more about his power than anything else, and it was not possible for him to risk contradicting the majority of hardliners in the country's leadership as they tried to check microeconomic changes. By the time he consolidated his power base, the economic processes under way could no longer be ignored or dealt with exclusively by bans and persecution, which were anyway impossible because of the magnitude of these 'deviations from socialism.' ... The goal, however, was not to change the principles but only the methods of economic control. The official explanations remained totally anti-market. In interviews with this author, high-ranking North Korean economists made the point that, although the 'previous price system' followed the example of the USSR, where costs for production of basic industrial goods - coal and iron - were taken as a scale for the whole price system, the new DPRK system took the price of rice as its basic equivalent. The increase in wages (much lower than the increase in prices) was based on calculation of a 'consumption basket' reflecting fixed official prices. It is true that microeconomic decision-making was liberalized and in

many cases directors of plants were given freedom to use state property in ways they considered most efficient. They were allowed to do this because central authorities relieved themselves of responsibility over 'local industry' enterprises, allowing them to solve their problems themselves. However, most were not very successful. Enterprises received access to foreign markets, mostly to get foreign currency in any form possible, but strategic items such as electricity, coal and products with direct relevance to defense were still centrally controlled, which limited the ability of enterprises to be competitive. ... The changes in recent years remained mostly spontaneous, and the 2002 reforms only opened the floodgates to market forces. This is significant because, regardless of the intentions of DPRK leaders, the logic of the process called for more changes. The economy actually changed from centrally planned to multi-sectoral, combining the state sector (largely inoperational, except for the military which is quite separate and in fact a 'state within the state'), the capitalist sector (joint ventures and trading companies, free economic zones), the semiprivate sector (especially in agriculture and services), and the shadow (criminalized) sector. ... Did the government intend to adapt its economic guidance system to these new realities? Probably not. Personal interviews indicate that even the most predictable negative by-products of the 2002 measures were quite unexpected to the reformers. One such result was spiraling inflation, with the won devaluing from the official 150 won to \$1.00 to more than 3,000 won to the dollar at market rates within five years. This factor alone severely undermined the state sector and the material situation of those working for it. Social stratification became a major source of social tension. Among those able to work, 30% are now unemployed. Although 70% of the population of North Korea receives 250-380 grams of food per day, a new class of affluent people has emerged. As in Russia, most members of the new, affluent class are connected with the shadow sector, with semi-legal services, or they capitalize on their official bureaucratic positions to gain profits. Unless checked, the criminalization of the economy could become a major concern not only internally but also internationally (imagine North Korea becoming a safe haven for the Asian underworld). Low-level corruption in North Korea is already widespread, and (as happened in South Korea) it might become a serious problem in the building of a modern transparent economy. ... The introduction of market principles into what was supposed to become the international market-oriented sector of the economy became one of the leadership's priorities. This process, which started in the mid-1990s, included attempts to create joint ventures and establish free economic zones as testing grounds for new policies. Most significant was the attempt to start the Rajin-Sonbong special economic zone in 1997 based on the 'testament' of the late Kim Il-sung. Although many of these efforts were unsuccessful owing to North Korea's isolation, the closed character of its economy and the lack of trust in it, and the insufficient experience and poor decision-making capabilities of North Korean "business people", cooperation with South Korea turned out to be a major channel through which to introduce capitalist management. The Kaesong free economic zone, the Mt Kumgang tourist project, and the upcoming Mt Paektu tourist project are examples. Recent agreements between the prime ministers of North Korea and South Korea on developing Haeju, cargo traffic, communications in the Kaesong zone and shipbuilding facilities in the DPRK with South Korean assistance are encouraging as they broaden the scope of the South Korea-sponsored market sector in the DPRK's economy. ... To start meaningful economic changes, North Korea obviously needs

comprehensive and irreversible security guarantees. The main difference between the DPRK and, say, the People's Republic of China of the 1970s and 1980s or Vietnam since the 1990s is that when the PRC and Vietnam started reforms their security was not seriously threatened. Now is a crucial time as international hostility to the DPRK and its isolation has until recently been the most important single factor preventing reform. A diplomatic solution to guarantee North Korea's national security would enable that part of North Korea's elites who understand the need for change to try modernization measures without fear for their future. .. DPRK authorities are already trying to increase centralized control over the state sector of the economy, to revitalize it, and at the same time to limit the spread of market relations. The authorities decided to crack down on markets recently, prohibit "second jobs" (trading) for employees of state enterprises and ordered that 'any elements that undermine our system and corrode our socialist morality and culture and our way of life' not be tolerated. The government has been instructed to strengthen centralized control by 'concentrating all economic work in the Cabinet and organizing and carrying it out under its unified command.' A large part of the world community, taking into account the not fully resolved issue of weapons of mass destruction and military threats as well as the dangers that might be associated with a North Korean collapse, might in such a case be prepared to pay a comparatively small price for keeping the DPRK quiet and not causing problems. That would mean finding at least some fixes to the North Korean economic crisis by simply feeding the beast (even in the absence of meaningful changes in DPRK) to minimize political and security risks. In such a case, economic assistance would be based on the shopping lists provided by North Koreans and would not do much to modernize the country. Russia has already had this experience. Its economic assistance to North Korea in the 1960s and 1970s sucked the USSR into a downward spiral of increasing North Korea's requests while being unable to help solve its long-term economic problems. The above scenario really cannot be a long-term solution. Sooner or later the DPRK will have to transform its economic theory and practices. Otherwise it will collapse or, at best, fall further and further behind the rest of humanity. ... It can be assumed that because of political considerations the role of the state in economic activities will remain much larger than in other classic transitional countries at early stages of reform. Especially intriguing are Kim Jong-il's remarks, reported in the Korea Times of October 28, 2007, about his intention to follow the Vietnam-style *doi moi* economic reform and openness policy because of the supposition that the Vietnamese example is closer to the needs of the DPRK than the Chinese one. The *doi moi* reforms, because of the smaller size of the Vietnamese economy and its export orientation based on cheap labor, would be more suitable for North Korea from the point of view of preserving stability. The recent declaration of the principle of 'ensuring the greatest possible profitability and the principle of developing external economic relations ...' is especially interesting in this context. North Koreans have also been known to study the South Korean experience. The South Korean development model is quite relevant to North Korea in that, in the 1960s and 1970s, it was based on state planning, strong macroeconomic control, introduction of foreign capital and export orientation, with big business conglomerates as the driving force of economic growth. This model cannot be imitated, but it can provide a reference for DPRK modernization. The international community now has a unique opportunity to influence the DPRK's process of selection and implementation of economic policy. The

long history of developed countries' aid to developing countries suggests that aid can be futile, even counterproductive, in the absence of complementary reforms. Therefore, economic assistance to the DPRK as part of the package for the solution of the nuclear problem should be aimed at assisting system transformation, not at conservation of the outdated model by uncritically satisfying North Korean requests. A program to that effect, based on a desirable prognosis for North Korean economic development, should be prepared jointly by prospective donors on a coordinated basis in the framework of the six-party talks. ... In the DPRK, creeping privatization is already happening - lots of foreign trade and production companies operate in different areas of the country under the military, the party, local government organs, and security services, and the party, military, and security bureaucracies benefit from this system. This process must be tacitly guided from the top (unlike in Russia, where it was chaotic and controlled by rival factions and criminal circles). Privatizing state property entities in bulk could in the long run result in the creation of economic conglomerates resembling South Korea's *chaebol* but with a greater state role. This is already happening - quite large conglomerates are emerging, such as Korea Pungang Corporation with capital around \$20 million and an average annual volume of business around \$150 million. They could be welcome partners for South Korean investors and the engines of an export and innovation drive. Such new economic entities that would depend on the foreign markets for supply and sales would break the country's isolation. ... Export-oriented growth is already undergoing a test in the Kaesong foreign economic zone; it has had many difficulties, but they stem from the country's continuing isolation, not the concept itself. With wages much lower than in China, North Korea could be a future site for South Korean and even Chinese companies to relocate production of simple consumer goods, including textiles, footwear, simple electronics, and household goods. Already Chinese and South Korean capital compete in the North Korean economy and the ROK is determined to take the lead. Shipbuilding and other capital- and raw material-intensive industries could become areas of specialization. Information technologies and outsourcing could also provide employment provided that limitations on the export of dual-use technology are lifted as normalization proceeds. Another sector that could survive international competition is natural resources - the mining of ferrous and nonferrous metal ores (including uranium); nonmetallic minerals; primary production of iron, steel, copper, zinc, lead, and building materials (cement, magnesite); fisheries and forestry. Traditional industries oriented toward the end user that have an immediate stimulating effect on the consumption market should also be modernized and helped out of stagnation. These include food processing, clothing, building materials and similar activities. To make use of the country's competitive transit potential and its capacity to become a recreational and tourist (especially eco-tourist) destination, the systems of transportation and communication will have to be fundamentally rebuilt, including new roads and railroads, ports, airports, communication facilities, and hotels. Infrastructure projects should be developed on a non-commercial basis, probably using official development assistance (ODA). DPRK entry to international financial organizations will be important, although many difficulties remain to be overcome. Massive education and training programs for North Korea's economic managers should be put in place. (Georgy Toloraya, "A Chance for Change in North Korea," *Asia Times*, January 8, 2008)

1/9/08

"We are not that far apart. I don't think it is something we want to walk away from nor does the DPRK want to walk away from this," Hill told reporters in Seoul. (Jon Herskovitz, "North Korea Still Wants Nuclear deal: U.S. Envoy," Reuters, January 9, 2008) **"I think there is concern on (North Korea's) part that to acknowledge certain activities would invite additional questioning on our part and further scrutiny on things,"** Hill told reporters in Beijing following a meeting with his Chinese counterpart, Wu Dawei. "Our point is that a declaration is a declaration. We can't be sweeping problems under the rug or pretending that issues don't exist ... we're not interested in picking out some element in the declaration and start asking a thousand more questions." Rather than accept an incomplete declaration "we chose to continue the discussion with the idea that when they do produce a declaration it ought to be pretty close to final," Hill said. "In this business, we have to insist on completing all the tasks and we're simply not there yet on the declaration," Hill said. Hill declined to identify what areas the North may be unwilling to reveal. "I don't want to get into specifically identifying what they are because if I identify certain elements as stumbling blocks, then we'll surely make them stumbling blocks," Hill said. "We want to get to the point where when all these nuclear programs are abandoned we don't find out there are some additional programs that are not addressed because they were excluded in the declaration." (Christopher Bodeen, "U.S. envoy Says N. Korea Possibly Holding off on Nuclear Declaration for Fear of Scrutiny," Associated Press, January 10, 2008)

President-elect Lee incorporates "Helsinki process" into his so-called "MB doctrine" of foreign policy, and his transition team asked the Foreign Ministry last week to continue looking into its adoptability. "While the Helsinki Process is a model that shows clearly the direction that we must take for this region, it is also clear that the geopolitical conditions of Europe and East Asia are too different for the same method to work, at least for the time being," a government source said, on condition of anonymity. Former Unification Minister Lee Jong-seok said during his time in office in 2006 that he personally opposed a Northeast Asian version of the Helsinki Process that would bring multilateral pressure against the North. Referring to the fact that introducing the Helsinki Process is being promoted by those in Washington who support the North Korean regime's collapse, Lee recently said that the problem is "who is raising the issue." "Because there is a wide perception that the Helsinki Process is premised on a regime change, (applying the process to North Korea) would have no effect." (Lee Joo-hee, "Will 'Helsinki Process Work in Northeast Asia?" *Korea Herald*, January 9, 2008)

1/11/08

"We are continuing to work towards the end of getting a declaration in, but there has been no new deadline set by the United States, by the North Koreans or by any other party in the six-party talks," State Department spokesman Tom Casey told reporters. He made the comments on news reports suggesting U.S. top nuclear negotiator Christopher Hill urged North Korea to reveal all details of its nuclear activities before South Korean President-elect Lee Myung Bak takes office on Feb. 25. "There is one deadline for the North Koreans to turn in a declaration. That deadline is Dec. 31," Casey said. "Anyone asserting that Chris Hill said that or that any U.S. official has said that is, frankly, flat-out wrong." (Kyodo, "U.S. Again Denies New Deadline for N. Korea's Nuclear List," January 11, 2008)

PM Fukuda scored a major legislative victory as the House of Representatives passed a government-sponsored antiterrorism bill for a second time, to make it law, allowing for the possibility of Japan resuming its refueling mission in the Indian Ocean in mid-February. Following the bill's rejection by a 133-106 margin in the opposition-controlled House of Councilors earlier in the day, the ruling coalition called for holding a lower house plenary session in the afternoon to use its two-thirds lower house majority to override the objection--a procedure used for the first time in 57 years, since the 1951 enactment of the law on motorboat racing. The bill--in support of antiterrorism operations in and around Afghanistan--was then sent back to the lower house, where it was approved 340 to 133 with the support of the Liberal Democratic Party and its coalition partner, New Komeito. The scenario met a constitutional provision that requires approval by a majority of two-thirds or more of the members present to enact the law, when a vote is taken for a second time on a bill rejected by the upper house. An alternative DPJ-sponsored bill on measures to support reconstruction in Afghanistan--which was rejected by the upper house Foreign Affairs and Defense Committee by a majority vote of the ruling parties Thursday, the Japanese Communist Party and the Social Democratic Party--was approved 120-118 at an upper house plenary session Friday morning as lawmakers of the People's New Party and independents joined the DPJ to support the bill. The measure was immediately sent to the lower house, where the ruling coalition intends to continue deliberations without killing it. (*Yomiuri Shimbun*, "Diet Passes Anti-Terror Bill," January 12, 2008) 40 percent of respondents to Asahi Jan. 11-12 poll were opposed to the new law to resume the mission, while 36 percent said they support it. In a Jan. 11-12 poll by Kyodo News agency released late Jan. 12, 44.1 percent of respondents said they approve the law, and 43.9 percent said they oppose it. (Associated Press, "Polls: Japan Divided over Resumption of Refueling Mission in Indian Ocean," January 13, 2008)

1/12/08

The puzzling site in Syria that Israeli jets bombed in September grew more curious with the release of a satellite photograph showing new construction there that resembles the site's former main building. The image came from a private company, DigitalGlobe, in Longmont, Colo. It shows a tall, square building under construction that appears to closely resemble the original structure, with the exception that the roof is vaulted instead of flat. The photo was taken from space on Sept. 16. Given the international uproar that unfolded after the bombing, "we can assume it's not a reactor," said David Albright, president of the Institute for Science and International Security. Mohammed ElBaradei this week told Al-Hayat, an Arabic-language newspaper based in London, that his agency wanted to inspect the site and that his agency had sensitive "technologies to assure that the location did not host a nuclear facility." **The satellite photographs, he added, led experts to doubt "that the targeted construction" was in fact a nuclear reactor.** (William J. Broad, "Syria Rebuilds on Site Destroyed by Israeli Bombs," *New York Times*, January 12, 2008, p. A-6)

1/13/08

South Korea has no immediate plans to join PSI. "It's something we can think about over the long term, but it's not an issue that needs immediate discussion" said Lee Dong-kwan, a spokesman for President-elect Lee Myung-bak's team handling the government transition. He acknowledged a media report that the Foreign Ministry had

suggested during a Jan. 4 briefing that South Korea should consider becoming a full member. The ministry and the transition team agreed at the time to take a more careful approach to the issue, and there have since been no more discussions on the matter, the spokesman said. Earlier Saturday, deputy spokesman Park Jung-ha denied the ministry had made such a proposal. Park later said there was "miscommunication." (AFP, "S. Korea has No Immediate Plan to Join U.S.-Led Security Program Targeting N. Korea, Official Says," January 13, 2008) The MOFAT stated that it was necessary for South Korea to consider joining the PSI as an official participant during a briefing to the presidential transition team on January 4, which was confirmed by various sources on January 11. An official of the transition team said, "In order to strengthen the ROK-U.S. alliance and cooperation with the international community, the Foreign Ministry has raised the need to consider South Korea's participating in the PSI." The Defense Ministry, however, is opposed to the idea. The ministry reportedly expressed its negative view on the matter during a briefing to the transition team on January 8. During a press conference held on January 3, Defense Minister Kim Jang-soo said, "According to the agreement reached by the two Koreas, the South can search North Korean ships traveling in South Korea's territorial waters. Therefore, we don't have to join the PSI." (*Hankyore*, "Foreign Ministry Urges Participation in Proliferation Security Initiative," January 12, 2008)

South Korea is aiming to establish a peace treaty on the Korean Peninsula to formally end the Korean War by 2010 after North Korea completes its denuclearization under a new roadmap, sources from the Ministry of Foreign Affairs and Trade said Sunday. The roadmap was recently reported to President-elect Lee Myung-bak's transition team, they said. The plan calls for North Korea to disable its key nuclear facilities no later than March and disclose details of its nuclear programs, according to the sources. Seoul wants to draw up a timetable for the full dismantlement of the North's nuclear programs and initiate negotiations on building a peace mechanism on the peninsula in the first half of the year, they said. (Jung Sung-ki, "Seoul Aims to Sign Peace Treaty by 2010," *Korea Times*, January 13, 2008)

Bush said on Jan. 26, 2006, "When someone is counterfeiting our money, we want them to stop doing that." But a 10-month McClatchy Newspapers investigation on three continents found that the evidence to support Bush's charges against North Korea is uncertain at best and that the claims of North Korean defectors cited in news accounts are dubious and perhaps bogus. The Swiss federal criminal police, a key law enforcement agency, has questioned whether North Korea is even capable of producing the nearly perfect counterfeit \$100 bills. Many of the administration's allegations about North Korean counterfeiting can be traced to South Koreans, who arranged interviews with North Korean defectors for U.S. and foreign newspapers. The resulting news reports were quoted by members of Congress, researchers and administration officials. But a major source for several stories, Kim Dong-shik, has gone into hiding. A former roommate, Moon Kook-han, said Kim is a liar out for cash. The first international test of the U.S. charge came in July 2006, when at the request of the Bush administration, the international police agency Interpol assembled central bankers, police agencies and officials in the banknote printing industry to make the U.S. case against North Korea. The conference in Lyon, France, followed Interpol's

issuance in March 2005 of an orange alert -- at the United States' request -- calling on member nations to prohibit the sale of banknote equipment, paper or ink to North Korea. But after calling together more than 60 experts, the Secret Service -- the lead U.S. agency in combating counterfeiting -- never provided details of the evidence it said it had, citing intelligence and asking those assembled to accept the U.S. claims on faith alone. The most definitive reaction came in May 2007 from the Swiss Bundeskriminalpolizei, which looks for counterfeit currency and has worked with U.S. financial authorities. Calling on Washington to present more evidence, the Swiss said they doubted that North Korea was behind the near-perfect fakes. **The Swiss police agency said that North Korea's own currency is "in such poor quality that one automatically wonders whether this country would even be in a position to manufacture the high-quality supernotes."** The hardest evidence to surface so far is the 2004 indictment of Sean Garland, a leader of an Irish Republican Army splinter group, who in the late 1990s allegedly ferried more than \$1 million in fake bills to Europe, mostly from the North Korean Embassy in Moscow. Garland now is in the Republic of Ireland, but the Irish Embassy said the United States hasn't sought his extradition. ... When asked for proof that North Korea was behind the bills, Bush said on Aug. 8, "I'm not at liberty to speak about intelligence matters." Carl Ford, who quit as head of the State Department's intelligence bureau in 2003, said he "never really saw the intelligence" himself "to make an independent judgment." But Ford, who quit because he challenged the administration's incorrect assertion that Iraq had weapons of mass destruction, said the administration's reluctance to disclose details on North Korea "doesn't pass the smell test." But Ford, who quit because he challenged the administration's incorrect assertion that Iraq had weapons of mass destruction, said the administration's reluctance to disclose details on North Korea "doesn't pass the smell test." (Kevin G. Hall, "There's Little Proof N. Korea Was behind Fake \$100 Bills," McClatchy News Service, January 13, 2008)

1/14/08 "I am willing to meet (Kim) at any time if such a meeting benefits denuclearization and also both the South and the North," Lee Myung-bak told a news conference. (Kyodo, "S. Korea President-Elect Willing to Meet N. Korea Leader Anytime," January 14, 2008) "Regardless of protocol, leaders of the two Koreas can meet anytime, not just one time during my tenure," he said in his New Year's news conference. "But it would be better to hold the next summit in Seoul (rather than in Pyongyang)," he said. (Kim Yon-se, "Lee Puts U.S. above N. Korea in Relations. *Korea Times*, January 14, 2008) International Herald Tribune quotes Lee: "[I]f South Korean-U.S. relations get stronger, it will actually help improve inter-Korean relations. And it can actually help improve North Korean-U.S. relations." (Peter Crail, "North Korea Slows Nuclear Disablement," *Arms Control Today*, March 2008, pp. 42-43)

1/15/08 Japan carried out studies to deploy a missile defense shield in central Tokyo amid concern that the capital is at risk from North Korea. The MoD conducted investigations on Monday and Tuesday into two locations for US-developed Patriot Advanced Capability-3 (PAC-3) surface-to-air interceptors, a defense spokesman said. "We took surveys of buildings, which would be obstacles for the PAC-3, and conducted technical tests on communications," the spokesman said. The sites looked at were Shinjuku Gyoen, a major park in central Tokyo, and the Ichigaya military post on the premises of

the MoD headquarters, he said. "We plan to do more investigations on other sites to seek places that the PAC-3 mobile system can be moved into," he said. (AFP, "Japan Working on Central Tokyo Missile Shield: Official," January 14, 2008) Teams set up radio masts and tested communications overnight. (BBC, "Japan Plans Tokyo Missile Shield," January 15, 2008) [Driving the control truck around was a way to show that more than abductions at stake with North Korea.]

1/16/08

*Rodong Sinmun* signed commentary: "The agreed points have not been implemented as scheduled not because of the DPRK but **because of the failure of other participating nations to adhere to the principle of simultaneous action.** The 'action for action' principle is a key point in implementing the agreement adopted at the six-party talks. Therefore, one may say everything hinges on this. This tells that success or failure of the denuclearization of the Korean Peninsula depends on how sincerely all countries concerned, the U.S. in particular, honor their commitments. What should not be overlooked is the fact that the U.S. conservative hardliners broke into cheers upon hearing about the results of the 'elections' in south Korea as if they had been waiting for them, asserting that the power change in south Korea marks a new occasion of strangling north Korea. This is nothing but a cry-out for boosting cooperation in their bid to pressurize the DPRK by turning the development and the changing situation in their favor." (KCNA, "U.S. Conservative Hardliners Urged to Drop Their Wrong Way of Thinking," January 16, 2008)

Cambodia has been working behind the scenes to encourage North Korea to resolve the thorny abduction issue with Japan. FM Hor Namhong disclosed in an interview. (Tsukamoto Kazuto, "Cambodia Prodding N. Korea on Abductions," *Asahi Shimbun*, January 24, 2008)

1/17/08

Jay Lefkowitz, envoy on North Korean human rights, told an audience at the conservative American Enterprise Institute the North will likely "remain in its present nuclear status" when the next U.S. president takes over, despite four years of nuclear disarmament efforts. "North Korea is not serious about disarming in a timely manner," referring to that country's recent missed deadlines and a surge in what he called "bellicose language." "We should consider a new approach to North Korea," he said. "The key," Lefkowitz said of his proposal, "is to make the link between human rights and other issues explicit and non-severable, so that it cannot be discarded in any future rush to get to 'yes' in an agreement." (Foster Klug, "Bush Envoy to N. Korea Criticizes Six-Party Talks," *Washington Post*, January 18, 2008, p. A-16) Lefkowitz: "This brings us to next steps and revised policy options. In my view, a realigned approach should take into account three factors: 1. We should now shift our focus from a short to a longer time frame. It is increasingly likely that North Korea will have the same nuclear status one year from now that it has today. 2. Policy should rest on assumptions that correlate with recent facts and events. It is evident that South Korea and China will not exert significant pressure on North Korea if they think it might lead to its collapse. 3. All negotiations with North Korea should firmly link human rights, economic support, and security issues. In other words, we should consider a new approach to North Korea - one of 'constructive engagement' intended to open up the regime. .... The working group on normalization of relations would be a good starting point for a discussion on

human rights. But linkage is needed to make this useful." (Jay Lefkowitz, "Remarks at AEI, January 17, 2008) DoS spokesman Sean McCormack: "He is not however somebody who speaks authoritatively about the six-party talks. **His comments certainly don't represent the views of the administration.**" (DoS Daily Briefing, January 18, 2008) A debate is under way within the Bush administration over how long it can exercise patience with North Korea. The debate has fractured along familiar lines, with a handful of hawks in Vice President's office and at the State Department arguing for a more confrontational approach with Pyongyang. While Hill's restrained stance still appears to have support from Bush and SecSt Rice it is coming under fire from conservative critics, both in and out of the administration. "Some people make the argument that we're just pursuing a policy of talks that go nowhere," said one administration official with knowledge of the debate within the administration. "People lambaste the six-party process, and sure, it offers no refuge for those in need of instant gratification," Mr. Hill, the negotiator, said in an interview. "But when asked for alternatives" to the nuclear pact, Mr. Hill said, "even the noisiest critics fall silent." Bush officials say they will not ultimately be able to verify that North Korea has got rid of its nuclear weapons program unless they first know what is in the program. "The issue of the declaration is important because that which they declare must later be abandoned," a senior administration official said. The official, who asked that his name not be used because he was not authorized to speak publicly on the issue, said that the administration really wanted North Korea to provide an explanation for purchasing aluminum tubes that could be used to convert uranium gas into nuclear fuel. (Helene Cooper, "U.S. Sees Stalling by North Korea on Nuclear Pact," *New York Times*, January 19, 2008, p. A-3) Rice, speaking with reporters on her way to Germany for talks on Iran's nuclear program, said that Jay Lefkowitz, President Bush's special envoy on North Korean human rights, "doesn't know what's going on in the six-party talks, and he certainly has no say on what American policy will be in the six-party talks." **Asked if she thought the Chinese and Russians would be confused by Lefkowitz's comments, Rice said she doubted they would even recognize the special envoy's name.** (Associated Press, "Rice Rebukes Official Critical of North Korea," January 22, 2008)

1/18/08 President-elect Lee Myung-bak said there will be no more demands for apologies from Japan during his presidency. "For a new, mature Seoul-Tokyo relationship, I don't want to ask them to apologize for, or examine themselves" over colonial rule of Korea, Lee told foreign reporters at an event organized by the Seoul Foreign Correspondents' Club at the Korea Press Center in Seoul. Asked if he would continue the tradition of demanding apologies from Tokyo established by his predecessors, Lee said, "It's true that Japan has so far only made perfunctory apologies or self-examinations in the past, and such apologies failed to move the Korean people to a large extent. But I'm sure that Japan will conduct a mature diplomacy regardless." (*Chosun Ilbo*, "No More Demands for Apologies from Japan: Lee," January 18, 2008)

1/20/08 South Korea will equip its Aegis destroyers with far-reaching sea-to-air missiles to intercept North Korea's long-range missiles, believed to be capable of reaching western parts of the mainland United States, a military source said. "We've concluded negotiations for purchase of SM-6 long-range missiles from the U.S. so we can equip

Sejong the Great, which we launched last year, and two more Aegis destroyers, soon to be built, with missiles that can intercept North Korean ballistic missiles," the source said. "The introduction of the SM-6 missiles on the Aegis destroyers means the establishment of a lower-level defense system against North Korean missiles," the source said, apparently referring to the U.S.-led Missile Defense (MD) against air attacks from such U.S. enemies as North Korea and Iran. "You should not misunderstand that the introduction of the SM-6 missiles is part of our efforts to join the U.S.-led MD," the source said. "This is purely part of our military's independent move to establish a lower-level defense system." (Yonhap, "S Korea to Equip Aegis Destroyer with Long-Range Missiles to Counter N Korean Missiles: Source," January 20, 2008)

1/21/08 North delays talks on railways, citing the need to "make some preparations," through liaison at Panmunjom, the South's Unification Ministry said in a statement. (Associated Press, "North Korea Delays Railway Talks with South Korea, Citing Preparations," January 21, 2008) Two days earlier, KCNA announced a delegation of the DPRK Ministry of Railways headed by Minister Kim Yong Sam left here to visit China. (KCNA, "Delegation of DPRK Ministry of Railways Leaves for China," January 19, 2008) North Korea proposed in a letter to hold the working-level railway talks from January 29 to 30 in its border town of Kaesong, the ministry said in a statement. The letter was sent to Seoul through its liaison officer at Panmunjom, the Unification Ministry said January 25. The announcement came as working-level military officials from the two sides held a one-day meeting in the truce village of Panmunjom to discuss security measures for various joint economic projects. The postponement had sparked speculation that Pyongyang, unsure of the North Korea policy of the incoming government of conservative President-elect Lee Myung-bak, may want to postpone all inter-Korean dialogue for the time being. (Shim Sun-ah, "Koreas to Hold Railway Talks Next Week," Yonhap, January 25, 2008)

1/22/08 Dell Dailey, the State Department's coordinator for counterterrorism, told a group of reporters, **"It appears that North Korea has complied with those criteria" for getting off the list of state sponsors of terrorism.** (Reuters, "North Korea Seems to Meet Criteria on Terror Listing," January 22, 2008)

The DPRK North Korea will close its embassy in Australia. The high cost of recent severe flooding in the communist nation was the main reason for the closure, said diplomat Pak Myong Guk, currently North Korea's most senior representative in Australia. "When our financial situation is ... resolved, then I think our embassy will be re-established again here in Canberra." (Associated Press, "North Korea to Shut Embassy in Australia," January 22, 2008)

1/23/08 *Nihon Keizai Shimbun* reports President-elect Lee Myung-bak selected Japan as the first country to make a state visit and both nations are negotiating on the details of the schedule. (*Dong-A Ilbo*, "Japan to Be Lee's First Country to Visit," January 23, 2008)

"It was South Korea who wanted and proposed the OPCON transfer," Rep. Chung Mong-joon on a visit to Washington that began Monday, told reporters. "It would be

difficult for us now to suggest we revisit the issue.” (Yonhap, “S Korea’s Envoy Cautious on Reopening OPCON,” January 23, 2008)

North Korean officials channeled at least \$2.7 million through a bank account normally used to process U.N. development projects after Bush’s “axis of evil” speech because of fears that the United States would block its ability to transfer money outside the country, according to a Senate subcommittee report. The report supports U.S. assertions that the North Korean government routinely manipulated the U.N.D.P. to move cash around the world. But it stopped short of confirming reports that millions of dollars in U.N. funds were diverted to purchase properties in Europe and Canada. “The North Korean government made a concerted effort to conceal the movement of its funds out of North Korea and into western financial institutions,” according to the report by the Senate Permanent Subcommittee on Investigations. “North Korean officials explained to the subcommittee that they expected sanctions against their country would be tightened and were concerned their wire transfers would be barred.” The Senate report asserts that between April and September 2002, North Korea made nine wire transfers totaling \$2.7 million from a U.N.-affiliated account at Pyongyang’s Foreign Trade Bank to the Macau-based Banco Delta Asia. The funds were deposited in an account controlled by a Chinese company, International Finance Trade Joint Company, and then transferred to North Korean diplomatic missions in the United States and Europe. U.S. officials said the Senate report confirmed their most serious concerns about a breakdown in UNDP’s controls that aided the North Korean dictatorship in abusing international efforts to improve the lives of its people. But UNDP insisted that the report “contains nothing” to substantiate persistent allegations that it transferred tens of millions of dollars to North Korea or that its funds were diverted to a clandestine North Korean nuclear or missile program. “We are gratified that the staff report contains no suggestion that these allegations can be substantiated,” said UNDP spokesman David Morrison. (Colum Legum, “Report: N. Korea Exploited U.N. Account,” *Washington Post*, January 24, 2008, p. A-16) Much of the hearing on January 24 focused on charges made last year by Mark D. Wallace, an ambassador at USUN, in briefings for members of Congress, news outlets, the State Department and nations that finance the development program alleging that \$2.8 million of program funds had been sent to North Korean missions abroad for the purchase of buildings in Britain, France and Canada; that \$2.7 million had been paid to a North Korean financial agent responsible for sales of missiles and arms; and that more than \$7 million had been transferred to a North Korean committee it worked with. The subcommittee staff report on Thursday said that in fact the \$2.8 million sent abroad to buy real estate was actually North Korean, not United Nations, money, and that the amount of money sent to the company suspected of financing arms was \$52,000, not \$2.7 million. It also accepted the program’s explanation that the link to arms sales of the suspect contact, the Macao-based Zang Lock Trading Company, had not been known at the time. Sen. Carl Levin (D-MI) pressed Wallace repeatedly to say whether, with what he knew now, he could still make the same charges he had made last year. Wallace said that he did not know the specific amounts of money involved because of the difficulty of tracking transactions in North Korea, and added that they could be even higher than he had estimated. “I gave him a chance on at least three occasions to acknowledge that some of the points that he made back in May were

inaccurate at the time, perhaps based on information that he interpreted, but that nonetheless, he could not make those statements now," Levin said. "That doesn't mean he lied," Levin added. "It does mean that he said things at the time that he now knows are not accurate." In a separate interview, Wallace said he could not answer the question under oath because he was uncertain about the real figures, and he suggested the committee had been naïve in its conclusions. (Warren Hoge, "Senators Criticize U.N. Program in North Korea, but Question Set of Accusations," *New York Times*, January 25, 2008)

1/24/07 Albright: "30 kilograms is at the lower end of the range of plutonium that we have assessed North Korea could have separated. This estimate is based on what we know about how long its reactor operated to build up plutonium in the fuel rods and how much plutonium was chemically extracted from this fuel at the nearby reprocessing plant. What about any enriched uranium? There is no question that North Korea has committed to providing the other nations in the six-party discussions with information about its uranium enrichment efforts and should be held to that commitment. But we should not lose sight of an uncomfortable fact -- that U.S. policymakers misread (at best) or hyped information that North Korea had a large-scale uranium enrichment program. ... Reports that North Korea has cooperated with Syria on a hidden nuclear program are troubling but must also be kept in context and, until additional information is available, should not be allowed to undermine the agreement. It is possible that North Korea was selling sensitive or dual-use equipment to Syria's nuclear program. The best argument for holding the deal together is that it brings North Korea into the fold, bit by bit, making it harder for it to slip back into the arena of illicit deals and keeping a bright light on its activities. As for the "box in the desert" that Israel bombed in September, it is gone now and whatever has replaced it is almost certainly not a reactor." (David Albright and Jacqueline Shire, "Slowly, But Surely, Pyongyang Is Moving," *Washington Post*, January 24, 2008, p. A-19)

1/25/08 The U.N. Special Rapporteur on North Korean human rights Vitit Muntarbhorn told reporters in Seoul he believes the new government will continue giving humanitarian aid to the North, but he stressed that it must not be conditional. (*Chosun Ilbo*, "U.N. Official Says N. Korea Aid Should Not Stop," January 25, 2008)

1/26/08 **The removal of nuclear fuel rods at the reactor in the Yongbyon nuclear complex is proceeding at about 30 a day, down from about 80 a day needed to complete the process in 100 days** as agreed among the two Koreas, the United States, China, Japan and Russia, a source familiar with the situation said Saturday, said. More than 1,000 fuel rods, or over one-eighth of the total, have been discharged so far, according to the source. (Kyodo, "N. Korea Slows Nuclear Disablement to Half of Required Pace," January 26, 2008)

North Korea has proposed cutting the number of trains running across its heavily fortified border with South Korea, citing a lack of cargo to transport. "It is better to reduce the runs than keep the service going without cargo," Col. Pak Rim-su, head of the North Korean delegation to the meeting, was quoted as saying by the official. Inter-Korean military talks ended with little progress. "The meeting will largely focus on

evaluating issues related to the operation (of the cargo train service), such as security guarantees, as it has been over a month since the train service was launched," Kim Hyung-ki, an MoD spokesman, told reporters earlier this week, noting that the meeting comes at the request of the North Koreans. "(We) suspect the North Korean side must have various issues they wish to discuss in regard to the train service because a number of (South Korean) workers must be permanently stationed in the North," the spokesman added. (*Korea Times*, "NK Proposes Reducing Inter-Korean Train Service," January 26, 2008; Yonhap, "Inter-Korean Military Talks End with Little Progress," January 26, 2008)

*Rodong Sinmun* signed article January 26, 2008: "To build a new peace mechanism on the peninsula is prerequisite to easing tension and removing the danger of war on the peninsula because there is no justification for the present armistice agreement to exist any longer, the article notes, and goes on: To ease the military tension and ensure peace on the peninsula is an urgent issue which brooks no further delay in view of the trend of the times and the requirement of the prevailing situation. The Korean Peninsula is the only region in the world which has been in the state of truce and technically at war for more than five decades. It is urgent to replace the armistice agreement with a peace accord because the armistice agreement exists in name only due to the U.S. It would be no more than an armchair argument to talk about the observance of the armistice agreement that has been reduced to a dead document due to the U.S. perfidious act. The replacement of the armistice agreement by a peace accord would help defuse the military confrontation on the peninsula and smoothly solve the issue of building confidence between the DPRK and the U.S. There will be neither reason nor condition for the U.S. to refuse to opt for concluding a peace accord to replace the armistice agreement if it is truly willing to build confidence with the DPRK and co-exist with it in peace and stands for peace on the peninsula. The earlier conclusion of the peace accord would help convert the acute belligerent relations between the DPRK and the U.S. to those of peace and confidence and ensure lasting peace and stability on the peninsula. The U.S. should face up to the trend of history and the development of the situation and take a bold decision to replace the armistice agreement with a peace accord as early as possible." (KCNA, "Building of Peace Mechanism on Korean Peninsula Called For," January 26, 2008)

1/27/08

Bush State of the Union address makes no mention of North Korea.

1/30/08

Kim Jong-il had lunch with a Chinese delegation led by Wang Jiarui, director of the International Liaison Department of the Chinese Communist Party Central Committee after a "warm and friendly" conversation, said KCNA. Kim told the delegation in Pyongyang that nations involved in the deal should fulfill their side of the bargain, the official Xinhua news agency said. But the reclusive leader added that North Korea was willing to work with ally China to try to push for its full implementation. The comments came as a US envoy is due to visit North Korea later this week to try to get stalled talks on the deal to scrap its nuclear programs moving. (AFP, "N. Korea's Kim Says Stance on Nuclear Deal Unchanged: Report," January 31, 2008) "The DPRK side's stance of advancing the six-party talks and implementing the various agreements jointly reached has not changed," Kim said, according to Xinhua. "The difficulties that have currently

arisen are temporary and can be surmounted," he added. (Reuters, "North Korea's Kim Says Will Adhere to Disarmament Deal," January 30, 2008)

Sung Kim met Lim Sung-nam, South Korea's deputy chief nuclear negotiator, over lunch for talks on how to resolve the latest deadlock in the nuclear standoff, an official at Seoul's Foreign Ministry said on condition of anonymity, citing ministry policy. (Associated Press, "U.S., South Korea Seek to Advance Stalled North Korea Nuclear Disarmament Deal," January 31, 2008)

Hill: "I think, with respect to the negotiations, we also made, I think, a very important decision, which was that as we deal with this very difficult security problem posed by North Korea's possession of nuclear weapons, we should also deal with some of the causes of this, and one of the causes, I think, one of the causes, is the failure over the decades and even centuries to develop a sense of community in Northeast Asia. ... A way to make permanent this sense of neighborhood in Northeast Asia, a Northeast Asia peace and security mechanism that would begin with the Six Parties but also be buttressed by other countries that want to join this.... The next thing that we have been concerned about is, since the year 2002, the North Koreans **or earlier than 2002**,... we saw that the North Koreans were making purchases of [enrichment] equipment and materials. ... **We've seen that these tubes are not being used for the centrifuge program**, and we had American diplomats go and look at this aluminum that was used and see what they're actually using it for. We have actually had American diplomats, like people like myself, **carry this aluminum back in our suitcases**, to verify that this is the precise aluminum that we knew that the North Koreans had actually purchased for this purpose, and so what has occurred is, in fact, is that they are not using it for uranium enrichment. ... They have pledged not to have **an informed cooperation** on any type of nuclear energy or any nuclear weapons programs. ... They are supposed to give us a full figure on that, **which will be in the neighborhood of 30 or 40 kilos. ... Whatever the figure, they have to prove it. They have to give us the production records to show why it's at that rate.** I don't know if we can get to the end of this, I cannot guarantee any favorable solution, but what I can tell you is that, as we have worked together in the Six Party Process, our relationship with China has improved ... and I think in that process, while Japan and South Korea have had some rocky times in the last few years, the Six Party Process was an area where Japan and South Korea moved forward together. ... The Six Party Process, even if it hasn't achieved the goal, yet, of getting North Korea to give up its nuclear ambitions, it has achieved a broader goal, which is trying to get states in the region to work better together and to be good neighbors. ... We are not some leader of the pack. I spend as much time listening, more time listening, than I do talking, which I think is always a good sign, and we always learn more that way. ... **There are no guarantees in life and certainly no guarantees in diplomacy. But, I think the United States should not fear diplomacy. ... It ought to be the first recourse and not the last.** ... When Korea was divided on the Korean Peninsula it was through no fault of the Koreans; it was done by foreigners. We were part of it. ... And so, when Americans are kind of critical of Koreans for wanting to do too much, in terms of reaching out to North Korea, I think we have to be respectful of the history there. ... They've offered a declaration but it's incomplete. ... It's possible you could have a Six Party meeting and, in the context of that Six Party meeting there would be discussions and then there would be the submission of a full

declaration. By the way, we would be doing some things as well. So, that's possible. ... In the beginning, we wanted them to slow it down for safety reasons and, indeed, there continue to be. **We have to monitor those safety reasons, especially the contamination of the pond.** So, the safety reasons are still there, but **there's also the issue where they've slowed it down because they felt that we were being too slow on the heavy fuel oil.** Now, **in the meantime, the Russian shipment arrived. The Chinese heavy fuel oil equivalents, that is, this list of equipment that should also be "en train." I don't know if it's arrived, but I think it's moving.** In the beginning, we wanted them to slow it down for safety reasons and, indeed, there continue to be. **We have to monitor those safety reasons, especially the contamination of the pond.** ... [The next U.S. tranche of HFO will] start to move in February." (Christopher Hill, "The Ethics of Diplomacy: Conscience and Pragmatism in Foreign Affairs," Amherst College, January 30, 2008)

1/31/08

PM Fukuda will be the first leader to meet Lee Myung-bak because he plans to attend inauguration. (Lee Joo-hee, "Lee MB Plans Summit Visits to Allies," *Korea Herald*, January 31, 2008)

Ambassador Alexander Vershbow called rumors that Washington is considering a phased removal of Pyongyang from the list "idle speculation." Expressing his disappointment that North Korea delayed its actions pledged in the six-party talks, the envoy said that the U.S. "will persevere." (Yonhap, "No Terrorism List Removal Before NK's Declaration," *Korea Times*, January 31, 2008)

Orascom Telecom (OTH) has won the right to provide wireless services to North Korea. The Egyptian company, which operates throughout the Middle East and North Africa, said that its subsidiary CHEO Technology, a joint venture 75 per cent owned by Orascom and 25 per cent owned by North Korea's state-run Korea Post and Telecommunications Corp, won the right to provide mobile phone services using 3G technology. Orascom said the license was valid for 25 years, with an exclusive period of four years. It plans to invest up to \$400m in network infrastructure and licence fees over the first three years with the aim of rapidly deploying a network and offer mobile phone services to North Koreans. North Korea launched a mobile phone service in November 2002 but banned the service for ordinary citizens a year-and-a-half later and began recalling handsets. Song Jung-a, Orascom Scores N. Korean Mobile First, *Financial Times*, January 31, 2008)

2/1/08

**North has completed eight of the 11 measures required to disable nuclear facilities under an international disarmament deal,** South Korea's chief nuclear envoy said. [about 3 weeks ago] (Kim Hyung-jin, "N. Korea Completes 8 Disablement Measures," Associated Press, February 1, 2008) Chun Yung-woo said that North Korea is estimated to have more than 5,000 nuclear scientists who can be employed in peaceful research. The Cooperative Threat Reduction program crafted by Sen. Richard Lugar and Sam Nunn, can be modified and adapted to North Korea, said Chun. "If North Korea enters the phase of dismantling its nuclear program, the issue of how to train its nuclear scientists will emerge," he said. "They should be allowed to convert their jobs to peaceful and productive fields, so that they can be winners, not victims,

through denuclearization." (Yonhap, "WMD Dismantlement Program Applicable to N.K.: Seoul Envoy," February 1, 2008)

Norris and Kristensen: The most recent military translation of the nuclear guidance is Operations Plan (OPLAN) 8010-08 Global Deterrence and Strike, a new strategic war plan put into effect today. This plan differs significantly from the Cold War-era Single Integrated Operational Plan by including a more diverse "family of plans applicable in a wider range of scenarios" that were first developed for the previous plan, OPLAN 8044 Revision 05, in October 2004. The family of plans is meant to provide national command authorities with "more flexible options to assure allies, and dissuade, deter, and if necessary, defeat adversaries in a wider range of contingencies." [On the family of plans: Adm. J. O. Ellis, U.S. STRATCOM, Memorandum to the Chairman of the Joint Chiefs of Staff, "USSTRATCOM Request to Change the Name of the Single Integrated Operational Plan (SIOP) to Operations Plan 8044," January 3, 2003. On flexibility: Gen. Richard B. Myers, Chairman of the Joint Chiefs of Staff, "Written Posture Statement to SAC-D," April 27, 2005] OPLAN 8010 also includes a series of executable, scenario-based strike options, first created in 2003, against regional states with weapons of mass destruction programs, including North Korea and Iran. [For a description of the STRATCOM document and recent updates to the strategic war plan, see Hans M. Kristensen, "White House Guidance Led to New Nuclear Strike Plans Against Proliferators," Federation of American Scientists, Strategic Security Blog, November 5, 2007] (Robert S. Norris and Hans M. Kristensen, "Nuclear Notebook: U.S. Nuclear Forces, 2009, *Bulletin of the Atomic Scientists*, March/April 2009, p. 60)

Lee Myung-bak in *Dong-A Ilbo* raised the possibility of canceling aid projects promised to North Korea by his liberal predecessor if they fail to make economic sense and are not in line with the communist country's nuclear disarmament. He stipulated four principles that would guide future economic cooperation and told reporters he would classify what has been agreed between the current government and North Korea into "priority," "non-priority" and "off-the-table" projects considering **how much progress is made on denuclearization efforts, economic feasibility of each project, the administration's finances and the national consensus.** "Even if they are agreed-upon projects, we need to take into consideration progress in the North Korean nuclear issue and see if they are economically feasible," Lee said. "We also have to see whether we are financially capable and if they are worth it ... There should also be national consensus. Just because politicians went there and signed them does not mean we have to do that." (*Dong-A Ilbo*, "Pyongyang Should Conform to Economic Cooperation Principles," February 4, 2008) Jaesoon Chang, "South Korea's Conservative New Leader to Review Aid Projects Promised to North Korea," Associated Press, February 2, 2008)

A French Foreign Ministry delegation visited North Korea for wide-ranging discussions on promoting relations between the two countries. "During their visit from Jan. 29 to Feb. 2, the French delegates exchanged views with relevant organs, including the Foreign Ministry, the Ministry of Agriculture, the Ministry of Education and the Ministry of Culture on the issue of developing the relations between the two countries and other matters of mutual concern," KCNA reports. (Yonhap, "French Mission Visits N. Korea," February 3, 2008) North Korea recently rejected for the final time a US

proposal of a "formal concession," which asks that, in lieu of not including the uranium enrichment program (UEP) and nuclear proliferation issues in the declaration, that North Korea explain these orally or in writing to the United States.

1/31-2/2/08 Sung Kim meets with Foreign Ministry officials to discuss declaration in Pyongyang. "A delegation of the U.S. Department of State visited Pyongyang from January 31 through February 2. Issues of concern in implementing the October 3 agreement made at the six-party talks were discussed at the DPRK-U.S. working contact during its visit. The discussion took place in an earnest and practical atmosphere." (KCNA, "DPRK-U.S. Working Contact Made," February 2, 2008) North Korea recently rejected for the final time a US proposal of a "formal concession," which asks that, in lieu of not including the uranium enrichment program (UEP) and nuclear proliferation issues in the declaration, that North Korea explain these orally or in writing to the United States. North Korea recently rejected for the final time a US proposal of a "formal concession," which asks that, in lieu of not including the uranium enrichment program (UEP) and nuclear proliferation issues in the declaration, that North Korea explain these orally or in writing to the United States. (Yu Sin-mo, "Unnamed Source: DPRK Rejected US Offer of 'Concession' on Nuclear Declaration," *Kyonghyang Sinmun*, February 14, 2008)

1/?/08 Carlin and Lewis: "From 1993 through 2000, the United States and North Korea logged thousands of hours of face-to-face contact in formal and informal settings. The simultaneous inability of most observers to remember, much less utilize, the legacy of these contacts is perhaps one of the central reasons for the largely sterile nature of the diplomacy—and the shallowness of the public discussions on the issue—for much of the last seven years. When progress finally came, it was only after old lessons were relearned, and then, unfortunately, only after the problem became significantly more difficult to solve. The inability of the North Koreans to forget the legacy of earlier U.S.-DPRK engagement compounded their lingering suspicions about the new U.S. approach, which explicitly rejected the achievements of the past even as a basis for forging new agreements. Continuing efforts by a number of current and former U.S. officials to distance the recent accomplishments from those of the past might be comic if they were not so painful to watch. *"You can't deal with them."* The underlying conventional wisdom remains, at least in the United States, much of what it has always been: that it is impossible—or at best, nearly so—to deal with North Korea. Forgotten is the reality that from 1993 to 2000, the U.S. Government had twenty or more different issues under discussion with the DPRK in a wide variety of settings. A large percentage of those talks ended in agreements or made substantial progress. ...Underlying the North's specific calculations for each set of talks was a basic, strategic decision by Kim Il Sung in the early 1990s to press for engagement with the United States and even accept a continuing U.S. military presence on the Peninsula as a hedge against expanded, potentially hostile, Chinese or Russian influence. Pyongyang, somewhat clumsily, signaled this new position to Washington as early as January 1992 in high-level talks in New York between Undersecretary of State Arnold Kanter and Korean Worker's Party Secretary Kim Yong Sun. The North repeated that position numerous times thereafter to outsiders willing to pay attention. Certainly it was a point made at the highest level during Secretary of State Madeleine Albright's visit to Pyongyang in October 2000. At a less lofty level, in virtually every trip that the authors have

undertaken to the DPRK over the past twelve years, we have been reminded of that decision by North Korean officials. In August 2003, one official said:

The basic strategic fact for us is rooted in history. We have been victimized by all our neighbors from Qing times on. This is why we want closer relations with the U.S. Do you know the Chinese saying, "Keep those far away close, and those close to you keep at a distance"? This is our strategic reality, and this is why we want closer relations with the U.S. It is time for us to become friends. We have learned a lot about each other in the last fifteen years, and we have come to know each other. For over a century, the countries around us have competed to control us for their own strategic security and economic reasons, and we became their battlefield. You must look at the strategic picture—the big picture—as we have to in order to survive.

...Talks with the North are usually characterized as painful, lengthy, and arduous. The talks that took place from 1993 to 2000 were never simple, but, in fact, most of the negotiations that ended in agreements were concluded quickly. Altogether, the Agreed Framework negotiations took only five sessions. Occurring over the space of less than 90 days (August–October 1994), the final three sessions were the most productive. Other critical negotiations, though they often felt complicated and difficult to those on the scene, were equally rapid. The agreement on the Kumchang-ri underground inspections took just five months (November 1998–April 1999). Talks leading to the October 2000 statement on terrorism were concluded successfully after three relatively short sessions spread out over about a year. The North's missile moratorium took from July to September 1999 to work out. Talks on the three main protocols between the North and the Korean Peninsula Energy Development Organization (KEDO) took about a year, a relatively short time considering how detailed those documents were. Working-level talks—such as those concerning the canning of spent nuclear fuel, monitoring of heavy fuel oil (HFO), and MIA remains recovery—generally were barometers of the broader state of play in relations. Canning took longer than expected, partly due to technical problems and partly because the North was determined to use the pace of progress on canning as negotiating leverage over the United States elsewhere. Tactical considerations aside, overall, in each of these working-level talks, the trend was towards rather than away from agreement.

...The early talks, especially those in July 2003 in Geneva, have generally received scant attention from observers, who have focused most on the dangerous episode that came close to war in June 1994. Few remember that as early as the second round of talks, on July 16, 2003, the North's chief negotiator disclosed what he termed Pyongyang's "bold, new instructions" to trade the existing, gas-graphite nuclear program for new light-water reactors. Despite the ups and downs of the next fifteen months, that proposal became the basis of the core bargain in the Agreed Framework (October 21, 1994). **One of the most serious, pernicious misunderstandings of the Agreed Framework is that it was, at heart, a nonproliferation agreement. It was not.** The engine of the framework was always its political provisions (section II). These called for both sides to "move toward full normalization of political and economic relations," including:

- o "Within three months [of October 21] to reduce barriers to trade and investment." (*Done*)
- o To "open a liaison office in the other's capital." (*Not done*)

o To “upgrade bilateral relations to the ambassadorial level” as “progress [was] made on issues of concern to each side.” (*Not done*)

In addition, the U.S. obligations were to provide the DPRK:

o “Formal assurances, against the threat or use of nuclear weapons.” (*Not done*)

o Alternative energy “in the form of heavy oil for heating and electricity production.” (*Done*)

o “An LWR [light-water reactor] project with a total generating capability of approximately 2,000 MWe [megawatt (electric)] by a target date of 2003.” (*Under construction but never completed*)

For its part, North Korea agreed to:

o Freeze and eventually dismantle its graphite-moderated reactors in operation or under construction and other related facilities. (*Freeze done; dismantlement stage never reached*)

o Accept IAEA monitoring. (*Done*)

o Cooperate to “store safely the spent fuel” from their 5 MWe experimental reactor. (*Done*)

o Remain a party to the NPT, and “take steps to implement” the North-South Joint Declaration on the Denuclearization of the Korean Peninsula. (*Not done*)

The negotiations themselves were stuck until the United States recognized the agreement would have to go beyond nonproliferation. Later, implementation of the framework was progressively hobbled as the United States fell back into treating any implementation primarily as a nonproliferation tool. **For Pyongyang, even the U.S. obligation to supply light-water reactors had as much a political as an economic rationale.**

The North Koreans saw the LWR construction process as a means of ensuring U.S. involvement with the DPRK over a long period, thus improving—so they hoped—the chances of normalizing political relations. In broadest terms, the framework provided a floor, a structure, and cohesiveness to all of the U.S.-DPRK talks that followed. Any negotiations that did not fit that structure (whether or not they were specifically prescribed in the framework) did not move forward. The framework’s centrality to U.S.-DPRK talks may have been due, in part, to internal North Korean dynamics, discussed below. Much more than words on a piece of paper, the Agreed Framework began a process of interaction in

Northeast Asia, which helped the parties establish new norms for interaction and cooperation.

*Falling short.* The Four-Party Talks (1997-1999) and bilateral U.S.-DPRK missile talks (1996-2000) were the notable exceptions to the overall trend toward reaching agreements. Pyongyang did not want to have either of these negotiations. It eventually took part in them after much cajoling from Washington, not because it sought progress in these particular areas, but because of a calculation that refusal to accept Washington’s proposals for talks risked souring the atmosphere for progress in political relations with the United States, a key DPRK goal throughout this period. In particular, the Four-Party Talks (China, North Korea, South Korea, and the United States), announced by President Bill Clinton in April 1996, struck the North Koreans as a distraction from the Agreed Framework just as that agreement was beginning to get traction. In effect, the Four-Party Talks appeared to be a dilution of U.S. focus on its framework obligations. Moreover, **Pyongyang opposed the four-party setting because, by involving the Chinese, it went counter to a basic Pyongyang policy**

**goal, i.e., to limit Chinese influence by improving U.S.-DPRK relations. One of the most telling questions the North Koreans asked in the preparatory phase of the talks was, "Why are the Chinese involved?"** The Four-Party Talks proved difficult to organize, awkward to run, and ultimately, impossible to sustain. The effort was not wasted, however. It did put North and South Korean diplomats together during a low point in inter-Korean relations. The meetings provided an opportunity to pursue U.S.-North Korean talks on other issues, and they proved to be a training ground for the Chinese Foreign Ministry's later efforts, in 2003, to avoid a crisis over the North Korean nuclear issue. The bilateral missile talks went nowhere until 2000, because Washington was unable to make Pyongyang concentrate seriously on U.S. concerns about the North's ballistic missile program. **By the end of the first meeting in Berlin, in April 1996, DPRK negotiators had scant doubt that the United States had come to the table with little more than declaratory positions.** The U.S. failure to press for these talks on anything more than a leisurely schedule (about once a year) convinced Pyongyang that this also was not an issue that demanded priority attention, let alone serious negotiations. **The weight of the Agreed Framework in the North's calculations on the missile issue is illustrated by two events, which were barely two years apart. In the autumn of 1996, Washington appears to have successfully prevented a North Korean missile test at a time when the Agreed Framework still appeared to hold promise and Pyongyang was reluctant to risk damaging the framework's prospects. By contrast, in the summer of 1998, when the Agreed Framework appeared moribund, Pyongyang went ahead with the Taepodong missile launch despite U.S. warnings.** The missile talks finally got traction in July 2000, when Kim Jong Il signaled that Pyongyang had reformulated the issue in a way that would address the concerns of both sides. This formulation posited new, positive linkage-progress on concerns by both sides would be a key to improving U.S.-DPRK relations, and improvement in relations would lead to a breakthrough on the missile issue.

*Mechanics.* Apart from substantive concerns, there were always operational moving parts in negotiations with the North. The particulars included the level of the talks, the context, the sequence—all of which together made up what might be termed the operational plateau. Sometimes talks bogged down because of the North's need to make tactical decisions over which the United States had only minimal influence. One such set of decisions involved pacing. Pacing is an important psychological tool for the North Koreans, something they often use well and to excruciating effect. At other times, however, problems with pacing seemed to revolve around other—seemingly more central—concerns in the North Korean leadership. These problems were not immediately apparent to outsiders and needed concerted probing before certain problems with pacing could be understood, much less addressed. The impact of these internal concerns on the negotiations was more often than not missed or misunderstood by U.S. officials. By treating North Korea so exclusively through its own lens, as a nonproliferation concern, the United States ignored Pyongyang's strategic concerns and the domestic priorities that drove much of its external actions. Not surprisingly, this problem persisted and was magnified after 2001. In a telling moment a few years ago with the authors, an exasperated North Korean official repeated a point he had often made in the past:

You don't deal with us directly or as an equal or even as a negotiating

partner.... This is intolerable. This means you don't understand even Asian culture, where prestige and face are so important. Your government really doesn't have any respect for us, so why should we respect you? This is what I meant earlier when I said you deal only with trivial matters and not with the basic relationship. We wanted to have a fundamental relationship with you, but you didn't want that.

In some cases, the United States faced perplexing DPRK demands or delays, which were often connected to turf battles within the DPRK. For issues on which the DPRK Foreign Ministry had the lead—and that meant virtually anything directly connected with the Agreed Framework—the Americans could usually arrange meetings with minimal difficulty. Issues outside the clear purview of the Agreed Framework, by contrast, raised problems because they engaged competing bureaucracies within the DPRK hierarchy. As noted above, the missile talks were difficult for many years because the Foreign Ministry could not make a convincing case that this subject was a significant foreign policy issue for the ministry rather than purely (or mostly) a subject that fell to those elements in the Workers Party and the military involved with the production and sale of missiles. In this instance, moreover, the Foreign Ministry had an even more difficult case to make, not least because the United States did not act if it were seriously concerned about the issue, and which it did not begin to do until 1999. Before that, the talks never had a chance to develop a momentum of their own or move beyond mere repetition of the U.S. position. Repetition of talking points, not surprisingly, was never sufficient to put the message through to the right places in the DPRK leadership on a priority basis.

*At the talks.* No two sets of talks were exactly alike, but once meetings became routine, most tended to follow similar patterns of development. There would be an initial period in which the two sides would state principled, highly general opening positions. These would be followed by sessions devoted to defining the problem, then an exploration of the mechanics for solving the problem, and finally bargaining on the details and sequence of the resolution. Defining the problem had to go beyond simply a statement of what the United States was concerned about, objected to, or demanded from Pyongyang. Instead, before the North would move on, there had to be an agreement (if only implicit) that this was a shared problem, one whose solution needed joint efforts and whose positive outcome would meet the interests of both sides. Over time during the late 1990s, the growing understanding between the two sides and their principal negotiators would attune them to possible ways to formulate and refine the shared problem. In many cases, different sets of talks were conducted by the same delegations on both sides, sometimes even at the same venue. For example, in 1998, the U.S. delegation to the Four-Party Talks met separately with the DPRK delegation to discuss the U.S. concerns that the North Koreans had built a clandestine nuclear facility at Kumchang-ri. At other times, meetings on separate issues took place in different venues but as part of a sequence of talks—such as when U.S.-DPRK negotiations on broader questions took place in Berlin, then the two delegations flew to Geneva to take part in Four-Party Talks. The North Korean Foreign Ministry had a core group of officials involved in virtually all negotiations. They were almost always led by Vice Foreign Minister Kim Kye Gwan. In more technical talks, additional DPRK officials sometimes took part. The United States, by contrast, tended to have separate teams

with little overlap. Thus, the North Korean delegations had a good sense of the overall engagement process, while each U.S. team tended to be more narrowly focused. ... *After the talks.* The most difficult, and in some ways least successful part of the negotiating process was the follow-up. At some point, negotiators on both sides had to hand over implementation of agreements to parts of their bureaucracies or official institutions (such as the Congress in the American case) that were less familiar with, and in some cases less well disposed towards, the process and goals of the talks. At that juncture, a new dynamic emerged. For one thing, performance in implementing established agreements became important to support progress in other, as yet unfinished negotiations. Mechanisms not already established had to evolve for dealing with complaints from both sides. Slowly, it became obvious that prior planning and preparations on implementation would be crucial not only for carrying out existing agreements but also for reaching new ones. Performance related issues, moreover, defined the battleground in each capital. Some wanted to treat every performance failure as fatal and as a matter of principle, with no sense of perspective. On the North's part, problems in implementation were used to highlight the two sides' mutual and in some cases linked obligations (as, in fact, some of them were) or as a way of testing Washington's commitment to full compliance. Gradually, U.S. negotiators came to an important realization: failure by the North Koreans to implement fully a particular set of obligations was not necessarily a sign of irresponsible behavior but was often a function of Pyongyang's perception of and response to U.S. performance. To the North, which viewed itself as weak and disadvantaged, implementation was seen not simply as an obligation but as leverage to insure better U.S. compliance.

*Obsession with "cheating."* The long, involved, and largely successful eight-year effort to engage the North is now forgotten, a victim of the U.S. fixation on the notion that the North "cheated" on the Agreed Framework. As is clear from our earlier summary of its terms, the Agreed Framework was designed as a political document that set down on paper mutually reinforcing obligations by the two sides, some tied to specific timetables and some set out as eventual goals. The explicit understanding by both parties was that no side was legally compelled to follow through on any or all of its obligations, but if it reneged or only carried out partial steps, the other would be equally free to stop or cut back its own performance. In addition, the North Koreans were warned that although some things were left vague in the document, they should clearly understand that certain types of activity on their part would cause "political" problems in Washington that would sink the deal. For the United States, verification was a key ingredient for making the framework work, and Washington therefore decided that nothing would be included (such as a ban on uranium enrichment) that could not be verified. The argument is sometimes made that the reference in the Agreed Framework to the North-South Joint Declaration on Denuclearization (January 1992) was implicitly a reference to the North's pledge not to "possess uranium enrichment facilities" and thus an obligation the North was reaffirming. Such an indirect reference would, at best, have been a weak reed on which to rest so crucial an obligation. In any case, the negotiating record would not support even that interpretation. The two sides did not focus on references to the inter-Korean agreements until virtually the end of the negotiations over the final draft, and then very much as an afterthought at the insistence of the ROK, which was not concerned so much with the details as with the symbolic imperative of having a reference to its own

role. The North Koreans strongly objected to bringing North-South agreements into the Agreed Framework. This was obviously a difficult subject for the DPRK Foreign Ministry to touch for internal reasons. Numerous attempts were made to find the language that would satisfy both Seoul and Pyongyang; no one really intended that the reference to the North-South agreements would constitute one of the core DPRK obligations under the Agreed Framework or imagined that it was a good way to cover uranium enrichment or any other similar technology or material not specifically mentioned in the Agreed Framework. Developing an enrichment program can be seen as truly bad political judgment on Pyongyang's part, but whether or not it is "cheating" is at best an open (and probably feckless) question. In 1999 and 2000, it did not come as a surprise to learn that the North might be exploring the enrichment option, and there were discussions in Washington about how to confront the North Koreans diplomatically at the proper time and in the proper way to get them to stop. In June 2000, U.S. negotiators obliquely raised the possibility of the need for additional Kumchang-ri-like inspections. The U.S.-DPRK Joint Communiqué (October 12, 2000) explicitly endorsed "the desirability of greater transparency in carrying out [the] respective obligations under the Agreed Framework." In this regard, it continued, the two sides "noted the value of the access which removed U.S. concerns about the underground site at Kumchang-ri." This language had no purpose other than to look ahead to negotiations on inspections that would address additional U.S. concerns about the North's nuclear program—a point that Pyongyang could not have missed. Together, the visits of Vice Marshal Jo Myong Nok (to Washington) and Secretary Madeleine Albright (to Pyongyang) in October 2000 transformed the atmosphere sufficiently to provide the basis for dealing with the uranium enrichment issue such as the Kumchang-ri issue had been dealt with successfully in 1999. Even today, we do not know the factors that went into the DPRK decision to begin exploring a uranium enrichment program (UEP) or what would have happened if the United States had dealt with the enrichment issue within the context of the Agreed Framework, rather than arguing as it did in 2002 that the North's enrichment program was a fatal blow to the Agreed Framework. In the good-versus-evil constructs that governed U.S. approaches to Korea after 2001, the accusation that the North had cheated needed no proof and brooked no response other than an admission of guilt and total capitulation. The destruction of the Agreed Framework did not just happen or begin in October 2002. Key members of the Bush administration came to office intent on killing it. That intent was specific and public. The administration deemed it fatally flawed and said so repeatedly. Some at senior policy levels might have thought otherwise; none of them was prepared seriously either to defend the agreement or even to argue for ways to improve it. The existence of the UEP program was already being used by early 2002—that is, before the UEP issue surfaced in the Pyongyang meeting that October—as an excuse to withhold and/or undermine funding for promised HFO shipments under the Agreed Framework and as a step toward dismantling the Agreed Framework. The argument for "presumptive breach," made by some officials in the administration, was also a sign of the times. A legal concept that had nothing to do with the negotiating record for the Agreed Framework, presumptive breach was applied in a rather tortured way:

- o The Agreed Framework had called for the North to be in compliance with its NPT obligations by the time that key components for the promised LWRs shipped.

- o The IAEA claimed it would take several years to answer crucial questions about the history of the North's nuclear program. Putting the two schedules for LWR construction and IAEA verification side by side made it apparent that the former would occur considerably in advance of the latter.
- o Thus, it was asserted, the North could have been seen to be in breach of its obligations.

If one had wanted the North Koreans to accept inspections earlier and more extensively than laid out in the Agreed Framework, there were ways to try to achieve this. Indeed, American negotiators began planning along those lines in 2000. Instead, the Bush administration thought up a new obligation for the North and then declared Pyongyang in violation. It is true, of course, that many issues were still on the table on January 20, 2001, when the new administration took office. Yet, there was a strong feeling in both capitals that the elements were definitely in place for positive developments. Pyongyang had already made clear, in an important article published in the party newspaper *Nodong Sinmun* just before the U.S. elections, that it would continue to abide by both the Agreed Framework and the October 2000 Joint Communiqué, no matter who would become the next U.S. president. Thus, the incoming administration was handed the best possible situation and on a number of occasions was made fully aware of the extraordinary opportunity for continued progress. Certainly, the new administration could have modified the Agreed Framework, which was something that needed to happen and which Pyongyang was probably prepared to accept. Washington could have explored how far the North was prepared to go on a missile deal. It could have pressed ahead with cooperation to support and encourage international efforts against terrorism (as laid out in the Joint Statement issued by the two sides on October 6, 2000.) It did none of these things. Worst of all, it forgot (or rather, never tried to learn) the real lessons of the preceding eight years. Once that basic understanding slipped away and the problem was reduced to its nonproliferation essence as seen by Washington, the fundamental basis for productive negotiations was also lost. *North Korea as a nuclear weapons state*. Any ambiguity that may have existed about the North's nuclear status disappeared with its test of a nuclear device on October 9, 2006. We are now confronted with the reality of the DPRK as a nuclear weapons state. Whatever its legal status before finally withdrawing from the NPT in January 2003, the DPRK cannot re-adhere to the treaty without the total elimination of its nuclear arsenal. Under the treaty's Article III, to rejoin the NPT, the North must once again accept "safeguards, as set forth in an agreement to be negotiated and concluded" with the IAEA. The chances of this sort of early successful return to the status quo ante appear close to zero. Although Pyongyang says that it is committed to the denuclearization of the Korean Peninsula, as laid out in the Joint Statement of September 19, 2005 issued by the Six-Party Talks (and to be discussed later), that goal is unlikely to be achieved any time soon. Such delay may itself complicate the problem. The more time that passes, the more convinced the North will become that it need not give up its small nuclear arsenal. The more the North becomes accustomed to possessing nuclear weapons, the more difficult it will be for pragmatic officials in the leadership—in the Foreign Ministry and elsewhere—to make the case for negotiating away those weapons. The question will be asked in Pyongyang: Why should the DPRK be the first declared nuclear weapons state to relinquish its status? Even if that possibility still exists, the price of eliminating a

declared arsenal is likely to be far higher than the price would have been for dealing with the North's pre-2002 still small number, still undeclared, and still untested nuclear weapons. **Within months of the Bush administration's assuming office in 2001, Pyongyang appears to have concluded that, the rhetoric of the State Department notwithstanding, Washington as a matter of high policy had moved away from coexistence.** Pyongyang took Washington's refusal to acknowledge the continuing applicability of the October 2000 Joint Communiqué as a powerful symbol of the extent to which past progress had been erased. Even so, through late 2001 and into 2002, Pyongyang held out hope that improving relations with the United States remained possible. In part, that hope may have been borne of necessity. In the autumn of 2001, Kim Jong Il put his power and prestige behind achieving substantial economic reform policies that needed an easing of sanctions and external tensions. The North's bureaucracy was ordered to achieve results across the board with South Korea, Japan, and the European Union. Most of all, Kim needed a change for the better with Washington if the reforms were to succeed. **In the summer of 2002, Pyongyang signaled that it was prepared to deal on all U.S. security concerns—with the implication that "all" included the uranium enrichment question.** Thus, in October 2002, when Assistant Secretary of State James Kelly's delegation left for Pyongyang—the first high-level visit since the start of the Bush administration—the North approached the long-awaited exchanges with great optimism and significant preparation. Missing from the historical record is much detail on Kelly's first-day encounter with the North Korean Vice Foreign Minister Kim Kye Gwan. No mention is made that Kim apparently came to the meeting with sweeping proposals for reengagement and rapprochement, and that Kelly made no effort to listen or engage. Instead, the Foreign Ministry was caught badly off guard when Kelly swept aside the discussion of all other topics to focus solely on the uranium enrichment issue. No context would be given to the issue, no evidence would be provided, no discussion would be permitted, and no proposal would be offered to resolve it. When North Korean First Vice Foreign Minister Kang Sok Ju made an ambiguous statement that the U.S. delegation interpreted as an admission of a clandestine enrichment program, the American side asked no questions for clarification and attempted no follow-up. In these circumstances, failure was the only possible outcome. A badly conceived, poorly executed mission could have achieved nothing more. Soon after the October meeting, the United States rammed through a decision by KEDO to cancel delivery of HFO as promised under the Agreed Framework. In short order, this action resulted in the final collapse of the 1994 agreement, the ending of the light-water reactor project at Kumho, and the gutting of KEDO. The North ejected the IAEA inspectors, withdrew from the NPT, and resumed its plutonium production program at Yongbyon, including reprocessing spent fuel that had been stored and monitored in canisters for a number of years. ... *Chinese engagement.* Chinese characterize the period from 2003 to 2007 as a transition from bilateral U.S.-DPRK negotiations that ultimately failed to Six-Party Talks that reached agreement on initial actions toward denuclearization and normalization. They do so with some pride, because the decision to engage in the diplomatic process on Korea and to host those talks came after months of internal debate and difficult efforts to persuade Pyongyang to accept multilateral diplomacy. That debate, though changing over time, continued throughout the four-year period, and must be fully understood in order to appreciate China's reluctant decision to enter

the diplomatic fray. *China's internal debate*. Beijing did not view North Korea's nuclear programs as an imminent threat to its national security until early 2003, when the Agreed Framework collapsed and the North withdrew from the NPT and restarted its 5 MWe reactor at Yongbyon. The People's Republic of China (PRC) feared that the DPRK would accelerate its nuclear weapons program without NPT constraints and that the renewed confrontation between the North and the United States, triggered by the uranium enrichment issue, could result in hostilities in a region located directly on China's border. The emerging crisis, Beijing believed, could easily and quickly spin out of control. The principal dilemma plaguing Beijing's leadership was: Should China keep a low profile during the erupting crisis and continue its "indirect involvement" as it had been doing from 1994 to 2002, or should it directly engage and work to solve the issue in a multilateral way? The debate subsided, but never quite ended, when in early 2003 the leadership chose the direct approach for two primary reasons: 1) it would be impossible to solve the nuclear issue peacefully without the introduction of a third party, and 2) an escalation of U.S.-DPRK tensions could trigger a war or, at the very least, a U.S. military strike against the DPRK. Either outcome could disrupt or derail China's priority of rapid and sustained economic development, a goal critical to national stability and Communist rule. In March 2003, China sent its then preeminent diplomat, former Vice Premier Qian Qichen, to Pyongyang, for secret but apparently highly contentious discussions with North Korean leader Kim Jong Il. By the end of the visit, Kim accepted Beijing's proposal to hold a trilateral meeting in Beijing to "solve the nuclear issue through dialogue," but with the precondition that a bilateral U.S.-DPRK dialogue must be held within the trilateral setting. After Qian's trip to Pyongyang, Beijing sent a diplomatic delegation headed by Vice Foreign Minister Wang Yi to Washington with the twin goals of winning the Bush administration's acceptance of early trilateral-bilateral meetings in Beijing and ensuring Washington's commitment to a reconstituted diplomatic track. The United States accepted the Chinese initiative for a trilateral meeting but rejected Pyongyang's precondition on simultaneous bilateral discussions. Faced with this half-success, Beijing shifted from resolving the nuclear issue to easing the U.S.-DPRK confrontation on the nature of the talks. Yet, both the issue and the diplomatic approach remained linked, and Beijing packaged its approach with the slogan *qi he huan an quan*, or "exchange denuclearization for security." Nevertheless, the Chinese failed to invest much energy into moving beyond slogan to substance, let alone convincing Pyongyang that China and the DPRK stood together against the ever more hostile U.S. administration. Thus, while over time Beijing did persuade the United States and North Korea to engage both substantively and bilaterally in the six-party framework, it failed to persuade Pyongyang of the *qi he huan an quan* proposition. That failure led to another internal debate since China had to weigh competing domestic priorities requiring external peace and stability against its national security interests that hinged on a nuclear-free Korean Peninsula. In the ensuing debate, three positions or "schools" emerged on the question of how to deal with the North Korean nuclear issue. These schools came to be illustrated using the image of a coin:

1. *Two equal sides of the coin*. This school held that China needed to balance both peace and stability *and* denuclearization. "All coins," it was said, "need both sides equally." This school commanded a majority and is apparently still supported by the highest levels in Beijing.

2. *The dominance of the stability-and-peace side of the coin.* This school held that no power could destroy the Pyongyang regime or force it to abandon its nuclear program. Thus, any realistic policy had to give priority to stability and peace and to accept the North's nuclear status.

3. *The dominance of the denuclearization side of the coin.* This school held that a nuclear North Korea would always challenge stability and constitute a threat to the peace. Thus, the DPRK must be denuclearized no matter what the short-term cost (chaos on the peninsula, refugees into China, or U.S. intervention), in order to preserve stability and peace over the long term. The North's expressed commitment to denuclearize through phased dismantlement, this school held, would be designed to exact compensation and buy time for refurbishing and rebuilding its nuclear facilities. The main differences in the debate revolved around this question: Could both lasting peace and stability *and* denuclearization be achieved (as the first school of thought hoped) or could only one of the goals be met (as those who favor one "side" or the other of the diplomatic coin believed)? If the answer were the latter, then the debate would turn on a question of priorities—whether to give more weight to peace and stability or to denuclearization. Following the North Korean actions of early 2003, Beijing decided the priority would be denuclearization in order to end the threat of the North's nuclear weapons program. Although the decision seemed to align Beijing and Washington, there was one important difference. China began to attach much greater importance than the Bush administration did to the 1992 North-South denuclearization declaration, which stated that the two sides "shall not test, manufacture, produce, receive, possess, store, deploy, or use nuclear weapons," and that they "shall not possess nuclear reprocessing and uranium enrichment facilities." In 1992, procedures for inter-Korean inspection were being negotiated and a North-South Joint Nuclear Control Commission was mandated to verify the denuclearization of the peninsula. Although the declaration and these measures were quickly buried by the mounting dispute between Pyongyang and the IAEA, the basic historical commitment to denuclearization gave the dominant Chinese school a solid basis for Beijing's involvement. *China begins to engage.* Although the April 2003 trilateral meeting in Beijing marked the start of the Chinese-sponsored and mediated multilateral diplomacy, Pyongyang resolutely insisted that "only the bilateral way" held out promise for a solution and continued to define the nuclear issue as a "North Korean-American nuclear issue." Within the trilateral process, therefore, Washington and Pyongyang were moving in opposite directions, with the U.S. insistence on a "multilateral only" approach and the North demanding acceptance of its "bilateral only" position. In the end, Chinese pressure was sufficient to hold the three-party talks, but only so long as a bilateral channel was kept open. When Washington held firm to its stance of "no bilateral contact at all" and no meaningful bilateral contacts proved possible, the trilateral approach collapsed. Yet, the momentum toward a multilateral dialogue was mounting, and the Chinese efforts, though stymied when Beijing's suggestion for a second trilateral meeting was rejected, led to a counterproposal for talks with six parties, adding Japan, South Korea, and Russia. *Six-Party Talks begin.* For two years after their start in Beijing in August 2003, the Six-Party Talks made minimal headway, as Pyongyang continued to press for serious bilateral talks with the Americans. No measurable progress occurred until the completion of the Joint Statement of principles of September 19, 2005, and the eventual statement on parallel

implementing actions, or Initial Actions Statement of February 13, 2007. At the beginning of these multilateral talks, no real dialogue took place either in the plenaries or on the sidelines, and the meetings among the six merely provided a forum for declarations of each delegation's position. For the U.S. and the DPRK, the talks were simply a platform for parallel monologues and rhetorical sallies. In the long hiatus between the first two phases of Round 5 (November 2005 until December 2006), moreover, the entire six-party process seemed doomed when the North Koreans launched a volley of seven ballistic missiles and exploded a small nuclear device. The missile test prompted the U.N. Security Council to issue Resolution 1695 (July 15, 2006), and the nuclear test led to Resolution 1718 (October 14, 2006), the only times in this entire process that the United Nations became directly involved in the North Korean nuclear crisis. By autumn 2006, many commentators and even many of the official participants gave the talks little chance of success. Most assumed that subsequent encounters would be reduced to a necessary ritual to express repeated condemnations of Pyongyang's actions.

*Limited progress in rounds 1-3.* From April to August 2003, the six parties, with China in the lead, parried behind the scenes to get the first meeting off the ground. Throughout these months, Pyongyang made clear its hostility to the forthcoming talks and told both official and unofficial visitors what actions it expected the chief U.S. delegate, James Kelly, to take if there were to be any chance of convening the talks. When the United States refused to engage the North bilaterally and did not meet the North's expectations at the first round in August 2003, the DPRK's chief delegate, Vice Foreign Minister Kim Yong Il, bitterly declared his government's "three no's": "no progress, no use to the talks, and no intention to attend the talks any more." Nevertheless, limited substantive discussions were held among some of the parties during the second (February 2004) and third (June 2004) rounds. In these discussions, the Chinese stepped up pressure on both the North and the United States which the Chinese claimed brought about small adjustments in Washington's "no bilateral" policy. In those rounds no consensus—not even overlapping points of view—developed sufficiently to draft joint documents. The Chinese chief delegate refused to admit that the talks had failed and, exercising the chairman's prerogative, issued a formal "chairman's statement" at the conclusion of each of these early rounds. By adopting this tactic the Chinese intended to establish the fiction of a minimum consensus. Since no public objections were allowed, there was at least the appearance that all parties had endorsed the ideas included in the statements. As part of these statements, the Chinese were able to record in a general way that critical off-the-record agreements had been reached in rounds 2 and 3. The chairman's statement for the second round referred to the agreed "commitment to a nuclear-weapons-free Korean Peninsula" as well as agreement "to take coordinated steps to address the nuclear issue and address the related concerns." In his statement for the next round, the chairman recorded that "the parties stressed the need for a step-by-step process of "words for words" and "action for action" in search of a peaceful solution to the nuclear issue." From then on, all discussions proceeded on the tacit agreement that the principle of "words for words, action for action" was to be included in any future settlement. That principle became enshrined in the September 2005 Joint Statement and the Initial Actions Statement of February 2007. Under intense pressure, the United States reluctantly accepted the concept of "first steps" as the starting point toward the complete

denuclearization of North Korea, a more realistic position than the one the United States was pursuing and one long opposed by the Bush administration as tantamount to accepting the repudiated 1994 Agreed Framework's so-called piecemeal approach. The first steps, according to Chinese sources, actually contained two categories of actions—first, from the DPRK and second from the other five parties as a whole. First steps for the North were interpreted to mean “halting” rather than “freezing” (the latter a tainted word in the U.S. lexicon) all of its nuclear activities, while the other five would be required to take “corresponding measures.” In practice, those measures were to be energy and economic assistance but could not be called “compensation,” again a term considered taboo by the U.S. administration. Thus, by the end of Round 3, all parties had accepted the concept of “halting for corresponding measures” as the “first steps.” Although “action for action” and first steps were quietly understood to be the major achievements of the second and third rounds, the United States and the DPRK failed to reach agreement on the principle of Pyongyang's accepting CVID—“complete, verifiable, irreversible dismantlement” of the North nuclear weapons programs—in exchange for Washington's abandoning its alleged “hostile policy.” Originally, according to the Chinese, North Korea did not strongly oppose the idea of CVID in exchange for an American “no hostility” policy, and even sought a deal expressing the idea. During substantive discussions in the plenary sessions of Round 2, for example, the chief North Korean delegate, Vice Minister Kim Kye Gwan (who replaced Kim Yong Il), twice asked Kelly: “If the DPRK accepts CVID, will the United States give up its hostile policy toward the DPRK?” Kelly, apparently under instructions, failed to answer this question “directly and clearly.” The DPRK then changed its position on CVID. Thereafter, Kim declared, “CVID is a term for a defeated state, and we are not a defeated state. CVID is a humiliation to the DPRK. We won't accept this at all.” In the end, rounds 2 and 3 achieved two important understandings—action for action and first steps—but without their formalization and without the acceptance of CVID as the definition of denuclearization.

*Significant steps in rounds 4–5.* The most significant progress occurred in the next rounds of talks. Round 4 set a milestone for the multilateral engagement process by formulating the Joint Statement of principles, which made denuclearization of the peninsula the ultimate common goal of the parties, enunciated commitments and principles for denuclearization and normalizing the relations between North Korea and the United States and Japan, and addressed broader security concerns in the Northeast Asian region. Round 5, which took place in three phases, took an additional step by defining, in a joint document on February 13, 2007, the initial actions to implement nuclear dismantlement, achieve normalization, provide economic and energy assistance to the North, and prepare for regional peace and security. Obviously, should that joint document be fully implemented, a historic model for transforming a declared nuclear state back into a non-nuclear state would be achieved. ... To end an analysis of the fifteen years of bilateral and multilateral negotiations, we must look beyond recent events and re-examine a number of assumptions. Public debate and political commentary have pitted one mode (bilateral) against the other (multilateral). In the North Korean case, this has only served to obscure important lessons and impede progress. An important strength of bilateral negotiations with the North lies with their operational simplicity. There is much to be said for being able to focus the discussions, control the message,

and shape the outcome. Multilateral talks dilute the focus and add to the complexity of delivering a single, unambiguous message. Although in theory it should be possible for four or five parties—united in purpose—to carry out such a task, in fact the parties involved in the North Korean case have significantly different interests. The result is that a “solution” at any one point in time tends to be the lowest common denominator, with pending issues pushed down the road in favor of partial solutions in order to be able to declare “success.” Moreover, negotiations with North Korea have to tread sensitive ground in more ways than one. For internal reasons, DPRK diplomats may not be able to agree publicly to certain ideas or formulations, but can do so in confidential, side agreements. The Agreed Framework had a “Confidential Minute” that contained a number of key provisions that the DPRK could accept only if they were not released as part of the public document. Confidentiality is considerably easier to maintain in bilateral talks; it is much more difficult—approaching near impossibility—when multiple parties are involved. Obviously, there is no single key to the United States making diplomacy effective in the North Korean case. In fact, many approaches can work, and probably many policies as well. Two elements are essential: fitting the diplomatic approach to geopolitical realities and exercising leadership. Without leadership, the weaknesses of multilateral diplomacy are magnified—common purpose becomes swamped by domestic politics and narrowly defined national priorities. The longest-running, most successful multilateral effort with North Korea to date—KEDO—fell to bickering and eventual paralysis when U.S. leadership of the organization waned and eventually disappeared. In contrast, the most significant positive turn in the current diplomatic situation, the February 2007 Initial Actions Statement, can be credited in large measure to the right combination of approach and American leadership. Without a strategic decision by the president to allow direct, sustained bilateral engagement with the North Koreans and to authorize his chief negotiator to pursue actively the initial steps in an implementation agreement, no form of engagement—bilateral or multilateral—would have produced results. For the previous six years, focus on the format of the talks had taken priority over pragmatic consideration of a solution’s elements. Observers confused North Korea’s short-term tactical goals with its broader strategic focus. **Officials and specialists drew up list after list of things that they thought might appeal to Pyongyang on the assumption that these would constitute a “leveraged buyout” and finally achieve the U.S. goal: the total, irreversible denuclearization of North Korea. But these lists of “carrots” (energy, food, the lifting of sanctions) did not include the core of what the North thought it absolutely must have.** Over the years, North Korea fed misperceptions by bargaining so hard over details and raising its initial demands so high. In both China and the West, there was a tendency to be taken in by journalists’ repetition of stock phrases about the DPRK being “one of the poorest nations,” “one of the most isolated,” “one living on handouts.” Accurate or not, these factors were irrelevant to Pyongyang’s strategic calculations. **Those who realized that North Korea do not have visions of grand rewards sometimes moved the focus to political steps that many see as key to a solution. These included replacing the 1953 armistice with a peace treaty, giving the North security guarantees, or discussing plans for an exchange of diplomats. But these, like the economic carrots, were only shimmering, imperfect reflections of the relationship with the United States that Pyongyang has pursued steadily since 1991.** The U.S.-DPRK meeting in Berlin in January 2007 helped highlight what

North Korea really wants. Its desire for a long-term, strategic relationship with the United States has nothing to do with ideology or political philosophy. It is a cold, hard calculation based on history and the realities of geopolitics as perceived in Pyongyang. The North Koreans believe in their gut that they must buffer the heavy influence their neighbors already have, or could soon gain, over their small, weak country. This is hard for Americans to understand, having read or heard nothing from North Korea except its propaganda, which for years appeared to call for weakening, not maintaining, the U.S. presence on the Korean Peninsula. However, **in reality an American departure is the last thing the North Koreans want. Because of their pride and fear of appearing weak, however, explicitly requesting that the United States stay is one of the most difficult things for them to do.** If the United States has leverage, it is not in its ability to supply fuel oil, or grain, or paper promises of non-hostility. The leverage rests in Washington's ability to convince Pyongyang of its commitment to coexist with the Democratic People's Republic of Korea, accept its system and leadership, and make room for the DPRK in an American vision of the future of Northeast Asia. **Quite simply, the North Koreans believe they could be useful to the United States in a longer, larger balance-of-power game against China and Japan. The Chinese know the North Koreans' calculus and say so in private.** The fundamental problem for North Korea is that the Six-Party Talks are a microcosm of the strategic world it most fears. Three historic foes—China, Japan, and Russia—sit in judgment, apply pressure and (to Pyongyang's mind) insist on the North's permanent weakness. **Denuclearization, if at all achievable, can come only when North Korea sees its strategic problem solved. That, in its view, can happen only when relations with the United States improve in the most fundamental sense.** Removal from the so-called terrorist list is important not in and of itself but, in Pyongyang's view, because of what it would demonstrate about Washington's political will. To take that step, the Bush administration would have to adjust its standard for U.S.-DPRK normalization from the one set forth during its first term.<sup>5</sup> The basic idea of the September 2005 Joint Statement was that denuclearization would be fully realized at the point when normalization between the DPRK and the United States had occurred. From that perspective, rather than ignoring the many other U.S. concerns (e.g., proliferation, missiles, conventional forces, illegal activities, and human rights), the achievement of normal relations would provide the foundation and more channels for Washington to address these concerns with Pyongyang. Each negotiation has its own individual quality, and the diplomatic quest on the Korean Peninsula is no exception. While the temptation is to reason by analogy and to assert, for example, that the Libyan model should work for Korea or that a Korean solution would influence negotiations on Iran, the reality is each of these cases has developed in a context, which, though superficially similar, has its own dynamics. Full understanding of the diplomatic history we have been discussing would have to incorporate or come to terms with these underlying contextual dynamics:

1. The artificial division of Korea in 1945 and the tragedy of the Korean War provide a bitter memory that drives Korean nationalism and the universal longing among all Koreans for reunification on the peninsula.
2. The collapse of the Soviet Union and the fundamental redirection of China under Deng Xiaoping ended North Korea's dependency relationships and the institutions and priorities they had created;

3. These developments transformed the North's political and social systems, leaving it ill-prepared to cope with the crises of the mid-1990s and the staggering loss of North Koreans through starvation and disease;
4. These external changes also transformed and aggravated traditional regional rivalries and the saliency of Cold War alliances, spurring the rise of nationalism in all six countries and the ongoing reformulation of bilateral cooperation;
5. The challenges to the nuclear nonproliferation regime caused by the emergence of India, Pakistan, and the DPRK as nuclear weapons states exposed the fragility of that regime, including the NPT and the IAEA, and the power of the norms on which it is based;
6. The war in Iraq once again highlighted the limits of military power and seriously threatened U.S. influence; and
7. The transformation of China and its rise in the international system brought onto the global scene a highly experienced new power that was expanding its influence, even as U.S. influence and prestige were receding."(Robert Carlin and John W. Lewis, *Negotiating with North Korea: 1992-2007* (Stanford: CISAC, January 2008)

2/4/08

Semi-annual report (January-December 2005) to Congress on proliferation produced in 2006 and released yesterday says North Koreans told a U.S. academic that it "could transfer nuclear weapons to terrorists if driven into a corner." (Bill Gertz, "N. Korea Would Sell Nukes to Terrorists," *Washington Times*, February 5, 2008)

Lee Myung-bak interview with Funabashi: "Prime Minister Fukuda's diplomacy is emphasizing Asia," Lee said. "Rather than make specific requests (on historical issues), I believe the relationship will become a more mature one." Lee said historical issues should not interfere with diplomacy. "Specialists should discuss (historical issues) with an open mind," he said. "Japan can conduct a mature diplomacy befitting an economic superpower. I will leave historical issues up to the judgment (of Japanese politicians)." Lee said he wanted to resume an exchange of visits with Japan's leader. Lee also expressed hope that Emperor Akihito would visit South Korea soon. Lee also said while he would seek to exert pressure on North Korea into abandoning its nuclear weapons program, he would also not hesitate to hold frequent summit meetings with North Korean leader Kim Jong-il as long as there was progress on the issue. "I want to convince North Korea to abandon its nuclear program during my term in office and I also want to establish an environment that will allow Pyongyang to achieve economic independence," Lee said. "If the Korean Peninsula is denuclearized and North Korea becomes a more open society, South Korea and the international community would provide support." (Takatsuki Tadao, "Lee Says His Emphasis Will Be on 'Mature' Japan Ties," *Asahi Shimbun*, February 4, 2008)

North Korea is offering overseas shoppers the chance to buy hundreds of its goods via the Internet. The Web site, available in Korean, English, Chinese, Russian and Japanese, sells SUVs, bicycles, commemorative stamps, roller skates and Taekwondo uniforms. It has a shopping cart icon and says credit cards are acceptable. But, much like the North Korean economy, the site doesn't work very well. It has not been accessible since last Monday. And even when it was up, clicking some of the 14 product categories brought no response. The electronic shopping mall \_

<http://www.dprk-economy.com/en/Shop/index.php> is part of Web site that provides information about the North Korean economy as well as legal advice for prospective foreign investors. "The (shopping) section appears to be targeting foreigners and it appears to be aimed at getting the world to know about its economy," an official at South Korea's Unification Ministry handling North Korean economic affairs said on condition of anonymity. He said it opened on Dec. 31. A man who answered the phone in the office of the Web site's administrator in the northeastern Chinese city of Shenyang, said it was North Korean and run in cooperation with a company in China, though he would not give the name of the firm. Asked about access difficulties, he said the site was being offered on a "trial basis" for now but full service would come "very soon." (Kelly Olsen, "Elusive Web Site Offers N. Korean Goods," Associated Press, February 4, 2008)

2/5/08

Annual Threat Assessment: "We remain concerned North Korea could proliferate nuclear weapons abroad. ... While North Korea almost certainly could not defeat South Korea, it could inflict hundreds of thousands of casualties and severe damage on the South. ...The [October 2006] test produced a nuclear yield of less than one kiloton, well below the yield of most states' first nuclear tests. **Prior to the test, North Korea produced enough plutonium for at least a half dozen nuclear weapons.** The IC continues to assess that North Korea has pursued a uranium enrichment capability at least in the past, with at least moderate confidence that the effort continues today. Pyongyang probably views its capabilities as being more for deterrence and coercive diplomacy than for warfighting and would consider using nuclear weapons only under certain narrow circumstances. We also assess that Pyongyang probably would not attempt to use nuclear weapons against US forces or territory unless it perceived the regime to be on the verge of military defeat and risked an irretrievable loss of control...We assess that North Korea's Taepo Dong-2, which failed in its flight-test in July 2006, probably has the potential capability to deliver a nuclear-sized payload to the continental United States. But we assess the likelihood of successful delivery would be low absent successful testing." (J. Michael McConnell, *Annual Threat Assessment of the Director of National Intelligence for the Senate Select Committee on Intelligence*, February 5, 2008)

Dozens of Koreans separated for decades by the border dividing North and South exchanged video messages with their kin today under a new program. Officials of the two Koreas exchanged videotapes and CDs containing messages from 40 families -- 20 from each side -- in a meeting at Panmunjom, said Wu Jung-ha, an official at the Unification Ministry's separated family bureau. (Associated Press, "Separated Koreans Exchange Videos," February 5, 2008)

2/6/07

Hill in testimony confirmed that North Korea's delay in dismantling the Yongbyon nuclear plant was in response to what it perceives as slow delivery of the oil. **"There is a perception among the North Koreans that they have moved faster on disablement than we have on fuel oil."** North Korea has gone from three shifts per day at the reactor site to a single shift. (Kevin G. Hall, "N. Korea Hasn't Gotten Promised Oil, U.S. Official Says," McClatchy Newspapers, February 5, 2008) "We have very good reason to believe that when they give us the amount of the separated plutonium -- the

actual weapons grade plutonium -- that they have that we will get an amount that we will be able to verify," he said. **"We can verify through a number of means, including production records. So they have agreed to do that,"** he said. (Arshad Mohammed and Paul Eckert, "U.S. ready for Full Ties If N. Korea Denuclearizes," Reuters, February 6, 2008) Republican Sen. Dick Lugar said that a U.S. program for dismantling Cold War-era weapons of mass destruction could be applied to North Korea, which has asked for information. The State Department started consultations with Congress in preparation for potentially removing the North from the U.S. list of countries that export terrorism, the Indiana Republican said. Such talks, he said, were "not prudent" because the North had not provided its declaration. (Foster Klug, "U.S. Envoy Urges N. Korea to Hand over List," Associated Press, February 6, 2008) Hill: "It is our judgment that the tubes were not brought into the DPRK for the weapon system that did not work" [i.e., enrichment]. (Peter Crail, "North Korea Slows Nuclear Disablement," *Arms Control Today*, March 2008, pp. 42-43)

2/9/08 North Korea is in the midst of a massive anti-corruption drive which has already resulted in the arrest of one of its top officials handling business with South Korea, informed sources in Seoul said. "The probe was launched as National Defense Commission Chairman Kim Jong-il said there was a lack of supervision over the United Front Department, although lots of suspicions were raised over the department's corruption," one source told Yonhap. "Even those who have eaten for free one gram of flour from South Korea should cough it up," one source in Seoul said, quoting its North Korean sources whom it did not identify. Also under investigation is the National Economic Cooperation Council, a government body that handles business with South Korean entrepreneurs, the sources said. The Council's chief, Jeong Woon-eop, remains under arrest pending investigation into allegations that he took "huge amounts" of bribes, said the sources, who wanted to remain anonymous. (Yonhap, "North Korea Launching Massive Anti-Corruption Drive," February 9, 2006)

2/10/08 Korea University professor Kim Byung-kook will be Lee Myung-bak's first senior presidential secretary for foreign and security policy. The 48-year-old Kim, who has taught political science at the president-elect's alma mater since 1990, is well known for his expertise on American affairs. Kim graduated from Harvard University with a bachelor's degree in economics in 1982 and went on to obtain a doctorate in political science at the same university in 1988. Kim has also served as the director of the East Asia Institute, a private non-profit organization founded with the goal of transforming East Asia into a society of nations based on democracy, market. (Yoo Cheong-mo, "Lee Picks Expert on U.S. As Foreign Policy Advisor," Yonhap, February 10, 2008)

2/11/08 South Korea criticized North Korea for failing to disclose what happened to aid intended for the construction of a reunion center for separated families. South Korea gave the North \$400,000 in cash along with construction materials worth \$3.4 million last year to help build the reunion center in Pyongyang under a 2006 deal, but the North has yet to live up to its pledge to disclose how the aid was used. "We have stressed to the North on several occasions that transparency in the provision of the construction materials should be ensured," Seoul's Unification Ministry said. "But there

has been no clear notification from the North of the progress in construction.” (Hyung-jin Kim, “South Korea Criticizes North Korea,” Associated Press, February 11, 2008)

Toloraya: “During a trip to Pyongyang in December the author sensed a continuing lack of trust in U.S. intentions, and was told by well-placed sources: ‘You cannot turn a wolf into a sheep.’ ... It has indirectly accused the new president of intending to return to pressure tactics, and shows its nervousness by harshly criticizing ‘south Korean conservatives’ like Lee Hoi-chang [as opposed to Lee?], and nascent plans to revitalize trilateral cooperation among the U.S., ROK, and Japan. The degree of animosity in Pyongyang towards the Grand National Party and ‘old-school’ ROK conservatives is unexpectedly strong, almost paranoid. ... the land-slide win of the conservative party has thrown cold water on Pyongyang’s willingness to make any further concessions unless, of course, the agreements of the October 4, 2007 inter-Korean summit are implemented to the letter - which will hardly be the case. ... The Lee Myung-bak team also seems to believe that the North Koreans will submit to the incoming government’s so-called ‘benign neglect’ policy and that they will allow Seoul to choose, from a ‘menu’ of previously agreed items, those aid measures that South Korea is prepared to implement—and those that it is not. Could it really be the case? ... Why then would Pyongyang not admit to an embryonic uranium program now? Probably because it feels the price is still not right, North Korea is not satisfied with the U.S. side’s tempo of fulfilling of what it considers the agreement to lift Washington’s ‘sanctions’ and discontinue its ‘hostile policy.’ Now Pyongyang might be tempted to try to get additional benefits for disclosing what it had done with the Pakistani technology, seeing how much the U.S. side is concerned about it. ... On a recent visit to Pyongyang, this author was impressed by the sheer scale of new economic phenomena in DPRK. In terms of variety of goods, activity, and scale, markets in North Korea’s central areas (less in the provinces) remind of Chinese provincial markets. Numerous restaurants serve good—and very cheap, by Western standards—food to customers flocking to them. New ‘service centers’ (*eundokwon*), combining shops, saunas, and restaurants under one roof, have sprung up and are run by highly placed entities such as Party departments and ‘offices.’ Every branch of the Party, military, and local authorities now operates trading companies. Real business managers have appeared, some engaged not only in the “shuttle” trade with China but in bigger projects (in construction, for example), and some corporations have amassed a considerable volume of business. Judging by the author’s experiences in the 1980s and 1990s, these ‘new Koreans’ are much more realistic and open to contact with outsiders than was the case before. There are changes in the official line as well: North Korean economists explained that now, out of several hundred thousand products manufactured in the country, only several hundred are now centrally planned. For the vast majority of manufactured products, managers of the state-owned enterprises are given a free hand to determine their production targets and to get what they need through the “socialist wholesale market.” ... The ground for developing market relations is well prepared. The ‘royal economy’ serving the ruling class (Kim Jong-il’s immediate retinue and the top *nomenklatura* or *kanbu*), and a large part of the internationalized sector (joint ventures and free economic zones) operate on market principles. The next step, should the country’s leaders admit the need for developing the country and sustaining their power, should be “setting the rules of the game” by

providing a legal framework for what already exists. For that, however, external security should be guaranteed to the regime—irreversibly and comprehensively. Only then will the hard-liners, who fear—with good reason—that reforms would invite subversion of the regime, be confident enough for real progress to take place. Nevertheless the words “reform” and “openness” (especially because of their ‘Chinese connotations’) are unacceptable to Pyongyang, and Kim Jong-il himself stated as much during his talks with Roh Moo-hyun in October 2007. Under the present leadership Pyongyang, any economic reforms would most likely never be called such and would take place in an unpublicized manner without discussion, which is not helpful in terms of public relations with the West and negative international sentiment about the regime. ... The authorities recently decided to crack down on the local markets, prohibit ‘second jobs’ (trading) for employees of state enterprises, and issued a directive in the traditional New Year editorial “not to tolerate any elements that undermine our system and corrode our socialist morality and culture and our way of life.’ The government has been instructed to strengthen centralized control by ‘concentrating all economic work on the Cabinet and organizing and carrying them out under its unified command.’ During interviews in North Korea in December 2007, leading economists hinted at plans to prohibit the sale of all industrial goods at the markets and channel them into the state-run shops. They also pointed out the need to eliminate the system of “double prices” (market and state) and the uncontrolled circulation of foreign currency. Pyongyang political scientists, (officially called ‘philosophy scholars’) argued that now the *songun* (military first) policy should be applied to society even more broadly: since DPRK statehood and defense are now firmly established, now it is time for progress in the economy and the army and military methods would take the vanguard role in it (meaning that there would be less and less place of the ‘invisible hand’). They explained that, since the military sector draws in most talented and able citizens and has the best technical and material supply, it should play the ‘central role’ not only in defense and politics, but also in the development of all other aspects of society.” (Georgy Toloraya, “North Korea: Will the Clock Now Be Turned Back?” Brookings, February 11, 2008)

Obama, congratulating South Korean president-elect Lee Myung-bak on his election said the Korea-U.S. alliance “has been adrift in recent years.” In the clearest statements yet of Obama’s views on Korea-related matters, he blamed North Korea. “I have no illusions about North Korea, and we must be firm and unyielding in our commitment to a non-nuclear Korean peninsula,” Obama said. The “unsteady approach” by the allies over recent years “has allowed North Korea to expand its nuclear arsenal as it has resumed reprocessing of plutonium and tested a nuclear device.” The presidential hopeful said Korea-U.S. economic relations “also benefited both nations and deepened our ties. I look forward as well to supporting ways to increase our bilateral trade and investment ties through agreements paying proper attention to our key industries and agricultural sectors, such as autos, rice, and beef, and to protection of labor and environmental standards. Regrettably, the U.S.-Korea Free Trade Agreement does not meet this standard.” He expressed discontent at South Korea's import ban on bone-in cuts of American beef, the Korea-U.S. FTA's exclusion of the rice market and the degree of opening of the auto market. He urged U.S. President George W. Bush to invite Lee to the White House as soon as possible to restore the “crucial” bilateral

relationship. "In the process, we need to work with South Korea on a common vision for the alliance to meet the challenges of the 21st century, not only those on the Korean Peninsula but in the region and beyond."

South Korea's outgoing president has accepted the resignation of his spy chief, Kim Man-bok, who offered to quit over the leak of a document detailing his secret trip to North Korea in December, a spokesman said. (Associated Press, "South Korea Accepts Spy's Resignation," February 11, 2008)

"With North Korea, delays are inevitable, but the delays have not been met with any consequences, which is increasingly going to be a problem," said Michael Green. While stressing that he supports the six-party deal, he said a pattern of U.S. concessions toward North Korea "creates, intended or not, the impression that we are willing to do whatever we have to do to keep the process going." He cited the return of allegedly tainted funds to North Korea that had been held up in a money laundering investigation, failure to implement U.N. Security Council sanctions imposed after Pyongyang tested a nuclear weapon in 2006 and separating the issue of Japanese abducted by North Korea from the issue of taking the country off a U.S. terrorism blacklist. To retain pressure on North Korea, the United States should quietly revive U.S.-Japan-South Korea policy coordination after several years' hiatus and prepare to revisit the now dormant U.N. sanctions, Green told a Heritage Foundation panel. Victor Cha, who worked under Green, said the nuclear declaration represented the first test of whether North Korea had decided to abandon its programs in exchange for aid and an end to international pariah status. "A declaration of everything that they have really would be the first strategic decision they have to make, and I think that's in part why it's been so difficult," he said. Optimism has never been the driving force in U.S. diplomacy with Pyongyang: "People who support the policy now don't support it because they're optimistic. They're as pessimistic as the strongest hawk on North Korea, but we still have to fashion some sort of diplomatic process that gets (the North Koreans) in a position where they're forced to make decisions they don't want to make," he said. (Reuters, "Experts Say Leniency on North Korea Has Risks," February 11, 2008)

2/12/08

The Voice of America said President Bush approved the lifting of some sanctions imposed on Pyongyang under an act governing human trafficking in mid-October, 2007. Washington notified the North of the decision. The State Department designated North Korea as one of the worst states involved in human trafficking, and the act prevented the United States from offering any aid except humanitarian assistance. But the easing allowed Washington to provide assistance in educational and cultural exchanges to the extent that the aid doesn't damage its national interest. This is the first time for the United States to lift any sanctions on North Korea since the communist country first appeared on its blacklist for human trafficking in 2003. (Yoon Won-sup, "U.S. Eased Sanctions on North Korea in 2007," *Korea Times*, February 12, 2008)

South and North Korea Tuesday opened two-day working-level talks at Kaesong on repairing a key highway in the North linking Kaesong and Pyongyang, an agreement

struck during the inter-Korean summit last October, the Ministry of Unification said. During the summit in Pyongyang, Roh and Kim Jong-il agreed to jointly repair the highway as part of a package of cross-border economic cooperation projects. Kim Myong-guk, chief road planning official of the Ministry of Construction and Transportation, leads the South Korean delegation, while Kang Su-jin, deputy bureau chief of the Ministry of Land and Environmental Protection, represents the North at the talks. (Jung Sung-ki, "Koreas Discuss Joint Use of Road in N. Korea," *Korea Times*, February 12, 2008)

"How we jump over the wall of nuclear declaration will be a defining point in reaching North Korea's full dismantlement," South Korean Foreign Ministry spokesman Cho Hee-yong said. "Only one year is left in U.S. President George W. Bush's tenure. The South is also awaiting a new government, while China is focused on hosting the summer Beijing Olympics. It is a situation where it is difficult for the members to concentrate their diplomatic capacities on the North's nuclear issue," said professor Kim Sung-han of Korea University. "It is a high time that a creative solution is found in order to maintain the momentum," he said. (Lee Joo-hee, "'Creativity Needed' One Year On," *Korea Herald*, February 13, 2008)

2/13/08

North Korea recently rejected for the final time a US proposal of a "formal concession," which asks that, in lieu of not including the uranium enrichment program (UEP) and nuclear proliferation issues in the declaration, that North Korea explain these orally or in writing to the United States. Consequently, the six-party talks, which mark the first anniversary of the 13 February North Korean nuclear agreement, are set to enter a serious phase. A diplomatic source well versed in the North Korean nuclear issue said: "In order to save North Korea's face for having publicly denied its UEP and the rumors about its nuclear deals with Syria, the United States offered a concession proposal saying that, in place of leaving out the UEP and nuclear nonproliferation from the nuclear declaration, North Korea sufficiently explain them to the United States. However, it fell through." This source said North Korea did not accept the US proposal to the last, telling Sung Kim, US State Department's Korea Desk director, who visited North Korea late January, "Are you telling us to make up a nonexistent fact (the UEP and nuclear deals with Syria)?" (Yu Sin-mo, "Unnamed Source: DPRK Rejected US Offer of 'Concession' on Nuclear Declaration," *Kyonghyang Sinmun*, February 14, 2008) For Pyongyang to account for its nuclear programs, "it would take time and efforts as the DPRK has to change its previous claims," South Korean nuclear envoy Chun Yung-woo said at a news conference marking the first anniversary of the landmark deal. **"Though it is being delayed, energy aid will be provided to the North to ensure the North would not worry"** about it, Chun said. (Associated Press, "North Korea's Declaration Will Take More Time: S. Korean Envoy," February 13, 2008)

2/14/08

Some of the rice given to North Korea by South Korea for humanitarian purposes has been funneled into the North Korean military units on the front lines, according to an ROK military source. But Seoul has never raised the issue with Pyongyang. "Since late 2006, we have noticed bags of rice clearly marked with South Korea's Red Cross logo being unloaded from trucks in North Korean military camps and some of them were

left in a stacked there," an official said on condition of anonymity. (Yoon Won-sup, "N. Korea Diverts Rice Aid for Military Use," *Korea Times*, February 14, 2008)

Ambassador to Japan Yu Myung-hwan is to become foreign minister. Former chairman of the Joint Chiefs of Staff Lee Sang-hee is to be tapped as defense minister. (Kim Ji-hyun, "Inaugural Cabinet Lineup Taking Shape," *Korea Herald*, February 14, 2008)

2/12-16/08

Dr. Siegfried Hecker, Co-director, Center for International Security and Cooperation, Stanford University, Mr. Joel Wit, Visiting Fellow, U.S.-Korea Institute of the John Hopkins School of Advanced International Studies, and Keith Luse traveled to the DPRK with the intent to answer and inform discussion on a number of pending questions, the following included. Why did the North Koreans not provide a complete and correct declaration of their nuclear program? What is the status of disablement at the Yongbyon nuclear complex? Is additional information needed for North Korea's consideration of the future redirection of workers at the Yongbyon complex? How secure is North Korea's nuclear arsenal? What safeguards are in place to protect against someone within the North Korean infrastructure with malicious intent, or for personal profit, from obtaining access to weapons or materials? Many North Korean workers at Yongbyon are displeased with their country's willingness to disable Yongbyon facilities. What quality control mechanisms are established throughout North Korea, so that authorities will know if plutonium, highly enriched uranium, or other materials related to nuclear research and technology are missing? While focus has largely been placed on North Korea's nuclear program, what is the status of other components of the overall weapons of mass destruction (WMD) arsenal? Does North Korea's effort to access outside molecular and biological research relate to that country's weapons program or other projects? In the U.S. we learned that some North Korean officials are concerned about a possible Chinese intervention impacting North Korea's government. Under what circumstances might the Chinese take such action? Does North Korea's eventual declaration of their nuclear inventory necessarily suggest a willingness to disarm, and truly eliminate all nuclear weapons and fissile materials? In 2003, North Korean officials were of the mind that they were more likely to achieve a "nuclear deal" with a Democratic President? Does this continue as prevailing opinion among North Korean leaders? What constraints are placed on Chairman Kim Jong-il by the North Korean military? Under what conditions will this military machine which has been formed and programmed for decades to confront the United States, consent to complete nuclear disarmament? Our time in North Korea included three sessions with Ministry of Foreign Affairs (MFA) officials, a day-long visit to the Yongbyon nuclear complex, meetings with English language students at the Pyongyang Foreign Language University, and a North Korean prompted visit to the School of Music. Dr. Hecker scheduled separate meetings with North Korean education and health officials. ... 1) DPRK officials insist that the other Five Parties have not provided HFO or the agreed-upon "HFO-equivalents" according to schedule. 2) The United States has not proceeded with "political compensation", meaning removal of North Korea from the list of state sponsors of terrorism and terminating application of the Trading with the Enemy Act to North Korea. On the latter issue, we affirmed to MFA representatives that Bush Administration officials held consultations with Congress and were prepared to proceed with changes related to the list of state sponsors of terrorism, and The

Trading with the Enemy Act. However, the absence of a complete and correct declaration by December 31 prevented U.S. officials from proceeding. Upon returning to Washington, the State Department's perspective was requested in response to DPRK claims that HFO and HFO-equivalent shipments had not arrived on schedule. According to the Department, "The Five Parties have accepted in principle the DPRK's aim to receive monthly tranches of 50,000 tons per month, on a rotational basis, and have made efforts to keep to that schedule." In reality, North Korean claims about tardiness in delivery are correct. ... Following are some quotations from those meetings. "We fulfilled our obligations under disablement terms. The discharge of spent fuel rods is being delayed for technical reasons. Your U.S. partners understand." "The obligations by the five parties are significantly delayed. The U.S. was to take action for action political compensation. We don't know what the U.S. has done and have no schedule of what it will do." "One million tons of HFO was committed, with one-half to be delivered in-kind. Five hundred thousand tons of HFO (in equivalent), should have been delivered in equipment and materials. Only two hundred thousand tons of HFO has been delivered so far. We are adjusting the speed of disablement to the speed of the five parties." "We'll adjust the speed of settlement as much as the U.S. moves forward. We don't know when the other three hundred thousand tons of HFO will be delivered." "There will be no complete disablement until political compensation occurs by the U.S. side. Compensation actions by the five parties are very slow. We hope the October 3 agreement will be fully implemented." "Syria has been declared per the October 3 agreement (meaning there would be no transfer of nuclear technology, etc.) The uranium enrichment program does not exist. We have provided clarification on the tube issue. "We've given plan information to the U.S. side. We have declared all of our other facilities to the IAEA in the 90's.....don't need to declare this time. We have already declared Syria." (Keith Luse, "North Korea Trip Report, May 6, 2008, NAPSNET)

Hecker trip report: "Our visit leads me to conclude that the DPRK leadership has made the decision to permanently shut down plutonium production if the United States and the other four parties live up to their Oct. 3, 2007 commitments. However, they have retained a hedge to be able to restart the facilities if the agreement falls through. We verified that the disablement actions taken to date will effectively delay a potential restart of plutonium production. Cooperation between the U.S. and DPRK technical teams has been excellent, and until the recent slow-down, the two sides struck the proper balance between doing the job expeditiously and doing it safely. By their definition, the DPRK has completed 10 of 12 disablement actions. They have slowed down the last two to actions to allow the other parties to catch up.

- The current six-party process has put within reach a permanent shut-down of the Yongbyon plutonium production complex. To do so, highest priority must be placed on completing the disablement (discharging the reactor fuel and disabling or selling the existing fresh fuel rods) and proceeding to the dismantlement stage. If this is accomplished, then the DPRK will not be able to make more bombs and, without additional nuclear tests, it will not be able to make better bombs.

- It is important to understand and to be prepared for the fact that the DPRK will have to restart the Reprocessing Facility some time in the next year or so to allow for the safe disposal of its high-level radioactive waste and the remaining low-level uranium waste. I also strongly urge reconsideration of the decision to ship the current load of spent fuel out of the DPRK. Technically, it is much more advisable to allow one more reprocessing campaign under IAEA supervision and ship out 12 kg of plutonium rather than 50,000 kg of highly radioactive spent fuel that will have to be processed somewhere.

- If the DPRK decides to break out of the six-party agreement and restart operations, it will have only limited capacity for plutonium production. After a delay of six to 18 months, depending on how far disablement proceeds, they would be able to regain their prior production rate of six kilograms (or roughly one bomb's worth) of plutonium per year. The 50 and 200MW (electric) reactors do not appear salvageable and, hence, the DPRK will not be able to ramp up plutonium production over the next five to 10 years. If the process proceeds to dismantlement, then no plutonium production is likely for the same time frame.

- Ministry of Foreign Affairs officials stated that they will not proceed with a more complete declaration list until the other parties meet their Oct. 3 commitments. They told us that they reported a total separated plutonium inventory of 30 kilograms (sufficient for four to five bombs) to the United States in November 2007. In response to my comment that this is less than my estimate of 40 to 50 kg based on previous visits and, hence, this would require substantial cooperation on their part to verify the smaller number, MFA officials stated that they are prepared to do so. In response to my question about declaration of their weaponization facilities, they said they are also not prepared to do so until the other parties meet their commitments.

- MFA officials also stated that they view the uranium enrichment issue settled. They explained that the extraordinary access U.S. specialists were given to the aluminum tubes in question at a missile factory demonstrates that the DPRK has no such program. They dismissed allegations that they received centrifuges from Pakistan. They also denied nuclear cooperation with Syria and other countries. When pressed on this issue, they reiterated that they stand by their Oct. 3 commitment not to transfer nuclear materials, technology or know-how to other countries.

- In my view, the most important risk-reduction actions now are to stop the production of more plutonium and to stop export of existing plutonium and nuclear technologies. The current situation puts us within reach of stopping plutonium production for the foreseeable future. The five parties should do everything in their power to get the DPRK to finish the disablement expeditiously and to move on to dismantlement. Whereas the United States should continue to press for a "complete and correct" declaration, it is more important to stop additional production than it is to substantiate whether the current inventory is 30 kg or 50 kg and to find out to exactly what level they developed uranium enrichment. However, it is imperative that the DPRK leadership understands that any previous or future export of fissile materials (or of

nuclear weapons) represents a red line and cannot be tolerated by the United States and the other parties.

-Although the DPRK has put nuclear worker reorientation on the back burner waiting for the next stage, we had substantial discussions about potential prospects. We learned much about the current status of the IRT-2000 research reactor, which could be reconfigured for research and medical applications.

The following constitute the 12 disablement actions as defined by Yongbyon officials<sup>1</sup>:  
Fuel Fabrication Facility:

- 1) Removal and storage of all three uranium ore concentrate dissolver tanks.
- 2) Removal and storage of all seven uranium conversion furnaces, including storage of refractory bricks and mortar sand.
- 3) Removal and storage of both metal casting furnaces and vacuum system, and removal and storage of eight machining lathes.
- 4) Storage of the remaining UO<sub>3</sub> powder in bags with monitoring by IAEA (this constitutes nearly five tons of powder).
- 5 MWe reactor:
  - 5) Cut and removal of portions of steel piping of the secondary cooling loop outside the reactor building.
  - 6) Removal of the wood interior structure of the cooling tower.
  - 7) Discharge of 8000 spent fuel rods.
  - 8) Removal and storage of the control rod drive mechanisms.
- 9) Cut cable and removal of drive mechanism for trolley that moves spent fuel caskets from the fuel receiving building into the reprocessing facility.
- 10) Cut two of the four steam lines into the reprocessing facility.
- 11) Removal of the crane and door actuators that permit spent fuel rods to enter the reprocessing facility (at Level -1).
- 12) Removal of the drive mechanisms for the fuel cladding shearing and slitting machines (at Level -1).

The operational definition of "disablement" is to make it more difficult, but not impossible, to restart the nuclear facilities. As of February 14, 10 of the 12 disablement actions identified by the DPRK had been completed. The discharge of the reactor fuel rods from the 5 MWe reactor (#7) was intentionally slowed down by the DPRK. The removal of the control rod drive mechanisms (#8) will be completed once all fuel rods are discharged. ...Should the DPRK choose to restart the reactor, they would have to rebuild the interior of the cooling tower or find alternative paths to release steam from the reactor. In addition, the more of the current fuel in the reactor is discharged, the longer it will take them to reload the reactor with new fuel. They have in storage less than a quarter of a reactor load of clad fuel rods. They also have in storage a full load of bare uranium fuel rods (our best estimate is 12,000) for the 50 MWe reactor. It appears that these can be used for the 5 MWe reactor, but may require some machining, and would have to be clad with magnesium alloy cladding. These operations would require the reconstitution of parts of the fuel fabrication facility, including the machine shop. Such actions would most likely take close to one year.

Fuel Fabrication Facility. The front end of fuel fabrication (Bldg. 1) had been operating making uranium dioxide (UO<sub>2</sub>) from uranium ore concentrate right up to the time the

facility was shut down on July 15, 2007. The back end was operational with seven conversion furnaces, two casting furnaces, and eight machining lathes. However, the middle part, the fluorination facility, had deteriorated so badly during the freeze (1994 to 2003) that the building has been abandoned (as we were shown in August 2007). However, the DPRK had recently completed alternate fluorination equipment (using dry rather than wet techniques) in one of the ancillary buildings. However, this was a makeshift operation that has limited through-put potential. It was not put into full operation by the time of the shut-down on July 15.

The disablement steps taken at the fuel fabrication facility focused on those buildings and equipment that were in reasonable working order. The removal of the three uranium dissolver tanks and the disassembly of the seven conversion furnaces (with thousands of refractory bricks) are serious disablement steps. The removal of the casting furnaces and the machining lathes also constitute significant steps. The DPRK has not been willing to take steps to render the fresh fuel in storage not usable for a reactor restart. **These fuel rods could be bent, making it necessary to recast and remanufacture the rods to precise tolerances. Or, since the uranium metal content is substantial (close to 100 metric tons of natural uranium metal), the fresh fuel rods could be sold to one of the five parties**, which could use the uranium as feed material for light-water reactor fuel. DPRK officials say that they await additional corresponding measures by the United States before they are willing to take actions on the fresh fuel rods. If the fresh fuel rods are bent, the DPRK would have to recast and remachine, which would add several months to a restart time. If the fresh fuel were sold, then the DPRK would have to restart the entire fuel fabrication facility and produce new uranium metal, which would add approximately a year to a restart time.

Reprocessing Facility (Radiochemical Laboratory). The disablement actions at the Reprocessing Facility were restricted to the front end - the fuel transfer building and fuel transfer areas in the main building. The hot cells and the plutonium laboratories have not been affected. At this time, no new spent fuel can be transferred and processed at the plant. The four disablement actions at the facility are substantial, but could most likely be reversed in a matter of months. The principal reason for leaving the hot cells intact for now is that they still contain all high-level radioactive waste (a volume of ~80 cubic meters) from their reprocessing campaigns. In addition, the facility also contains low-level uranium waste from previous campaigns. The high-level waste represents the most hazardous product of the reprocessing operations. It is important that it be treated, stored and disposed of properly. The DPRK has very little experience with such waste. When questioned about their disposition plans, they told us that they have only done a few experiments on waste disposal. They have explored vitrification of the waste and separation of cesium and strontium with subsequent disposal of what remains as mid-level waste. They have done some small-scale vitrification experiments. When questioned about their plans to disable the hot cells or the plutonium laboratories, they said they had no such plans because they considered the entire Reprocessing Facility disabled if the front end is disabled.

In response to my question, Yongbyon officials stated that they are not able to do any equipment maintenance. They said all of the facilities in question are under IAEA seal

and monitoring. When asked how long they can do without maintenance and still be able to salvage the facilities, they said that the ability to restart the facility vanishes if maintenance restrictions last for a long time (they did not define what they mean by long). In any case, they have a limited time to treat the high-level waste or wind up with a significant safety problem. They estimated that it would take them one year to finish the waste treatment job.

It is important to understand and to be prepared for the fact that the DPRK will have to restart the Reprocessing Facility some time in the next year or so to allow for the safe disposal of its high-level radioactive waste and the remaining low-level uranium waste. I also strongly urge reconsideration of the decision to ship the current load of spent fuel out of the DPRK. The spent fuel rods are now being discharged into the cooling pool where they would have to be recanned for safe transportation outside the DPRK. It is still possible to re-install the disabled equipment on the front end of the Reprocessing Facility and to conduct one more reprocessing campaign with IAEA monitoring. Although diplomatically this may be considered a step backward, technically it would be a giant step forward. Technical considerations strongly favor reprocessing the spent fuel under IAEA monitoring and dealing with the disposition of 10 to 12 kilograms of plutonium. The current plan of recanning 50,000 kg of highly radioactive spent fuel for interim storage and eventual shipment is a monumental job. Moreover, eventually this spent fuel will have to be reprocessed somewhere due to its unstable nature. DPRK officials stated that the final disposition of the fuel rods has not yet been decided in the six-party process. They are taking the disablement, dismantlement, and final abandonment one step at a time.

My overall assessment is that the disablement actions are significant. **I believe that the DPRK leadership has made the decision to permanently shut down plutonium production if the other parties do their part.** However, **they have retained a hedge to be able to restart the facilities if the agreement falls through.** All of the equipment removed as part of disablement is being stored. A key question is how much of a time delay to restart the Yongbyon Nuclear Complex is incurred by the disablement actions and to what level could the DPRK reconstitute or enhance plutonium production. At this point, all actions could be reversed and the facilities restarted. With only approximately one quarter of the reactor fuel having been discharged to date (end of February 2008), it may take six to 12 months to restart all facilities. **If the reactor fuel discharge is completed and the fresh fuel in storage is disabled or sold, the time for restart would most likely increase to 12 to 18 months.** In any case, none of these actions can be taken without the knowledge of the U.S. disablement team and IAEA technical monitoring team. Also, since no maintenance is allowed, the longer the facilities remain disabled, the more difficult it will be for the DPRK to restart them.

However, even if the DPRK decides to break out of the six-party agreement and restart operations, it will have only limited capacity for plutonium production. In the scenario described above, it may be possible to replace the discharged fuel and reload one more reactor core with fresh fuel. Consequently, the DPRK could continue to produce approximately six kilogram of plutonium (or roughly one bomb's worth) per year for

the next four to six years. If they reconstitute all fuel fabrication facilities, then they could produce additional fuel for future reloading and continue to produce that much plutonium into the foreseeable future. Although the 5 MWe reactor had some operational difficulties before the shut-down, it can most likely be kept operational for quite a few years.

The DPRK would not be able to scale up its plutonium production any time soon. Based on discussions and observations from my previous visits, I believe that the 50 MWe and 200 MWe reactors are not salvageable. The DPRK would have to start over. It has limited industrial capacity to build these reactors in the near future. Therefore, the most that a restarted Yongbyon plutonium production complex could produce over the next five to 10 years is one bomb's worth of plutonium per year.

The current six-party process has put within reach permanently shutting down the Yongbyon plutonium production complex. To do so, highest priority must be placed on completing the disablement (discharging the reactor fuel and disabling or selling the existing fresh fuelrods) and proceeding to the dismantlement stage. If this is accomplished, then the DPRK will not be able to make more bombs and, without additional nuclear tests, it will not be able to make better bombs.

Discussions with Ministry of Foreign Affairs on declaration of nuclear programs. Although Ministry of Foreign Affairs officials initially claimed that they met their declaration responsibilities in November, when pressed about a "complete and correct" declaration, **they stated that they are not prepared to provide such a list until the five parties complete their corresponding obligations according to the Oct. 3 agreement.** We discussed what I consider to be the three principal components of a complete and correct declaration: 1) Plutonium and weaponization, 2) Uranium enrichment, and 3) Nuclear cooperation and export.

MFA officials claimed that they told the U.S. government that they have 30 kilograms of reprocessed plutonium. I told them that this amount is lower than my estimate of 40 to 50 kg based on findings from four previous visits to the DPRK. It will require substantial cooperation and transparency on their part to verify the lower number. Such actions will require access to reactor production records, reactor components and products, reprocessing plant records and facilities, and waste products and sites. MFA officials said they are prepared to provide such access once we move to the next stage. **I asked about declaration of the weaponization facilities, such as those in which the plutonium pits are cast and machined, the explosives are produced and assembled, and the weapons themselves (all of which I believe are outside the Yongbyon nuclear complex). MFA officials said they are not prepared to declare these facilities until the five parties meet their Oct. 3 obligations.**

With regard to uranium enrichment, MFA officials told us that they have resolved this issue with the Americans. They gave U.S. experts access to the aluminum tubes in question at a missile factory and demonstrated that these were not used for enrichment purposes. In response to my question about reports of A.Q. Kahn having sold them centrifuges, they said "that's your story." I told them that, in fact, it was

Pakistani President Musharraf's story since he stated this in his recent book. They responded that they have no uranium enrichment connections to Pakistan. We were told that DPRK military and industrial officials were extremely unhappy with the access the Americans were granted and with the fact that they were given samples of the aluminum tubes in question. When I asked to visit this factory, I was told that neither I, nor anyone else, will get access again. Clearly, they were unhappy with the consequences of having giving the U.S. access and samples.

We discussed the issue of nuclear cooperation and possible export of nuclear materials and technology. Specifically, we stated that it is well known that the DPRK has dealt with countries such as Pakistan, Iran and Syria in the area of missile technologies. I said that I cannot rule out that similar cooperation has occurred in the nuclear field. I specifically mentioned the concerns reported in the press that the Syrian site bombed by Israel on Sept. 6, 2007 may have been a nuclear facility and that the DPRK may have had a connection to such a facility. I stated that it is quite likely that the Syrian site was a nuclear site based on these reports and the fact that Syria cleaned up the bombed site so rapidly and completely. I also said that I find it conceivable that the DPRK may have assisted Syria in such a venture. MFA officials denied having any nuclear connections to Syria. When we reiterated the importance of preventing nuclear exports, we were told that the DPRK will abide by the Oct. 3, 2007 agreement not to transfer nuclear materials, technology, or know-how. We stressed our concern that should past transfers come to light in the future, they may derail the diplomatic process.

What we found in our discussion with MFA officials is that at this point they justify not providing a complete and correct declaration on the lack of progress by the other five parties of living up to their Oct. 3 commitments. **Specifically, we were told that instead of one million tons of heavy fuel oil that was promised (500,000 tons in HFO and 500,000 tons in HFO equivalent) only 200,000 tons have been delivered and South Korea and China have provided very little of the HFO equivalent.** In addition, **they expected the United States to remove them from the states sponsoring terrorism list and drop the application of the Trading with the Enemy Act. They complained that neither of these has been done.** Consequently, they have slowed down their disablement actions and they are not prepared to present a complete declaration.

Dealing with the current negotiations impasse. In my view, the greatest threats posed by the DPRK nuclear program are 1) The potential export of nuclear weapons, fissile materials, or nuclear technology and knowhow and 2) The possession of a limited nuclear arsenal and inventory of fissile materials (specifically, plutonium). We had previously estimated the DPRK inventory of plutonium to be quite small - 40 to 50 kg. The DPRK's declaration of 30 kg is plausible, but must be verified. The Oct. 9, 2006 nuclear test was at best only partially successful. Hence, their small nuclear arsenal is most likely of primitive design. It is highly unlikely that the DPRK has the confidence to mount a nuclear device on a missile. Moreover, it is unlikely that they can develop a more sophisticated weapon without additional nuclear tests.

**The most important risk-reduction actions are to stop the production of more plutonium and to stop export of existing plutonium and nuclear technologies. The current situation puts us within reach of stopping plutonium production for the foreseeable future. The five parties should do everything in their power to get the DPRK to finish the disablement expeditiously and to move on to dismantlement. It is more important to stop additional production than it is to substantiate whether the current inventory is 30 kg or 50 kg.** Not permitting the plutonium inventory to grow reduces the likelihood of export or of additional nuclear tests. In other words, no more bombs, no better bombs, and less likelihood of export.

It will, of course, be important to verify the exact quantities of plutonium produced and expended. DPRK officials indicated they are prepared to do what is required for adequate verification once the five parties meet their commitments. Likewise, it will be important to determine the exact nature of the uranium enrichment effort. MFA officials believed that the extraordinary access allowed U.S. specialists to the aluminum tubes at the missile factory was adequate to prove they do not have a uranium enrichment program. However, this exercise resulted in new questions since traces of enriched uranium were reported to have been detected on the aluminum tubes. In addition, the DPRK has not adequately addressed the Pakistani connection. It is very likely that the DPRK had a uranium enrichment research effort, but unlikely that it came close to commercial scale.

Therefore, the United States should continue to press for a "complete and correct" declaration, but not allow this to impede completing the disablement and moving on to dismantlement of the Yongbyon nuclear complex.

The potential of nuclear exports from the DPRK represents a serious risk. It is imperative that the DPRK leadership understands that any previous or future export of fissile materials (or of nuclear weapons) represents a red line and cannot be tolerated by the United States and the other parties. The export of nuclear technologies or know-how must be acknowledged and assessed, and most importantly must be terminated. Such exports are especially worrisome to states such as Iran that are developing a robust nuclear infrastructure under a civilian umbrella. DPRK officials focused their discussion of exports on the future, stating that they will abide by the Oct. 3 agreement not to transfer nuclear materials, technologies or know-how. However, a reconciliation of past activities must be included.

The final elimination of all nuclear weapons and weapons-usable materials have been agreed to in principle in the Sept. 19, 2005 Joint Statement. However, the details have not been worked out. **I believe that denuclearization of the Korean Peninsula will require a transformation in relationships between the DPRK and the United States. It appears possible, but may be a long way off.** The United States should not only press China and South Korea to get the DPRK to comply, but it should meet its own obligations and put the burden squarely on the DPRK to proceed with denuclearization.

Nuclear worker redirection. We told our MFA hosts that we were interested in exploring the future redirection of the Yongbyon nuclear workers. Since the Soviet-

built IRT-2000 reactor could potentially be used for medical isotope production, I asked to visit the reactor and determine key operational characteristics. We were told that although the future of the nuclear workers is important, the DPRK was not prepared to discuss this subject at this time. They indicated that such discussions would be initiated once dismantlement of the Yongbyon facilities had been achieved. We were denied access to the IRT-2000 reactor. At Yongbyon, we met with former Yongbyon Director, Dr. Ri Hong Sop, other Yongbyon officials, and officials from the General Department of Atomic Energy (GDAE). They repeated the MFA comment that this is not the proper time to discuss worker reorientation. However, they were willing to get our input and they did respond to our questions. We were able to find out the key operating parameters for the IRT-2000 reactor and its operational status without a visit. Dr. Ri said that in the future they would like the Yongbyon workforce to be directed to energy; specifically peaceful nuclear energy. They expect that an LWR will be introduced. They could train their technicians and engineers for the LWR. They are also studying how to train their nuclear engineers in other areas. He said he is interested in my ideas. He wanted to know how to keep a scientific base for the future. This could be implemented after the agreement is fulfilled. To date, they are still only thinking about this. They are not ready to do anything.

I presented the following ideas for consideration: (1) In the near future, the focus will be on dismantlement, which will require decontamination and decommissioning of facilities. These activities will engage a significant fraction of the Yongbyon workforce. (2) The Yongbyon nuclear complex has significant needs in radiation health physics and environmental remediation. Their facilities contain a lot of radioactive materials and there is heavy contamination. It will be important for them to do the job safely. We could develop collaborations in radiation monitoring and assessment of health effects. The U.S. has many years of experience in assessing the health effects of radiation. Similarly, it has developed significant expertise in environmental assessment and remediation. Yongbyon officials agreed that these are good areas for cooperation once dismantlement is complete. They indicated that they have also been thinking along these lines. (3) I discussed the potential use of the IRT-2000 reactor for research, medical, and industrial applications. I told Yongbyon officials that we have a lot of experience with research reactors. We had one at Los Alamos while I was director. I also have worked closely with colleagues from the former Soviet Union who worked with reactors similar to the IRT-2000 reactor. I presented an extensive list of possible applications for the IRT-2000 reactor and told them that we need to know the specifications of the reactor to judge what applications may be feasible. The list included radioisotope production (primarily for medical applications), neutron activation analysis, neutron diffraction and radiography, neutron transmutation doping, reactor fuel studies, and neutron radiation cancer therapy.

Yongbyon officials responded that they have had experience with some of the applications I had mentioned. They were clearly pleased with my discussion of the possible options. They said the key to the IRT-2000 reactor is the fuel. They have not been able to get delivery of new fuel (Director Ri had previously told me all fuel was supplied by the Soviet Union, and that they had not received any new fuel since the dissolution of the Soviet Union). The most recent fuel used in the reactor was 36 and

80 % enriched in U-235. I told them that it would not be possible to get new HEU fuel because of proliferation concerns. They indicated that it would be possible to convert the core back to low-enriched uranium, which is what the original fuel was when the reactor was delivered by the Soviet Union. They also stated that the reactor could be operated for several more decades with rather minor enhancements.

Yonbyon officials stated that they have experience in the production of medical and industrial isotopes. The Isotope Production Laboratory (IPL) has channels that allow them to extract targets and extract the radioisotopes of interest. They have not done cancer treatments - said they could not get results (it was not clear whether or not they actually tried). He said it would be helpful to have exchanges in this area. They have people who suffer from thyroid cancer, but can't treat them.

Director Ri also indicated that they would like to put their technical people onto projects for light-water reactors (LWR). If Yongbyon is shut down, he and his colleagues will be concerned about their engineers will do. They have no LWR experience now, but they would retrain them. They will need to think about how to best accomplish that. I asked about what Yongbyon workers could do outside the nuclear arena. I told him that this has turned out to be difficult in the U.S. and Russia. It depends on what skills and talents their workers have. Ri said there will be time in the future to share that kind of information about Yongbyon workers. He hopes that time will come. (Siegfried Hecker, "Report of a Visit to the DPRK, NAPSNET, May 1, 2008)

In third visit to Yongbyon, Hecker says no fuel rods fabricated since 1994. North's list of disablement actions omits disposal of replacement fuel rods. He quotes Chinese nuclear specialist saying in November 2006, "North Korea aimed for 4 kilotons and got close to 1 - not perfect, but not bad for a first try." The North's plutonium has a distinctive fingerprint that could serve as a deterrent to its export. Hot cells could not be disabled in the two month political window. (Siegfried S. Hecker, "Denuclearizing North Korea," *Bulletin of the Atomic Scientists*, 64, 2 (May-June 2008), 44-49)

2/16/08

22 North Koreans, sent back to the North by South Korean authorities earlier this month after their fishing boats drifted into South Korean waters, were reported to have been shot dead last week by North Korean military authorities of South Hwanghae Province, which believed they had attempted to defect to the South, Yonhap News Agency reported Sunday, quoting an unidentified government source. "The rumor (of the execution) has been spreading out among locals. Local people have been shocked that all of the 22 were executed by a firing squad without distinction of age or sex," the source said. The North Koreans of 15 families, 8 men, 14 women and three students, were spotted on the western waters off South Korea's Yeonpyeong Island February 8 and interrogated by an investigation team of the National Intelligence Service (NIS) and Navy, NIS officials said. They were repatriated later in the day because they showed no intention for defection, they said. "We have no intelligence of the execution. But there is a possibility that the North Koreans might have been punished somehow, as they were found to be fishing without approval from the authorities," a Defense Ministry official said. (Jung Sung-ki, "22 North Koreans Executed for Defection Attempt," *Korea Times*, February 17, 2008)

- 2/17/08 North Korea has slowed nuclear disarmament to a snail's pace because it has received only part of the energy aid it was promised in return and does not believe it has made progress toward being removed from the U.S. state terrorism list, a delegation of U.S. experts reported. The experts said they had broad access to North Korean nuclear facilities and held discussions with senior Foreign Ministry officials during their four-day private visit to the isolated nation. Siegfried S. Hecker said he and his colleagues -- Joel Wit, and W. Keith Luse -- were told that North Korea remains committed to a landmark October 3 agreement. But, said Hecker, who led the group, the officials added that North Korea will not move further until it receives the full measure of what it was promised in compensation by the United States and other countries in the six-party negotiations. As many as 80 a day can be removed safely, only 32 a day are being pulled out now because of the dispute over energy aid deliveries, he added. "It would take many months at that rate" to disable the facility and shut it down," he said. In addition, he said, North Korean officials said they were not going to present the United States with a complete declaration of their nuclear program until they are satisfied with the other issues, creating what Hecker described as "significant hurdles" to moving the process forward. (Edward Cody, "N. Korea Slowing Disarmament, U.S. Nuclear Delegation Reports," *Washington Post*, February 17, 2008, p. A-21) "My feeling coming away from this visit is that the level of cooperation is good, better than I've seen in the 10 years I've been visiting the facility," said Joel Wit. The men acknowledged that serious political problems remain. North Korean officials they met in Pyongyang, the capital, said they would not complete the dismantlement of Yongbyon until the U.S. completes the delivery of promised heavy-fuel oil and, more important, removes North Korea from an official list of state sponsors of terrorism. The Bush administration has said it is prepared to remove North Korea from the list, but only when it completes its end of the bargain. "You have a problem about who goes first. At this point, that's unresolved," Hecker said. (Barbara Demick, "U.S. Visitors Optimistic about N. Korea," *Los Angeles Times*, February 17, 2008)
- 2/18/08 The presidential transition committee has begun efforts to reform the National Intelligence Service, under fire for spearheading pork-barrel aid programs of the Kim Dae-jung and Roh Moo-hyun administrations for North Korea. The incoming Lee Myung-bak government will reportedly overhaul the agency's human resources and management structure. This is in response to criticism that intelligence officers blindly followed what the Unification Ministry did, and agents acted as if they were diplomats and the heads of provincial governments. The head of the intelligence office, Kim Man-bok, recently resigned over allegations of misconduct. Once his successor is appointed, the number of the agency's divisions will fall from three to two by having 31 senior officials retire. (*Dong-A Ilbo*, "Nat'l Intelligence Agency to Be Overhauled," February 18, 2008)
- 2/19/08 Hill and Kim Gye-gwan meet in Beijing. Kim turns down a proposal to deliver the formal declaration of the plutonium program, separate from a side-letter listing equipment and components it had acquired for uranium enrichment, to be delivered to the United States.

- 2/20/08 Hill told reporters after a meeting with Seoul's envoy Chun Yung-woo, "Mr. Kim Kye-gwan was very careful not to describe this as any kind of stalemate and he wanted to make clear that he and his government are prepared to try to make progress to get through this." "We discussed the current difficulties of getting through the second phase. Kim was very careful not to describe this as any kind of stalemate." "They continue to take what they call a principled position that they have not engaged in any uranium enrichment activity, nor have they been," Hill continued. "We cannot pretend that activities don't exist when we know that the activities have existed." "He wanted to make it very clear that they are not at present having any nuclear cooperation with any other country and they will not in future." (Yonhap, "N. Korea Seeks Progress in Nuclear Talks: U.S. Envoy," February 20, 2008; Yoon Won-sup, "Six-Party Talks Not in Stalemate," *Korea Times*, February 20, 2008)
- Progressive civic groups criticized President-elect Lee Myung-bak's nomination of Nam Joo-hong, currently a professor of Kyonggi University's graduate school of politics and policies in Seoul, as unification minister, calling him a "neocon warmonger." They expressed concern that Nam's hard-line North Korea policy would mar relations with the North, which has warmed to an extent because of the engagement policy toward Pyongyang under the liberal governments of the past 10 years. (Jung Sung-ki, "Unification Minister-Nominee Hardliner on N. Korea," *Korea Times*, February 20, 2008) A United Democratic Party lawmaker unveiled that Nam and his wife illegally received tax credits for about 45 million won (\$48,000) in education fees for their children between 2003 and 2007. (Kim Min-hee, "New Allegation Hits Minister Nominee," *Korea Herald*, February 27, 2008) Nam Joo-hong withdrew his name on February 27 over allegations of illicit real estate dealings and his family members' dual citizenship. (Yoo Cheong-mo, "Lee Replaces Scandal-Ridden Minister Nominees," Yonhap, February 27, 2008)
- 2/21/08 "North Korea said it will do what it has to do, and that this is not because they don't have the willingness, nor do they call it a deadlocked situation," Chun Yung-woo told reporters after talks in Beijing with Kim Kye Gwan. "It is being delayed due to technical issues, not because it has some political purpose in it." He gave no details of any technical issues North Korea may have cited. (Tini Tran, "N. Korea Says Delay in Talks 'Technical,'" Associated Press, February 21, 2008)
- 2/22/08 North Korean authorities have been investigating the chief of a North Korean committee in charge of inter-Korean economic cooperation for months after seizing \$20 million from his house. Quoting an unidentified Chinese source informed on North Korean affairs, *Dong-A Ilbo* said Pyongyang authorities are intensifying their investigation into Jung Woon-eop and 80 other officials of the committee over where the money came from. (Jung Sung-ki, "N.K. Official Suspected of Embezzling Funds from Seoul," *Korea Times*, February 22, 2008)
- 2/24/08 As mineral prices soar on world markets, foreign access to mines in the North is accelerating at a rate unseen in the more than five decades since the division of the Korean Peninsula, according to South Korean government officials, Chinese mining experts and scholars who study North Korea. They say that Kim's government is

increasingly willing to lease mines to outside companies and to negotiate joint ventures with foreign governments. "North Korea is trading what she has for what she hasn't," said Xu Wenji, a professor of East Asian studies at Jilin University in Changchun, China. At the same time, mining operations have been delayed and derailed by erratic, maddening and corrupt behavior on the part of North Korean officials. In exchange for mining rights, China has helped the North construct roads, repair ports and build a glass factory, while providing oil, equipment and food. But even as Chinese investment grew in 2007, exports of some minerals stalled - as Chinese businessmen bickered with North Korean officials about how to run the mines, according to Xu at Jilin University. (Blaine Harden and Ariana Eunjung Cha, "N. Korea Cashes in on Mineral Riches," *Washington Post*, February 24, 2008, p. A-19)

2/25/08

Lee Myung-bak inaugural address: "A country that lived by the mercy of others is now able to give to others in need and stand shoulder to shoulder with the most advanced countries. ... We will attach importance to our policy towards Asia. In particular, we will seek peace and mutual prosperity with our close neighbors, including Japan, China and Russia and promote further exchange and cooperation with them. ... As befitting our economic size and diplomatic capacity, our diplomacy will contribute to promoting and protecting universal values. Korea will actively participate in United Nation's peacekeeping operations as well as enlarge its official development assistance (ODA). By emphasizing the importance of cultural diplomacy, we will work to allow Korea to communicate more openly and easily with the international community. ... Unification of the two Koreas is the long-cherished desire of the 70 million Korean people. Inter-Korean relations must become more productive than they are now. Our attitude will be pragmatic, not ideological. The core task is to help all Koreans live happily and to prepare the foundation for unification. As already stipulated in my "Denuclearization and Opening up North Korea to Achieve US\$3,000 in Per Capita Income, **once North Korea abandons its nuclear program and chooses the path to openness, we can expect to see a new horizon in inter-Korean cooperation.** Along with the international community, we will provide assistance so that we can raise the per capita income of North Korea to US\$3,000 within 10 years. That, I believe, will both benefit our brethren in the North as well as be the way to advance unification. Together, the leaders of the two Koreas, must contemplate what they can do to make the lives of all 70 million Koreans happy and how each side can respect each other and open the door to unification. If it is to discuss these issues, then I believe the two leaders should meet whenever necessary and talk openly, with an open mind. Indeed, the opportunity is open."

Fukuda became the first leader to meet with Lee following his inauguration. During the meeting, they agreed to exchange regular visits. Fukuda said that since Japan and South Korea were close neighbors, he would like to build a new Japan-South Korea era with the president's cooperation. In response, Lee said talks between the two countries would become influential in the international community. "I fully support the prime minister's diplomacy, which places priority on Asia," he said. (Minami Shoji, "Fukuda, Lee Eye New Era; Leaders Pledge to Improve Japan-S. Korea Relations," *Yomiuri Shimbun*, February 26, 2008)

At a lunch hours before the Philharmonic played, Evans Revere was part of the group including William Perry and Donald Gregg that met with North Korea's chief nuclear negotiator, Kim Gye Gwan, and other officials. The Americans told them that "the stars were as well aligned as we had ever seen them" for a breakthrough in U.S.-North Korean relations, said Revere. But the North Koreans were told that for such a breakthrough to occur, they would have to provide "some clarity" on their long-suspected production of enriched uranium, Revere said. They were also told, he added, that North Korea must disclose whether it has sold bomb-making material and technology to other countries, including Syria. "We made all these points in a stark fashion," Revere said. "And we heard from them a very clear desire to avoid talking about these issues, if at all possible. We told them that that position was not tenable, in the view of Washington and other world capitals." (Blaine Harden, "Doors Still Closed in North Korea," *Washington Post*, March 1, 2008, p. A-12)

The chief North Korean negotiator, Kim Gye-gwan has been complaining recently that his American counterpart, Chris Hill, made promises that the US has not kept, including taking North Korea off the "Trading With the Enemy" (which effectively bars US trade with Cuba and North Korea) and taking North Korea off the US list state-sponsors of terrorism. Kim also claims that Chris Hill told him that the Syria issue was not that big, it was a Washington squabble over intelligence issues, and that it would not be a big obstacle. In Kim's version of events, the US has failed to deliver on these promises. North Korea is not holding up the negotiations, the US is. Many US analysts, who have no illusion about the veracity of North Korean negotiators, are surprisingly open to Kim's comments. In this view, Chris Hill, to his credit, has tried to maneuver through the political mine fields of Washington and Pyongyang, perhaps promising too much to both sides just to try to keep the negotiation "bicycle" from falling. Kim has asked some recent US visitors [Perry, Revere, Gregg] to deliver a message to US Secretary of State Condi Rice: Reduce your expectations; everything in the past can't be resolved all at once. Kim essentially argued that his position inside the Pyongyang establishment had been undercut by the alleged failure on the part of the US to deliver on promises Hill supposedly made. By contrast, recent high-level US visitors [Perry] have told Kim of a proposal from Secretary Rice: If Pyongyang fully acknowledges its highly-enriched uranium program, and its past proliferation activities with Syria, the US will basically keep those revelations secret, and not seek to exploit them in future negotiations. Kim's response was: "How can we trust you?" {He did not: FC} Recent American visitors, even those bitterly opposed to the Bush administration, have told the North Koreans that they would best to work with Rice and President Bush, since the White House is actually (finally) willing to talk. (Peter Ennis, *Oriental Economist*, March 6, 2008)

2/26/08

On a stage flanked by the flags of the United States and North Korea, the New York Philharmonic played the national anthems of North Korea and the United States, George Gershwin's "American in Paris," Dvorak's "New World" Symphony and Bernstein's overture to "Candide," finishing to rapturous applause at the East Pyongyang Grand Theater, the first time an American orchestra has been allowed to perform in the isolated, authoritarian country. As the orchestra performed, Secretary of State Rice, in China as part of her attempt to apply diplomatic pressure on the North Korean leadership, said she hoped Beijing would use "all influence possible with the

North Koreans to convince them that it is time to move forward," A.P. reported. (Daniel J. Wakin and Graham Bowley, "New York Philharmonic Performs in North Korea," *New York Times*, February 26, 2008, p. A-1)

Israeli PM Ehud Olmert in Japan discussed North Korea's missile cooperation with Iran, cautioning that both countries posed threats to the stability of Asia and the Middle East, an Israeli official said. "Iran is at the head of the axis of evil and together with North Korea presents a threat to the stability of Asia and the Middle East," Olmert told Japanese DefMin Ishiba Shigeru, the Israeli official told reporters. (Tova Cohen, "Iran, North Korea a Threat to Asia Stability: Olmert," Reuters, February 26, 2008)

The US wants six-nation talks aimed at ending the DPRK's nuclear programs to begin monitoring transfers of nuclear materials and technology from the DPRK to other countries, US officials said yesterday. The anti-proliferation focus, for which SecState Rice is trying to gather support during an East Asian tour this week, is a response to mounting evidence that the DPRK gave nuclear assistance to Syria. "The North Koreans promised not to engage in nuclear proliferation," said Hill. "We want to make sure they follow through on their pledge." (Nicholas Kravev, "U.S. Urges Eyeing Flow of Nuclear Materials," *Washington Times*, February 26, 2008)

2/27/08

Rice: **"I want to be very clear about this northeast Asia peace and security mechanism that is contemplated in the framework agreement. We are not talking here about an alliance, we are not talking about a treaty. We are certainly not talking about anything that would implicate or look anything like the very deep alliances that we have with Japan or South Korea. But clearly, cooperation among the major powers in this region on issues like counterterrorism, proliferation, perhaps even disaster relief could benefit northeast Asia.** And so we believe we can make progress on all of those. **But we are going to need to complete the current phase.**" Rice, Joint Press Availability with Japanese Foreign Minister Koumura Masahiko, Tokyo, February 27, 2008)

Rice: "While I'm not at all disturbed by delays in the second phase, because it's hard, I do think that the second phase is **going to have to end in a way that inspires confidence that the third phase is going to make progress**, given the difficulties. And so that's the sort of thing that we are really talking through with the Chinese, how do you do that. ... **When I talk about synchronization, I just mean that everybody understands that we are still in a process of trying to build trust between the parties. So there is always a you-go-first kind of instinct by everybody, and we have to figure out a way that everybody can be confident that the obligations are being carried out. That's what synchronization really means.** Q: So are you thinking that the other five would do some of their things, would go a little faster than they had previously - Rice: No, no. No, I think the -- as I said to you yesterday, **nobody has held up the oil shipments for purposes of trying to get more out of the North Koreans. Those two were moving more or less in parallel. There are some -- there were earlier on some technical difficulties on both sides of that. And the North has said that they have not stopped it.** And so we just want to keep everybody pushing ahead as quickly as possible. ... I don't want to get -- try to get too detailed on every list that

has to be made. But we know that there was an active plutonium program that produced fissile material and that something happened to it. We need to know what happened. Secondly, we have had concerns about a highly enriched uranium path that the North may well have taken and we need to understand what happened on that path. Third, there are questions about proliferation activities that led the North to make a pledge and then to reiterate that pledge in October that they would not transfer know-how or materiel. And so I think we need to understand what happened there. And we need to understand really more importantly how not to have proliferation concerns in the future or how to address proliferation concerns in the future. So those are elements we will need to be able to use the declaration to get some satisfaction on those matters. **I can't tell you what has to be line for line in the declaration.** But those are the kinds of issues that I think this phase has to address. Q: Would that be something like the element A, B, C, D, all in one form? Or if something is lacking, you – Rice: I really -- **I really have less concern about what form it takes or how many different pieces of paper there may have to be or how many times it may have to go back and forth. I am just concerned that by the time we get to the end of this phase, we have a -- some clarity so that we know what we're looking at for the third phase. And that was always the intention of this second phase, was to set up the third phase.** It would be a different matter if everybody just planned to stop at disabling. **But since you plan to go on to true denuclearization, you have to establish some ground rules or some ground bases in this phase.** (Rice, Roundtable with the Traveling Press, Tokyo, February 27, 2008)

In Beijing Rice won assurances from China that it would use its influence with North Korea to help and she and President Hu discussed several new ideas on how to overcome the current stalemate, officials said. Details of those ideas are close held, but they appear to have given rise to hope that the process can get back on track as Rice today instructed Assistant Secretary of State Hill not to accompany her to Tokyo but remain in Beijing to study them. "I thought it was worthwhile for him to continue those discussions and we have had constructive discussions here today and those will add to our ability to perhaps build some momentum," she said. Rice refused to elaborate but noted that "all of the parties to these talks have different ways in which they can encourage progress." Yesterday, she said **U.S. and Chinese officials were looking at ways to "synchronize" the actions the North must take to meet its obligations, and the benefits it is to receive for those measures.** "We are the cusp of something very special here," she said in Beijing. (Associated Press, "Rice Seeks Japan's Help with North Korea," February 27, 2008) "They had good discussions with the Chinese while they were there," DoS spokesman Tom Casey told reporters, referring to Secretary of State Rice and other officials who were in the Chinese capital on the 26th. "She thought it was useful for Chris to stay a little while longer to continue those discussions." Rice told reporters in Tokyo, "I was there for a not very long time, and we were having good discussions and it seemed like a good idea for Chris to stay behind and continue those discussions." The transcript of her remarks was released here by the State Department. She said she was "not at all disturbed" by the delays, but there would have to be progress "that inspires confidence" that the next steps can be completed. (Yonhap, "U.S. Envoy Stays in China for More 6-Party Talks," February 28, 2008)

"Secretary Rice reassured me that there will be thorough consultations with Japan in U.S. considerations of lifting North Korea from the state sponsor of terrorism list," FM Komura Masahiko said, in reference to Tokyo's concerns that such a move would jeopardize efforts to press for the return of the abductees. However, Rice said earlier in the day in the clearest terms so far that delisting will take place when North Korea completes the current denuclearization phase, without linking it to the abductions. **While stressing that the abduction issue is of "very high priority" for the United States, she told reporters in an earlier briefing. "Even if we complete phase two or when we complete phase two and there's delisting, that's of course not the end of the political decisions."** (Kyodo, "Rice Voices Regret over Rape Case, Reaffirms Efforts on N. Korea," February 28, 2008)

Speaking about the New York Philharmonic's historic concert in the North Korean capital, Ambassador Vershbow said that it will make North Koreans "think that there is a possibility of a different kind of relationship with the United States." "I hope the political leaders of Pyongyang draw the same conclusion," he said in an interview. Hill extended his stay in Beijing by another day to develop the ideas discussed at the ministerial level, according to Vershbow. **He emphasized that the three and last phase is the real important process as it will handle the matter of dismantling North Korean nuclear program. "The sooner we get to the phase three, the better,"** he said. (Lee Chi-dong, "Philharmonic's Concert Has Psychological Impact in N.K.: Vershbow," Yonhap, February 28, 2008)

In an interview, Mark Regev, spokesman to the prime minister, said his country holds serious concerns toward Pyongyang's missile and nuclear capabilities. "We are concerned with the link-up between a reckless North Korea and reckless regimes in the Middle East," Regev said. "Both Japan and Israel can benefit from an expanded dialogue. I think we can upgrade the relationship," Regev added and said that Olmert would propose expanding "political, diplomatic and security dialogue between Tokyo and Jerusalem" when the two meet. (Ishiai Tsutomu, "Israel Seeks Stronger Dialogue on N. Korea," *Asahi Shimbun*, February 27, 2008)

2/28/08 Bush asked about his relations with Putin at a White House press conference: "I learned that it's important to establish personal relations with leaders even though you may not agree with them -- certain leaders. I'm not going to have a personal relationship with Kim Jong-il, and our relationships are such that that's impossible. But U.S.-Russian relations are important. It's important for stability. It's important for our relations in Europe. And therefore my advice is to establish a personal relationship with whoever is in charge of foreign policy in Russia. It's in our country's interest to do so." (White House, Office of the Press Secretary, Press Conference of the President, February 28, 2008)

2/29/08 The annual DoS human rights reports on conditions in various countries often spark internal tussling over tone and nuance. The battles generally pit folks in the Bureau of Democracy, Human Rights and Labor (DRL), who tend to be hard-line human rights advocates, against the regional bureau diplomats, who tend to be more, well, diplomatic. Glyn Davies, the principal deputy assistant secretary in the East Asia

bureau, sent an e-mail to Erica Barks-Ruggles, a deputy assistant secretary in the DRL bureau, regarding some changes in the introductory language of a report on North Korea. "Erica," he wrote, "I know you are under the NSC gun," apparently to get the report done so the NSC can review it, "but hope given the Secretary's priority on the Six-Party Talks, we can sacrifice a few adjectives for the cause. Many thanks. Glyn." And the changes? Eliminated words are in brackets, and additions are in italics: "The [repressive] North Korean *government* [regime] continued to control almost all aspects of citizens' lives, denying freedom of speech, press, assembly, and association, and restricting freedom of movement and workers' rights. Reports of extrajudicial killings, disappearances, and arbitrary detention, including of political prisoners, continue to emerge [from the isolated country]. Some forcibly repatriated refugees were said to have undergone severe punishment and possibly torture. Reports of public executions *continued to surface* [were on the rise]." (Al Kamen, "'Regime' Changed," *Washington Post*, March 5, 2008, p. A-19) Looks as if the human rights bureau and the East Asia bureau ironed out disagreements over how to deal with North Korea in this year's human rights report. Loop Fans may remember that last week, we reproduced some of the back-and-forth at Foggy Bottom over the introduction to the report. The item sparked a letter of concern from the U.S. Committee for Human Rights in North Korea - run by Richard V. Allen, former Reagan national security adviser (and now a New Zealand vintner) and former congressman Stephen J. Solarz, urging that "the integrity of human rights reporting on North Korea not be sacrificed to policy considerations of any sort." The final report's rewritten introduction seems a compromise. On the question of whether to refer to Kim Jong Il's circle as a "regime" or to use the more neutral term "government," the report uses both. Gone is the human rights bureau language that "reports of public executions were on the rise" and other language saying things were worse in 2007 than the year before. (Kinda hard to imagine, anyway.) Even so, the report painted a picture of North Korea as a positively ghastly place, and the regime remained on the department's "worst offenders" list. (Al Kamen, "Politicians Spanked by Virgins," *Washington Post*, March 14, 2008, p. A-15)

3/1/08

Hill met Chinese Vice Foreign Minister Wu Dawei, but was stood up by Kim Gae-gwan. "They're looking at the ideas and haven't decided what they want to do," Kyodo quoted Hill as saying. Hill was referring to ideas proposed by China on how to move forward a 2005 agreement under which North Korea committed to abandon all nuclear weapons and programs in exchange for economic and diplomatic benefits. "We thought they might be ready to discuss it with us, and clearly they were not." (Lindsay Beck, "U.S. Envoy Leaves China with No North Korea Meeting," Reuters, March 2, 2008) Hill passes U.S. list of enrichment equipment to China. (*Chosun Ilbo*, "U.S. 'Called N. Korea's Bluff over Syria,'" April 1, 2008)

In a nationally televised address at a ceremony marking Korea's 1919 uprising for independence, Lee Myung-bak said, "South Korea and Japan should build a future-oriented relationship in a pragmatic attitude." "We should never look away from the truth of history. However, we cannot give up on future relations, bound by the past forever." (Associated Press, "Lee Pushes Better Ties with Japan," *Japan Times*, March 2, 2008)

3/2/08

Kim Ha-joong, Korean ambassador to China for the past five years, appointed minister of unification. (Kang Hyun-kyung, "Lee Names Unification, Environment Ministers," *Korea Times*, March 2, 2008) "I will handle North Korea with policies that are agreeable to everyone," said Kim on March 3. "In 2000, when I stayed at North Korea's Baekhwawon state guest house while accompanying then-President Kim Dae-jung, I was filled with emotion," Kim said, adding, "I will work with love on North Korean affairs." "Whenever I think about North Korea, I feel my heart tearing and there are tears in my eyes," the minister-designate said. "At the time of the North Korean visit, I prayed on my knees for North Korea to become prosperous under the blessings of God," Kim said. Asked about whether the sunshine policy of engaging North Korea, a policy initiative carried out under for Kim Dae-jung and Roh Moo-hyun, the minister-designate said, "I will discuss it at the confirmation hearing. The president has one stance, and I have my view, so you will understand when I give my replies at the hearing," Kim said. On the matter of North Korean defectors, Kim said, "Since taking the post of ambassador to China, I have accepted North Korean defectors some 430 times, and sent nearly all of them to South Korea after changing the policy of not accepting North Korean defectors. If you consider this, you will understand my views on the matter," Kim said. With apparent awareness about criticism in the media that he may not have a good understanding of North Korean affairs, Kim said, "While working as the ambassador to China, I had contact with North Korean people. Such experiences will help me in my new position." "I have met with the North Korean ambassador to China many times, since I was involved in the six-party talks on the North's nuclear program," he said. "At the time of the announcement of the September 19 Joint Declaration in 2005, I had boilermakers with North Korean delegates." (*Hankyore*, "Unification Minister-Designate Plans to Implement Universally Agreeable Policies," March 4, 2008)

KCNA: "The U.S. imperialist bellicose aggressor forces and south Korean forces started Key Resolve and Foal Eagle joint military exercises for aggression, according to a military source. More than 12 000 U.S. imperialist aggressor forces in south Korea have been ordered to be combat ready and over 6,000 U.S. troops were deployed in forefront bases in south Korea after being transferred from their overseas bases. In another development, more than 9 000 have been placed on alert in waters. On February 28 Nimitz entered Pusan Port in the wake of the entry of Ohio equipped with more than 150 Tomahawk cruise missiles into it on February 20. A landing craft entered Pusan Port on March 1. On February 26 a transport ship fully loaded with marine equipment entered Jinhae Port. Nimitz's entry into Pusan Port was timed to coincide with the entry of guided missile destroyers into Pyongtaek Port and Chaffee and John S. McCain into Tonghae Port. F-15 and F-16 fighter bombers, F/A-18, MC-130 and KC-135s were deployed in Osan air force base and airfields in Kunsan in south Korea after being transferred from the U.S." (KCNA, "Key Resolve and Foal Eagle Joint Military Exercises Begin in S. Korea," March 2, 2008)

3/3/08

Hill at a news conference during a one-day visit to Vietnam: "If we can resolve these matters in the next few weeks, which I think is possible, I think we could depending on the views of the Chinese host, get together for a 6-party meeting to plan the next phase." (Grant McCool, "U.S. Envoy Hopes for 6-Party N. Korea Talks in March,"

Reuters, March 3, 2008) "Rather talking about ramping up the pressure, I'd rather ramp up the effort to find the solution. We are hopeful that we can find a formula for moving forward but what we need from the North Koreans is the willingness to give us the complete, correct declaration." (DoS, Christopher Hill, Remarks on Korea's Nuclear Declaration, Hanoi, March 3, 2008)

DPRK FoMin spokesman: "They are, to all intents and purposes, maneuvers for a nuclear war to seize the DPRK by force of arms in light of their scale and nature. The U.S. kicked off the nuclear war maneuvers against its dialogue partner though it has talked about a 'peaceful solution of the nuclear issue' and the 'establishment of a peace-keeping mechanism on the Korean Peninsula.' This is a clear indication that the U.S. is invariably sticking to its hostile policy to stifle the DPRK by force. Such nuclear threat and blackmail do not work on the DPRK but will only put a brake on the process of the denuclearization of the peninsula. The army and people of the DPRK are following with the highest vigilance the military attempt of the U.S. to gravely threaten the sovereignty of the DPRK and take necessary countermeasures including those to further bolster up all its deterrent forces." (KCNA, "Spokesman of Foreign Ministry Lambastes Joint Military Exercises," March 3, 2008)

In a statement before the UN Human Rights Council in Geneva Park In-kook, deputy FM for international organizations and global issues went further in its criticism than Roh's government did in similar meetings: "The government of the Republic of Korea [South Korea], underscoring human rights as a universal value, calls upon the Democratic People's Republic of Korea to take appropriate measures to address the international community's concerns that the human rights situation in the DPRK has not improved." (Jung Ha-won, "Tough Talk on North Korean Human Rights," *JoongAng Ilbo*, March 5, 2008) By "appropriate measures" to be taken by the North, the official listed a couple of examples, such as accepting a visit by U.N. special rapporteur on human rights in North Korea from Vitit Muntarbhorn and cooperating with relevant international organizations to tackle technical and complicated problems that are entangled with human rights, the official said. (Lee Joo-hee, "Seoul Shifts to Sterner Stance on N.K. Rights," *Korea Herald*, March 6, 2008) North Korea struck back the next day, saying Pyongyang had "strong doubt" whether the South remained committed to agreements between the two Koreas from summits in 2000 and 2007. "South Korea must be held responsible for all the consequences arising out of these irresponsible remarks, which will have negative repercussions on the inter-Korean relations," said Choe Myung-nam, a counselor at the North's diplomatic mission in Geneva. (Burt Herman, "Chillier Winds Blow Across Korean Border," Associated Press, March 6, 2008) "South Korea's conservative ruling force took issue with our human rights at a recent international conference. That will lead to deterioration in inter-Korean relations," said the Committee for the Peaceful Reunification of the Fatherland. "We cannot help branding their reckless remarks and treacherous outbursts as an intolerable, grave provocation to the DPRK totally negating the spirit of the June 15 joint declaration and bringing back inter-Korean relations to those of confrontation." (KCNA, "South Korean Conservative Ruling Forces' Reckless Remarks over 'Human Rights Issue' Denounced," March 6, 2008)

Chris Nelson: "...you have senior Japanese officials warning that they view the Bush Administration as pushing China to get what they call the 'third betrayal'...the frequently reported notion that Syria and HEU can be hived-off from the Declaration in some way. The 'first betrayal,' Japanese officials charge, is the US position on resolving the abductee dilemma with Pyongyang. For worse, not better, Tokyo apparently took at face value the meeting last year between President Bush and the abductee family reps, and what sounded like his firm pledge to keep this issue locked-into the 6 Party process; the 'second betrayal,' Japanese officials add, is the Bush Administration's virtual abandonment of the Clinton Administration's progress on a missile moratorium with the DPRK, something Japan had felt was the "centerpiece" of US policy toward Pyongyang, prior to the nuclear crisis itself. (*Nelson Report*, March 3, 2008)

3/5/08

North Korea had hoped to attend last month's inauguration of Lee Myung-bak and hold talks with Seoul officials. The proposal was made through the National Intelligence Service "for responsible officials from the two sides to meet," *Dong-A Ilbo* quoted an unnamed government official as saying. "But President Lee demanded clarification on the purpose of such a meeting, and the North subsequently suspended attempts to make contact." Blue House would neither confirm nor deny the report, saying there are frequent contacts between the North and South. Spokesman Lee Dong-kwan said the president felt: "it was not appropriate to meet without principle or with no results expected." (Reuters, "South Korea's Lee Rebuffed North Offer to Meet: Report," March 5, 2008; Associated Press, "Report: North Korea Wanted to Attend Inauguration of South's New President," March 8, 2008)

*Rodong Shinmun* commentary entitled, "Hawkish Policies Will Not Work on Us,": "The U.S. implemented zero percent its commitment in six-party agreements to remove the DPRK from its list of terrorism-sponsoring countries and sanctions imposed under the Trading with the Enemy Acts. ... Reality is like this. For what reason should we hurry up while the 'action-for-action' principle is not kept? ... We don't care who will become the next U.S. president. ...It's absurd and false that the U.S. hard-line conservatives mislead public opinion to make it look as if we anticipate something from the next U.S. president." (Shim Sun-ah, "N.K. Claims 'No Hurry' to Break Deadlock, Blames U.S.," *Yonhap*, March 6, 2008) "The U.S. conservative hardliners are not seeking the negotiated settlement of the nuclear issue on the peninsula but working hard to attain their sinister aim with a strong-arm policy by shifting onto the DPRK all the responsibilities for the delayed implementation of the points agreed at the six-party talks," the commentary says, and goes on: "They are blustering that the new U.S. regime would never pardon the DPRK while talking nonsense that it is delaying the implementation of the above-said points. This is a short-sighted and foolish ruse to frighten and stifle it with pressure and blackmail. It is preposterous and ridiculous for them to float rumor that the DPRK pins any hope on the next U.S. president. It is a very wrong way of thinking for them to regard their one-sided hard-line policy toward the DPRK as a cure-all." (KCNA, "U.S. Hard-Line Policy toward DPRK Slammed," March 5, 2008)

3/6/08

A former in-house lawyer of the Samsung Group alleged through Catholic priests Wednesday that Kim Sung-ho, nominated as new chief of the National Intelligence

Service (NIS) and Lee Jong-chan, senior presidential secretary for civil affairs, used to regularly receive kickbacks from Samsung. "It's heartbreaking," President Lee was quoted by his spokesperson Lee Dong-kwan as saying. (Yonhap, "Aide Scandal Allegations Trouble Lee," March 6, 2008)

China is trying to bridge differences and restart six-party talks. "China has raised all kinds of means with both the American and the North Korean sides," Vice Foreign Minister Wu Dawei told reporters on the sidelines of China's annual parliament session. "We are still discussing these means." (Reuters, "China in Efforts to Bridge U.S., North Korea Differences," March 6, 2008)

Speaking to reporters at Dulles Airport outside Washington on his return from a tour of Asian countries, including China, U.S. Assistant Secretary of State Christopher Hill said, "There are lots of ideas about how to bridge [the gap between Washington and Pyongyang]"--the major antagonists in the multilateral talks, which have been stalled since Pyongyang failed to declare its nuclear programs by the end of last year. **"The Shanghai Communique is one model people talk about.** But it's premature to say [such a document will be drawn up]," Hill added, hinting other possibilities remain open. (Miyazaki Takeo, "Paper on DPRK N-Declaration Floated," *Yomiuri Shimbun*, March 7, 2008)

- 3/7/08 North Korea acknowledged sending engineers to military-related and other facilities in Syria, during recent talks with the U.S. over its nuclear program, diplomatic sources in New York said. The communist nation, however, denied involvement in Syrian nuclear development. (Kyodo, "N. Korea Admits to Sending Engineers to Syria, Kyodo Reports," March 7, 2008)
- 3/10/08 Unification Minister-designate Kim Ha-joong told a confirmation hearing it is necessary to activate a pragmatic North Korea policy rather than an ideological-leaning one and said he would not link humanitarian aid to North Korea to issues on prisoners of war (POWs) and kidnap victims. "I would support economic cooperative projects that Seoul and Pyongyang had agreed to before but consider several things like progress in the dismantling of nuclear facilities in the North and the economic feasibility of the projects." (Kim Sue-young, "Nominees Opposes Linking N.K. Aid to Human Rights," *Korea Times*, March 10, 2008)
- 3/11/08 Lee Myung-bak, speaking to Foreign Ministry officials at the ministry's policy briefing, said he is ready for shuttle diplomacy with North Korea, if the North is willing to change its attitude towards inter-Korean relations. "We're ready for sincere talks with North Korea's leaders. I and working-level officials alike are ready for such talks. The inter-Korean dialogue should not be a one-time event. We should meet frequently," he said. "We are to resume shuttle summit diplomacy with Japan. There is no reason to avoid shuttle diplomacy with North Korea." "Our question over the North's human rights problems is not in line with our North Korea strategy. We just care for the universal happiness of the people in the North. We also want to see the North stand alone economically in order to accelerate national unification," said the president. "Both sides must be ready to open their minds to each other and engage in sincere

dialogue." Regarding South Korea-U.S. relations, Lee said the wisest diplomacy is to harmonize the national interests of the two countries. "I don't agree to such concepts as pro-American or pro-Chinese policy. If national interests are matched, both nations can become allies. In case of conflicting national interests, there is no alliance," said the president. "The U.S. may not maintain an alliance with South Korea, if it conflicts with its national interest. The wisest diplomacy is to match interests of the two countries." (Yoo Cheong-mo, "Lee Proposes Shuttle Diplomacy with North Korea," Yonhap, March 11, 2008)

North Korea must send a "clear signal" to declare its nuclear programs fully to get itself removed from a list of state sponsors of terrorism, Ambassador Alexander Vershbow said. (AFP, "U.S. Wants 'Clear Signal' from N. Korea over Nuclear Declaration," March 11, 2008)

3/12/08

Under an agreement reached in February 2007, North Korea was to have declared all of its nuclear programs and materials by the end of the year. Pyongyang admitted to possessing **30 to 40 kilograms** of plutonium, U.S. officials said, but balked at providing full details about a suspected uranium enrichment program and about whether it had cooperated with Syria in an alleged nuclear program destroyed by Israeli fighters last September. Now, diplomats said, a possible face-saving solution for North Korea may have been found in which those issues are separated from its initial declaration, such as in statements from Kim to Hill that would become part of the six-nation negotiations. Secretary of State Rice recently signaled the new approach in a statement after talks last month in Asia: "I really have less concern about what form it takes or how many different pieces of paper there may have to be," as long as it results in progress. (Glenn Kessler, "U.S., N. Korea to Work toward Ending Weapons Impasse," *Washington Post*, March 11, 2008, p. A-8)

**"We'll look at any and all ideas with the understanding that at the end of the day, we need a complete and correct declaration,"** Hill told reporters before flying to Geneva. "How we get that, what the pieces of paper look like, I think we should be a little flexible on the format, but with the understanding that flexibility on format doesn't mean flexibility on getting a complete and correct declaration." The separate declaration being negotiated in Geneva between Hill and his North Korean counterpart, Kim Kye-gwan, would allow the six-party talks to get back on track, the diplomatic source said. The declaration would be submitted to the other countries in the process and made public, the source added, declining to be identified. Whatever emerges cannot be a "secret agreement" but must be transparent, Hill said, before being asked if he was feeling upbeat about his trip to Switzerland. "I never talk about optimism or pessimism, except with the Red Sox," the US official said, referring to his Boston baseball team. (AFP, "U.S. Mulls New Statement to Break North Korea Deadlock," March 12, 2008)

3/13/08

There remains mounting concern inside the Bush administration that North Korean leader Kim Jong-il may seek to draw out the current negotiations in a bid to extract more concessions from a future U.S. administration. These diplomats note that Pyongyang has already missed by 10 weeks its initial deadline for declaring all its

current and past nuclear activities, as called for by the agreement. And North Korea's lead negotiator, Kim Kye-gwan, didn't show up for a scheduled meeting with Hill in Beijing last month. State Department officials express optimism that Hill can successfully press Pyongyang this week to clarify two key parts of its nuclear program: its alleged assistance to Syria and its attempts to develop highly enriched uranium. These officials say the U.S. is seeking to offer Pyongyang a face-saving alternative through which to declare its programs. But should Mr. Hill fail, they acknowledge the next administration could immediately be faced with the challenge of a North Korean leadership possibly unwilling to give up its nuclear arsenal for any price. "My fear is that the North Koreans are trying to get what they can and then delay things," said a U.S. official working on counter-proliferation issues. "They may think they can get a better deal" down the line. (Jay Solomon, "U.S. Rivals Overseas Now Bide Their Time," *Wall Street Journal*, March 13, 2008, p. A-8)

Hill-Kim Gye-gwan meeting in Geneva. Hill: "I might add that in addition to covering the format questions of how the declaration would look and in addition to the specific issues within the declaration -- as you recall, many of them are contained in the October '07 agreement -- we also had kind of a sneak preview of what the so-called phase three might look like. We discussed all aspects of what we're trying to do in phase three. We also discussed issues such as humanitarian assistance and where that stands. We discussed the issue of heavy fuel oil and the status of that, the up-to-date status of that." (Press Briefing by Christopher Hill, World Trade Organization, Geneva, March 13, 2008) Hill said the United States, South Korea and China were well on the way to living up to their commitment to provide energy aid to North Korea in exchange for the declaration and disarmament. "I think there's a realization that the U.S. has just in the past few days completed or is completing its requirement on the heavy fuel oil," Hill said. "I know that the Republic of Korea and China are working on heavy fuel oil equivalents." "I think we are more or less OK on that," Hill said. (Associated Press, "U.S. Sees Progress in Nuclear Talks with North Korea," (March 14, 2008) "I want to stress this was not a decisional meeting," the U.S. envoy said at a midnight March 13 press conference. "We looked at some of the issues that have been problematic." "We certainly are further along in this consultation than we were when we got off the plane this morning. So I would say there's been progress." DoS spokesman Sean McCormack said "I do know that Chris has spoken several times with the secretary immediately following his press conference in Geneva, and also just this morning as well." (Yonhap, "Nuclear Envoy Briefs Rice on Talks," March 15, 2008) Hill 3/14 press conference: "I am not in a position though to say whether we are prepared to go on to phase three at this point, but we will continue to be in touch with the DPRK delegation through the weekend. ...We are going to get on to phase three and make some serious progress in '08 because the purpose of this Six-Party process is not a declaration. The purpose is denuclearization of the Korean peninsula, and for that we need to really pick up the pace if we are going to achieve that." (Transcript, Press Briefing, March 13, 2008) Kim Gye-gwan: "Our position is that there have never been such programs in the past, there are no such things going on currently and that we will not engage in them in the future." (Kyodo News, March 14, 2008) Christopher Hill, Washington's special envoy to the nuclear talks, suggested to his North Korean counterpart, Kim Gye-gwan, that North Korea confidentially declare its highly enriched uranium program, the sources

said, while openly declaring less controversial issues such as its level of plutonium. But Kim refused to do so, the sources said. "We did not have, we don't have and we will not have [them]," Kim told reporters in Geneva last week, referring to the alleged secret uranium enrichment program and connections to a nuclear program in Syria. (Kang Chan-ho, "North Rejects U.S. Offer As Hopes for Talks Fade," *JoongAng Ilbo*, March 21, 2008) On March 13, the chief U.S. negotiator to the six-party talks, Assistant U.S. Secretary of State Christopher Hill, proposed the plan to include the shadow declaration with the official declaration to his North Korean counterpart, Kim Kye-gwan, in a bilateral meeting in Switzerland. The document, made via a set of confidential minutes to be exchanged only between North Korea and the United States, is likely to encompass the results of previous rounds of dialogue, and include the North's explanation for the two main issues that have prevented progress in the denuclearization process and plans for how the two sides will resolve the two issues. Theoretically, the plan allows North Korea to save face, as it has continued to deny allegations of its uranium enrichment program and nuclear cooperation with Syria. For the United States, which has called for North Korea to clarify both issues, the plan provides partial satisfaction of its requirements for the declaration. The United States was believed to have promised North Korea that it will not disclose the confidential minutes nor exploit the document politically. (*Hankyore*, "Nuclear Negotiators Nearing Agreement on N. Korean Declaration, April 4, 2008) Hill: "I don't see sequencing and timing as a problem. I think that can be worked out." "I think the really problematic element is we don't have a commitment from the DPRK to provide a complete and correct declaration," he said. "They would rather have one that misses a few elements - that is rather incomplete." "And if they give...an incomplete declaration that skips elements of the nuclear program, it is not politically sustainable, for us or for other members of the six parties." "A lot of people say, well, why are you so concerned about the declaration when the real issue should be happening on the ground?" Hill said. "And I think the answer is very clear that as we move forward and as we achieve complete denuclearization, we need to have transparency in the process." (Kyodo, "U.S. Nuclear Envoy Indicates Early N. K. Removal from Terror List," March 19, 2008) *Chosun Sinbo*: "The United States up to this day has not taken a political measure toward the DPRK, which is specified in the 3 October agreement. The United States claimed that content on the two so-called suspicions over the "uranium enrichment program" and "nuclear cooperation with Syria" should be included in the DPRK's nuclear declaration; and with this as a pretext, the United States is justifying the withholding of its action while the DPRK is denying the suspicions themselves. ... At the DPRK-US talks held in Geneva, it appears that the two sides discussed a way to resolve the series of pending issues and return to the basic principle of realizing denuclearization -- [namely] 'the DPRK's nuclear abandonment' versus 'the United States' abandonment of hostile policy.' The DPRK did not disregard the suspicions raised by the United States either. Regarding the issue on 'Syria,' [the DPRK] specified again in the 3 October agreement its commitment not to conduct 'nuclear proliferation.' [The DPRK] explained that the aluminum tubes, which the United States had claimed to be purchased for a 'uranium enrichment program,' was used for another purpose, and provided its part through a State Department official who visited the DPRK. Though the United States still argues that was not enough, the DPRK really bears no responsibility for clearing up -- at a level that is convincing to the other party -

- suspicions not directly related to the existing nuclear program. ... In a case where confrontation with the United States perhaps is not resolved during this period, the possibility even exists that the DPRK will return to the line of strengthening its nuclear deterrent and reactivate the Yongbyon nuclear facilities. At the present stage, when no fundamental solution to the problem is being achieved, the DPRK is not in a position to unconditionally accept the demand of the United States, which is a hostile country. ...The DPRK and the United States, which have been hostile countries for a long time, can resolve pending issues only through the process of building mutual trust. Nevertheless, a way to resolve the situation that must be found at present is not to unilaterally make a demand concerning a nuclear declaration to the DPRK side. The key is US action under the 3 October agreement. If the United States proves, in action, its will to make a switchover in its policy toward the DPRK by removing [the DPRK] from the list of 'state-sponsors of terrorism,' a situation different from the current situation can be created. Even if the issue was a difficult issue over which the sides made different assertions, if it is linked with liquidating DPRK-US hostile relations, a new approach to resolving the issue may be found. Although it remains to be seen whether the Bush regime will make a policy out of what was discussed at the Geneva talks, which the US assistant secretary of state viewed as 'useful,' and implement the policy, it does not have much time." (Kim Chi-yong, "Geneva Talks: Confirmation of Simultaneous Action by DPRK and the United States," March 17, 2008, FBIS) The U.S. in recent bilateral talks reportedly gave Pyongyang a list of North Korean officials involved in the supply of nuclear technology to Syria. A high-level diplomatic source on Monday said that the U.S. obtained the list of officials including nuclear engineers, who were involved in the supply of nuclear technology to Syria, through various intelligence networks. This persuaded the U.S. that the North Korea-Syrian nuclear connection did exist. According to the source, it was chief U.S. nuclear negotiator Christopher Hill who gave the list to his North Korean counterpart Kim Kye-gwan during their latest nuclear talks. Kim denied knowing anything about it. (*Chosun Ilbo*, "U.S. 'Called N. Korea's Bluff over Syria,'" April 1, 2008)

North Korea practically stopped exporting missile technology since 2005, Gen. B. B. Bell, USFK told a Senate hearing, according to transcripts obtained by Yonhap. **Bell said North Korea was believed to be fully observing resolution 1718 of the U.N. Security Council, aimed at suspending all activities related to the North's ballistic missile programs.** (Jung Sung-ki, "'Zero Proliferation of N. Korean Missile Technology,'" *Korea Times*, March 13, 2008)

At a press conference held on March 13, an official of the Ministry of Unification said, "It will be appropriate to pursue unconditional humanitarian aid to North Korea, as long as the distribution methods are transparent. However, the reaction of the Northern side should also correspond to South Korea's expectations for the human rights situation, prisoners of war, kidnappings to the North and separated families." The official added that the government could consider providing large-scale humanitarian aid, depending on progress on the North Korean nuclear issue and the North's attitude. (*Hankyore*, "S. Korea Links Aid to N. Korea to Progress on Human Rights Issue," May 14, 2008)

3/15/08

Severe crop failure in the North, surging global prices for food and tougher behavior by donors, particularly South Korea and China, are putting unaccustomed pressure on Kim Jong-il's dysfunctional communist state. "For Kim Jong Il, this will be his most difficult year," predicts Park Syung-je, a scholar at the Asia Strategy Institute. "North Korea does not have much choice for food." President, Lee Myung-bak, wants to condition some of his country's gifts of food and fertilizer on progress in removing nuclear weapons from the North, on improvements in human rights and on guarantees that food will go to poor people, not to the North Korean military. While South Korea will probably end up providing some aid without conditions, a long and politicized debate in Seoul about how much to give and under what conditions is delaying delivery. "I will not rush but wait until the time is ripe," South Korea's new minister of unification, Kim Ha-joong, told reporters this week. It seems unlikely that South Korean fertilizer -- a key to preventing crop failure in the coming fall harvest -- will arrive in time for planting, analysts here say. "Crunch time for fertilizer is now, but negotiations haven't even begun to arrange for delivery," said Lim Eul-chul, a North Korea specialist at Kyungnam University in Seoul. "This means that North Korea's dependency on China has to grow." But China, the North's closest ally and main trading partner, also has quietly slashed food aid to North Korea, according to figures compiled by the World Food Program. Deliveries plummeted from 440,000 metric tons in 2005 to 207,000 tons in 2006. Last year there was a slight increase in aid, but it remained far below the levels of the past decade. The reason for the cuts has not been made public, but some analysts believe it is related to North Korea's decision in 2006 to detonate a nuclear device. "China decided to punish the North Koreans," said Andrei Lankov. Behind its closed borders, the country has undergone a fundamental change. Analysts say North Korea now has two economies: the crumbling state system, which often fails to pay salaries and supply food, and a growing network of neighborhood markets, where people buy and sell, free of government controls. Kim's government grudgingly tolerates these places in the markets -- despite periodic police raids and crackdowns -- euros and dollars can buy Chinese gadgets and clothes. Local and imported food is also available for purchase or barter and would no doubt increase, arriving illegally if necessary, in response to a sudden spike in demand. "You will never see mass starvation again," said Lee Seung-yong, secretary general of Good Friends, a Seoul-based charity. "Except for some isolated areas, people have found ways to survive. They know they cannot depend on the government." Institutionally, mechanisms are in place in North Korea to ring the international alarm bell before hunger turns into mass starvation. But while famine is much less likely than in the 1990s, so is loyal public tolerance of food shortages, analysts and aid officials say. "There is a small but growing potential of rebellion if the food supply dries up -- and Kim's government knows it," said Lankov, echoing several other analysts and aid experts. (Blaine Harden, "Global Changes Skew Calculus of Food Aid for N. Korea," *Washington Post*, March 15, 2008, p. A-1)

3/16/08

North Korea accused U.S.-backed radio stations of broadcasting an increasing number of "provocative" programs criticizing Pyongyang, and called for an end to the transmissions. The broadcasts prove the U.S. "as no willingness to make a switchover in its DPRK policy," KCNA said. (Associated Press, "N. Korea Condemns U.S. Radio Stations for Radio Broadcasts," March 16, 2008)

- 3/18/08 KCNA belated announces Geneva talks: "The talks had an in-depth discussion on the differences that exist between the two countries as regards the implementation of the October 3 agreement of the six-party talks. Both sides agreed to sit face to face with each other and continue the discussion to seek ways of solving the problems arising in implementing the above-said agreement in the future, too." (KCNA, "Geneva DPRK-US Talks Held," March 18, 2008)
- 3/19/08 "It will be difficult to expand if the issue of North Korea's nuclear programs remains unsolved," Unification Minister Kim Ha-joong said during a meeting here with about 30 CEOs of South Korean firms operating in the complex. "Most importantly of all is that the North Korean side shows a more sincere attitude in resolving the nuclear dispute while making a business-friendly environment for South Korean firms, and tries to settle the three main problems in Kaesong more aggressively." (Shim Sun-ah, "No Kaesong Expansion without Nuke Talk Progress: Unification Minister," Yonhap, March 19, 2008)
- A group of aides to U.S. senators on the Armed Services Committee are in North Korea to arrange for Korean residents in the United States to visit their separated family members in the isolated communist state, Voice of America reported. (Yonhap, "U.S. Senators' Aides in N. Korea amid Nuke Impasse: Report," March 20, 2008)
- 3/20/08 South Korea's former number two nuclear envoy, Lee Yong-joon, was promoted to the post of deputy foreign minister. Hwang Joon-kook, who is known for his expertise on multilateral diplomacy, was tapped as Seoul's number two negotiator at the six-way talks on the North Korean nuclear program, taking the baton from Lim Sung-nam. Sources said Kim Sook, a veteran diplomat who spent most of his career handling U.S. affairs, will succeed Chun Yung-woo. "It is expected to take one or two weeks," a senior ministry official said, confirming current envoy Chun will be replaced. Chun will likely become Seoul's ambassador to Austria or the United Nations. Wi Sung-lac, minister at the embassy in Washington, was tapped special advisor to Foreign Minister Yu Myung-hwan. (Yonhap, "Ex-Nuke Envoy Tapped as Deputy Foreign Minister," March 20, 2008)
- North Korea is expected to replace its ambassador to the United Nations Pak Gil Yon next month with former deputy U.N. ambassador Shin Sun-ho. A U.N. source said, "With his term expiring, Ambassador Pak is scheduled to return to Pyongyang next month. I understand there is no specific reason for the move other than the end of his term." (*Dong-A Ilbo*, "North Korea's U.N. Envoy to Leave Next Month," March 20, 2008)
- Kim Jong-il's "best efforts to orchestrate a balance among competing interests within the North may be a 'stretch too far' for North Korean military hardliners," Keith Luse wrote in a report to the committee on his February trip to Pyongyang. "Declaring and discarding the jewel of their arsenal will be difficult for those viewing it as the ultimate deterrent." Sig Hecker wrote, "We were told the DPRK military and industrial officials were extremely unhappy with the access the Americans were granted and with the fact that they were given samples." (Viola Gienger, "North Korean Military May Block Atomic Accord, Senate Aide Says," Bloomberg News, March 20, 2008; Glenn Kessler, "Kim's Realm Shows Signs of a Rift," *Washington Post*, March 27, 2008, p. A-11)

"South Korea should begin now to cooperate on the forestation of North Korea," Lee Myung-bak said, while being briefed by the Ministry of Environment on its policy in Gwangju, Gyeonggi Province. "Such cooperation would not only help (the two Koreas) prepare for reunification, but also help conserve our land. In addition, it would also help us create a national value of environmental protection" said Lee. The North has not yet responded. (Jung Sung-ki and Bae Ji-sook, "South Ready to Help North's Forestation," *Korea Times*, March 21, 2008)

3/23/08

What is blocking this breakthrough is North Korea's refusal to explain its nuclear relationship with Syria. This remains one of the murkiest foreign policy issues of the past year, but administration policymakers, intelligence officials and other analysts recently shed some new light on what happened. The mystery centers on Israel's September 6 bombing of a facility in Syria. This was to be the site of a nuclear reactor, U.S. officials believe. North Korea had made a secret agreement to provide technical know-how and some materials for the reactor, although not fissile material. The Israelis destroyed the reactor site -- but neither they nor the United States made any public statement about the attack. The silence in Washington and Tel Aviv led some analysts to think that the Bush administration was afraid of blowing up the six-party talks with North Korea -- by disclosing the evidence of Pyongyang's role as a proliferator. That may have been a small factor, but I'm told that the larger issue was a fear in Israel -- especially, it's said, with Defense Minister Ehud Barak -- that disclosure would wreck the chances for serious peace negotiations with Syria, which the Israelis were exploring through back channels. U.S. officials have begun to confirm publicly that they have hard intelligence about North Korean proliferation. Mike McConnell, the director of national intelligence, said in February 7 testimony to the House intelligence committee: **"While Pyongyang denies a program for uranium enrichment and also denies its proliferation activities, we know North Korea continues to engage in both."** In a telephone interview last week, a senior intelligence official confirmed the Syria nuclear connection, saying: "Our suspicions are justified and valid. A lot of due diligence was done on this. People are confident." It doesn't make sense to break off the talks when they are so close to success, but then, it doesn't make sense to continue with a charade, either. (David Ignatius, "A Ticking Time Clock on North Korea," *Washington Post*, March 23, 2008; B07)

Park Guen-hye said she will not canvass for other candidates of the GNP in April 9 parliamentary elections, and demanded that party leaders take responsibility for what she calls retrogressed democracy and the deception of herself and the people by the GNP. "I have reached the conclusion that I was deceived by the party leadership. The leadership must shoulder responsibility for failing to keep the party together, and for implementing such senseless nominations," Park said at a press conference. (Kim Jie-hyun, *Park Slams GNP over Nominations*," *Korea Herald*, March 24, 2008)

3/25/08

"We continue to have talks through the New York channel," [including today] he said in a speech at the Atlantic Council in Washington. "Some of those discussions, some of the specific things we have been talking about, could lead to a resolution" (Yonhap, "U.S. Nuke Envoy Due in Seoul," March 25, 2008)

3/26/08

WikiLeaks cable: "Wednesday, 26 March 2008, 09:48  
C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 001141  
SIPDIS  
SIPDIS

**EO 12958** DECL: 03/26/2033

**TAGS** PREL, PGOV, PARM, KNNP, MNUC, KN, CH, IR

**SUBJECT: STAFFDEL JANUZZI DISCUSSES NONPROLIFERATION, IRAN,  
AND DPRK WITH MFA ARMS CONTROL DIRECTOR GENERAL**

Classified By: Deputy Political Section Chief Ben Moeling. Reasons 1.4 (b/d)

### **Summary**

This note spells out the subtle differences in US and Chinese approaches to containing Iran: the Americans favour sticks while the Chinese still prefer carrots. In addition, the Chinese protest that their energy deals with Iran have no bearing on the nuclear issue. Key passage highlighted in yellow.

### Summary

1. (C) Current bilateral cooperation on arms control, nonproliferation and export control is "remarkable," MFA Department of Arms Control Director General Cheng Jingye told Staffdel Januzzi March 24. Nevertheless, there is a "perception" that the United States counts on China's support on nonproliferation issues but does not fully trust China as an equal partner. On Iran, China supports a dual approach which includes applying pressure via Security Council resolutions and focusing on the diplomatic front. China's cooperation with Iran on energy is unrelated to the Iran nuclear issue and Cheng "can't imagine" the consequences if Sinopec is sanctioned. On North Korea, Cheng urged the United States to find a creative resolution to the declaration issue. End Summary.

2. (C) Frank Januzzi and Puneet Talwar, staff members of the Senate Foreign Relations Committee, met MFA Department of Arms Control Director General Cheng Jingye March 24 to discuss Chinese views on arms control, non-proliferation, Iran and North Korea.

### "Remarkable" Cooperation

3. (C) Arms control, export controls and nonproliferation all contribute to China's security, said Cheng. A decade ago, cooperation between China and the United States focused on certain cases, but today's level of cooperation on nonproliferation and arms control issues is "remarkable," Cheng said. For example, China is actively involved in diplomatic negotiation efforts on North Korea and Iran. And in many areas of nonproliferation, said Cheng, the two countries see "eye-to-eye." He referred to multilateral agreements such as the Nuclear Suppliers Group (NSG), the Missile Technology Control Regime (MTCR), the Australia Group and the Wassenaar Arrangement and said that even if China is not a member of these various organizations, China has in place its own export control regime. For example, there is

interagency coordination on sensitive exports as well as alleged proliferation cases raised by the United States. Cheng noted that while the pace of implementing arms control agreements has slowed in the past decade, China is prepared to move the disarmament conference forward within the United Nations framework.

#### Equal Partners

4. (C) **Cheng contended that there is a "perception" that the United States counts on China's support and cooperation on nonproliferation issues but does not fully trust or treat China as an equal partner. For example, in the 1990s, China was invited to join the MTCR and the Australia Group but declined to join. Currently, however, China is "not welcome," despite expressing a willingness to join,** Cheng said. China and the United States need to cooperate on a "mutual, equal basis." Cheng also raised the issue of sanctions against China Great Wall Industry Corporation (CGWIC). CGWIC has been subject to sanctions for ten years without "solid evidence," said Cheng. Over the past 3-4 years, CGWIC has restructured the company, changed its business model and prohibited contacts with countries of concern to the United States. Cheng expressed hope that the company would make progress during its March 20 meetings in Washington. ...

#### North Korea

9. (C) Januzzi recounted his meetings with DPRK counterparts during his five-day trip to North Korea and said that he encouraged them to provide a declaration. **Cheng said that China does not have specific information on North Korea's alleged purchase of centrifuge technology and that China had received this information from the United States. He urged the United States to focus on the future and not to dwell on the past.** The United States is not interested in delving into North Korea's past, Januzzi countered. The United States needs to have clarity on certain issues, however, in order to move forward. According to Cheng, PRC Vice Foreign Minister Wu Dawei urged the DPRK to take advantage of this unique opportunity. The resolution of the declaration issue will require some imagination and creativity, Cheng said. North Korea does not fully trust the United States and remains concerned about admitting to an activity it claims never existed, Cheng claimed.

10. (U) Staffdel Januzzi did not have an opportunity to clear this cable. PICCUTA

"North Korea's leadership has to realize that the settlement of its nuclear problem would be truly helpful to inter-Korean economic cooperation and unification. The North will only be able to stabilize its regime, maintain peace and achieve economic prosperity when it gives up its nuclear program," said President Lee Myung-bak in a policy briefing at the Ministry of Unification. **"We'll keep up the shipment of humanitarian aid to North Korea regardless of the nuclear issue,** because we have to continue to love the North Korean people. **In return, however, the North should also become more serious about resolving the problems associated with South Korean prisoners of war, abductees and separated families."** He also said the existing cross-border cooperation projects, such as a South Korean tour of North

Korea's Mount Geumgang and the South-invested industrial park in the North's border town of Kaesong, should be continued, though there is still room for improvement. "The point of Lee's remarks was that his government will flexibly handle North Korean affairs and inter-Korean cooperation by pragmatic standards," presidential spokesman Lee Dong-kwan said in a media briefing. "The president is convinced that inter-Korean relations are no longer bilateral and should be approached from the perspective of the future of the Korean Peninsula. He also asked that inter-Korean relations be readjusted now by global standards in order for the two Koreas to pursue a win-win situation." (Yoo Cheong-mo, "Lee Steps up Anti-Nuclear Pressure on N. Korea," Yonhap, March 26, 2008)

South Korea "will vote for the resolution" at the U.N. Human Rights Council in Geneva, the senior official from the Foreign Ministry said. (Kwang-Tae Kim, "S. Korea to Back UN Resolution on N. Korea," Associated Press, March 26, 2008) The Council renewed the one-year mandate of its special rapporteur for North Korea, Vitit Muntarbhorn, overcoming objections from countries including China and Russia which wanted the post abolished. The 47 member-state body voted 22-7 with 18 abstentions to adopt a resolution presented by Japan and the EU. South Korea, which had abstained in previous years, voted in favor. (Stephanie Nebehay, "U.N. renews North Korea Rights Investigator's Mandate, Reuters, March 27, 2008)

Rice: "We expect that the declaration and any associated documents will show the full range of the North Korean programs and activities so that there can be an effort to verify and to deal with anything that has happened concerning North Korean programs and proliferation and the like. We've been concerned about North Korean proliferation for quite a long time." Department of State, Condoleezza Rice, "Remarks with ROK Minister of Foreign Affairs and Trade Yu Myung-hwan," March 26, 2008)

3/27/08

"The South Korean government pulled out all of its 11 officials residing in the Inter-Korean Exchanges and Cooperation Consultation Office in the Kaesong complex at about 1 a.m. Thursday after the North demanded their withdrawal," Kim Ho-nyeon, spokesman for the Unification Ministry, said in a press briefing. (Shim Sun-ah, "N.K. Expels S. Korean Officials from Kaesong Park," Yonhap, March 27, 2008) The predawn expulsion of South Korean officials at the Kaesong site, once hailed as a model of economic cooperation, is one of the most aggressive moves in years by the destitute North against its wealthy neighbor that supplies it with aid. Presidential Blue House Spokesman Lee Dong-kwan said after an emergency meeting that the North's measure "was a very regrettable incident that could damage progress of economic cooperation between the South and the North." (Jack Kim, "North Korea Expels South's Officials from Factory Zone," Reuters, March 27, 2008)

3/28/08

DPRK FoMin spokesman: "The U.S. has not fulfilled its commitments as regards the lifting of the sanctions within the agreed period but insisted on its unreasonable demands concerning the nuclear declaration, thus throwing hurdles in the way of settling the issue. ... When the U.S. side claimed that the issue of 'suspected uranium enrichment' can be solved if the DPRK tells about whereabouts of the imported aluminum tubes, the DPRK took such a measure as an exception as allowing U.S.

experts to see even sensitive military objects and providing them with samples. And when the U.S. side was the first to raise the issue of the 'suspected nuclear cooperation with Syria,' it asked the DPRK to reconfirm its commitment not to proliferate the nuclear technology as the relevant object of Syria was destroyed by the bombing of Israel, **making it unnecessary to clarify it any longer.** This 'suspicion,' too, had nothing to do with the DPRK. But it was so broadminded as to meet this request as a part of its sincere efforts to help implement the October 3 agreement. ... **Explicitly speaking, the DPRK has never enriched uranium nor rendered nuclear cooperation to any other country.** It has never dreamed of such things. Such things will not happen in the future, too. **Should the U.S. delay the settlement of the nuclear issue, persistently trying to cook up fictions, it will seriously affect the disabling of nuclear facilities** which has been under way so far with a great deal of effort. (KCNA, "DPRK Foreign Ministry's Spokesman Blasts U.S. delaying Tactics in Solution of Nuclear Issue," March 28, 2008)

North Korea test-fired a volley of missiles into the West Sea and warned that it might stop disabling its nuclear facilities unless the United States drops its demands for more details about the North's nuclear arsenal. "Should the U.S. delay the settlement of the nuclear issue, persistently trying to cook up fictions, it will seriously affect the disabling of nuclear facilities which has been under way so far with a great deal of effort." (Blaine Hardin, "North Korea Test-Fires Missiles," Washington Post News Service, March 28, 2008)

3/29/08 DPRK FoMin spokesman: "The 'resolution' was bulldozed past the session with the help of some dishonest forces, the EU and Japan being main players, pursuant to the U.S. moves against the DPRK. This is a politically-motivated document as it is full of sheer lies and fabrications. The adoption of the anti-DPRK 'resolution,' the most vivid manifestation of the act of politicizing human rights, selectivity and double-standards, is to serve the political purpose of tarnishing the image of the dignified DPRK and eliminating its ideology and system. ... The 'resolution' will only result in scuttling the cooperation between the UN Human Rights Council and the DPRK and aggravating their mistrust and confrontation and the U.S., the EU and Japan will be held fully accountable for all the unpredictable consequences." (KCNA, "DPRK Foreign Ministry Spokesman Blasts Anti-DPRK 'Resolution,'" March 29, 2008)

3/30/08 KCNA: "The head of the DPRK side's delegation to the inter-Korean general-level military talks sent a notice to the chief delegate of the south side delegation on Saturday clarifying the stand of the Korean People's Army as regards the outbursts calling for 'a preemptive attack' let loose by the chairman of the Joint Chiefs of Staff of the south Korean forces. These outbursts are the gravest challenge ever in the history of the inter-Korean relations and a reckless provocation little short of a war declaration against the DPRK, he noted. Notifying the south side of the following principled stand of the KPA as regards the prevailing serious situation upon the authorization, the head of the delegation stated: The KPA will counter any slightest move of the south side for "preemptive attack" with more rapid and more powerful preemptive attack of its own mode. **If the south side does not retract the outbursts calling for "preemptive attack" nor clarify its stand to apologize for them, the KPA will interpret this as**

**the stand of the south side' authorities to suspend all inter-Korean dialogues and contacts.** The KPA will take such a resolute measure as totally banning the passage of persons in authority of the south side including military personnel through the Military Demarcation Line as an immediate step." (KCNA, "Notice Sent to Chief Delegate of South Side to Inter-Korean General-Level Military Talks," March 29, 2008)

KCNA: "The chairman of the Joint Chiefs of Staff of the south Korean Forces at a 'confirmation hearing at the National Assembly' on March 26 pulled up the north over what he called 'nuclear threat' and went the lengths of threatening that they would make a 'preemptive strike' at its nuclear bases with precision guided weapons when necessary. This is little short of a declaration of a war against the DPRK. A military commentator declared this in his article entitled 'South Korean military authorities should behave with discretion.' We do not interpret the above-said outbursts as an accidental slip of tongue, the article noted, adding that what he cried out for fully represents the new policy of the present south Korean authorities towards the north. In the light of the position of the south Korean military authorities the above-said outbursts are nothing but sheer nonsense and nothing surprising to us but the Korean People's Army cannot but clarify its principled stand as regards them as they represent the present south Korean authorities' new policy of the confrontation towards the DPRK. As we have clarified more than once, a preemptive strike is by no means a monopoly of the one party on the Korean Peninsula where there goes on the state of neither war nor peace. Our revolutionary armed forces ...will counter any slightest move for 'preemptive strikes' at their nuclear bases with more rapid and more powerful preemptive strikes of their own mode. ... They should bear in mind that once the more powerful preemptive strike of our own mode be launched, it will not merely plunge everything into flames but reduce it to ashes. All the expected north-south dialogues will be totally suspended unless the south Korean military authorities clarify their stand to retract the outbursts calling for 'preemptive strike' and apologize for them." (KCNA, "Military Commentator Blasts Outbursts of Chairman of Joint Chiefs of South Korean Forces," March 29, 2008)

South Korea dismissed as "unworthy" a claim by North Korea that the current maritime border in the West Sea had been drawn unfairly and thus should be moved further south. In a statement issued on Friday, North Korea's navy accused South Korea of recently infiltrating dozens of warships into its waters across the disputed sea border, called the Northern Limit Line (NLL). "The government feels no need to further discuss the issue because its position on the NLL remains firm," Kim Hyong-ki, a spokesman for South Korea's Defense Ministry told reporters. (Byun Duk-kun, "Seoul Dismisses N. Korean Accusation, Vows to Defend Sea Border," Yonhap, March 29, 2008)

North Korea threatened to cut off dialogue with South Korea over comments a South Korean military official reportedly made last week about a possible pre-emptive strike against the communist nation. Kim Tae-young, the new chairman of South Korea's Joint Chiefs of Staff, said March 26 that his forces were ready to make a pre-emptive assault on North Korea's military bases if the North was preparing for a nuclear attack, *JoongAng Ilbo* reported. The Defense Ministry later denied Kim made any mention of a pre-emptive strike. (Bomi Lim, "North Korea Threatens to Cut Dialogue with the

South," Bloomberg News, March 30, 2008) "He was only referring to a 'general guideline' for military counteractions to a worst case scenario of North Korea's nuclear attack. There was no such wording as 'preemptive strike' in the Assembly records," the South Korean Defense Ministry said in a statement. (Jin Dae-woong, "N.K. Brinkmanship Escalates Tensions," *Korea Herald*, March 31, 2008)

3/31/08

KCNA: "The chief delegate of Japan to the six-party talks said in a talk with the U.S. assistant secretary of State on March 17 that 'the matter of delisting north Korea as sponsor of terrorism is a matter decisive of the Japan-U.S. alliance,' calling for the 'perfect bilateral relations of trust.' ...It is a political mistake and an act of going against the trend of the times that the Fukuda regime has got illusion about the above-said 'diplomacy' as its predecessors did." (KCNA, "KCNA Blasts Japan's Foolish Way of Thinking," March 31, 2008)

Deputy SecDef Gordon England claims at conference sponsored by Missile Defense Agency that missile defenses "allow our national leadership a choice beyond offensive actions," citing the Taepo-Dong-2 test of July 2007 as "a prime example." He said, [W]e had no idea when it was going to be launched and where they intended to fly it. It was possible that it could have reached U.S. territory." At an April 30 subcommittee hearing of the House Committee on Oversight and Government Reform, LT-Gen. Henry Obering, director of the MDA, said the ground-based mid-course defense system "was good enough that when the North Koreans stacked their Taepo-Dong-2 in the summer of 2006, the president was relying on [the system] as opposed to taking the advice of some ... former senior officials to preemptively strike that site," a reference to an op-ed by William Perry and Ashton Carter in the June 22, 2006 *Washington Post*. Recent administration statements obscure the perception that the North, aside from seeking leverage, was preparing for a test, not an attack. In an email Jack Pritchard wrote that there was "no credible evidence or the slightest suggestion that North Korea was about to attack" the United States. The GAO reported in March that "the tests done to date have been developmental in nature, and do not provide sufficient realism for [the Pentagon's] test and evaluation director to fully determine whether the [Ballistic Missile Defense System] is suitable and effective for battle." (Wade Boese, "Missile Defense Role Questioned," *Arms Control Today*, July-August 2008, pp. 43-44)

4/1/08

*Rodong Sinmun* commentator in first attack on Lee personally: "The Lee Myung-bak regime of the Grand National Party that emerged in south Korea recently is becoming undisguised in its sycophancy towards the U.S. and confrontation with the DPRK, blatantly swimming against the trend of the era of independent reunification. Lee and his gentries are letting loose such spate of sophism as 'priority to the south Korea-U.S. relations,' 'complete settlement of the north's nuclear issue' and 'pragmatism,' crying out for making up for 'the lost decade' in a bid to overturn all what has been achieved between the north and the south of Korea since the publication of the June 15 joint declaration. Lee Myung Bak, in particular, is getting vocal in the nuclear racket, making no scruple of talking such nonsense as 'it is impossible to head for reunification and hard to improve the south-north relations unless nukes are dismantled.' This reminds one of traitor Kim Young Sam's utterances that he 'would not shake his hand with the

one who has access to nukes.'" (KCNA, "Lee Myung-bak Regime's Sycophancy towards U.S. and Anti-DPRK Confrontation Hysteria Blasted," April 1, 2008)

"I think we should probably not overreact to those comments," Hill told reporters upon arriving at Incheon. "I don't think I will take fire extinguisher with me to the next set of talks." He said the two sides have been narrowing differences since his talks with North Korea's nuclear envoy, Kim Kye-gwan, in Geneva last month. "We had some progress in Geneva. We thought we had some progress after that," he said. "Obviously, we are getting to the point where we need to make some progress very quickly. But I don't have a specific deadline." (Lee Chi-dong, "N. Korea's Harsh Rhetoric Not a Concern": Hill," Yonhap, April 1, 2008)

4/2/08

Hill: "**We have had some communication with the North Koreans since then about what type of, what measures need to be taken in order to achieve the complete declaration.** And I think it's fair to say that -- despite the overall atmosphere, which has not been improved due to these rather intemperate statements coming out of Pyongyang in recent days -- nonetheless, I think we do feel that **some of the actual differences with respect to the declaration have narrowed.** But whether that's significant or not we won't know until we actually have the declaration. ... You know, we have 11 elements of disablement, and some of those will get going at the latter stage of the declaration process. I do believe, I continue to believe, that the disablement has gone very well, better than many people expected, that we have had continuing teams there. And I feel very encouraged by the overall pace and scope of disablement. And so it is not yet completed, and it probably will not be completed until the actual declaration, until the end of this phase two." (Department of State, Press Availability at the Ministry of Foreign Affairs and Trade, Christopher Hill, Seoul, April 2, 2008)

4/3/08

In a two-sentence telephone message addressed to Seoul's chief delegate to inter-Korean military talks, Maj. Gen. Kwon Oh-sung, in response to Seoul's call made Wednesday for Pyongyang to halt its hostile rhetoric and actions, the North's chief delegate to inter-Korean military talks, Lt. Gen. Kim Yong-chol, said his country will soon start taking military steps, according to MoD spokesman Kim Hyong-ki. "The North Korean side in a reply delivered today said it will soon start taking the steps it laid out in an earlier message delivered on March 29." (Byun Duk-kun, "N. Korea Threatens to Take 'Actions' against S. Korea," Yonhap, April 3, 2008) "The South's position enunciated yesterday is nothing but an excuse, and (the North) will take military countermeasures," Pyongyang said, according to ministry officials. South Korea expressed its "regret" regarding the North's denunciation of Seoul's military leader's remark concerning a possible preemption of a nuclear attack by the North. The Lee Myung-bak government explained that the North's anger was based on its arbitrary interpretation of the remark. Seoul has urged Pyongyang to immediately stop its verbal attacks and provocative activities. (Jin Dae-woong, "Pyongyang Threatens Military Steps," *Korea Herald*, April 4, 2008) In its letter, the South rejected North Korea's demand for an apology over remarks made by Gen. Kim Tae-young. "The government wants North Korea to resume sincere dialogue and the North needs to change," President Lee said in a meeting with top generals. Lee said that Gen. Kim's remarks at the National Assembly were a very natural and ordinary answer to a lawmaker's

question. "They shouldn't be interpreted differently. North Korea's provocations are not desirable." Presidential office spokesman Lee Dong-kwan said the President believed that Pyongyang should move away from its outdated ways, actions and attitudes to hold a sincere dialogue with the South. (Jung Sung-ki, "Lee Urged N. Korea to Change for Dialogue," *Korea Times*, April 3, 2008) President Lee said on April 3, "We propose that the two sides engage in sincere dialogue, and in order to do so, we believe the North has to move away from its previous ways and actions." North Korea's rising tensions with South Korea and the United States, along with soaring international grain prices and flood damage from last year, will probably take a heavy toll among famine-threatened people in North Korea, relief experts said. The warnings followed a report on Thursday that North Korea's government had suspended distribution of food rations for six months in Pyongyang, the capital and home to the country's most well-off and loyal citizens, in what seems to be a move to save food as North Korea braced for a prolonged standoff with Washington and Seoul over the North's nuclear program. (Choe Sang-hun, "North Korea's Growing Rancor May Increase Hunger," *New York Times*, April 4, 2008, p. A-9)

The Navy Command of the KPA issued "a press release assailing the warmongers of the south Korean forces for perpetrating a serious military provocation in the frontline waters in the West Sea of Korea. At round 11:45 on Thursday the warmongers of the south Korean forces infiltrated three warships deep into the territorial waters of the north side southeast of Ssanggyo-ri, Kangryong County, South Hwanghae Province, the press release said, and went on: The gravity of the situation lies in that when the north side repeatedly urged the south side to withdraw, declaring it was a violation of the north-south agreement over an international maritime ultra-short wave walkie-talkie, the south Korean forces claimed their intrusion into the territorial waters of the north side was a 'just act,' asserting 'they are operating in the waters under their control. Don't make far-fetched assertions.'" (KCNA, "S. Korean Forces' Military Provocations under Fire," April 3, 2008) An ROK military spokesman said, "They contacted our boats by means of international commercial radio and claimed we were in their waters, although our side made clear the reason for their presence." (Yonhap, "North Korea Threatens to Counter 'Breach' of Territorial Waters," *Vantage Point*, May 2008, p. 36) [Ri says North used hot line to communicate warning.]

The Singapore government said Thursday it will look into allegations that a Singapore company was involved in the exports of rocket launchers by North Korea to Myanmar, following a report by NHK. "We are committed to fulfilling our international obligations to prevent the proliferation and illicit trafficking of arms and weapons of mass destruction," the ministry said in a statement. NHK said the exports were of a 65 kilometer (40.4 mile)-range multiple-launch rocket system capable of rapid-firing shells measuring 24 centimeters (9.5 inches) in diameter and 1 meter (3.3 feet) long. (Associated Press, "Singapore Says It Will Investigate Alleged North Korea Rocket Exports to Myanmar," April 3, 2008)

In testimony before the Senate Armed Services Committee, Lt. Gen. Walter Sharp, the new USFK commander, called on Seoul to develop its missile defense system to be interoperable with the U.S. ballistic missile defense network to thwart North Korea's

missile threat. Sharp said South Korea should build a "layered" defense system including airborne lasers and advanced Patriot Advanced Capability-3 (PAC-3) missile systems. Sharp's remarks are the latest U.S. push for Seoul to join the advanced BMD system, which South Korean liberal lawmakers and progressive civic groups have vehemently opposed. (Jung Sung-ki, "U.S. urges Seoul to Bolster Missile Defense," *Korea Times*, April 4, 2008)

4/4/08

North Korea and the United States are believed to be fine-tuning the specifics of an agreement that would allow both sides to get what they want and move on to the next step in the denuclearization process. The agreement is reported to include the official declaration and a shadow declaration that is not part of the official document. The shadow declaration would be made possible via the creation of bilateral confidential minutes, a diplomatic document that is to contain agreements on sensitive issues but will not be officially disclosed to the public. Under the agreement, the two sticking points that have prevented North Korea from making what the United States will accept as a full declaration on its nuclear weapons program - the North's alleged uranium enrichment program and nuclear cooperation with Syria - would be written into the confidential minutes. On April 3, a diplomatic source in South Korea who is familiar with the six-party talks on the North's nuclear program said there was a consensus among the six nations that they would probably accept the official declaration made by North Korea, which may contain a precise report on its plutonium program, and swiftly move to dismantle North Korea's nuclear facilities, without demanding that information about an alleged uranium enrichment program and nuclear cooperation with Syria be included in the official document. North Korea was required to submit the official declaration to China, host nation of the six-party talks, at the end of last year, a deadline that it missed. On March 13, the chief U.S. negotiator to the six-party talks, Assistant U.S. Secretary of State Christopher Hill, proposed the plan to include the shadow declaration with the official declaration to his North Korean counterpart, Kim Kye-gwan, in a bilateral meeting in Switzerland. The document, made via a set of confidential minutes to be exchanged only between North Korea and the United States, is likely to encompass the results of previous rounds of dialogue, and include the North's explanation for the two main issues that have prevented progress in the denuclearization process and plans for how the two sides will resolve the two issues. Theoretically, the plan allows North Korea to save face, as it has continued to deny allegations of its uranium enrichment program and nuclear cooperation with Syria. For the United States, which has called for North Korea to clarify both issues, the plan provides partial satisfaction of its requirements for the declaration. The United States was believed to have promised North Korea that it will not disclose the confidential minutes nor exploit the document politically. There may be consensus among the participants of the six-party talks to not give up hard-won progress in the dismantlement of North Korea's plutonium-based nuclear facilities, which are believed to make up almost all of North Korea's nuclear power. North Korea has pledged to declare its plutonium activities precisely and sincerely, saying it has reprocessed 30 kilograms of plutonium, and said that it would accept a "thorough verification" of its declaration. The only remaining issue, then, is an explanation from North Korea on its alleged uranium enrichment program and nuclear cooperation with Syria. However, most analysts believe that, even if North Korea were to have launched its uranium enrichment program, it would not yet be fully operational. The suspected nuclear facility in Syria was destroyed

by an Israeli air strike in September, so it, along with the uranium enrichment program, is not considered by many to be a pending threat. (*Hankyore*, "Nuclear Negotiators Nearing Agreement on N. Korean Declaration, April 4, 2008)

North Korea has recently asked China to provide large amounts of food aid to relieve worsening shortages. The move was seen as a sign the North will not request food aid from South Korea amid increasing tension between the two countries, *Hankyore* reported, quoting an unnamed diplomatic source. China has not yet responded. (Associated Press, "Report: North Korea Asks China to Provide Massive Food Aid amid Tension with Seoul, April 4, 2008) North Korea has suspended food rations for Pyongyang, Good Friends reports. Relief experts fear famine. (Choe Sang-hun, "North Korea Cuts Rations of Food in Capital," *New York Times*, April 4, 2008, p. A-13)

4/7/08 Sin Son Ho was appointed as the DPRK permanent representative at the United Nations, according to a decree of the Presidium of the DPRK Supreme People's Assembly. (KCNA, "DPRK Permanent Representative at UN Appointed," April 7, 2008)

4/8/08 At annual U.N. arms reduction committee meeting, a DPRK representative says, "South Korean officials will have to behave well in accordance with the historic June 15 Joint Declaration and the October 4 Declaration rather than pursuing a road to a showdown with the DPRK," KCNA reported on April 13. (Yonhap, "N. Korea Urges S. Korea to Abide by Inter-Korean Accords," *Vantage Point*, May 2008, p.38)

4/8-9/08 Hill bilateral with Kim Gye Gwan in Singapore. "We've definitely made some progress," Hill told reporters following talks with nuclear negotiators from China, South Korea and Japan. "We have a lot of work ahead of us. I don't want to suggest there's been any major breakthrough," Hill added. "We haven't yet arranged for all the factors, or the elements, that have to be put together." (Chris Buckley, "Steps But No Breakthrough in North Korea Talks, Reuters, April 9, 2008) Hill: "I want to stress that we haven't yet arranged for all the factors, all the elements that need to be put together. Obviously, this is a package. We are talking about a declaration that has several elements. One of the key ones, of course, would be the amount of plutonium that the DPRK declares. But we've been able to have very good discussions on some of the other key factors that have allowed us to go forward. Again, as is always the case in the Six-Party process, nothing is agreed unless everything is agreed. So we have to continue to work on what an overall package of elements there'll be in order to conclude phase two and then get on to the very important phase three -- where we anticipate, or we look forward to, dealing with the question of the DPRK separated plutonium and seeing what kind of overall arrangements can be made to have that third phase be the phase that fulfills the September '05 statement of principles to achieve the denuclearization of the Korean Peninsula. ... Obviously, if we can finalize the issue of the declaration, that will be a key moment -- because the declaration needs to be submitted to the Chinese chair. China then needs to bring the Six Parties together. We need to look at the overall declaration, make sure it is consistent with our expectations, and then we have to have to look ahead at how we are going to deal with the next phase." (Hill, Press Availability at MOFA, April 9, 2008) Under the face-saving deal reached by U.S. and North Korean envoys in Singapore last week, Washington would state in a document its concerns about North Korea's suspected uranium enrichment program and transfer of nuclear technology and

material to Syria, a diplomatic source said. In the same document, North Korea would "acknowledge" the U.S. assertions, the source said. "The negotiators concerned think that the issue over uranium and Syria has been settled," a Japanese government source said. "It is hard for North Korea to admit (the U.S. assertions)," a Japanese government source said. (Teruaki Ueno, "U.S. and Envoys Think Key Row Cleared: Sources," Reuters, April 16, 2008)

DPRK FoMin spokesman: "As a result of the talks a consensus was reached on the U.S. measure to **make political compensation** and the nuclear declaration essential for winding up the implementation of the agreement. The recent Singapore agreement fully proved the effectiveness of the DPRK-U.S. talks. We will follow the fulfillment of the commitments of those countries participating in the six-party talks." (KCNA, "Spokesman for DPRK Foreign Ministry on DPRK-U.S. Talks," April 9, 2008)

4/9/09 GNP wins narrow majority of 156 seats in 299-member National Assembly but fell short of 168 seats needed to control all committees. Park Guen-hye loyalists claim 60 seats. (Kim Min-hee, "Park Allies Emerge with Strong Leverage," *Korea Herald*, April 11, 2008) Turnout is at record low 46 percent, down 14.6 percent from four years ago. (*Chosun Ilbo*, "Low Voter Turnout Is Deeply Worrying," April 10, 2008)

Supreme National Assembly convenes to work on budget. IPM Kim Yong-il in report to the session says, "This year the cabinet will channel all human and material resources into bolstering the fields of power, coal and metal industries and railway transportation." "It increased expenditures by 49.8 percent for these sectors this year. Investment in science and technology is up 6.1 percent. Increasing expenditure in agriculture by 5.5 percent, it wants to make progress on solving the food problem "at any cost." (Kim Sung-jin, "Major Economic Tasks and State Budget for 2008," *Vantage Point*, May 2008, pp. 11-13)

4/10/08 The United States is prepared to lift two key economic sanctions against North Korea under a tentative deal reached with that country this week, which requires Pyongyang to "acknowledge" U.S. concerns and evidence about enrichment and proliferation activities without admitting them publicly, U.S. and Asian diplomats said. The agreement also requires North Korea to finish disabling its main nuclear facility and provide a full accounting of its stockpile of plutonium. That paves the way, diplomats said, for President Bush to remove North Korea from the U.S. list of state sponsors of terrorism and to exempt it from the Trading with the Enemy Act. "We are trying to focus on the plutonium as we try to resolve our suspicions on uranium enrichment" because "that's where the money is," Hill said: "That's where the bombs are. We don't have suspicions about plutonium; we have cold, hard facts about plutonium." U.S. officials said further negotiations are needed, and an Asian diplomat said those will involve the amount of plutonium that North Korea plans to declare. Last year, North Korea said that it possessed about 30 kilograms of plutonium, much less than U.S. intelligence had estimated. "The ball is on the North Korean side," the diplomat said. "We need to have a clear explanation for the amount, and it has to be verified." [a reference to reactor operating records] (Glenn Kessler, "U.S. Ready to Ease Sanctions on N. Korea," *Washington Post*, April 11, 2008, p. A-15)

"We have a plan for moving ahead, and let's see if we can get it done," Hill said after a private meeting with members of Congress. "We've had a tough problem, and I think we've been able to figure out a way forward on it. I'll know better as the days unfold." (Foster Klug, "U.S. Envoy on N. Korea Sees Way Forward," Associated Press, April 10, 2008)

Pyongyang told an official, who was working at the South Korean-run Mount Kumgang resort just inside the North, to leave, Yonhap reported. "The Lee group had better stop peddling the above-said nonsensical phraseology only to become the laughing stock of the world people but mind its own business," *Rodong Sinmun* said in a commentary. It called Lee's pledge to raise the North's per capita income to \$3,000 "a product of the plot hatched by this crafty profiteer and swindler against (North Korea)." (Jonathan Thatcher, "North Korea Hurls Insults, Bars More South Officials, Reuters, April 10, 2008)

4/10-12/08 Bosworth, Abramowitz, Sigal et al. in Pyongyang.

4/11/08 Rice said at a news conference with German Foreign Minister Frank-Walter Steinmeier. "Any document that we get, any declaration that we get, has to be verified and it has to be verifiable." Such verification could not take place overnight but the United States had to be certain it had the means to do it, she said. "We are determined to have an outcome ... that would have the North Koreans account for all of their nuclear programs," she said. "We are not yet at a point as to where we can make a judgment as to whether or not the North Koreans have met their obligations." (Susan Cornwell, "U.S. Must Verify Any North Korean Declaration," Reuters, April 11, 2008)

U.S. officials say they will still get the information they need, but it will be packaged and presented in a way more acceptable to the reclusive North. Any change in the terms, however, will open the White House to criticism from the political right that the administration has gone soft. Rice suggested that a deal to resolve a four-month impasse may be close, including a U.S. promise of swift action to lift economic and political penalties on the North. "There are obligations on both sides," Rice said. "The U.S. is absolutely prepared to undertake its obligations should the North Koreans fulfill their obligations." A senior official said later, "We are trying to get people off of this sort of 17th Century notion of expiating sins and on to the notion that the verification is the key here." (Anne Gearan, "U.S., N. Korea May Break Nuclear Impasse," Associated Press, April 11, 2008)

Japan extended sweeping sanctions against North Korea for another six months. The sanctions -- which ban all imports from cash-strapped North Korea including money-making goods such as clams, crabs and high-end matsutake mushrooms -- were set to expire on Sunday. said Japan was ready to lift the ban at anytime if North Korea makes progress on the issues. "The extension is for another six months," **Foreign Minister Komura Masahiko told reporters. "But Japan may end part or all of the sanctions even during that period if North Korea takes concrete, positive actions over the abduction, nuclear and missile issues."** (AFP, "Japan Extends N. Korean Sanctions: Minister," April 11, 2008)

Agricultural experts in Seoul have said the shortfall may be one of the worst since famine hit North Korea in the 1990s, the result of flood damage last year, high commodity prices and political wrangling with major food donor South Korea. "The North Koreans know that they are facing a difficult situation and have made it increasingly clear in the past few weeks that they will need outside assistance to meet their growing needs," the U.N. official said, asking not to be identified because of the sensitivity of the issue. (John Herskovitz, "Desperate North Korea Seeks Food Aid: UN Official," Reuters, April 11, 2008)

4/12/08 "Having to impose sanctions upon a neighboring country is in itself an abnormal situation. The fault lies with North Korea, so of course Tokyo must try to force Pyongyang to remove the causes of contention. Yet, once the situation turns more favorable, then a flexible response of pushing and pulling will become essential. The objective is to make North Korea budge. In that sense, when the government last extended the sanctions in October, it could have been possible to ease up a bit. Last summer, North Korea stopped and sealed the Yongbyon nuclear reactor and other facilities. Final nuclear disarmament was still a long way off, but it was nevertheless a meaningful step forward. Chief Cabinet Secretary Machimura Nobutaka said in a statement this time around, "If North Korea takes tangible steps toward solving the numerous outstanding issues, we will be able to lift parts of, or all of (the sanctions)." It is important to send the signal that the Japanese government is ready to respond favorably to North Korean actions. ... The Japanese government must contemplate how to wield its unilateral sanctions effectively as a diplomatic tool. The government should respond flexibly, once North Korea actually declares the state of its nuclear program, or actually disables its nuclear facilities. We urge the government to be supple and able in its diplomacy." (*Asahi Shimbun* editorial, "North Korea Sanctions," April 12, 2008)

4/13/08 Lee said South Korea is prepared for talks with North Korea if they help resolve the nuclear impasse and improve the livelihood of North Koreans. "The door is open," he said. (Kwang-Tae Kim, "S. Korea to North: Drop Nuclear Program," April 13, 2008)

Hill has reached a tentative deal under which North Korea would "acknowledge" U.S. concerns on uranium and proliferation to Syria in a secret side-agreement. The main public declaration would state how much plutonium North Korea had harvested for nuclear weapons. "I don't know if the president will go for it," said one former official. "[President Bush] has said 'full and complete' declaration and no one thinks that's what it is, even the most ardent supporters." One senior official said people were "pole-vaulting to conclusions." He said that the final package would provide "clarity" on North Korea's uranium-related nuclear activities, its proliferation to Syria, and on the plutonium issue. A second senior official argued that it was the only way to get North Korea to complete the second stage, saying: "Negotiation is the art of the possible." The point was "that you have got to find a way to get by this stumbling block on what they did with Syria and what they did with uranium," the official said. "Those who are saying that what you need is a full admission, I think, do not understand the nature of the beast we are dealing with." "Why, if the Syrian reactor is gone, do we need to have the North confess completely?" added the official. "This is a regime that is incapable of

certain things, and it is incapable of doing that." (Demetri Sevastopulo, "U.S. Softens Demands on North Korea," *Financial Times*, April 13, 2008)

Many children of North Korean women living in China are denied legal identity and access to education, Human Rights Watch said in a new 21-page report, "Denied Status, Denied Education: Children of North Korean Women in China," which documents how such children live without legal identity or access to elementary education in Yanbian Korean Autonomous Prefecture in eastern Jilin Province. Some are from North Korea while others were born in China and have Chinese fathers and North Korean mothers. To comply with international standards and its own laws, China should ensure all children can go to school, without preconditions such as requiring them to show household registration papers. China should also stop arresting and summarily repatriating North Korean women who have had children with Chinese men. "China has nothing to gain by having a growing number of uneducated children," said Elaine Pearson, Asia deputy director at Human Rights Watch. "To uphold the rights of these children, China does not need to implement new laws, or amend existing ones. It has only to abide by its own laws and the international treaties it has ratified."

4/15/08

Kim Sook has been appointed to succeed Chun Yung-woo as chief ROK negotiator to the six-nation talks. (Associated Press, "S. Korea Replaces Nuclear Envoy," April 15, 2008)

U.S. Commission on International Religious Freedom said North Korean refugees suspected of meeting with religious groups are often marked for harsh interrogation, torture and long detentions without trial after they are forced by China to return to the North and called for nations to press China to stop sending North Korean refugees back to their homeland. (Foster Klug, "Report Says North Koreans with Religious Ties Face Torture," Associated Press, April 15, 2008)

"The North Koreans obviously want us to drop sanctions. In other words, I guess, it [the extension of the sanctions] is effective," Prime Minister Fukuda told reporters at the Prime Minister's Office on April 11. But, a senior Chongryon member said, "Nobody will be inconvenienced if Japan imposes bans such as those on imports from North Korea or exports of luxury goods." After Japan introduced economic sanctions in July 2006, Japan-North Korea diplomatic normalization talks have been held only twice. There seems to be little chance of solving the issue of abduction and other issues between the two countries. Consequently, some members of the LDP said the government should resume a dialogue with North Korea. "North Korea doesn't feel any pressure under Japan's sanctions," an LDP member said at a joint meeting of the party's foreign affairs panels. "The government should continue talks with North Korea if the sanctions have no effect." (Minami Shoji, "International Pressure Needed on N. Korea," *Yomiuri Shimbun*, April 15, 2008, p. 4)

Japan is sending warning signals about the state of the U.S.-Japan alliance but it is questionable whether Americans get the message. Japanese nervousness about the next U.S. presidency, the direction of six-party talks, and Washington's long-term strategy on China are easily dismissed as obsessive sensitivities but should be taken

more seriously as reflecting a profound fear of abandonment. (Weston S. Onishi, "Question Marks over Future of U.S.-Japan Alliance," *Yomiuri Shimbun*, April 15, 2008, p. 4)

4/16/08

McCain op-ed: "We will not convince Kim Jong Il to abandon his nuclear weapons - let alone end his horrific treatment of his people - by promising that the president of the United States will unconditionally sit down with him to ask what else he wants. We know what he wants: a diminished American presence in Asia; payments for one part of his nuclear program and no accountability for others; and a free hand for his regime to torture underground Christians, execute dissidents and starve the disloyal. President Lee stated clearly that he will continue seeking ways to help the North Korean people and advance reconciliation with the north, but will expect full reciprocity in terms of denuclearization, human rights and information about hundreds of South Koreans abducted by Pyongyang. Predictably, North Korea rejected these conditions. Yet we must support Lee. Any agreement with North Korea must be reached after full and close consultation with South Korea and Japan, ensuring their legitimate concerns are fully met. A united front with our democratic allies is essential. ...The principles for which so many of our fathers and grandfathers sacrificed their lives demand that we build a united front with democratic allies like South Korea instead of rushing to placate Kim Jong Il with a presidential visit." (John McCain, "We Must Support Our Korean Allies," *San Jose Mercury-News*, April 16, 2008)

Senior Republicans criticized a tentative US deal with North Korea that would allow Pyongyang to avoid revealing the full extent of its nuclear programs as part of a broader agreement towards denuclearizing the Korean peninsula. ...Ed Royce, ranking Republican on the House foreign affairs subcommittee on terrorism, non-proliferation and trade, told the *Financial Times* the administration had displayed "a consistent willingness to lower the bar with the North Koreans." Ileana Ros-Lehtinen, the senior Republican on the foreign affairs committee, criticized the deal in a letter, saying the "rush to achieve a quick diplomatic fix with Pyongyang, without addressing the Syria connection, Pyongyang's secret highly enriched uranium program, counterfeiting and the human rights concerns of our allies, is not an agreement that can stand the test of time." The US administration has privately accused North Korea of helping Damascus construct a nuclear reactor that Israel destroyed in an air strike last September. Royce said that the administration had not provided Congress with sufficient information about those allegations. However, a spokeswoman for Howard Berman, Democratic chairman of the foreign affairs committee, welcomed the latest development, saying the administration had "returned to the right track." and that the congressman was "happy with the newly revived efforts to continue talking with North Korea." Gordon Flake, a Korean expert and executive director of the Mansfield Foundation, said that while the original framework for the deal was "solid," the latest arrangement "turns the whole idea of a declaration on its head" because instead of providing a full declaration, North Korea would simply "acknowledge" US allegations. One congressional aide who supports negotiations with North Korea said House members were "underwhelmed" by the briefing they had received from Hill. He said the agreement reached with Pyongyang "appeared to allow the North Koreans to evade the obligation to provide the complete and accurate declaration." He added that Congress was likely to become

more involved in the debate as the next stage of the so-called six-party process would require congressional action, including providing a waiver to the Glenn amendment, which would prohibit the US from providing assistance to North Korea because it had tested a nuclear bomb two years ago. (Demetri Sevastopulo and Daniel Dombey, "Republicans Hit at Nuclear Deal with N. Korea," *Financial Times*, April 16, 2008)

North Korea is facing a humanitarian crisis this year and will likely need large international food donations. "Major sources of food for North Korea are all going down, and there is no very good prospect that any will go up soon," said Tony Banbury, the World Food Program's regional director for Asia. This year's food shortfall is projected to be 1.66 million metric tons, about double last year's and the highest since 2001, according to the U.N Food and Agricultural Organization. The fast-worsening situation in the closed country -- where prices for staples have doubled in the past year -- is the result of what U.N. officials describe as a pernicious confluence of flood-damaged local harvests, soaring world food prices and an unexpectedly sharp drop in aid from South Korea and China. International donors that in the past have provided food through the United Nations have not been lined up this year, in large measure, because the North announced in 2006 that it would not want or need large amounts of food aid. "There is at present no plan by our donors or by North Korea to seek the much larger World Food Program operation that would be able to help fill the gap," Banbury said by telephone from his office in Bangkok. (Blaine Hardin, "Huge Gap Predicted in Supply of Food," *Washington Post*, April 17, 2008, p. A-14)

"That's something that will be handled in the verification subgroup" of the six-party talks, DoS spokesman Sean McCormack told reporters when asked about prospective "verification methods" for North Korea's nuclear program under the bid to end Pyongyang's atomic weapons drive. The verification mechanism is expected to be set up under the "denuclearization of the Korean peninsula" working group, one of five groups set up under a February 2007 agreement among the six parties. "It's a new effort. It's something that has been integrated into the talks, and I guess as a bureaucratic grouping then organized within the context of those talks," McCormack said. (P. Parameswaran, "New Mechanism Set to Verify North Korea's Nuclear Program," AFP, April 17, 2008)

4/17/08

The United States is expected to begin removing North Korea from its list of terrorism-sponsoring nations "almost simultaneously" with Pyongyang's declaration of its nuclear activity, South Korea's new top nuclear envoy Kim Sook said. He added that verification of the declaration will take some time and the procedures will go hand-in-hand with talks on dismantling the communist nation's nuclear program, the last phase of the three-part aid-for-denuclearization deal signed last year. "The U.S. will take necessary steps almost simultaneously with the submission of the declaration," Kim said in his first media briefing since he took office on Tuesday. "It will be a matter of hours or days." He was cautious about predicting when the six-way talks will restart. "If the talks are resumed, related nations will discuss detailed ways of verifying the declaration," he said. (Lee Chi-dong, "U.S. to Begin Rewarding Pyongyang upon Declaration: Envoy," April 17, 2008)

The top Asia hand at the US National Security Council, Dennis Wilder, said North Korea was not “off the hook” on fully declaring its atomic programs, but that **proliferation issues would be “handled in a different manner.”** And US Secretary of State Condoleezza Rice indicated the overdue declaration might not be made public. “Have we made progress through the six-party framework? Yes. Is there still reason for caution and skepticism? Yes,” Rice told reporters. In a seeming concession to the North Koreans, she hinted the document could be kept private, allowing Pyongyang to save face. “There will be, undoubtedly, briefings for Congress,” on any final arrangement, she said, warning: “This is a diplomatic matter and not everything in diplomacy is public.” (AFP, “U.S. Changes Tack over North Korea Nuclear Program,” April 17, 2008)

Senior South Korean officials say they still don't know the contents of the agreement, which is meant to jump-start North Korean compliance with agreements to abandon its nuclear weapons program. But they bristle at suggestions that North Korea is attempting to bypass their government while negotiating with the United States. “I do not know what they have agreed,” says Prime Minister Han Seung Soo, the top official here while Mr. Lee meets with Mr. Bush at Camp David on Friday and Saturday. “But if North Korea is going to the United States over the shoulder of [South] Korea, it will not succeed.” (Donald Kirk, “‘Secret’ U.S. N. Korea Deal Irks South,” *Christian Science Monitor*, April 17, 2008)

Lee Myung-bak: “I believe between the two Koreas, we need to always have dialogue going on to open a permanent dialogue channel between the two Koreas. In the past, we had dialogue between the two Koreas when there was a need and then if there wasn't a need, the dialogue would close. I don't think that is helpful in the situation. So when I go back to my country, I will propose setting up a permanent liaison office in Seoul and Pyongyang, so we can have these permanent dialogue channels open. This, the purpose is while we try to solve the North Korean nuclear issue, at the same time we could also open up dialogue channels with North Korea and to discuss and manage inter-Korea relationship. THE POST: I suppose one purpose of the insults from North Korea about you is they hope the South Korean people will become nervous and you will feel pressured to soften your approach. Do you think this is likely to succeed? What is the reaction of South Korea to these insults and bellicose statements? And what is likely to bring any change in their willingness to deal with you on new basis. LMB: ...as you know we had recently the general elections, which happened on April 9th in Korea, that was the National Assembly Elections. I think that the recent bellicose statements released by the North Koreans was not really a challenge per se, but rather it was an attempt by North Koreans try to gauge the reactions of the new administration of South Korea and myself. They were trying to see how we were going to react to their bellicose and belligerent statements, and also second reason for those statements was probably their attempt to influence in some way, the result of the recent general election in South Korea. However, one important point is the South Korean public, they're very used to North Korean tactics of issuing such statements during critical moments in order to influence the outcome in South Korea. They would resort to some sort of military tensions by releasing such statements. But, however, even during the presidential elections, they said that if I was elected, then we would, Seoul would become embroiled in military conflict and so forth. ...The South Korean public is used to it. It had no effect

on the outcome of the general elections, as you can see. And the Korean people understand the North Korean tactics. To answer your question, my administration has not over reacted to those bellicose statements. We have been calm and collected. And, it is important that North Korean Administration realizes this. It is a different administration they are facing. ...LMB: ...As for your question about North Korea's cooperation with Syria or North Korea's activities in the uranium enrichment program, we do not know the final results or the outcome of it. I believe that we should wait a little bit before we know for sure. However, perhaps we can assume that North Korea did in an indirect way admit to being involved in these two activities, and if so, considering the characteristics North Korea and their regime then perhaps we can consider this as an acceptance or an admission that they were involved in these activities, and then this will allow us to move on to the next level so that we can resolve the North Korean nuclear issue. This might perhaps be one way of moving forward. And also gentleman, another very important point is that North Korea agree not to get involved further in any proliferation activities. ...LEE: My principle when it comes to assisting North Korea is as follows. Of course I said before that real, active and economic cooperation with North Korea can only begin depending upon the progress that we see in denuclearization talks. These two are of course very much related with each other. However, as you pointed out, we are seeing some massive food shortages occurring in North Korea. We saw many lives being lost because of the shortage of food. We'll see much more, many more lives being lost in North Korea because of the shortage of food. When it comes to that point I believe this is a humanitarian issue and that we must approach this issue from that perspective. And when it comes to this, my consistent position has been that economic cooperation with North Korean will be treated separately from such humanitarian assistance and issues. So, as you said, a persistent food shortage is a humanitarian crisis in North Korea, so this should be dealt with from a humanitarian perspective. THE POST: I don't believe North Korea has asked for any rice or fertilizer this year. Are you waiting for such a request? And what would be your response? LMB: Yes, to answer your question, I think that North Korea did not have an opportunity yet to actually make a proposal, if that is what they intended to do. As I said before, the presidential election was December nineteen. Two months later or so, we had the inauguration of myself and the administration. And then we had the subsequent general elections in April, and in the meantime, North Korea was releasing these bellicose, belligerent statements in order to somehow influence the outcome and so forth. So, these events are related to each other, back-to-back. So I think this did not give the North Koreans time to ask us for fertilizer or food is that is what they actually wanted to do. So regardless of who request first, or whether we assist or not, I think the situation becomes a crisis in North Korea. And if the need arises, we will have to find an opportunity to discuss the issue of assistance to North Korea. THE POST: You live so much closer to North Korea than we do. Americans think of North Korea through the prism of the Korean War and the nuclear issue, humanitarian crisis. Some politicians in this country are saying that the Kim Jong Il regime is broken, already the promises they made in the nuclear talks. Do you agree that they have not lived up to their word? And what do you think, you've mentioned that your policy toward North Korea will be different, is different than that of your predecessors. What do you think are the goals of the North Korean regime, other than survival? LMB: ...First of all, from the U.S. and from the South Korean perspective, when we look at North Korea, yes we do consider that

they did not abide by their promises that they made. However, at the same time, we could also say from the North Korean perspective, they might think that we didn't abide by our part of the promise. So there is some sort of difference there, but nonetheless it is important that is that much more complicated and difficult when dealing with a communist and totalitarian regime. It just becomes very difficult. And also gentlemen, as you will understand, South and North Korea, we have a very special relationship. This relationship is very different from other relationships between two states, because, as you know, we are, in fact, one people. And one day, we will become reunited. However, it's also important that we maintain peace and stability on the Korean Peninsula because only by doing so we can actually go through developing, continue our economic development in South Korea...As for the difference in our North Korean policy compared to my predecessors, or previous administrations in South Korea, we could say this and that is previous administrations in South Korea tended to emphasize more the relationship between the two Koreas rather than the North Korean denuclearization six-party talks. On the contrary, me, myself and my administration would like to emphasize, and emphasize the fact that denuclearization through the six-party talks and our cooperation through and within the six-party talks is more important and at the same time managing the inter-Korean relationship is also important in order to achieve this goal. And another big difference with the previous administration, is that my administration intends to work very closely with the U.S. administration so that we can work together step-by-step to achieve denuclearization of the peninsula. I believe, I believe it's important that we have a close relationship between U.S. South Korea, between South Korea and Japan, and South Korea and China, and among the three countries, so that we can continue to convince North Korea that is in their critical national interest to completely forgo their nuclear capabilities and ambitions, because by doing so, the North Koreans must realize that it will not only help their economy, but also bring up, improve the quality of life of people, so that allow them to live with dignity, and also to maintain their political regime." (Text of interview, *Washington Post*, April 17, 2008)

The Nagoya High Court ruled that the Air Self-Defense Force's mission in Iraq is unconstitutional in some respects, pointing out that it is carried out in a combat zone. However, the court rejected the plaintiffs' demand to suspend the SDF dispatch to Iraq. "Because Baghdad is a combat zone, the ASDF's transportation mission includes activities that breach the special law to allow the SDF to provide humanitarian support for Iraq's reconstruction efforts, which limits their activities to noncombat zones, and Article 9 of the Constitution," presiding Judge Kunio Aoyama said. (*Yomiuri Shimbun*, "ASDF's Iraq Duties 'Violate Constitution; High Court Says Airlifts Carried out in War Zone," April 18, 2008)

4/18/08

The Bush administration appears to be preparing to back away from a demand that North Korea fully disclose all of its past nuclear weapons activities, in an attempt to preserve a nuclear agreement requiring it to disclose and dismantle the bulk of its nuclear weapons program. As described by administration officials on Thursday, the step relaxed a demand for North Korea to admit fully that it supplied Syria with nuclear technology. The United States would also agree to postpone its demand that North Korea provide an immediate and full accounting of its fledgling uranium program.[?]

"There is nothing inevitable about this process, and we are reserving judgment about this declaration until we see it," McCormack said. "Every aspect will be subject to verification, and if we detect that they have misled or attempted to mislead, there will be diplomatic consequences." The new approach has been endorsed by Secretary of State Rice. President Bush appears to be supporting Rice and Hill, to the dismay of those who say that the administration, after six years of acting tough on North Korea, is backing down. "No one has let them off the hook," said Dennis Wilder, special assistant to the president and senior director for East Asian affairs. "A lot of people will say this falls short of the full confession," a senior administration official said of what the new approach would demand of North Korea. "They want them to appear in Town Hall and acknowledge that they have sinned. But they weren't willing to go that far." (Helene Cooper, "Past Deals by N. Korea May Face Less Study, *New York Times*, April 18, 2008, p. A-8)

4/19/08

Presidents Bush and Lee hold summit at Camp David, agreed to hold U.S. troop level at 28,000. At press conference, LMB: "Korea and the United States do not harbor any hostile intent towards North Korea. We both agreed to work together to help North Korea escape international isolation and to improve the lives of the North Korean people." GWB: "We're going to make a judgment as to whether North Korea has met its obligations to account for its nuclear program and activities, as well as meet its obligations to disable its reactor. In other words, we'll see. The burden of proof is there. We've laid out - they've made some promises, and we'll make a judgment as to whether they met those promises. And then we and our partners will take a look at North Korea's full declaration to determine whether or not the activities they promised they could do could be verified. And then we'll make a judgment of our own as to whether or not -- you know, about our own obligations. ... Somehow people are precluding -- you know, jumping ahead of the game. They have yet to make a full declaration. Why don't we just wait and see what they say before people go out there and start giving their opinions about whether or not this is a good deal or a bad deal. ... So we have yet to come to the stage where he has made a full declaration. And so we'll wait and see what he says, and then we'll make a decision about our obligations, depending upon whether or not we're convinced that there is a solid and full declaration, and whether or not there's a way to verify whether or not he's going to do what he says he's going to do. LMB: "As for the declaration of North Korea, that is a very important process. I believe if North Korea's declaration is not satisfactory or if the verification is not satisfactory, we could probably have a temporary achievement, but in the long term, that will cause a lot more serious problems. I believe President Bush shares this thought with me. ... All the parties of the six-party talks are with one mind that the verification process must be full and complete and satisfactory. I think it's inappropriate and unconstructive for us to have too many doubts before the process even begins." Q. The North Koreans agreed last year to make their disclosure. We're now in April and we've yet to see this disclosure. There are continued negotiations, a new round next week. Are you concerned that, given this record, they're not prepared to make this full disclosure, that they're stalling the process somehow? GWB: "They may be trying to stall. One thing about a non-transparent society where there's not a lot of free press, for example, or a lot of opposition voices, it's hard to tell what's going on. Now, he has made declarations, and he's testing the relationship. He's wondering whether or not the five of us will stay unified. And the only

thing I know to do is to continue pressing forward within the six-party framework....But when you're dealing with a society in which it's hard to get information out of, you just have to wait and see whether they're sincere or not. Unlike our society, of course, where there's all kinds of people in the administration talking and sharing information with you -- some of it authorized, some of it's not -- it doesn't happen that way in North Korea. It's a closed society. It's a society in which the will of one person decides the course of the future." LMB: "It's difficult to convince North Korea to give up their nuclear weapons program, but it's not impossible. It is not impossible. I believe that." (White House, Office of the Press Secretary, President Bush Participates in Joint Press Availability with President Lee Myung-bak of the ROK, Camp David, April 19, 2008)

4/20/08 North Korea's railway minister Kim Yong-sam is expected to sign an agreement in Moscow setting up a joint venture between North Korea's Ministry of Railways and Russia's Railways Company to modernize the railway line linking Russia's border station of Khasan to the eastern North Korean port of Rajin after holding talks with Vladimir Yakunin, president of the Russian company, Itar-Tass reported. "The restoration of a 54-kilometer railway link will enable freight shipments by sea from South Korea to the North Korean port for further transportation via Russia," the news agency said. "This pilot project may also pave the way for a more large-scale program aimed at shipping freight on the Trans-Korean Railway via the Trans-Siberian Railway to Europe," it added. (Yonhap, "N. Korea, Russia to Set up Joint Venture: Report," April 20, 2008)

4/21/08 President Lee holds first summit meeting in Japan since December 2004. PM Fukuda said he and Lee were able to make "a very good start in shuttle summit diplomacy," saying they agreed it is their job to raise the bilateral relationship to a "matured partnership" featuring closer-than-ever ties and cooperation on global issues. "Concerning the abduction issue, the humanitarian and human rights issue is important for both Japan and South Korea," Fukuda said. "In today's meeting, the president said he would like to cooperate as much as possible in resolving the abduction issue." Lee said, "In today's meeting, Prime Minister Fukuda and I shared the feeling that the two countries should build a relationship that is like a tree that is so deeply and solidly rooted in the earth that it would not budge even when a storm hits." Lee later invited Emperor Akihito to visit South Korea. (Kyodo, "Fukuda, Lee Agree to Cooperate on N. Korea, Lee Invites Emperor," April 21, 2008)

According to the Japanese daily *Tokyo Shimbun*, meanwhile, North Korea told the U.S. last December that it has produced 30 kg of plutonium so far, about 20 kg less than Washington's estimates. **In his meeting with Hill, the North's negotiator Kim Kye-gwan said his country put some 18 kg of plutonium into atomic weapons programs of which six kg were used for its first nuclear test in 2006,** the newspaper said. (Yonhap, "U.S. Team to Make Overland Trip to Pyongyang: Source," April 21, 2008)

Sung Kim, a senior State Department expert on Korea, and an interagency delegation arrived in Seoul and was scheduled to drive north to Pyongyang on tomorrow across the heavily fortified border that separates the two Koreas. "Everything is subject to verification," Kim told reporters. (Blaine Hardin, "U.S. Delegation Headed to Pyongyang

in Search of 'Significant Progress,'" *Washington Post*, April 22, 2008, p. A-11) According to a South Korean government source, the U.S. wants the North to document the total amount of plutonium, the number of nuclear warheads, and the logbook of the Yongbyon atomic reactor and nuclear reprocessing facility and their operation. (*Chosun Ilbo*, "U.S. Wants N. Korea to Declare Nuclear Warheads, April 22, 2008)

4/22/08 Robert Gallucci: Q: Some warn that the Bush administration could overlook North Korea's uranium enrichment and nuclear assistance to Syria. A: I am aware that North Korea agreed to recognize the importance of Syria. This agreement is not an end but is on a continuum, and Syria and the uranium issues are important per se. It seems the agreement was reached for flexibility and pragmatic interest. Q: Is there any room for subtle conflict between Korea and the U.S. over the nuclear issue? A: Seoul and Washington must understand exactly what Pyongyang is pursuing. That is political relations with the U.S. It comes above energy, food and financial assistance. If Seoul can accept it, it is the best. Pyongyang will not be able to drive a wedge between Seoul and Washington. (*Dong-A Ilbo*, "Ex-U.S. Nuke Negotiator Speaks on Bilateral Ties," April 23, 2008)

4/23/08 Republicans Sam Brownback of Kansas and George V. Voinovich of Ohio have placed holds on the Stephens nomination, which was reported favorably out of the committee April 22. Neither hold has anything to do with Stephens' personal or professional record. "Without transparent improvement in human rights . . . the establishment of diplomatic relations would condone crimes against humanity on a massive scale," Brownback said in an April 23 floor speech on the Stephens nomination. Brownback does not have any specific conditions that would allow him to lift his hold, and experts say the administration is in no position to meet Brownback's vague demands. Secretary of State Condoleezza Rice and Hill each met with Brownback recently to implore him to let the nomination proceed, but to no avail. Meanwhile, Voinovich is protesting on behalf of Ohio resident Richard Melanson, whose son Eddie was allegedly abducted to South Korea by Kyong Mi Lee, the boy's mother, following a custody dispute in 2007. Voinovich's office has been working with Melanson and the State Department to try to bring Eddie back to the United States and extradite Lee, who faces a federal child abduction warrant, an aide to Voinovich said. But the South Korean government – not a party to the Hague Convention on the Civil Aspects of International Child Abduction – has refused to help locate the child or act on the U.S. warrant, according to the aide. (Josh Rogin, "Sens. Brownback, Voinovich Block Nomination for Envoy to South Korea," *Congressional Quarterly*, June 11, 2008)

4/24/08 CIA officials will brief Congress starting today that North Korea had been helping Syria build a plutonium-based nuclear reactor that they believe the reactor would have been capable of producing plutonium for nuclear weapons but was destroyed before it could do so, the U.S. official said, apparently referring to a suspicious installation in Syria that was bombed last year by Israeli warplanes. They are likely to acknowledge uncertainty about whether the alleged Syrian reactor was designed solely to produce nuclear power for peaceful purposes or also to make fissile material for a nuclear weapon. The CIA officials also will say that though U.S. officials have had concerns for years about ties between North Korea and Syria, it was **not until last year** that new intelligence

convinced them that the suspicious facility under construction in a remote area of Syria was a nuclear reactor, the official said, speaking on condition of anonymity when discussing plans for the briefing. It was not clear how recently North Korea may have been aiding Syria. But disclosure of the relationship to the committees is likely to bring criticism from conservative lawmakers. A senior Senate aide said of the timing, "I have this strong impression the reason they want to brief the committee is they want to say something publicly." Under the latest approach, U.S. officials will describe to the North Koreans at least some of their conclusions about Pyongyang's links with Syria. Some analysts speculated that U.S. officials may wish to avoid sharing intelligence with North Korea before they have briefed most members of Congress. [?] (Paul Richter and Greg Miller, "CIA to Describe North Korea-Syria Nuclear Ties," *Los Angeles Times*, April 23, 2008) The officials said the video of the remote site, code-named Al Kibar by the Syrians, shows North Koreans inside. It played a pivotal role in Israel's decision to bomb the facility. The video also shows that the Syrian reactor core's design is the same as that of the North Korean reactor at Yongbyon, including a virtually identical configuration and number of holes for fuel rods. It shows "remarkable resemblances inside and out to Yongbyon," a U.S. intelligence official said. A nuclear weapons specialist called the video "very, very damning." intelligence officials will tell members of the House and Senate intelligence, armed services and foreign relations committees that the Syrian facility was not yet fully operational and that there was no uranium for the reactor and no indication of fuel capability, according to U.S. officials and intelligence sources. David Albright, president of Institute for Science and International Security (ISIS) and a former U.N. weapons inspector, said the absence of such evidence warrants skepticism that the reactor was part of an active weapons program. "The United States and Israel have not identified any Syrian plutonium separation facilities or nuclear weaponization facilities," he said. "The lack of any such facilities gives little confidence that the reactor is part of an active nuclear weapons program. The apparent lack of fuel, either imported or indigenously produced, also is curious and lowers confidence that Syria has a nuclear weapons program." U.S. intelligence officials will also tell the lawmakers that Syria is not rebuilding a reactor at the Al Kibar site. "The successful engagement of North Korea in the six-party talks means that it was unlikely to have supplied Syria with such facilities or nuclear materials after the reactor site was destroyed," Albright said. "Indeed, there is little, if any, evidence that cooperation between Syria and North Korea extended beyond the date of the destruction of the reactor." (Robin Wright, "N. Koreans Taped at Syrian Reactor," *Washington Post*, April 24, 2008, p. A-1) The timing of the administration's decision to declassify information about the Syrian project has raised widespread suspicions, especially in the State Department, that Vice President Cheney and other administration hawks were hoping that releasing the information might undermine a potential deal with North Korea that would take it off an American list of state sponsors of terrorism. "Making public the pictures is likely to inflame the North Koreans," said one senior administration official who would not speak on the record because the White House and the State Department have declared there would be no public comment until the evidence is released. "And that's just what opponents of this whole arrangement want, because they think the North Koreans will stalk off." But another senior official said it was possible that the revelations would force the North Koreans to describe their actions in Syria more fully when they issued a long delayed declaration of their nuclear activities. Hill was put in charge of the talks more than three

years ago in the hope of finding a new way to deal with the North Koreans. But support for him has wavered, and President Bush has repeatedly warned aides not to agree to anything that "makes me look weak," according to former officials who sat in on meetings with him on North Korea. Rice has been a strong critic of the 1994 agreement between North Korea and the Clinton administration, complaining that it was "front loaded" with rewards for the North. That is exactly what critics say she and Hill have done in the most recent agreement. But Hill has argued in private that the Syrian episode and the uranium enrichment are side shows, and that the critical issue is stopping North Korea from producing more plutonium and giving up what it has. But his State Department colleagues say that he has been told not to defend the deal, or even explain it. "He's feeling pretty abandoned by Rice and Bush," one of his colleagues said Wednesday. Hill did not respond to messages. (David E. Sanger, "U.S. Sees N. Korean Links to Reactor," *New York Times*, April 24, 2008, p. A-8) The reactor that was "within weeks of completion" when Israel destroyed the facility in September, a senior US official told the *Financial Times*. **He said that North Korea and Syria started discussing the project in 1997, and that construction of the facility began in 2003.** The CIA briefing contains a video that brings together a compilation of still images, including satellite imagery, ground imagery, and photographs taken inside the facility. One photograph shows a North Korean nuclear scientist Chon Chibu standing beside his Syrian counterpart. Chon, who worked at North Korea's Yongbyon plutonium reactor [fuel fabrication plant], has previously dealt with US officials. While the date of the photography was unclear, the official said a car in the background suggested it was sometime after mid-2005. (Demetri Sevastopulo, "Pyongyang 'Helped' Syria Build N- Reactor," *Financial Times*, April 25, 2008, p. 1) John McCain, the Republican presidential nominee, said the developments were "very troubling, but not surprising" because North Korea had "not acted in good faith for more than a decade". He added that any agreement with North Korea needed to be completely "verifiable." Michael Green, former senior White House Asia adviser, said Christopher Hill, the US negotiator with North Korea, was wary that the release of the information would ruin his negotiations with Pyongyang. (Demetri Sevastopulo and Daniel Dombey, "Bush Faces Criticism on Nuclear Claims," *Financial Times*, April 25, 2008, p. 4) Senate Foreign Relations chairman Biden issued a statement with a very clearly mixed message: "Reports that North Korea - over a period of several years - helped Syria build a nuclear reactor make clear that any deal to eliminate North Korea's nuclear programs must also stop its proliferation activities and include vigorous verification. Unless we are able to confirm that North Korea is no longer in the nuclear proliferation business, the United States should not lift sanctions on the North. Our goals are, and must remain, both shutting down North Korea's nuclear programs and ensuring that North Korea does not transfer dangerous technology to other irresponsible states. Some will argue that North Korea's assistance to Syria is cause to end the Six Party Talks for the denuclearization of the Korean Peninsula. To the contrary, it underscores the need for pursuing the Talks, which remain our best chance to convince North Korea to abandon its pursuit of nuclear weapons and to stop proliferation. Opponents of the Six Party process have no better alternative to offer. The Six Party Talks are not predicated on trust. To take President Reagan one step further, with North Korea we must 'mistrust and verify.' To that end, Congress should swiftly enact legislation allowing the President to waive the Glenn Amendment restrictions that will otherwise prevent the United States from carrying out

future nuclear dismantlement operations in North Korea or verifying North Korean compliance." On the House side, HFAC chair Howard Berman also was supportive of Hill: "The publicly-reported details about nuclear cooperation between North Korea and Syria are disturbing. But I don't think they provide a reason to suspend discussions with the North Koreans. Rather, the information that has been released to the public demonstrates the importance of insisting on a verifiable enforcement mechanism to ensure that North Korea honors its commitments to stop spreading the means to create nuclear weapons and to end its nuclear program permanently. In the past year or so, the Administration's North Korea policy has pursued a more productive path: taking steps toward denuclearization of the Korean peninsula in the context of the Six-Party Talks. We should stick with that path, and ensure that the North Koreans do not stray from it." (Nelson Report, April 25, 2008) Without naming Obama, McCain said those who would meet with a leader like Kim "should explain to the American people how talking unconditionally to dictators like Kim Jong-il in the aftermath of recent disclosures advances American interests." (Jeff Mason, "McCain Hits Obama on Diplomacy over North Korea," Reuters, April 24, 2008)

ISIS: "First, the United States does not have any indication of how Syria would fuel this reactor, and no information that North Korea had already, or intended to provide the reactor's fuel. This type of reactor requires a large supply of uranium fuel. The lack of any identified source of this fuel raises questions about when the reactor could have operated, despite evidence that it was nearing completion at the time of the attack. Second, the United States and Israel have not identified any Syrian plutonium separation or nuclear weaponization facilities. The absence of such facilities gives little confidence that the reactor was part of an active nuclear weapons program. The apparent absence of fuel, whether imported or indigenously produced, also lowers confidence that Syria has an active nuclear weapons program." (David Albright and Paul Brannan, "Syria Update III: New Information about Al Kibar Reactor Site," ISIS, April 24, 2008)

4/22-24/08 Sung Kim in Pyongyang. He said he could not discuss what he did in the North until briefing Washington. "We had a good visit and we had a very substantive discussion," he told reporters. North Korea's official KCNA news agency quoted an unnamed Foreign Ministry spokesman as saying: "The negotiations proceeded in a sincere and constructive manner and progress was made there." (Jon Herskovitz, "North Korea Says Progress Made with U.S. Nuclear Envoy," Reuters, April 24, 2008) "Technical matters for winding up the implementation of the October 3 agreement, including the contents of the nuclear declaration, were discussed there," an unidentified North Korean Foreign Ministry spokesman told the country's official news agency after the visit by the U.S. team led by Sung Kim, head of the State Department's Office of Korea Affairs. "The negotiations proceeded in a sincere and constructive manner, and progress was made there." (Yonhap, "N. Korea Says Progress Made in Talks with U.S., April 24, 2008) North Korea handed over more than 18,000 pages of detailed logs to Sung Kim, a U.S. diplomat visiting Pyongyang. "This documentation consisting of thousands of pages will be essential to verifying North Korea's plutonium holdings," said the senior official. "He will bring back with him a significant number of documents relating to North Korea's plutonium program and we will have an opportunity over the coming days and weeks to

assess the significance of these documents," McCormack said. (Sue Fleming, "North Korea Hands over Plutonium Documents: U.S.," Reuters, May 8, 2008) The documents, which fill seven boxes, "will help shed light on why they have a lower figure," said an administration official who insisted on anonymity. He said one reason could be that North Korea has more nuclear waste than expected, which could have led to lower plutonium production than the United States had estimated. (Helene Cooper, "North Korea Gives U.S. Files on Plutonium Efforts," *New York Times*, May 9, 2008, p. A-14) Sung Kim: "They number 18,822 pages, 314 volumes. We believe these documents will provide an important first step in verifying the North Korea's -- the DPRK's declaration. ... In addition to receiving the documents, we had very detailed, substantive discussions with DPRK interlocutors from the Foreign Ministry as well as the General Department of Atomic Energy on all aspects of their declaration. ... Obviously, the documents themselves, alone, are not enough. We will need to conduct a very full verification, including access to their facilities, sampling, interviews with personnel involved in nuclear programs. ... The three outstanding steps are the discharge of spent fuel from the reactor, the disabling of the control rod mechanism, and disabling of the fresh fuel rods. ... they have slowed down the pace a bit and they have cited the need to sort of coordinate the timing with energy assistance. ... These, in fact, date back to 1986. On a very quick preliminary review, it does appear that they're complete. You know, they have daily logs, operator's log books, operation records, you know, operation records of receipts, operational records of (inaudible) process. ... **Q.** Is there a possibility that North Korea might have falsified the documents to match what they claim to be 38 kilograms of plutonium extraction? **KIM:** I think when our experts do a comprehensive review of the documents, we'll be able to answer those questions." (DoS, Sung Kim, Director of the Office of Korean Affairs, Briefing on Latest Developments in Six-Party Talks, May 13, 2008) Sung Kim returned from "three days of very extensive" discussions in North Korea that were expected to focus on how much plutonium Pyongyang may have produced and how to verify this. "They had very lengthy and I think productive discussions," Hill told reporters after giving a lecture at Brown University in Providence. "They dealt with a number of elements that we need to get put in place if we are going to get through this declaration," he added. "He went with the aim of discussing plutonium and whenever we discuss plutonium we also discuss verification. Verification is inseparable from the issue." (Jason Szep, "Nuclear Talks with North Korea 'Productive,'" Reuters, April 25, 2008) North Korea has tentatively agreed to give the United States thousands of records from its Yongbyon nuclear reactor dating back to 1990 to complement an expected declaration of its nuclear programs, administration and congressional officials said yesterday. The United States is seeking access to those records, as well as samples from toxic waste and the destruction of the "cooling tower" at the North's main nuclear complex in response to criticism that it is lowering the bar in negotiations with Pyongyang, the officials said. "The administration is trying to work out the arrangements necessary to verify the accuracy of the North Korean declaration," one official said in reference to an account of the North's nuclear programs required in six-nation talks to denuclearize the Korean peninsula. "We need to secure access not only to records, but also to waste product," said the official, who, like all other sources interviewed for this article, asked that his name not be used because of the sensitivity of the matter. The tentative agreement was reached last week in Pyongyang between Kim Kye-gwan, the chief North Korean negotiator, and Sung Kim, director of the Korea office

at the State Department, officials said. "The North Koreans were more forthcoming than they have been in the past about their plutonium effort," a senior administration official said about last week's meetings. "I'm talking about their willingness to disclose what their program looks like – the elements, how the whole thing was put together, the facilities and processes by which they came up with the plutonium for weapons," he said. A former administration official familiar with the current strategy said that Washington was also asking Pyongyang to expedite the collapse of Yongbyon's cooling tower, a step that would make it difficult for plutonium production to resume. The collapse would have been part of the complex's dismantling in the next stage of the process – at least months away – but the administration is seeking to satisfy Congress that the North's program cannot be easily reversed, officials said. "We have to make sure this is something we can take to Congress and the American people and stand behind," the senior administration official said. "We are moving closer to a declaration that has credibility on plutonium." A congressional official suggested that Washington would also seek access to the site where North Korea conducted its 2006 test. But the former administration official said that such access will be difficult to gain, and that demand may be a bargaining chip. "The tactic so far has been that we ask for 10 things, get three and move on," he said. (Nicholas Kravov, "N. Korea to Give Nuke Files to U.S.," *Washington Times*, May 1, 2008) North Korea has agreed to blow up the cooling tower attached to its Yongbyon nuclear facility within 24 hours of being removed from the U.S. list of state sponsors of terrorism, diplomats said this week. The destruction of the cooling tower is intended by U.S. officials to be a striking visual, broadcast around the globe that would offer tangible evidence that North Korea was retreating from its nuclear ambitions, though experts say its destruction would be mostly symbolic. North Korean officials had privately indicated previously they would destroy the tower as part of the disablement of Yongbyon. During talks with Sung Kim, North Korea reaffirmed it would act quickly after Pyongyang is removed from the terrorism list. During the talks, North Korean officials also tentatively agreed to release to U.S. officials thousands of pages of documents, dating back to 1990, concerning the daily production records of the facility. The records are intended to help U.S. experts determine how much plutonium was produced at the facility and thus verify North Korean claims. North Korea has indicated it produced more than 30 kilograms of plutonium, but Pyongyang does not count waste or material that collects in the facility's pipes, making it difficult to compare it with U.S. intelligence estimates of about 50 kilograms. Under a tentative deal struck between Washington and Pyongyang, North Korea will be removed from the terrorism list and from a second sanction -- the Trading with the Enemy Act -- once it produces a declaration of its nuclear activities. (Glenn Kessler, "N. Korea Agrees to Blow up Cooling Tower at Its Nuclear Facility," *Washington Post*, May 2, 2008, p. A-13) North Korea has agreed to cooperate fully on verifying its nuclear declaration, a U.S. official said as he displayed some of the 18,822 documents Pyongyang has given Washington about its plutonium program. "We had very detailed, substantive discussions with DPRK (North Korea) interlocutors from the Foreign Ministry, as well as the General Department of Atomic Energy, on all aspects of their declaration," Kim said. "The North Koreans acknowledged the requirement for verification and indeed agreed to cooperate fully with verification activities," he said. (Arshad Mohammed, "N. Korea to Cooperate on Nuclear Verification: U.S.," Reuters, May 13, 2008)

4/26/08

An agreement on cooperation between the DPRK Ministry of Railways and the Russian Railway Company and a contract on setting up a joint venture enterprise between Rajin Port and the Russian Railway Trading Co., Ltd. were signed in Moscow. (KCNA, "DPRK, Russia Cooperate in Railways," April 26, 2008)

President Lee Myung-bak's idea of setting up the liaison offices in Pyongyang and Seoul was "anti-unification garbage," *Rodong Sinmun* said. (Associated Press, "North Korea Rejects Liaison Office Proposal from South Korea," April 26, 2008)

The Bush administration gambled this week that its detailed accounting of North Korean assistance to a Syrian nuclear program would help pave the way for a nuclear disarmament agreement with Pyongyang, but the allegations so angered Republican lawmakers that support for a deal may be seriously weakened. To signal displeasure, Sen. Sam Brownback (R-Kan.) placed a hold on an ambassadorial nomination of a former aide to Hill. "People are very mad, very angry" about the prospect of an agreement with "a regime that has repeatedly demonstrated that its word is indistinguishable from a lie," said an aide to a key Republican lawmaker. Administration officials said yesterday that before the Israeli bombing, Rice and a majority of other senior officials had supported using information about the two countries' secret collaboration to squeeze Damascus diplomatically, with the aim of stopping its interference in Lebanon and halting the passage of insurgents through Syria into Iraq. U.S. officials told Israel that it would benefit if Washington were able to get Syria to stop all its "nefarious activity," one official said. But Israel decided that Syria's Al Kibar facility was "an existential threat" and needed to be destroyed before reactor fuel could be loaded or processed, the official said. Another official said the Israelis, having seen the long, inconclusive negotiations with Iran over its nuclear programs, had little interest in a solution involving the United Nations and the atomic energy agency. An Israeli official declined to comment on the U.S.-Israeli discussions. "We looked at the possibility of talking to [the Syrians] on the diplomatic track," a senior administration official said yesterday, "using this to say, 'You need to comply with your international obligations, stop aiding foreign fighters going into Iraq, stop disrupting the situation in Lebanon, stop supporting Hezbollah and Hamas, stop repressing your own people, and stop this nuclear activity.' And telling them we would look at military options but we wanted to take the diplomatic track first. But all of our political discussions became moot when Israel acted." Officials said they received their strongest evidence of a North Korean-Syrian connection a year ago, primarily from Israel, at about the time the North Koreans had inked a deal with the United States and its negotiating partners to proceed with dismantlement. Since then, U.S. negotiators had demanded and received North Korea's promise to acknowledge U.S. information about collaboration with Syria. (Glenn Kessler and Robin Wright, "Accusing N. Korea May Stall Nuclear Pact," *Washington Post*, April 26, 2008, p. A-12) Pyongyang knew the accusation was coming, a senior government source said April 27. **In a letter to North Korean leader Kim Jong-il at the end of last year, U.S. President George W. Bush urged Pyongyang to come clean about helping Syria to develop a secret nuclear program, the source said, on condition of anonymity.** Another source said a U.S. envoy delivered photographic evidence with the letter to prove the charge. Hill delivered Bush's letter to FM Pak Ui-chun on December 5, 2007 and the North later confirmed through a diplomatic channel

that Kim Jong-il had received it. The U.S. consulted South Korea before delivering the letter. DoS spokesman Sean McCormack said April 25 North Korea was given information last year about its nuclear connection with Syria. (Yeh Young-jun and Ser Myo-ja, "Bush Gave North a Warning in Letter," *JoongAng Ilbo*, April 28, 2008)

Gelb, Lord op-ed: "If the administration accepts North Korea's hedging and renegeing once again, it will increase, not decrease, the likelihood of confrontation down the line. Yes, sometimes Washington must hold its nose, make concessions and tolerate ambiguity. But not now. Not when it waters down compliance with a painfully reached prior agreement. If President Bush allows Pyongyang to brush away its pledges, he will reinforce its instinct for bluster and blackmail....The most recent U.S. statement of the North's primary obligations, made last Oct. 3, gave this update on Pyongyang's performance: North Korea was committed to "a complete and correct declaration of all its nuclear programs -- including clarification regarding the uranium issue -- by the end of the year." On plutonium, North Korea reportedly has stated levels at the low end of U.S. intelligence estimates. On uranium, Pyongyang has provided nothing. It merely 'acknowledges' American assertions. In diplomatic parlance, 'acknowledge' rarely means 'accept'; usually, it means 'we hear what you say.' ...North Korea pledged to disable all its existing nuclear facilities. By most reports, progress did occur but is slowing. The Dec. 31 deadline for disabling the facilities at the Yongbyon plutonium plant was missed. North Korea had committed 'not to transfer nuclear materials, technology or know-how.' The issue today is Pyongyang's evident role in a Syrian nuclear reactor that was bombed by Israel last September. Washington has until now correctly demanded a full explanation of this and other nuclear activities. Once again, Pyongyang has provided no information and merely proposes to 'acknowledge' American assertions. It is one thing to compromise in order to craft an agreement, keep difficult negotiations going and not let the best be the enemy of the good. It is another thing to let the other side breach compromises already reached. President Bush's remarks at his meeting with South Korean President Lee Myung-bak last weekend suggest that he still may stiffen his stance. We hope so. Our fear, however, is that Bush, feeling the glow of a rare foreign policy accomplishment, may proceed to cement a legacy. He should consider the criticism he would heap upon his successor if he or she were to ink such a deal. ...We oppose both abandoning the September 2005 agreement and allowing Pyongyang to eviscerate it. Better to let the talks continue than to make one-sided concessions. Better to sharpen North Korean compliance or -- failing that -- to string out our own." (Winston Lord and Leslie H. Gelb, "Yielding to N. Korea Too Often," *Washington Post*, April 26, 2008, p. A-17)

4/28/08

KCNA: "Talks between DPRK Foreign Minister Pak Ui Chun and Chinese Foreign Minister Yang Jiechi were held in Beijing on April 28. Present there from the DPRK side were the foreign minister's party and Choe Jin Su, DPRK ambassador to China, and from the Chinese side He Yafei, assistant to the foreign minister, and other officials concerned. At the talks both sides informed each other of the situation in their countries and exchanged views on the issue of boosting the relations of friendship between the two countries and matters of mutual concern." (KCNA, "Talks between Foreign Ministers of DPRK and China Held," April 28, 2008)

DPJ candidate Hideo Hiraoka easily won a House of Representatives seat in the Yamaguchi Constituency No. 2 by-election Sunday, dealing a fresh blow to the Cabinet of Prime Minister Yasuo Fukuda. (*Yomiuri Shimbun*, "DPJ Cruises to Win in Key By-Election; Yamaguchi Poll Loss a Blow to Fukuda, LDP," April 28, 2008)

- 4/29/08 Bush: "We briefed 22 members of Congress on what I'm about to tell you. First, we were concerned that an early disclosure would increase the risk of a confrontation in the Middle East or retaliation in the Middle East. As I mentioned to you early on, we did notify 22 members of Congress, key committee chairmen. And I was - I'm mindful that there was going to be this kind of reaction, and of course, we wanted to include more members of Congress at a time when we felt the risk of retaliation or confrontation in the Middle East was reduced, and so that moment came upon us, and then extended the briefings. We also wanted to advance certain policy objectives through the disclosures, and one would be to the North Koreans, to make it abundantly clear that we may know more about you than you think, and therefore, it's essential that you have a complete disclosure on not only your plutonium activities, but proliferation, as well as enrichment activities. And then we have an interest in sending a message to Iran, and the world for that matter, about just how destabilizing a -- nuclear proliferation would be in the Middle East, and that it's essential that we work together to enforce U.N. Security Council resolutions aimed at getting Iran to stop their enrichment programs. In other words, one of the things that this example shows is that these programs can exist and people don't know about them -- because the Syrians simply didn't declare the program; they had a hidden program. And finally, we wanted to make it clear to Syria -- and the world -- that their intransigence in dealing with helping us in Iraq, or destabilizing Lebanon, or dealing with Hamas -- which is a destabilizing force in our efforts to have a Palestinian state coexist peacefully with Israel -- that those efforts are -- gives us a chance to remind the world that we need to work together to deal with those issues. So that's why we made the decision we made." (White House, Office of the Press Secretary. Press Conference by the President, April 29, 2008)
- 4/30/08 In its annual "Country Reports on Terrorism," released today, the U.S. State Department kept the North on its list of nations that sponsor terrorism, but also mentioned it would take action toward delisting the country "in parallel with the DPRK's actions on denuclearization." (*Hankyore*, "U.S. State Dept. Keeps N. Korea on List of State Sponsors of Terrorism," May 2, 2008)
- 5/1/08 Ambassador Alexander Vershbow said the United States "will meet its commitments" to remove North Korea from its list of state sponsors of terrorism if the communist regime meets its commitments to denuclearization. "In conjunction with the disablement of Yongbyon and North Korea's provision of a complete and correct declaration, the U.S. has promised to remove the DPRK from its list of terrorism-sponsoring states and terminate the application of the Trading With the Enemy Act with respect to the DPRK," Vershbow said in a speech at the University of North Korean Studies at Kyungnam University. "President Bush has made it clear that, in the context of full denuclearization, the United States is prepared to replace the Korean War Armistice Agreement with a permanent peace agreement," he said. "On April 17, Secretary Rice spelled out the U.S. expectations for Phase 2: 'The outcome we and our partners require is a full account

[not declaration] from North Korea of all its nuclear programs, including any uranium and nuclear proliferation activities.” On Syria, he said, “The U.S. has made public our information showing North Korea’s involvement in helping Syria to construct a plutonium reactor similar to Yongbyon, and we expect North Korea to address those concerns.” (Michael Ha, “U.S. Ready to Work with North Korea,” *Korea Times*, May 1, 2008)

A House committee approved legislation that would require the Bush administration to certify that North Korea had dismantled its nuclear weapons program [?] before it could be removed from the State Department’s list of terror-exporting countries. The certification provision was an amendment to a bill to overhauling U.S. military aid programs and essentially puts existing U.S. policy into law. Rep. Howard Berman (D-CA), the chairman of the House Foreign Affairs Committee, said the measure “reinforces U.S. policy regarding removing North Korea” from the terror list. “It basically says, ‘You can do what you’ve been doing, but the president has to certify it,’” said Lynne Weil, the committee’s spokeswoman. Berman said in a statement that the purpose of the waiver and certification was “to allow the United States to eliminate North Korea’s nuclear program.” He added, “The conditions laid out in that provision include a presidential certification that North Korea no longer is engaged in transferring to other countries any technology that enables the development or acquisition of nuclear weapons.” (Associated Press, “U.S. Law Would Tighten N. Korean Terror Listing,” May 1, 2008)

5/2/08

The government will consider sending humanitarian aid to Pyongyang if it is asked for, a top government official said Friday, regarding a possible famine threatening North Korea. “Conjecture has been made on a North Korean food crisis based on decreased crop yield and crop price hikes,” the official, asking to remain anonymous, told reporters. “The South Korean government will provide humanitarian assistance to the North without any conditions if Pyongyang calls for it.” (Kim Sue-young, “Seoul Will Send Humanitarian Aid If North Korea Wants,” *Korea Times*, May 2, 2008)

South Korea is ready to accept any North Korean offer for dialogue, a high-level government official said. North Korea should stop unleashing harsh rhetoric against the South Korean President Lee Myung-bak prior to resuming dialogue with Seoul, the official added. “We’re ready to hold dialogue anytime if North Korea reacts positively to the proposal and offers a way to discuss the matter,” the government official told reporters. (Shim Sun-ah, “S. Korea Ready to Accept N.K. Offer for Dialogue,” *Yonhap*, May 2, 2008)

The approval rating of Fukuda cabinet falls to 19.8 percent, down 6.8 percent in a month, lowest since Mori in 2000-01. (Kyodo, “Support Rate for Fukuda Cabinet Plunges to 19.8%: Kyodo Poll,” May 2, 2008)

5/6/08

A team of United States officials is visiting North Korea to survey the country's desperate food shortage. The visit is a possible prelude to the United States supplying food aid, MOFA spokesman Moon Tae-young said. (Kurt Achin, “U.S. Officials Visit North Korea to Arrange Possible Emergency Food Aid,” *VOA News*, May 6, 2008)

Nearly 10,000 South Koreans staged candlelight vigils calling for their government to scrap an agreement to resume U.S. beef imports, but a senior ROK official rejected any such move. A telephone survey of 700 adults published by the Seoul-based polling agency Realmeter last week showed Lee's approval ratings had plunged to 35.1 percent, down 12.1 percent from the previous week. Presidential spokesman Lee Dongkwan accused some Internet sites of spreading false allegations on the safety of U.S. beef. The main opposition United Democratic Party said it would push for a parliamentary resolution calling for the renegotiation of the deal. A parliamentary committee is to hold a hearing on the issue tomorrow. (Hyungjim Kim, "South Koreans Rally against U.S. Beef; Government Rejects Calls to Renegotiate Deal," Associated Press, May 6, 2008)

5/7/08

Hu-Fukuda summit in Tokyo issues a joint statement on promoting "relations of mutually strategic interests" without referring to "apologies" or "reflection" over Japan's wartime actions in China. But the statement said Japan and China will "cooperate closely to promote understanding and the pursuit of basic and universal values acknowledged by the international community." (*Asahi Shimbun*, "Japan, China Issue Joint Document on Mutually Strategic Relations," May 8, 2008) The two held talks for about 90 minutes starting about 10:30 a.m. Five members of the Fukuda Cabinet, including FM Komura Masahiko, Chief Cabinet Secretary Machimura Nobutaka and Finance Minister Nukaga Fukushima, attended the talks with officials of the Chinese side, which included Foreign Minister Yang Jiechi. The joint statement signed by the two leaders after the talks was the fourth political document between the two countries, following a joint statement in 1972, the peace and amity treaty in 1978 and a joint declaration in 1998. Asked at a press conference afterward about the issue of natural gas exploration in the East China Sea, Fukuda indicated the two countries had moved closer to agreement. "We saw a great development [in discussions over the issue] and confirmed that a solution is in sight," he said. Hu also stressed there was a major development, adding, "We've had a vision of the issue's resolution, so I feel happy." According to sources, the two countries agreed the approximate area where the two would launch a joint gas exploration project. The joint statement also contains a sentence with Tibet in mind: The two countries agreed to work in close cooperation to understand and pursue universal values. (*Yomiuri Shimbun*, "Fukuda, Hu Agree to Boost Ties; Joint Statement Future-Oriented; Gas Issue 'Close to Resolution,'" May 8, 2008) An abnormally friendly five-day visit to Japan by Chinese President Hu Jintao causes many here to wonder what has suddenly gone right in the relationship between the two giants of Asia -- and whether it can last. Prime Minister Fukuda, the primary engineer of this Asian rapprochement, believes that it can. "We have been able to put the past in the past," he told me shortly after Hu left the country yesterday. The new path is possible because of -- not in spite of -- China's great economic surge as a global exporter, Fukuda explained through an interpreter in a 90-minute interview. "We are seeing a process of China's internationalization," he said. The Chinese are now aware that "they need to pay a lot of attention to their own behavior as they seek to obtain resources and develop markets for their products. . . . I pointed this out as well" to Hu, Fukuda said as he read from a report of their private conversations. (Jim Hoagland, "new Allies in Asia?" *Washington Post*, May 11, 2008, p. B-7)

5/8/08

KCNA: "A U.S. food aid delegation visited the DPRK from May 5 to 8. During its visit, negotiations on humanitarian food aid were held. ... They had in-depth and good negotiations." (KCNA, "DPRK-U.S. Negotiations on Food Aid Held," May 8, 2008)

Bolton op-ed: "On plutonium, the administration seems content to seek vague statements from the North that "account" for the amount of this fissile material we think it has extracted from its Yongbyon reactor's spent fuel rods over the years. Administration briefings reveal little or no interest in how many plutonium weapons exist; whether there are other plutonium-related facilities hidden in North Korea's vast complex of underground facilities; and what the North's weapons-manufacturing capabilities are. Proliferation? Perhaps the Bush administration's most wondrous act of magic is to make that problem disappear. The State Department argues that North Korea may have proliferated in the past, but that's all behind us. How do we know? The North Koreans have told us. ... More troubling is the administration's apparent treatment of the Syrian reactor as if it were the only proliferation threat in the Middle East. It is not. Iran should be top of mind as well. It is inconceivable that Syria could work for five years or more building the clone of North Korea's Yongbyon reactor on the Euphrates without, at a minimum, Iranian acquiescence. Quite likely, Iran was involved. Tehran could well be financing Syria's purchase of reactor technology from North Korea. It could also have expected to benefit from the reactor's production of plutonium. ... Iran and North Korea already have a history of cooperation in ballistic missiles - the delivery system which, if perfected, could give their weapons global reach. After the North declared a moratorium on launch testing from the Korean Peninsula in 1999, it simply ramped up cooperation with Iran's aggressive missile research and development program. The North thus continued to benefit from launch-testing data, prior to breaking its moratorium on July 4, 2006, while also scoring a propaganda victory among the clueless for its apparent renunciation of provocative behavior in Northeast Asia. Outsourcing weapons programs is nothing new for Pyongyang. Although our intelligence community stated publicly that the Syrian reactor was a cash transaction, its congressional briefings contained little or no supporting evidence that this was so. This is unsurprising. The Israeli raid was based on the hard physical evidence seen on the banks of the Euphrates River, not on scrutiny of documents embodying the deal. Some friendly advice to our intelligence services: Think joint venture. Think asset diversification. Hypothetically, what if the deal had North Korea getting a third of the plutonium produced by the Euphrates reactor, Iran a third, and Syria a third? The North benefits by maintaining open access to a plutonium supply even if Yongbyon remains frozen. Iran gets experience in reactor technologies immune from IAEA scrutiny. And Syria takes a major step toward undisclosed nuclear capabilities. Win-win-win, as that entrepreneurial proliferator A.Q. Khan might have said. Here is the real problem. North Korean nuclear proliferation is quite likely more than a series of one-time transactions that create problems elsewhere in the world. It may very well be integral to its own nuclear weapons program." (John R. Bolton, "Bush's North Korea Abdication," *Wall Street Journal*, May 8, 2008, p. A-15)

5/8/08

Ri Chung-bok, a North Korean deputy chairman of an inter-Korean body, the Korean Council for Reconciliation and Cooperation, was quoted as saying, "The current chill in relations between the South and the North will go away if the South's highest-ranking

official promises to uphold the June 15 Joint Declaration" from the 2000 inter-Korean summit. Ri made the remarks earlier this week while meeting in Pyongyang with South Korea's former Unification Minister Jeong Se-hyun, currently serving as head of the organization's South Korean branch. "We refrained from making any comments (about President Lee) because we had some expectations for him, but we had to take actions in self-defense as the South linked the nuclear issue to economic cooperation and made remarks hinting at possible preemptive strikes against our nation," Ri was quoted as telling Jeong. (Yonhap, "Pyongyang Waiting for Positive Gesture by Seoul: N.K. Official," May 10, 2008)

5/9/08 U.S. Department of State, "Update on the Six-Party Talks": "U.S. experts currently are overseeing the discharge of the spent fuel rods from the 5-MW(e) reactor. As of mid-May, more than one-third of the spent fuel rods have been discharged successfully."

5/11/08 The South Korean government is set to approve a 10 billion won (US\$9.6 million) aid package for impoverished North Korea. "The Inter-Korean Exchange and Cooperation Promotion Committee will hold its first meeting since the inauguration of the Lee Myung-bak administration on Thursday, and vote on the amount of funds to be provided to civilian humanitarian projects this year," an official at the Ministry of Unification said. The ministry has been reviewing about 60 requests for matching funds since late February, but the total amount of government assistance for those organizations is expected to be reduced to some 10 billion won from 11.7 billion won last year, according to the official. The reduction is mainly due to a recommendation from state inspectors to reject requests from several organizations that were "disqualified" from government assistance due to lack of transparency in their management of funds, he said. (Yonhap, "Seoul Set to Approve 10 Billion Won in Aid for N. Korea: Official," May 11, 2008)

When North Korean businessman Ho Jin Yun first caught the attention of German customs police in 2002, he had been crisscrossing Central Europe, amassing a bafflingly diverse collection of materials and high-tech gadgets: gas masks, electric timers, steel pipes, vacuum pumps, transformers and aluminum tubes cut to precise dimensions. According to U.S. officials, European intelligence officials and diplomats, Yun's firm -- Namchongang Trading, known as NCG -- provided the critical link between Pyongyang and Damascus, acquiring key materials from vendors in China and probably from Europe, and secretly transferring them to a desert construction site near the Syrian town of Al Kibar. It was the company's suspicious buying habits -- and the branch office it opened in Damascus -- that inadvertently contributed to the alleged reactor's discovery and later destruction in a Sept. 6 Israeli bombing raid, U.S. officials say. Joint Chiefs of Staff Chairman Michael Mullen declined in an interview to say whether Washington helped with the raid, but he strongly endorsed it. "The reactor which was being built was not very far from being operational and needed to be hit," Mullen said. Its attempt to purchase hundreds of high-strength tubes from European businesses attracted the attention of the German government in 2003. The tubes were made of a highly specialized type of aluminum used in making centrifuges for uranium enrichment, but Yun, the NCG businessman, told German companies that they were destined for an aircraft factory in China, according to court documents. Eventually, Yun -- who earlier

served as the head of North Korea's United Nations delegation in Vienna, the home of the U.N. nuclear watchdog agency -- struck a deal with a Bavarian company to obtain 22 tons of British-made tubes. They were placed on an Asia-bound ship in April 2003 and made it as far as the Suez Canal before German authorities ordered the cargo seized. (Robin Wright and Joby Warrick, "Purchases Linked N. Korean to Syria," *Washington Post*, May 11, 2008, p. A-18)

North Koreans suggested to a Japanese official in early 2004 that there were abductees other than the 15 officially recognized as abduction victims by Tokyo at that time, government sources said Yoshiyuki Inoue, who was in charge of the abduction issue at the Cabinet Office, sought information on abductees other than the 15 when he visited North Korea several times between late 2003 and January 2004, and officials there indicated readiness to reveal the fates of some of them, according to the sources. (Kyodo, "N. Korea Suggested Existence of Other Abductees in 2004," May 11, 2008)

5/12/08 US Deputy Secretary of State John Negroponte met with China's foreign minister on Monday as he began a one-day visit that was expected to focus on the North Korean nuclear issue. **"Shall we focus on China-US relations and also an issue of great interest to you -- that is the Northeast Asia peace and security mechanism?"** Wang asked Negroponte at the beginning of their meeting. (AFP, "U.S. Deputy Secretary of State in Beijing for N. Korea Talks," May 12, 2008)

5/13/08 South Korean and U.S. officials hold talks in Washington on providing food aid to impoverished North Korea, which is feared by some experts to be close to another famine. A delegation from the foreign affairs and unification ministries will be briefed about last week's visit to Pyongyang by a US team, an official told Yonhap news agency. "We expect to get an idea of how and when the US will begin providing food aid to North Korea," the Seoul official said. "That information will help us plan food aid to North Korea." (AFP, "U.S., S. Korea to Hold Talks on N. Korea Food Aid, May 12, 2008)

The U.S. has agreed to give North Korea 500,000 tons of food aid under a new deal that would allow monitors unprecedented access to oversee distribution in the Stalinist state. Washington will supply 400,000 tons via the United Nation's World Food Program, while US non-governmental organizations will distribute another 100,000 tons, according to people familiar with the agreement. One U.S. official said President Bush would approve the deal "within days." Pyongyang has agreed to extensive monitoring, including random inspections that several observers said were "unprecedented". It would also allow "port to mouth" inspections to reduce concerns that food would be siphoned off for the elites. "Long-standing US policy is that we give food aid on three conditions: the demonstrated need, consideration of competing needs elsewhere in the world, and our ability to ensure that the assistance actually gets to those who require it," said Thomas Casey, deputy state department spokesman. "There is no connection with any other issues." (Demetri Sevastopulo, "U.S. to Send Food Aid to N. Korea after Pyongyang Accepts Terms," *Financial Times*, May 13, 2008, p. 1)

Hecker and Perry op-ed: "In separate visits to North Korea in February, we concluded that the disablement was extensive and thorough. We also learned that Pyongyang is prepared to move to the next crucial step of dismantling Yongbyon, eliminating plutonium production. This would mean no more bombs, no better bombs and less likelihood of export. After this success, we can concentrate on getting full declarations and on rolling back Pyongyang's supply of weapons and plutonium. We must not miss this opportunity, because we have the chance to contain the risk posed by North Korea's arsenal while we work to eliminate it. As dismantlement proceeds, negotiations should focus concurrently on the plutonium declaration, the extent of the uranium enrichment effort and Pyongyang's nuclear exports. Pyongyang's declaration of 30 kilograms of plutonium (sufficient for roughly four to five bombs) falls short of the estimate of 40 to 50 kilograms, based on our past visits. We believe that North Korea is prepared to produce operating records and permit access to facilities, equipment and waste sites for verification. Obtaining and verifying its declaration of plutonium production and inventories is imperative. Let's proceed. Pyongyang continues to claim that it has made no efforts to enrich uranium, despite strong evidence to the contrary. Although it appears unlikely that these efforts reached a scale that constitutes a weapons threat, a complete accounting is required. Dismantlement of the Yongbyon facilities should not, however, be postponed to resolve this issue. ...We do not advocate letting Pyongyang off the hook, but a "confession" regarding Syria is not the critical issue. We have good knowledge of what the North Koreans supplied to Syria. What we really need is information from North Korea that will help us deal with potential threats." (Siegfried S. Hecker and William J. Perry, "The Right Path with North Korea," *Washington Post*, May 13, 2008, p. A-15)

North Korean officials have said about 30 kilograms of plutonium was produced at their five-megawatt reactor at Yongbyon, at the low end of most private and government estimates. The new U.S. estimate is expected to be from 35 to 40 or 50 to 60 kilograms, though sources would not detail how much it had increased from the last government estimate. "It will be a little more than past estimates," said a senior U.S. official with access to the intelligence. "It solidifies it and presents a more solid assessment." Few details have been revealed about the evidence behind that assertion, but yesterday a high-ranking former intelligence official who reviewed it said it was not convincing. "I was extremely concerned that people were giving a lot more credence to the evidence" than warranted, Carl W. Ford Jr., former head of the State Department's Bureau of Intelligence and Research, told a gathering at the Carnegie Endowment for International Peace. "Before we make judgments, we ought to have some evidence." In 2006, the Institute for Science and International Security estimated that the North Korean facility had discharged 43 to 61 kilograms, but it recovered only 20 to 53 kilograms because of waste and inefficiency. (Glenn Kessler, "U.S. Increases Estimate of N. Korean Plutonium," *Washington Post*, May 14, 2008, p. A-13) Glenn Kessler notes, "The sentence, AS IT APPEARED IN THE NEWSPAPER, was: "The new U.S. estimate is expected to be from 35 to 40 or 50 to 60 kilograms." BUT THIS IS HOW IT SHOULD HAVE READ: "The new U.S. estimate is expected to be between 35-40 and 50-60 kilograms." In other words, there are not two blocks, but a single range that will be between 35 and 60 kilograms. My sources were vague on the exact numbers at the upper and lower part of the range, which is why it was written like that. I think it is more

likely to be in the upper range—ie, 40-60 kilograms. Two sources said that it had been 30-50, but the CIA increased it by ten kg, to 40-60. But a senior official cautioned me on using a precise 10 kg figure, so I did not use it in the article. I hope this clarifies this crucial point, and I apologize if anyone was misled by the language that appeared in the newspaper. (Glenn Kessler, "Comment, *Arms Control Wonk*, May 16, 2008)

5/16/08 The Bush administration said yesterday it will restart food aid to North Korea and provide it with more than 500,000 tons of food -- the largest one-year amount since 1999. U.S. officials said aid will flow for the first time since 2005 because of a breakthrough on oversight of how the food would be distributed, including random inspections and allowing Korean-speaking aid workers into the country. Officials said the deal was unrelated to a separate effort to implement North Korea's promise to give up its nuclear weapons. "We don't see any connection," DoS spokesman Sean McCormack said. "We're doing this because America is a compassionate nation and the United States and the American people are people who reach out to those in need." Talks on the food aid began last October at the administration's request, about the same time the United States and its negotiating partners achieved a breakthrough on the nuclear disarmament talks. Officials at the U.S. Agency for International Development made three trips to Pyongyang in the last eight months to achieve the deal. Officials expect to employ 65 monitors and have five sub-offices. (Glenn Kessler, "U.S. to Send N. Korea 500,000 Tons of Food Aid," *Washington Post*, May 17, 2008, p. A-14)

5/17/08 As the Bush administration inches toward a deal to reward North Korea for retreating from its nuclear ambitions, the odd man out in the negotiations is Japan, the closest ally of the United States in Asia. The Japanese government appears resigned to the possibility that the United States may reach an agreement with North Korea - and remove it from a list of outlaw countries that sponsor terrorism -- without addressing issues that Japan regards as fundamental to its national interest. A deal based on nuclear issues alone "would not solve the matter" for Japan and it would refuse to normalize relations with North Korea, PM Fukuda said in a recent interview. "The nuclear issue, the missile issue that imposes a threat to Japan and the abduction issue would come as a set of three - called a trilogy," Fukuda said in the interview. "Lacking any one of the three would not solve the matter." In the interview, Fukuda said that it is in North Korea's financial interest to resolve Japan's concerns. When they are resolved, the Japanese have pledged to provide large amounts of cash - possibly \$10 billion - and other economic aid to North Korea, as reparation for colonial occupation between 1910 and 1945. "If I were to put myself in North Korean shoes," Fukuda said, a nuclear deal without an abductee settlement would not be "a very favorable situation." (Blaine Harden, "Japan Feeling Left Out As U.S. Talks to Pyongyang," *Washington Post*, May 17, 2008, p. A-14)

KCNA: "The U.S. government officially announced its decision to offer 500,000 tons of food to the DPRK on May 16. 100,000 tons are to be offered through NGOs in the U.S. and the remaining 400,000 tons through the WFP. Experts of the parties concerned will soon meet in Pyongyang to ensure the delivery of the first shipment of food before late June. The DPRK is ready to provide all technical conditions necessary for the food

delivery. **The food aid of the U.S. government will help settle the food shortage in the DPRK to a certain extent and contribute to promoting the understanding and confidence between the peoples of the two countries.**" (KCNA, "U.S. to Offer Food in DPRK," May 17, 2008)

5/18/08 In a televised speech marking the 28th anniversary of the pro-democracy movement in the southwestern city of Kwangju, President Lee Myung-bak said, "We would help North Korea if it moves toward changes," Lee did not elaborate, but his comments appeared to be a call for the North to propose a meeting to ask the South for food aid. Lee also said South Korean officials were prepared to meet with their North Korean counterparts any time to try resolving pending issues. (Associated Press, "South Korea's President Says His Country Willing to Help If North 'Moves toward Changes,'" May 18, 2008)

5/21/08 Diet enacts Basic Space Bill lifting the long-standing ban on the military use of space assets and promoting the space industry. A new Headquarters for Space Development and Strategy is to be set up under the Cabinet, with the Prime Minister serving as its Director-General, to develop a comprehensive space strategy. (Aoki Setsuko, "Challenges for Japan's Space Strategy," JIIA Commentary, May 21, 2008)

5/22/08 President Lee apologized on national television for the deal on beef imports as protests mount. (Song Jung-a, "S. Korea President Apologizes for US Beef Deal," *Financial Times*, May 23, 2008, p. 3)

ROK birth rate of 1.2 in 2006 is lowest in world. (*Dong-A Ilbo*, "Korea Has World's Lowest Birth Rate in '06," May 22, 2008)

5/25/08 Nuclear negotiators from the United States and North Korea are likely to discuss the fate of Japanese citizens allegedly abducted by Pyongyang during the Cold War era, when they meet in Beijing this week, said a South Korean diplomatic source. (Jung Sung-ki, "U.S., N. Korea to Address Japanese Abduction," *Korea Times*, May 25, 2008) North gave U.S. information last fall about several Japanese believed to be abductees, hinting at willingness to send them home, Japanese officials say. (*Mainichi Shimbun*, "Several Japanese Alive I North Korea, Ready to Be Sent Home, Pyongyang Says," May 27, 2008)

5/26/08 Sen. John McCain broke today with President Bush's new policy on North Korea, co-authoring an opinion article with Sen. Joe Lieberman (I-CT) in the May 27 edition of the *Asian Wall Street Journal* in which he called for a return to Bush's original demand of a complete, verifiable, irreversible disarmament of North Korea's nuclear programs. With the prodding of secretary of State Condoleezza Rice, Bush -- who once labeled North Korea part of an "axis of evil" -- has greatly softened his position on North Korea in the past year in an effort to convince Pyongyang to give up its nuclear weapons. But the shifts have greatly angered conservatives in the Republican Party. McCain's new stance calls for a return to sanctions and other levers to prod North Korea. (Glenn Kessler, "McCain Breaks with Bush over North Korea," *The Trail* (Post blog), May 26, 2008)

Early in Bush's second term, Secretary of State Rice held a series of strategy sessions on how to persuade North Korea to surrender its nuclear weapons programs. Hill remained

largely silent, four participants said, except to pipe up periodically with the same refrain. "If you just let me go to Pyongyang, I'll get you a deal," the career FSO said, prompting others to roll their eyes and move on. "On the one hand, he is an effective negotiator," said Victor Cha, former NSC director of Asian affairs, who was Hill's deputy at the nuclear talks in 2006. "But you can also view him as a media hog trying to be a hero." The normally loquacious Hill declined to comment for this article, as did Rice. But when asked in a podcast by Christopher Lydon, a fellow at Brown's Watson Institute, on April 25 about his dealings with "Cheneyland," he acknowledged the strain. "I have never seen people around tables in Washington get so angry about this subject," Hill told. "I understand why people get emotional about this. But my job is to try to stay on task here. . . . If giving speeches in Washington would solve this, we'd just stay in Washington and give speeches." Hill added: "I've got to tell you, I don't feel abandoned by Secretary Rice and President Bush. They have been big supporters." Rice speaks to Hill as many as seven times a day while he is negotiating, to keep close tabs on the precise language in draft documents. But Hill also has sometimes taken procedural shortcuts to leave his internal opponents out of the loop. And he has rebuilt his initial negotiating team, weeding out potential spies for his rivals and replacing them with a tight-knit group of technical experts. He caught Bush's eye when the Polish president, a favorite of Bush's, lavishly praised Hill's performance as ambassador to Poland. An agreement with North Korea is "like the proverbial fifth marriage -- a triumph of hope over experience," Hill said in the podcast. "I certainly anticipate a lot of critics. But usually when I ask the critics 'Okay, what would you do?' . . . they usually change the subject. You always end up with people coming back to the idea you have got to sit down and negotiate." (Glenn Kessler, "Mid-Level Official Steered U.S. Shift on North Korea," *Washington Post*, May 26, 2008, p. A-1)

5/27/08

North Korea has given the United States information about several Japanese believed to be abductees, saying there are still a number of them in North Korea, and hinted at its willingness to send them home, Japanese government sources said Tuesday. The people mentioned are believed to be separate from the group of 12 Japanese that Tokyo recognizes as abduction victims. The Japanese government recognizes 17 Japanese nationals including Megumi Yokota as victims of abductions by North Korean agents. Five of the 17 have come back to Japan with their families. North Korea claimed all of the surviving abductees have already returned to Japan. However, Japan's Investigation Commission on Missing Japanese Probably Related to North Korea says that there are 470 people it cannot cross off the list of possible abductees. Based on conditions at the times when the people disappeared, it says it is "strongly" suspecting that 36 of these people were abducted. Commenting on the latest information on Tuesday morning, a senior government official said, "I don't know about it. If North Korea has told the United States, then we would expect the United States to inform Japan." The official said that there were Japanese abduction victims that Japanese police were unaware of. "If they were to return home, that would lead to progress (in relations between Japan and North Korea)," the official said. (*Mainichi Shimbun*, "Several Japanese Alive in North Korea, Ready to Be Sent Home, Pyongyang Tells U.S.," May 27, 2008)

5/27-30/08

President Lee Myung-bak and his Chinese counterpart Hu Jintao at their first summit declared that the relationship between Korea and China would be upgraded from the

current "cooperative partnership" to the level of a "strategic cooperative partnership." The South Korean government is touting the partnership as the biggest gain from the summit, calling it an "improvement" in relations between the two countries. (*Hankyore*, "S. Korea and China Form Strategic Partnership," May 29, 2008) "South Korea and China have not improved bilateral relations for a long time due to China's long ties with North Korea," Lee said in a breakfast meeting with Korean business leaders at a Beijing hotel. "Considering inter-Korean relations, the new strategic partnership between South Korea and China is extraordinary. Its immediate impact on inter-Korean relations is not certain yet, but it will eventually be beneficial to North Korea." Meanwhile, Lee revealed his government's intention to lease industrial space in China to South Korean companies seeking to enter the Chinese market. "The idea of opening a leased industrial park in China (for Korean companies) is now under consideration. The improved relations with China will be helpful to Korean companies pushing for strategic inroads into the Chinese market," said Lee in his closing remarks at the breakfast meeting. "My government's task is to maintain straightforward dialogue channels with China at various levels to facilitate practical economic cooperation. At the summit, Hu also proposed talking to each other anytime to engage in candid discussions on pending bilateral issues." (*Korea Herald*, "Seoul-Beijing Ties to Benefit N. Korea," May 29, 2008) Answering a reporter's question about the tightening U.S.-South Korea alliance on May 27, FoMin spokesman Qin Gang was quoted as saying: "We should not view, treat or handle today's international and regional security issues with an outdated mentality." Be it slip of tongue or an "honest" mistake, the comments were considered to be ill-timed, with presidents Hu Jintao of China and Lee Myung-bak of South Korea just having agreed to forge a strategic partnership in their first summit talks in Beijing the same day. After South Korea demanded an explanation, the Chinese government yesterday told Seoul that the comments were only referring to how the Korea-U.S. alliance was a result of history. China also reportedly said that the comments were a product of miscommunication or misunderstanding and that it has full understanding of the current relations between Seoul and Washington. But observers pointed out that the remarks reflected China's unease toward strengthening ties between South Korea and the United States, bolstered by Lee, a conservative pragmatist. During the news conference, Qin also attempted to highlight that China shared the same security interests as Seoul. "Cooperation should be strengthened so as to jointly safeguard mutual security. This is the only option for us," he said. Ongoing six-party talks on the denuclearization of North Korea, if successful, could result in the establishment of a Northeast Asian security mechanism, Qin added. "We hope that with the strengthened mutual trust of relevant countries and progress in the six-party talks we can reach a consensus for a framework for a Northeast Asian security mechanism." (Lee Joo-hee, "China Backpedals on Alliance Remarks," May 29, 2008) Lee says, "Considering inter-Korean relations, the new strategic partnership between South Korea and China is extraordinary. Its immediate impact on inter-Korean relations is not certain et, but it will eventually be beneficial to North Korea." A leased industrial park in China for Korean companies is now under consideration. (*Korea Herald*, "Lee: Seoul-Beijing Tie to Benefit N.K.," May 29, 2008) President Lee Myung-bak returned home after four-day state visit to China, which was capped off by his surprise visit to the earthquake-stricken southwestern Chinese province of Sichuan. (Yoo Cheong-mo, "Lee Returns Home After Summit Diplomacy in China," *Yonhap*, May 30, 2008)

5/28/08

Hill and Kim Gye Gwan hold bilateral in Beijing and reach oral understanding on verification at Yongbyon. In June Hill submits a memorandum to North Korea's U.N. mission outlining his interpretation of the oral understanding. The North Koreans do not object to Hill's summary, but do not commit to it in writing. Hill: "I'd say there were three very good meetings. I first talked to the DPRK delegation this morning and through lunch. Then I had a lengthy discussion with the Chair of the Six Parties, that is, with Deputy Minister Wu Dawei. Then I just had dinner and talked to the Japanese delegation, in particular with Saiki-san. Ambassador Saiki is beginning his own round of discussions. So I would say the main issue was to try to talk about the sequencing and events ahead. I thought, in particular, my discussion with the North Koreans was very much focused on the need for verification and to fully cooperate in a verification regime. So I think we had a very good discussion on that, a very positive discussion on the issue of verification, which is so central to this process. As we've said before, we all have some obligations and discussed what those obligations are. I don't want to get into too many specifics, but I think it's something we can move forward on the basis of a common understanding. **Q:** Can't you say you have made a conclusion on the declaration issue today? **HILL:** Again, we're going to be having some technical meetings in the next couple of weeks or so. I think things are moving ahead, but I'm not in position really to talk about timetable. I thought what was important for us was the understanding on the need for a verification regime. **Q:** So could we not see the declaration soon? **HILL:** Well, again, it depends on what you mean by soon. We're certainly moving ahead, but I'm not prepared at this point to announce any timetable at this time. ... **Q:** Ambassador, it's already almost June. You've got a series of events - the Olympics coming up, two political conventions in the U.S. How concerned are you that, in fact, you're sort of in a race against time, with the North Koreans dealing with a lame-duck administration? **HILL:** Well, I've felt for some time really that we are in a race against -- I mean, it's a difficult year, in that we've had some delays, and we've certainly had to try to make more progress. And that's why we did spend time today discussing timeline. But I'm just not in a position to announce anything. I need to get back to Washington. I need to fully brief Secretary Rice on where we stand on this. Where we'll be by the end of the year, I think it's difficult to say at this time. We're certainly committed to trying to complete the denuclearization process. But, obviously, completing everything by the end of the year will be a challenge, and we need to see if it's going to be possible." (DoS, Hill, "Evening Walk-Through Remarks," Grand Hyatt Hotel, Beijing, May 28, 2008)

Thousands of pages of nuclear documents submitted by North Korea earlier this month cast doubt on a U.S. intelligence estimate of how much weapons-grade plutonium the secretive communist country has been able to amass, U.S. officials and a leading private analyst said Wednesday. **An initial review of the documents, they said, provides no evidence that communist North Korea covertly extracted plutonium, which can be used to make nuclear weapons, from its reactor complex at Yongbyon before 1992.** Some CIA officials have alleged that North Korea had done so, meaning that it could have more plutonium, and thus the capacity to make more nuclear weapons, than it's admitted. In an unclassified document provided to Congress in 2002, the CIA estimated North Korea had one or possibly two nuclear weapons using plutonium produced prior to 1992. A U.S. official acknowledged that the records don't show a pre-

1992 North Korea program to produce plutonium. However, he added: "Bear in mind that these are North Korean records, and that they might not always be entirely accurate." Nobody in the U.S. government, he added, "is going to swallow these things whole." David Albright, a former United Nations nuclear inspector who consults frequently with the U.S. government, said the reactor records turned over by North Korea are "consistent with what they've said." The CIA's contention that Pyongyang extracted plutonium prior to 1992 "is not supported in the record," said Albright, the president of the Washington-based Institute for Science and International Security. The trove of documents "is internally consistent, and to forge it would be tremendously difficult," he added. North Korea on May 8 turned over 18,822 pages of documents to Sung Kim. (Warren P. Strobel, "North Korean Nuclear Documents Challenge CIA Assertions," McClatchy, May 28, 2008) This is precisely the same dispute that led to the first crisis in 1992 – did North Korea clandestinely withdraw some or all of the fuel rods in 1989 and reprocess them secretly? North Korea has admitted to three reprocessing campaigns. The question is whether the 1990 campaign resulted closer to 90 grams of plutonium (North Korea's claim) or 9 kilograms (the upper bound of the US estimate).

**Campaign #1, March-May 1990** The North Koreans claimed in their May 1992 IAEA declaration to have separated 62 grams from about 90 grams produced in 86 broken fuel rods. The IAEA found many discrepancies in the North Korean declaration, suggesting that North Korea had reprocessed more batches of plutonium over a longer period of time (1989-1991) than declared. It was, as an IAEA official told David Albright, as if "North Korea had presented the IAEA with a pair of gloves but one was red and the other was green. The IAEA now had to look for the missing red and green gloves." The IC judged that North Korea had secretly unloaded the Yongbyon reactor in 1989 and reprocessed enough plutonium for "one, possibly two" nuclear devices – reportedly corresponding to *an estimate of 8-9 kilograms of plutonium*.

**Campaign #2, January-June 2003.** In 1994, North Korea unloaded 8,000 fuel rods. These were canned and placed under IAEA surveillance until 2003 when, after the collapse of the Agreed Framework, North Korea reprocessed them. *Albright estimated the amount of plutonium recovered at 20-28 kilograms.*

**Campaign #3, April-August 2005** (Dates are approximate.) North Korea unloaded another 8,000 fuel rods in spring 2005 and reprocessed them over the summer. *Albright estimated the amount of plutonium at 14-17 kilograms.* These numbers are pretty rough – I make it 40-60 kg of Pu if there were three "kilogram-sized" campaigns, 30-50 if there were two. That, coincidentally, is the basically the range reported by Glenn Kessler, who [wrote](#) "The new U.S. estimate is expected to be between 35-40 and 50-60 kilograms." (Jeffrey "North Korean Reprocessing Campaigns," *Arms Control Wonk*, June 3, 2008) CRS: "**North Korea reportedly declared a lower number of 37 kg of separated plutonium in its declaration** under the six-party talks." (Mary Beth Nikitin, *North Korea's Nuclear Weapons*, Congressional Research Service RL34256, February 12, 2009)

5/29/08

Former North Korea policy coordinator, Charles L. Pritchard, who recently met with North Korean officials, told a CSIS forum that North Korea made a "strategic decision" two years ago that it had harvested enough plutonium from the Yongbyon reactor and would shut it down. North Korea told Pritchard that the next phase, dismantling the facilities, will take three years. During that period, they said, they expect the United States to complete a light-water reactor promised under a Clinton-era accord that was

later nullified. When Pritchard asked when North Korea would give up its nuclear weapons, he said he was told: "The United States should get used to us as a nuclear weapons state." North Korean officials asserted that they would consider talking about giving up atomic weapons only after "full and final normalization" of relations. (Glenn Kessler, "N. Korea Taking Tougher Stance, Ex-Envoy Warns," Washington Post, May 30, 2008, p. A-10) "The going-in position of the North Koreans is that's what their phase three is," Pritchard told reporters gathered at the forum. But Pritchard said the North Koreans he met, who are also members of Pyongyang's nuclear negotiation team, made no mention of turning over the weapons or plutonium that was manufactured. "They are very clear phase three is dismantlement of plutonium facilities only. It doesn't include fissile material, and it's in exchange for light water reactors." Joseph DeTrani, North Korea mission manager at the Office of Director of National Intelligence, told the CSIS forum gave weight to the more than 18,000 pages of reactor operation records North Korea gave to the U.S. earlier this month, saying he expects them to provide valuable information. "The experts who obviously know the business are looking at the documents. They are saying these documents appear to be very authentic," DeTrani said. "Those people who know this business are saying, this would make sense for a reactor, this would make sense for a reprocessing facility. We believe we can glean some very good information." South Korea's representative Kim Sook met with his counterpart Kim Kye-gwan at the Chinese state guesthouse Diaoyutai for about an hour, officials here said. (Korea Herald, "North Korea Not Planning to Give up Plutonium," May 31, 2008) An 18,000-page declaration submitted by North Korea is stirring debate about whether American intelligence agencies previously overstated how much plutonium it might have produced for its nuclear weapons program. Bush administration officials have declined to comment on the declaration, which State Department officials say will take weeks to study, but they have indicated that North Korea is acknowledging it produced 37 kilograms of plutonium, or about 81 pounds. That total would be more than the 30 kilograms that North Korea has acknowledged previously but somewhat less than the 40 to 50 kilograms that U.S. intelligence agencies had calculated in the past. Estimates on how many nuclear bombs North Korea could wring from its plutonium program have ranged from 6 to 10. No one in the administration is prepared to accept the documents at face value, an administration official said, and some intelligence analysts are particularly wary of the numbers they have seen so far. "We're coming to an important juncture in this process," Hill told reporters in Moscow after meeting with his Russian counterpart and after meetings this week in Beijing with North Korean officials. State Department officials have assembled a team of reactor experts and translators to go through the seven boxes of plutonium documents in hand. The documents go back to 1987 and contain information about North Korea's three major campaigns to reprocess plutonium for weapons - in 1990, 2003 and 2005, administration officials said. A former North Korea policy coordinator, Charles L. Pritchard, who recently met with North Korean officials said March 29 at a CSIS forum they told him they would destroy their nuclear facilities but not necessarily destroy the weapons and material already manufactured. Pritchard said the North Koreans also told him they expected to be provided with light-water reactors for dismantling their nuclear installations. Tom Casey, DoS deputy spokesman, said: "With all due respect to Mr. Pritchard, he's a former government official. I'm not sure who he's talking to. But I think the secretary, the president and Chris Hill have all made clear that

we expect the North Koreans to provide us a declaration that meets the requirements of the six parties." (Helene Cooper, "In Disclosure, North Korea contradicts U.S. Intelligence on Its Plutonium Program," *New York Times*, May 31, 2008, p. A-9)

The United States initially linked the Japanese abduction issue with designating North Korea a state-sponsor of terrorism to "test" Pyongyang on whether it will live up to its agreements, former U.S. Deputy Secretary of State Richard Armitage was quoted as saying by Yonhap News Agency. "It was done with a feeling that this would be an excellent way to test North Korea," Armitage said. "And the test case was whether or not North Korea could be expected to accord the basic consideration to human rights, and I would say abductees' families deserve a basic consideration of human rights." He told the Pacific Forum in March it was he and James Kelly who decided to make the link. The transcript of his lecture was made available recently on the CSIS Web site. (*Korea Herald*, "Abduction-Terrorism Link Was Test for N.K.: Armitage," May 29, 2008)

Seoul reacted cautiously on Thursday to remarks by senior U.S. officials that Washington wants Seoul to join a U.S.-led global anti-proliferation program called the Proliferation Security Initiative. "We understand the purpose of the PSI and support global anti-proliferation efforts, but should also consider the unique situation that the Korean Peninsula is in," Moon Tae-young, the spokesman for the Ministry of Foreign Affairs and Trade, told reporters. His remarks came one day after John Rood, acting undersecretary of state for arms control and international security, said the United States will encourage Seoul to join the PSI. "We would certainly encourage them (South Korea) to join, and we've engaged in a number of discussions with them," Rood told reporters in Washington. "The present government in Seoul is, I think, reviewing the issue. We will await the outcome of that." Moon confirmed Seoul sent a delegation to the United States to participate in celebrations of the fifth anniversary of the PSI. (Na Jeong-ju, "Seoul Cautious on Joining U.S.-Led Anti-Proliferation," *Korea Times*, May 29, 2008) The Bush administration is pressing IAEA inspectors to broaden their search for possible secret nuclear facilities in Syria, hinting that Damascus's nuclear program might be bigger than the single alleged reactor destroyed by Israeli warplanes last year. At least three sites have been identified by U.S. officials and passed along to the IAEA, which is negotiating with Syria for permission to conduct inspections in the country, according to U.S. government officials and Western diplomats. U.S. officials want to know if the suspect sites may have been support facilities for the alleged Al Kibar reactor destroyed in an Israeli air raid Sept. 6, the sources said. "Do not assume that Al Kibar exhausted our knowledge of Syrian efforts with regard to nuclear weapons," CIA Director Michael Hayden said. "I am very comfortable -- certainly with Al Kibar and what was there, and what the intent was. It was the highest confidence level. And nothing since the attack last September has changed our mind. In fact, events since the attack give us even greater confidence as to what it was." (Joby Warrick and Robin Wright, "Search Is Urged for Syrian Nuclear Sites," *Washington Post*, May 29, 2008, p. A-14)

5/30/08

North Korea fired three short-range missiles into waters off its western coast in what appears to be a routine test, the news agency Yonhap reported.

A.Q. Khan in an interview with the *Guardian*, said his confession of nuclear aid to North Korea "was not of my own free will. It was handed into my hand." (Associated Press, "Pakistani Says Confession to Passing Nuclear Secrets Was Coerced," *Washington Post*, May 31, 2008, p. A-14)

6/2/08

American allegations that North Korea duped the United Nations Development Program by diverting aid money for its own needs are not supported by any evidence, according to a lengthy external review released today. There was no sign that millions of dollars were mismanaged, diverted elsewhere or unaccounted for, the report said. Although the 353-page report acknowledged that some information the panel had sought was unavailable, the review's conclusion was that the money had been "used for the purposes of the projects." The review was conducted by a three-member panel, led by Miklos Nemeth, a former Hungarian prime minister, and was presented by Kemal Dervis, a former Turkish finance minister who leads the development program. Some confusion stemmed from the fact that the North Koreans used the development program's name on international money transfers – hoping the funds would come under less scrutiny that way. Such tactics were beyond the program's control, the study concluded. Operations in North Korea suspended in March 2007 have remained suspended because of differences over whether the government should choose local employees who work for the agency. At the news conference, when asked whether he thought the accusations emerged out of the political dispute over the Bush administration's negotiations with North Korea, Dervis said he would not comment on internal government ideological battles. "All these allegations, clearly – when you compare it to what is in the report – are either vastly exaggerated or stem from misunderstandings or some of them may be from ill intent," he said. The accusations were raised in 2007 by Mark D. Wallace, who leads the department at the United States Mission that evaluates United Nations management practices. The report, which surveyed the disbursement of more than \$23 million between 1999 and 2007, recommended that the development program pay closer attention when it adapts its general guidelines to "a challenging environment" like North Korea. But it recognized some sloppy practices, like tossing \$3,500 in defaced counterfeit \$100 bills into the bottom of its safe in Pyongyang and forgetting about them for more than a decade. Among other key findings, the report said the former development program operations manager in North Korea who was a source for many of the allegations, Artjon Shkurtaj, lacked credibility and "proved to be an evasive witness." (Neil MacFarquhar, "North Korea Didn't Dupe U.N. Office, Report Says," *New York Times*, June 3, 2008, p. A-12)6/3/08

After weeks of mass anxiety about American beef and demonstrations by tens of thousands of South Koreans, many of them mothers with children in hand, angered that his government would expose them to the purported risks of mad cow disease, pushing his approval ratings below 20 percent, President Lee backed away from a wildly unpopular agreement to resume U.S. beef imports. He had personally approved the deal less than two months ago. "We have lost the public's confidence over this matter," Lee told his cabinet today, according to a spokesman. "I can't deny that we're disappointed by this," said U.S. Ambassador Vershbow. "We think that the agreement that our two governments reached in April is a good agreement, that it's based on

international science, and there's no scientific justification to postpone implementation." Vershbow added that the United States did not "see any need for renegotiation of the agreement" because it provides "very effective safeguards to ensure the health of Korean consumers." (Blaine Harden, "In S. Korea, a Reversal on U.S. Beef Imports," *Washington Post*, June 4, 2008, p. A-12)

South Korea proposed a meeting with North Korea about sending 50,000 tons of corn to the impoverished nation, but the North has yet to respond, Unification Minister Kim Ha-joong told reporters. "We hope North Korea will respond to the offer positively as soon as possible," Kim said. "The government may consider sending aid through the UN World Food Program if the North continues to keep silent on the offer." If the North accepts the offer, the corn will be the first food aid from South Korea since the inauguration of the Lee Myung-bak administration started a new ice age in relations. "The North originally requested the corn during the inter-Korean summit and the prime ministers talks last year," he said. "The government decided in December to give 50,000 tons of corn aid to the North. It has been delayed as international grain prices soared and China implemented a food export quota." He said when the government decided to give the aid, corn was priced at US\$350 per ton. "It'll be hard to provide all of the 50,000 tons with the money we originally earmarked, as corn currently costs about \$420 per ton. But we're going to provide the 50,000 tons we agreed to, from the humanitarian standpoint regardless of the cost." (*Chosun Ilbo*, "Seoul Urges N. Korea to Accept Corn Shipment," Associated Press, June 4, 2008)

Defense Secretary Gates said, "I am not aware of evidence that they [North Korea] are helping someone else with a nuclear capability." (Yochi J. Dreazin, "North Korea Has Confined Nuclear Help," *Gates Says*," *Wall Street Journal*, June 4, 2008, p. A-12)

Defense Secretary Gates said that he supported extending the tours of thousands of troops stationed here to three years and allowing their spouses and children to live with them during their assignments. "Our goal is to rapidly reach the point when all U.S. service members can bring their families to Korea and stay here for a normal three-year tour," Gen. Walter L. Sharp of the Army said. He spoke at a ceremony at Yongsan Garrison in which he assumed command of American forces on the Korean Peninsula from Gen. B. B. Bell, who is retiring. (Eric Schmitt, "Gates Approves of 3-Year Tours for U.S. Troops in South Korea," *New York Times*, June 4, 2008, p. A-6)

6/3/06 IAEA says it has resolved its concerns about the peaceful nature of South Korea's nuclear program "with no indication of undeclared nuclear material or programs." Carter Savage, director for fuel cycle R&D at DOE says pyroprocessing would be reprocessing if South Korea followed through with all the necessary procedures. (Kyle Fishman, "IAEA South Korea Concerns Resolved," *Arms Control Today*, July-August 2008, pp. 52-53)

6/4/08 North Korea protested over what it said was the "very slow" pace of energy assistance it has received from six-party talks partners involved in an aid-for-disarmament deal. The complaint emerged when the two Koreas met at a truce border village of Panmunjom to work out details on further energy aid to North Korea arranged under the agreement.

"Energy aid is related to our disabling (of the nuclear site in Yongbyon)," Hyun Hak-Bong, the North's deputy negotiator to six-party talks, told reporters. "While the disabling has been completed for more than 80 percent, overall energy cooperation business is going very slowly -- at 30 percent to 36 percent... We hope this meeting can bear fruit." Hyun's South Korean counterpart, Hwang Joon-Kook, said he would listen to the North's complaints and "try to come up with necessary plans." (AFP, North Korea Complains of Slow Energy Aid, June 5, 2008)

6/?/08 In June Hill submits a memorandum to North Korea's U.N. mission outlining his interpretation of the May 28 oral understanding. The North Koreans do not object to Hill's summary, but do not commit to it in writing.

6/5/08 South Korea's president praised North Korea for making progress in international negotiations on its nuclear programs and called for talks with Pyongyang on stalled inter-Korean relations. Lee Myung-bak's remarks appeared to represent a subtle shift in the hard-line stance the conservative leader has taken on the North since assuming office. "I very positively assess North Korea cooperating with the international community for denuclearization," Lee said in a nationally televised Memorial Day speech honoring the country's war dead at Seoul's National Cemetery. "Sincere dialogue is also necessary between the South and the North about exchange and cooperation projects," he said. (Jae-soon Chang, "South Korea Praises North Korea over Nuclear Issue, June 6, 2008) Lee urged Pyongyang to be proactive in key humanitarian issues such as prisoners of war (POWs) being held in North Korea, families living separately in the South and North following the Korean War and people it had kidnapped. (Kang Hyun,-kyung, "Lee Wants Koreas to Solve POW Problem," *Korea Times*, June 6, 2008)

Charles Pritchard quoted North Korean leaders as saying, "The United States should be accustomed to North Korea with nuclear programs. North Korea will discuss how to reduce its nuclear program only when its relations with the United States are normalized." North Korea reportedly argued, "Unofficial nuclear power Israel is the closest friend of the United States. If the United States and North Korea normalize their relations, North Korea's nuclear programs will not be a big deal." Pritchard also stressed, "North Korea understands the six-party talks as a process to get light-water reactors in exchange for scrapping its nuclear facilities in Yongbyon. North Korea believes that it would finish construction of light-water reactors in three years if it makes use of the land in Geumho district and that it would also take three years to scrap nuclear facilities." In terms of suspicion of a uranium enrichment program and nuclear proliferation, he said, "North Korea argued that the United States' suspicion that North Korea has contributed to nuclear proliferation is not true and doesn't make sense, and urged that the United States show telltale evidence such as shipping materials." The KEI president explained, "North Korea's recent statement can be understood as a negotiation strategy. Certainly, North Korea has argued that it has developed nuclear weapons in order to prevent other nations' attack. Given that, it's possible that North Korea disclosed its will that it would not give up nuclear weapons unless threats to its regime disappear." But, he warned, "If the United States does not clearly deal with the issues of UEP and nuclear proliferation in the phase of nuclear declaration, it may

face difficulties handling North Korea's nuclear programs in the future and the next government will be put under heavier pressure." (*Dong-A Ilbo*, "N. Korea Wants Normalized Relations with the U.S.," June 6, 2008)

- 6/7/08 Japan "agreed with North Korea to hold official talks in Beijing on the 11th and 12<sup>th</sup>" of June, Akitaka Saiki, director general of the Asian and Oceanian Affairs Bureau, told reporters after two hours of unofficial working-level talks at the Japanese Embassy in Beijing with Song Il-ho, which Japanese officials described as a preparatory meeting for formal negotiations. "The other side also indicated the notion that there is a need to move forward. We will hold deeper exchanges of views over a longer period next week." Although Japanese officials had expected the talks to address the repatriation of the Red Army Faction hijackers, Saiki said it was not discussed. Yesterday, Chief Cabinet Secy Machimura said the two will engage in "a relatively short exchange of opinions," but FM Masahiko Komura told a separate news conference, "If the other side suddenly comes up with some kind of offer (on the abduction issue), of course that would be good. But I am not holding such high expectations from tomorrow's meeting." (Yonhap, "N. Korea, Japan to Hold Formal Normalization Talks Next Week," June 7, 2008; Kyodo, "Japan, N. Korea to Hold Working-Level Talks in Beijing Saturday," June 6, 2008)
- 6/9/08 China has recently increased its yearly quota for grain exports to North Korea to 150,000 tons to help ease the food shortage in the North aggravated by severe flooding last year at Pyongyang's strong request, Buddhist relief group Good Friends said in its newsletter. (Shim Sun-ah, "China Softens Food Export Ban to Help Alleviate N.K. Food Shortage: Aid Group," Yonhap, June 10, 2008)
- 6/10-11/08 U.S. and North Korean negotiators will today begin discussing what to do with the fresh fuel rods set aside during the disablement process of the North's nuclear facilities, sources said yesterday. Spent fuel rods are used to create weapons-grade plutonium by being extracted and enriched. North Korea reportedly has some 2,000 fresh fuel rods. Sung Kim, the Korean affairs director at the U.S. State Department, will head to Pyongyang today for a two-day series of meetings. So far, 3,200 of the 8,000 spent fuel rods have been extracted and stored in cooling ponds. Of the total of 1 million tons of heavy fuel oil, about 330,000 have been shipped, including energy equipment worth 60,000 tons of heavy fuel oil. (Lee Joo-hee, "U.S., N.K. to Discuss Fresh Fuel Rods," *Korea Herald*, June 10, 2008) DPRK FoMin spokesman: "The negotiations discussed technical and practical ways of rounding off the disablement of the DPRK nuclear facilities and the issue of winding up the political and economic compensation for it. The negotiations proved successful." (KCNA, "DPRK Foreign Ministry's Spokesman on DPRK-U.S. Experts Negotiation," June 12, 2008)
- 6/11/08 Six-party working group on energy assistance meets. "We will try to produce a concrete timetable for the energy aid," a South Korean official said. South Korea chairs the meeting. (Yonhap, "Talks on Energy Aid for N. Korea Held," June 10, 2008) So far 330,000 tons of HFO and 60,000 tons of energy equivalent delivered. Sung Kim seeks disposal of some 2,000 replacement fuel rods. (Lee Joo-hee, "Parties Pledge Speedy N.K. Energy Aid," *Korea Herald*, June 11, 2008) DPRK has demanded Japan pay \$40

million, part of a total sum needed to construct facilities to produce gases from anthracite under an aid-for-denuclearization deal discussed at the meeting, a diplomatic source told Yonhap. (Kyodo, "N. Korea Demands Japan Pay Partial Cost for Gas-Producing Facilities," June 10, 2008) Members of the six-party talks on North Korea's nuclear programs have agreed on a broad timeframe and speed of the remaining delivery of energy incentives for North Korea's denuclearization measures, officials here said yesterday. "Although we have not yet decided on the exact target date, we have managed to narrow down our positions to some extent," said Hwang Joon-kook, South Korea's deputy chief nuclear negotiator. "The talks suffered some difficulties, but on working-level we have now gathered our positions and made into written documents the consensus on the speed and direction of the provision of assistance," Hwang said. North Korea is to receive energy aid worth 610,000 tons of heavy fuel oil in the coming months. Pyongyang has been promised energy aid worth a total of 1 million tons of heavy fuel oil in return for disabling. "The timetable initially requested by the North (on energy delivery) was a much more detailed one than what we came to agree on. But the North has also agreed to endorse (the latest consensus) by taking into consideration the current circumstances," Hwang said. "It was very difficult to prepare a detailed timetable on the energy and economic aid as was requested by the North because Japan could not yet make the decision to officially participate." (Lee Joo-hee, "Parties Set N.K. Energy Delivery Schedule," June 12, 2008) "The North's position is that it is hard to move forward the entire process of the six-way talks (on the nuclear issue) unless the delivery pace of energy aid picks up," Hwang Joon-kook, head of the South Korean Foreign Ministry's North Korean nuclear issue bureau, told reporters in a briefing on the results of the one-day working-group meeting. (Lee Chi-dong, "N. Korea Threatens to Halt Denuclearization Process: Seoul Envoy," Yonhap, June 12, 2008)

anniversary of pro-democracy movement. (Kim Rahn and KimTae-jong, "Candlelight Vigil Draws Record Numbers," *Korea Times*, June 10, 2008) Cabinet members offer resignations.

Hundreds of thousands nationwide protest resumption of beef imports on 21<sup>st</sup>

Japanese-made vacuum pumps used for uranium enrichment were discovered at nuclear facilities in North Korea during an inspection by the International Atomic Energy Agency last year. According to sources, the U.N. nuclear watchdog notified the Japanese government of the discovery, which prompted a search earlier this month by the Kanagawa prefectural police of five locations, including the head offices of Tokyo Vacuum based in Sagami-hara, Kanagawa Prefecture, and Nakano Corp., a Minato Ward, Tokyo-based import-export agency. (*Yomiuri Shimbun*, "Japan-Made Pumps 'Used at N-Facilities in N. Korea,'" June 12, 2008)

6/11-12/08 Japan-DPRK Normalization Working Group. North Korea said in the past it considers the abduction cases closed, but it refrained from using that phrase in the Ulan Bator talks, prompting some to interpret it as a sign of a subtle policy shift. But a recent commentary in North Korea's state media has repeated that the cases were indeed settled, raising the question of whether there is any change in Pyongyang's view. Another possible topic is Japan's call for North Korea to hand over four Japanese

radicals who hijacked a Japan Airlines plane to North Korea in 1970. Three others involved have died and two later returned to Japan and were convicted. Tokyo insists the handover be unconditional. North Korea says that although it will not stand in the way of the hijackers' return, conditions should be worked out between the Japanese government and the hijackers. (Kyodo, "Japan, N. Korea Hold First Formal Talks in Nine Months," June 11, 2008) North Korea has agreed to look again into the issue of Japanese abductees and expressed readiness to cooperate with Japan in handing over Japanese radicals, who hijacked a Japan Airlines plane to the North decades ago, Chief Cabinet Secretary Machimura. He said Saiki demanded that North Korea conduct another investigation in order to "find survivors and repatriate them" to Japan, and North Korea agreed to do so. In response to the move during talks between Japan and North Korea earlier this week in Beijing, **the Japanese government will lift some of the sanctions it has imposed on Pyongyang, including conditionally lifting a ban on North Korean ships entering Japanese ports**, said Machimura. The top Japanese government spokesman said Tokyo sees the development as a "certain degree of progress" on the abduction issue, but not enough for Japan to decide to take part in energy cooperation with North Korea under the six-party talks aimed at denuclearizing the country. Of the 17 abductees on Japan's official list, five returned to Japan in October 2002. North Korea said in September that year that eight have died, while two never entered the country. Two others have been added to Japan's list of victims since then. (Kyodo, "N. Korea to Look into Abductions, Japan to Partially Lift Sanctions," June 13, 2008) "The DPRK will reinvestigate the abduction issue," the North's Korean Central News Agency said. "The DPRK also expresses willingness to cooperate in efforts to settle the issue of those related to the Japanese plane Yodo," it added, referring to a 1970 incident in which Japanese radicals hijacked a Japan Airlines passenger jet (Yodo) to Pyongyang. Foreign Minister Masahiko Komura said that his government will allow mutual visits for the two sides' people, chartered flights, and port calls by North Korean cargo ships with the mission of humanitarian aid. (Yonhap, "N. Korea to Look into Past Abductions of Japanese Nationals," June 13, 2008) "North Korea told us they would investigate with the intent to settle the kidnapping issue," FM Komura Masahiko told reporters July 13. "They acknowledged that the kidnappings issue is not resolved." (Blaine Harden, "N. Korea Agrees to Reexamine Abductions," *Washington Post*, June 14, 2008, p. A-8) "(The North) has made a small step, so we will make a small step, too," Komura said after discussing the issue with Prime Minister Fukuda. "With no (rewards), we can have no discussion or negotiations," Fukuda told reporters on July 13. "We now stand in the entrance to the negotiation process." (Yoshida Reiji and Ito Masami, "Pyongyang to Reopen Abduction Probe," *Japan Times*, June 14, 2008) Inter-governmental working talks between the DPRK and Japan were held in Beijing on June 11 and 12 to redeem the inglorious past and normalize the relations between them according to the DPRK-Japan Pyongyang Declaration. According to a press release made public, the DPRK will reinvestigate the abduction issue. The DPRK also expresses willingness to cooperate in the efforts to settle the issue of those related to the Japanese plane Yodo. As part of the measures to lift the on-going sanctions against the DPRK the state of Japan will lift the restriction on visits of persons, the restriction on the use of chartered planes and allow the DPRK-flagged ships' port-calls for the purpose of transporting cargo related to humanitarian aid. (KCNA, "DPRK-Japan Inter-Governmental Working Talks Held," June 13, 2008)

Foreign Minister Komura stressed Japan will not take actions without first assessing whether Pyongyang is carrying out its promises, including reinvestigating past abductions of Japanese nationals. "We will partially ease sanctions after assessing whether North Korea is seriously implementing its promises to conduct investigations toward resolving the abduction issue and cooperate in the handing over of suspects in the Yodo hijacking incident," he told a news conference. Asked if the government is now being more cautious because of disappointment voiced by the families of abductees who remain missing, Komura downplayed such concerns. "It is understandable that not only the families but also many in the Japanese public think that we cannot trust North Korea by its words alone, considering what has happened so far," he said. "But I think it is only natural that we first assess whether what was promised is being implemented." Family members of the abductees and a cross-party group of lawmakers jointly submitted a petition to the government on June 17 urging it not to proceed with lifting sanctions on the North unless the country reinvestigates the abduction issue. They said in the petition that they expect the reinvestigation to lead to the return of abduction victims. The heads of the Japanese Association of the Families of Victims Kidnapped by North Korea, the Parliamentarian League for Early Repatriation of Japanese Citizens Kidnapped by North Korea, and the National Association for the Rescue of Japanese Kidnapped by North Korea handed the petition to Machimura. "If we do nothing, nothing will change," Machimura told the family members at the Prime Minister's Office. "We will carry forward (the issue) in a good direction by starting talks and finding a lead." Izuka Shigeo, chairman of the families' group, told reporters that Machimura told them the government's policy has not changed and that it will not ease restrictions unless there is concrete action. **"He clearly told us that the restriction will not be lifted only with words alone" from North Korea,** Izuka said. (Kyodo, Japan Wants to See N. Korea Act on Promises Before Easing Sanctions," June 17, 2008) "Our hope is to have a normal relationship with the DPRK," **PM Fukuda said. "We can lift sanctions depending on their response. That is a possibility that really depends on the other side."** [Japan reneges on Saiki deal.] (AFP, "Japan PM Says Wants 'Normal' Ties with N. Korea," June 17, 2008) "North Korea promised that in conducting its reinvestigation, it will take specific actions to resolve the abduction issue," Machimura said. "The reinvestigation is to be launched to find surviving abductees and return them [to Japan]." The two countries will hammer out details of how to carry out the reinvestigation, according to Machimura. Meanwhile, Machimura said the hijackers and the group's family members to be handed over are Kimihiro Uomoto; Takahiro Konishi; Moriaki Wakabayashi; Shiro Akagi; Yoriko Mori, widow of Takamaro Tamiya, the leader of the hijackers, who died in Pyongyang in 1995; and Sakiko Wakabayashi, the wife of Wakabayashi. The National Police Agency has obtained arrest warrants for Uomoto, Mori and Sakiko Wakabayashi. Uomoto is suspected of involvement in the abduction of Keiko Arimoto in 1983, while Mori and Wakabayashi are suspected of involvement in the abduction of Toru Ishioka and Kaoru Matsuki in 1980. Machimura said, "We'll coordinate with North Korea for their early handover." (*Yomiuri Shimbun*, "New Abductee Probe Set; North Korean Move Prompts Govt to Lift Some Sanctions," June 14, 2008) At the June 11 energy working group meeting, when Hyon Hak-bong, deputy chief rep expressed "serious concern that only about 36 percent of the energy aid had been delivered," Hwang Joon-kook, head of the ROK FoMin's North Korea nuclear issue bureau, who chaired

the working group responded, "Given the importance of the remaining measures, it is hard to say that North Korea has completed 80 percent of the disabling work." Only 3,200 of the 8,000 fuel rods has been removed. (Yonhap, ""Working Group Talks on Energy Aid for N. Korea Held at Panmunjom," *Vantage Point*, July 2008, p. 28)

6/14/08 Japan, China and South Korea agreed in foreign ministerial talks Saturday to further cooperation on the North Korean nuclear and abduction issues, and to set a date in September for a trilateral summit in Japan, Japanese Foreign Minister Masahiko Komura said. Komura and his counterparts - China's Yang Jiechi and South Korea's Yu Myung Hwan -- also reconfirmed in Tokyo the need to strengthen joint efforts toward the creation of an effective post-2012 emissions cut framework to address climate change.

6/15/08 A.Q. Khan's network managed to acquire blueprints for an advanced nuclear weapon, according to a draft report by David Albright that suggests the plans could have been shared secretly with any number of countries or rogue groups. The drawings, discovered in 2006 on computers owned by three members of the Tinner family -- brothers Marco and Urs and their father, Friedrich -- all Swiss businessmen who have been identified by U.S. and IAEA officials as key participants in Khan's nuclear black market, included essential details for building a compact nuclear device that could be fitted on a type of ballistic missile used by Iran and more than a dozen developing countries, the report states. The computer contents -- among more than 1,000 gigabytes of data seized -- were recently destroyed by Swiss authorities under the supervision of the U.N. nuclear watchdog agency, which is investigating the network. But U.N. officials cannot rule out the possibility that the blueprints were shared with others before their discovery. [Confirms Hersh story] (Joby Warrick, "Smugglers Had Designs for Advanced Warhead," *Washington Post*, June 15, 2008, p. A-1) Albright: Swiss investigators found the designs of smaller, more sophisticated nuclear weapons than the design found in Libya. ...A simpler nuclear weapon design had been found in Libya after Colonel Qaddafi had renounced his nuclear weapons effort in late 2003 and allowed U.S., British, and International Atomic Energy Agency (IAEA) investigators into his country. This design had been put under IAEA seal and moved to Washington for safekeeping. Qaddafi had bought a nearly complete set of blueprints and instruction manuals for a nuclear warhead for a ballistic missile from Khan. This design was for a Chinese warhead tested in 1966 that Pakistan had acquired from the Chinese in the early 1980s for its own nuclear weapons program. This design, which had no obvious Pakistani fingerprint, was ideal for Khan's smuggling ring to offer its customers as an incentive to buy the more expensive gas centrifuges able to make highly enriched uranium, a nuclear explosive material used in nuclear weapons. Khan sought to offer one-stop shopping for a nuclear arsenal. But the designs in Switzerland included ones for smaller, more sophisticated nuclear weapons than the one found in Libya. These would have been ideal for two of Khan's other major customers, Iran and North Korea. (David Albright, "Swiss Smugglers Had Advanced Nuclear Weapons Designs," *ISIS*, June 16, 2008)

Q: Good morning, Mr. President, Prime Minister. I'd like to ask you both about Iran. President Bush, you've talked about it at every stop. A similar process, it seems, that is

detering North Korea from its nuclear ambitions has basically allowed North Korea [sic] to make progress toward nuclear weapons. At what point are you willing to draw a line here with Iran, and isn't Iran seemingly learning a lesson from the North Korea experience? BUSH: Ed, I just strongly disagree with your premise that the six-party talks have encouraged Iran to develop nuclear weapons. I don't know why you have even come to that conclusion, because the facts are the six-party talks is the only way to send a message to the North Koreans that the world isn't going to tolerate them having a weapon. I mean, in other words, they are - we'll see what they disclose, but we hopefully are in the process of disabling and dismantling their plutonium manufacturing. We're hopefully in the process of getting them to disclose what they have manufactured and eventually turning it over. We're hopefully in the process of disclosing their proliferation activities, and it's a six-party process. I mean, the only way, in my judgment, to diplomatically solve these kinds of problems with nations like Iran and North Korea, non-transparent nations, is through a multilateral process, where there's more than one nation sending the same message to the leaders of these respective countries. And so I disagree with your premise. As a matter of fact, the Iranians must understand that when we come together and speak with one voice, we're serious. That's why the Prime Minister's statement was so powerful, and that's the lesson that the North Koreans are hearing. And so it's -- I said the other day that, you know, one of the things that I will leave behind is a multilateralism to deal with tyrants, so problems can be solved diplomatically. And the difficulty, of course, is that sometimes economics and money trumps national security interests. So you go around asking nations -- by the way, it's not a problem for Great Britain -- so you say to your partners, don't sell goods; you know, let's send a focused message all aiming to create the conditions so that somebody rational shows up. In other words, people hopefully are sick of isolation in their respective countries, and they show up and say, we're tired of this; there's a better way forward. And in order for that to be effective, Ed, there has to be more than one voice. So if I were the North Koreans and I were looking at Iran, or the Iranians looking at North Korea, I'd say, uh-oh, there are coalitions coming together that are bound tightly -- more tightly than ever in order to send us a focused message. And, you know, **let me just say one thing about the Iranian demand for civilian nuclear power. It's a justifiable demand. You just heard the Prime Minister talk about the spread of civilian nuclear power, which I support -- starting in my own country, by the way; we need to be building civilian nuclear power plants. And so when the Iranians say, we have a sovereign right to have one, the answer is, you bet, you have a sovereign right, absolutely. But you don't have the trust of those of us who have watched you carefully when it comes to enriching uranium, because you have declared that you want to destroy democracies in the neighborhood, for example. Therefore -- and this is the Russian proposal, by the way -- therefore we'll provide fuel for you, and we'll collect the fuel after you've used it so you can have your nuclear -- civilian nuclear power**, which undermines what the Iranians are saying, and that is, we must enrich in order to have civilian nuclear power. You don't need to enrich to have civilian nuclear power. The Russian proposal is what we support. This proposal wouldn't have happened had there not been a multilateral process. (White House, Office of the Press Secretary, President Bush Participates in Joint Press Availability with UK Prime Minister Brown, FCO, London, June 16, 2008)

6/17/08

Japan and China have agreed in principle to jointly develop the Shirakaba gas field straddling what Japan considers the border of the two nations' exclusive economic zones (EEZs). Sources said a formal announcement on the project in the East China Sea could be made as early as this week. The two sides have been in talks since PM Fukuda and President Hu met in May in Tokyo. After that meeting, Fukuda said progress had been made on the sensitive topic. The Shirakaba gas field, which the Chinese call Chunxiao, straddles the median line between the coastlines of Japan and China. Japan considers that line to be the border between the two nations. In contrast, China has argued that the Okinawa Trough is the true border because that is the edge of China's continental shelf. China's development of the Shirakaba gas field was temporarily suspended in response to a request by Japan. Sources in Japan and China said that under the proposal being hammered out, Japan would inject capital into the Chinese development company working in the Shirakaba gas field to push forward joint development. Such an agreement would be an important step for Japan because it would obtain an interest in the Shirakaba gas field. That was the most contentious issue in talks over the joint development of the East China Sea gas fields. Working-level talks will be held this week on details of the project, such as the capital ratio between the two nations and the distribution of mining rights. (Tsukamoto Kazuto, "Japan, China Agree on Gas Field Deal," *Asahi Shimbun*, June 17, 2008) Tokyo and Beijing announced Wednesday they have agreed on a plan to jointly develop gas fields in the East China Sea, shelving a thorny dispute that has plagued relations for four years. The project covers gas fields near the Japan-drawn median line demarcating the exclusive economic zone border between the countries. Beijing has claimed, however, that its EEZ runs to the edge of the continental shelf near Okinawa and would include Taiwan and the Japan-controlled Senkaku islets. With the deal, the two countries have effectively shelved their dispute over the EEZ border. When asked about the EEZ border, Komura said, "Japan and China have different stances and negotiations will be extremely long (before a conclusion is reached)." (Yoshida Reiji and Terada Shinichi, "Japan, China Strike Deal on Gas Fields," *Japan Times*, June 19, 2008)

6/18/08

Rice: "In time, the six parties have talked about formalizing these patterns of cooperation and creating a Northeast Asia peace and security mechanism. At present, though, our first and highest priority is ensuring the verifiable denuclearization of the Korean Peninsula. ...Even as we work toward denuclearization, though, we will continue to press the North Korean regime to improve the lives of its people. We've been very active on this issue with the support of many in Congress, especially through legislation sponsored by Senator Brownback and by others. ... North Korea will soon give its declaration of nuclear programs to China, the Chair of the Denuclearization Working Group. And President Bush would then notify Congress of our intention to remove North Korea from the State Sponsors of Terrorism list and to cease the application of the Trading with the Enemy Act. **In the next 45 days after that, before those actions go into effect, we would continue to assess the level of North Korean cooperation in helping to verify the accuracy and completeness of its declaration. And if that cooperation is insufficient, we will respond accordingly.** ...What if it cheats? And this is a legitimate concern; considering North Korea's track record, it is a necessary concern. And the answer is simple: We will hold North Korea accountable. We will re-impose any applicable sanction that we have

waived and we will add new ones. And because North Korea would be violating an agreement not only with us, but also with Japan, South Korea, Russia, and China, those countries also would take appropriate actions. They would see that the United States had dealt in good faith, that we had made every honest effort to give North Korea a path to a better future, and that North Korea, and North Korea alone, would be to blame for scuttling any agreement. ...As we've gotten deeper into the process, we've been troubled by additional information about North Korea's uranium enrichment capability. And this information has reaffirmed skepticism about dealing with North Korea. That said, we also recognize that through our current policy, we are actually increasing our knowledge of North Korea's nuclear programs. And this reaffirms our belief that we stand the best chance of learning more about North Korea's continuing and current efforts. Now considering the inherent limitations of any intelligence on North Korea and considering North Korea's history, we will not just trust North Korea to fulfill its commitments. Rather, we are insisting on verification. We will insist on verifying that North Korea is fulfilling its pledge to abandon all of its programs, as well as its recent pledge to cease all proliferation activities, and to return to the Nonproliferation Treaty under IAEA safeguards. ...Several principles will guide this endeavor. Verification must be a cooperative effort implemented on behalf of the six parties, as appropriate personnel from the United States, Japan, China, South Korea, Russia, and the IAEA carry out the verification activities. Verification should require, among other measures, on-site access to facilities and sites in North Korea. Verification should require the collection and removal of environmental and material samples, as well as forensic analysis of materials and equipment, all at North Korean sites and facilities. Verification should require access to design documents, operating and production records, reports, logbooks, and other records for all facilities associated with production and processing of all nuclear materials in North Korea. And verification should require interviews with North Koreans involved in nuclear programs. Verification will not be easy, but it is essential. And the six parties are developing a detailed verification and implementation plan incorporating these principles." Q and A: "Now, the parties have only begun to discuss how phase three will unfold, what the obligations of the five will be to North Korea if it indeed begins to and then is prepared to complete the verifiable elimination of its nuclear programs. But those are discussions that will begin very shortly. As to phase two, which is to end with the declaration and disablement, the parties are in agreement that the declaration must address the North Korean programs and facilities and that it must provide the means to know whether that declaration is complete and accurate. Obviously, we're not going to take the word of the North Koreans that what they say on the piece of paper is a full representation of what they have. We will make a judgment as to whether or not we think, in accordance with what we know, it is, but we have to go and we have to verify. Let me give you an example. In order to verify the amount of plutonium that they've actually made, you have to have records, many of which they've given us, but you also have to have access to the reactor itself and to the waste pool, and they've said they will give us that access. **What we've done, in a sense, is move up from issues that were to be taken up in phase three, like the verification, like access to the reactor, into phase two. Because we recognize that once we get the declaration, it's going to be important to be able to verify it,** and verify it over a period of time with an understanding that if we find something at some point in time

that's not right, we'll act accordingly." (Secretary Condoleezza Rice, Address at the Heritage Foundation, "U.S. Policy towards Asia," June 18, 2008)

Kim Jong Il told Chinese VP Xi Jinping he hopes their countries will continue to cooperate in the six-way process for denuclearizing the Korean Peninsula, China Central Television reported. Xi, widely seen as a successor to President Hu Jintao, is on a three-day visit to North Korea that began June 17. The vice president's choice of the North as the destination for his first overseas trip since assuming the post in March is seen as Beijing's gesture to underscore the importance of its ties with Pyongyang. "Although the six-party talks have had their twists and turns, they have achieved many important agreements," Kim was quoted as saying. "China is the host, and has played an important role. I hope that the two sides can continue with good cooperation." While an acceptable list has yet to be submitted, a flurry of diplomacy over the last several weeks has signaled that the talks may soon move forward again. "At the moment, the six-party talks are overcoming a temporary difficulty, and are faced with the opportunity to move forward again," Xi was quoted as saying. (Kyodo, "North Korean Leader Hopes to Work with Cina in 6-Way Talks," June 18, 2008)

Kim Sook, ROK six-party representative, about to depart for Tokyo for trilateral talks, tells a news briefing, "Now is the time that Japan should start participating in the energy and economic assistance so the assistance can be successfully completed." Kim also expressed dissatisfaction over the pace of the disabling work, saying the remaining measures are much more important than those done already. In particular, North Korea should dispose of or sell the unused fuel rods at its main nuclear reactor as early as possible, he said. South Korea proposed the purchase of the rods last year but North Korea has yet to give a clear answer, the envoy said. "If there are technical problems or difficulties for South Korea to buy the unused fuel rods and it takes a lot of time to do so, we wouldn't oppose North Korea bending them and making them useless," he said. (Li Chi-dong, "Japan Urged to Provide N. Korea with Energy Aid," Yonhap, June 18, 2008)

North's economy shrank by 2.3 percent in 2007, its second straight year of contraction, after widespread flooding cut farm production by nearly one tenth, the Bank of Korea reported. The North Korean economy is weaker now than it was 20 years ago and experts said the country faces a food shortage this year that rivals those in the mid to late 1990s, when famine killed an estimated 1 million of its 23 million people. The BOK estimated that North Korea's GDP for last year was 20.7 trillion won (\$20.32 billion), down from 21.2 trillion won in 2006. "It is presumed that difficulties persisted throughout the economy as the food shortage problem deepened due to the decline in agricultural production," the bank said. After the disasters of the 1990s North Korea's economy grew by 6.2 percent in 1999, the start of a seven-year streak that pushed GDP from just under 19 trillion won that year to about 21.5 trillion won in 2005. But 2006 saw a return to economic decline as the North was hit by U.N. sanctions for defying international warnings and conducting its first nuclear test. (Jack Kim and John Herskovitz, "North Korea's Feeble Economy Shrinks from Floods: South," Reuters, June 18, 2008) The North's exports contracted 3 percent on-year to \$920 million in 2007, while imports dipped 1.3 percent to \$2.02 billion. Inter-Korean trade increased 33.2

percent from a year earlier to \$1.8 billion. South Korea's shipments to North Korea advanced 24.3 percent to \$1.03 billion, mainly because textiles, chemicals and machinery were shipped to the industrial park in the North's border city of Kaesong for manufacturing, the BOK said. (Yonhap, "N. Korean economy Contracts 2.3 Pct in 2007: BOK," June 18, 2008)

At a joint press conference at the trilateral in Tokyo, Hill says, "Obviously the question of abductions is not just a question that is of interest to the Japanese government, it's also of interest to the U.S. government as well," in an apparent attempt to ease fears in Japan of imminent delisting prior to progress on the abductions. "We have followed the progress very closely of these new discussions that have taken place between Japan and the DPRK, and I think as we go forward we will stay in close contact with each other." Yesterday, Saiki Akitaka said, "It is our understanding that this speech was simply repeating what the United States has been saying so far, that it will remove it from the list of state sponsors of terrorism if the declaration is made in the six-party talks." He added, **"The real issue here is when the declaration will be submitted and there are things that we need to negotiate among the six nations."** (Kyodo, "U.S. Assures Japan Abductions Still on Its Mind in N. Korea Delisting," June 19, 2008)

6/19/08

Kim Kye-gwan delivered an invitation to Pyongyang for Secretary Rice in a meeting with Hill in Beijing last month, according to the *Mainichi Shimbun*. (*Korea Herald*, "Rice Invited to Visit N. Korea: Japanese Media," June 19, 2008)

Kim Dong-shik, a U.S. permanent resident and Christian missionary with family living in Illinois, was abducted in 2000 by North Korean agents in northeastern China and taken to North Korea for interrogation and imprisonment, according to testimony in South Korean courts. Kim, whose wife and two children are U.S. citizens, had raised the ire of the North Korean government by helping its citizens flee the repressive regime and by attempting to convert North Korean athletes who attended the 1996 Olympic Games in Atlanta. In January 2005, Sen. Barack Obama (D-Ill.) and other Illinois lawmakers co-signed a letter to the North Korean ambassador to the United Nations, describing Kim as a "hero" and demanding answers about his whereabouts. The signatories warned that they would oppose North Korea's removal from the U.S. list of state sponsors of terrorism until a "full accounting" of Kim's abduction was provided. But the case of the only North Korea abductee with U.S. connections has been largely forgotten as the administration has pressed ahead on a diplomatic deal to end North Korea's nuclear program. The State Department has all but ignored the pleas of lawmakers and Kim's wife for greater attention to the case. And the presumptive Democratic presidential nominee no longer believes that North Korea's removal from the terrorism list should be conditional on information about Kim. President Bush will notify Congress that he is removing North Korea from the State Department list when Pyongyang provides a declaration on its nuclear activities, which is expected "soon," Secretary of State Rice said yesterday. Obama now does not want to stand in the way of the agreement by focusing on one individual, aides say; instead, he would link the lifting of other sanctions to Kim's case. "Senator Obama believes we should not lift sanctions on North Korea until North Korea has met its obligations to provide a complete and accurate declaration about all its nuclear weapons programs and clarified the allegations about

its proliferation activities, including to Syria," said campaign spokesman Hari Sevugan. "He also remains deeply concerned about North Korean abduction of foreign citizens and expects a full accounting of their circumstances." (Glenn Kessler, "North Korea's Abduction of a U.S. Permanent Resident Fades from Official View," *Washington Post*, June 19, 2008, p. A-13)

6/19/08 Tokyo eased its stance and agreed with Washington and Seoul at the TCOG that North Korea does not, for now, have to mention weapons development in its long-delayed declaration of its nuclear activities, according to sources close to the talks. Japan, the United States and South Korea agreed to offer the respite to North Korea if it promises to report its weapons development during the next stage of denuclearization, which will be discussed at the six-party talks on dismantling Pyongyang's nuclear program, the sources said. During their meeting in Tokyo, the envoys -- Akitaka Saiki of Japan, Kim Sook of South Korea and Christopher Hill of the United States--also agreed to further discuss measures and incentives to make Pyongyang commit to disclosing its weapons program in the six-party talks. Tokyo has taken a hard line, demanding North Korea "fully and accurately" disclose its weapons program in its nuclear-development declaration, which was actually due at the end of last year. But Japan decided to compromise to reopen the six-party talks, taking into account the low possibility for Pyongyang to include information on its weapons in the declaration, the sources said. (Tamagawa Toru, "North Korea Gets Respite on Nuclear Declaration," *Asahi Shimbun*, June 21, 2008)

House enacts amendment to the FY2008 supplemental similar to one the Senate passed May 22 allowing the president to waive U.S. sanctions imposed in 2006 in response to North Korea's nuclear test that would have prohibited funds for disabling. On June 13 CBO estimates dismantling will cost about \$575 million. (Peter Crail, "North Korea Delivers Nuclear Declaration," *Arms Control Today*, July-August 2008, p. 52)

6/20/08 North Korea is expected to turn in a list detailing its nuclear stockpile next week. "As far as I know, North Korea and the U.S. reached a compromise that North Korea submits the declaration around June 26 to China and the U.S. will soon take steps to remove it from the list of terrorism-sponsoring nations," said a diplomatic source privy to the nuclear talks. North Korea will then blow up the outdated Yongbyon cooling tower, the source added. A South Korean Foreign Ministry official said, "North Korea is demanding money from the U.S. and other related nations in return for destroying the cooling tower." In the end, South Korea is likely to pay much of the cost for destroying the cooling tower, sources said. (Lee Chi-dong, "North Korea Likely to Submit Nuclear Declaration Next Thursday," *Yonhap*, June 20, 2008)

FM Komura Masahiko indicated Japan's willingness Friday to accept moving forward stalled six-party talks before North Korea produces a long-overdue account of its nuclear activities. "The issue here is how much we can utilize this [delisting] as a bargaining chip," Komura told a news conference. "From Japan's viewpoint, we can play this card further on the nuclear issue, as well at the Japan-North Korea talks, especially on the abduction issue." But the minister downplayed concerns about Rice's recent comments on possibly delisting North Korea soon and said, "It is my

understanding that the U.S. position remains unchanged and that Secretary Rice simply placed emphasis on the need for denuclearization to press North Korea, as it is already late with its declaration." He said, "The Japanese government believes that in order to achieve the goal of (North Korea's) complete abolition of its nuclear activities, a full declaration must be made now." "However, there is also the view that it is better to get things moving and out of this stalemate toward the goal of denuclearization, even if it means easing the requirements a little now," Komura said. "So we will continue close negotiations to see which way would be the best for achieving the final goal." The minister also told the news conference that Japan will implement its decision to partially lift sanctions on Pyongyang, only after it can confirm that North Korea is serious about acting on its promise to reinvestigate the past abductions of Japanese by its agents in the 1970s and 1980s. "Under the principle of action for action, the other side must first begin carrying out the investigations. If they take a big step forward, we will do so too," Komura said. He also emphasized that **if the North fails to take concrete action, it is very possible that Japan will put the sanctions back in place.** (Kyodo, "Komura Hints 6-Way Talks May Move Forward before Full N. Korean Account," June 20, 2008) FM Komura ruled out the possibility of the government lifting some of its sanctions against North Korea unless there is a mechanism by which Japan can verify the nature of the reinvestigation into the abduction issue recently promised by Pyongyang. "We'd like to create a mechanism using a special Japanese agency by which we can check up on the conducting of the reinvestigation by the other side," Komura said during a June 22 NHK TV program. "As long as there is no progress in this respect, there will be no partial lifting." Komura indicated he would ask Washington to be cautious over the possibility of removing North Korea from a U.S. list of states sponsoring terrorism: "I'll tell the U.S. government that we haven't seen enough progress on the abduction issue and, regarding the second phase, the significance of which the United States has been emphasizing, I will ask them if the content is truly satisfactory." (*Yomiuri Shimbun*, "'No Lifting of Sanctions' without Probe Check," June 23, 2008)

President Lee Myung-bak yesterday named a prominent scholar as his chief of staff, as part of a sweeping shakeup of top aides, as he grapples with a major crisis stemming from the resumption of U.S. beef imports. Chung Chung-kil, the president of the University of Ulsan and a former professor of public administration, was appointed to replace Yu Woo-ik as the president's top aide. Yu and senior secretaries tendered their resignations earlier this month in the wake of the public backlash over the beef deal. Serving only 117 days in office, Yu became the shortest-serving chief of staff in Korean history. Lee replaced all his senior secretaries, except his spokesman, Lee Dong-kwan. "I will make a new start. I will try my best to serve people with a humble attitude," President Lee said as he personally introduced his appointees during a news conference. Vice Foreign Minister Kim Sung-hwan, an expert in relations with the United States, was named senior secretary of foreign affairs and national security. (Hwang Jang-jin, "Scholar Named President's Top Aide," *Korea Herald*, June 20, 2008)

When U.S. Secretary of State Rice visits next week, Japan will tell Washington that it should continue using its terrorist-sponsor designation for North Korea as leverage against Pyongyang, Foreign Minister Komura said, "The U.S. is now ready to use delisting (the North) as a negotiating tool for denuclearizing North Korea. That is the

leverage the U.S. has (against the North).” (Yoshida Reiji, “Keep North on List,” *Japan Times*, June 21, 2008) Japan would welcome North Korea’s expected move to provide a long-delayed declaration of its nuclear activities that would lead to its removal from the U.S. list of terror sponsors, if it would help move toward resolution of the nuclear issue, “If the nuclear problem will be resolved, isn’t that something desirable, also for our country?...it’s something we should welcome,” PM Fukuda told reporters when asked whether he would urge President Bush not to delist North Korea as a state sponsor of terrorism. FM Komura said in a separate news conference that he will urge U.S. Secretary of State Condoleezza Rice when they meet in Kyoto on Friday for “utmost cooperation” in keeping up the pressure on Pyongyang to resolve the abductions issue. “(Japan’s stance) is not about saying yes or no to the delisting. The Japanese government will do its best to (urge the U.S. side) to let us use it as a bargaining chip to the fullest,” Komura said. (Kyodo, “Fukuda Would Welcome N. Korea Declaration for Resolving Nuke Issue,” June 24, 2008) “The only thing we can do is to continue to hold close discussions with the United States and gain its cooperation to move forward on the abduction issue,” Komura said. He pointed out that after President Bush notifies Congress of his intention to delist North Korea, there is a 45-day period before the removal occurs. “During that time, (the United States) will definitely consider what progress has been made in talks between Japan and North Korea and has said that it would determine if North Korea’s nuclear declaration is of any value.” (*Asahi Shimbun*, “Fears Abductee Issue Will Fade in Delist Deal,” June 25, 2008)

6/21/08

The United States in recent weeks has obtained new intelligence -- fresh traces of **highly enriched uranium** discovered among 18,000 pages of North Korean documents -- that are raising new questions about whether Pyongyang pursued an alternative route to producing a nuclear weapon, according to sources familiar with the intelligence findings. Secretary of State Rice made an oblique reference to it in a speech to the Heritage Foundation. “As we’ve gotten deeper into the process, we’ve been troubled by additional information about North Korea’s uranium-enrichment capability,” Rice said. “And this information has reaffirmed skepticism about dealing with North Korea.” late last year, U.S. analysts unexpectedly discovered traces of enriched uranium on the smelted aluminum tubing. Despite months of analysis, intelligence officials have been unable to determine whether the tubes acquired traces of uranium as part of an active enrichment program or were contaminated by exposure to other equipment. Now, the fresh samples of enriched uranium complicate the issue. Sources said that traces of highly enriched uranium were found on the 18,000 pages of Yongbyon reactor records provided by North Korea to the United States last month. North Korea provided the documents, which date back to 1987, to help the Bush administration verify the amount of plutonium it produced in the reactor. But the documents have become central to the debate over Pyongyang’s possible enrichment activities. The uranium enrichment data are preliminary, though at least one source familiar with the intelligence said experts had concluded it did not come from Pakistan. Other sources, however, said there was still a dispute on that question. Analysts also do not know how the documents might have been handled and how they could have come into contact with a possible enrichment program. “They have been either seeking or have gotten or have done something on the highly enriched uranium side,” Rice said Thursday in an interview with the *Wall Street Journal* editorial board that was released by the State Department

yesterday. "The problem is we don't actually know what they've done. I will tell you that the more we dig into it and the more we actually talk to them about it, the more concerning it is." (Glenn Kessler, "New Data Found on North Korea's Nuclear Capability," *Washington Post*, June 21, 2008, p. A-8) The documents were contaminated with traces of uranium particles, according to U.S. officials. (Jay Solomon, "North Korea to List Nuclear Assets," *Wall Street Journal*, June 24, 2008, p. A-20)

6/22/08 In his recent trip to Pyongyang, Chinese Vice President Xi Jinping invited Kim Jong-Il to attend the opening ceremony of the Beijing Summer Olympics, *Asahi Shimbun* said, quoting Daku Yamasaki, former secretary general of Japan's ruling Liberal Democratic Party, the report said made the invitation in his recent trip to Pyongyang. Yamasaki also told reporters Saturday that if Kim accepts the invitation, he could hold talks with U.S. President George W. Bush or Japanese Prime Minister Yasuo Fukuda and open "a new communication channel toward the denuclearization of the Korean Peninsula." (*Dong-A Ilbo*, "N. Korean Leader Invited to Beijing Olympics," June 23, 2008)

6/24/08 During an off-the-record session with a group of foreign policy experts, Vice President Dick Cheney got a question he did not want to answer. "Mr. Vice President," asked one of them, "I understand that on Wednesday or Thursday, we are going to de-list North Korea from the terrorism blacklist. Could you please set the context for this decision?" Mr. Cheney froze, according to four participants at the Old Executive Office Building meeting. For more than 30 minutes he had been taking and answering questions, without missing a beat. But now, for several long seconds, he stared, unsmilingly, at his questioner, Steven Clemons of the New America Foundation, a public policy institution. Finally, he spoke: "I'm not going to be the one to announce this decision," the other participants recalled Mr. Cheney saying, pointing at himself. "You need to address your interest in this to the State Department." He then declared that he was done taking questions, and left the room. (Helene Cooper, "Bush Rebuffs Hard-Liners to Ease North Korean Curbs," *New York Times*, June 27, 2008, p. A-1)

6/25/08 China's chief negotiator, Vice FM Wu Dawei said at a news conference in Beijing at 5 p.m. that North Korea "will submit its nuclear declaration to the chair of the six-party talks, and that the United States will implement its obligations to remove the designation" of North Korea as a state sponsor of terrorism and to end economic sanctions based on a U.S. federal law that restricts trade with any nations deemed hostile to the U.S. Wu said all the nations have agreed the declaration must first be verified according to a set of principles that have already been established. A monitoring process will also be set up to ensure that all governments involved in the talks follow through with their promises, including pledges of nonproliferation as well as economic and energy assistance, he added. The move by North Korea shows that the talks have "made positive progress." (Edward Wong, "U.S. to Take N Korea off Terror List," *New York Times*, June 25, 2008, p. )

One day before the United States announced its intention to start the process of removing North Korea from the State Department's list of states sponsors of terrorism, President Bush tells PM Fukuda by phone, "I won't forget about the abduction issue,"

according to a Foreign Ministry statement. (*Yomiuri Shimbun*, "North Korea's Nuclear Threat: Policy on DPRK, U.S. Needs Reshaping," July 3, 2008)

Israel believes that Syria was planning to supply Iran with spent nuclear fuel for reprocessing into weapons-grade plutonium from the site it bombed last September, and which is currently being inspected by the UN's nuclear watchdog. The claim from an adviser to Israel's national security council, came yesterday as speculation mounts about a possible Israeli attack on Iran. (Ian Black, "Syria Planned to Supply Iran with Nuclear Fuel, Israel Says," *Guardian*, June 25, 2008)

6/26/08

North Korean officials turned over to China a 60-page declaration written in English that details several rounds of plutonium production at the Yongbyon plant dating back to 1986. In the report, North Korea acknowledges producing roughly 40 kilograms of enriched plutonium -- enough for about seven nuclear bombs, according to the U.S. State Department. (Elise Labott, "North Korea Declaration 'Verifiable' If Not 'Complete,'" CNN, July 2, 2008) In the declaration the North Koreans said they used 2 kilograms of plutonium in the test, too few for a weapon. (Sanger, *The Inheritance*, p. 282n)

President Bush "announced the lifting of the application of the Trading with the Enemy Act (TWEA) with respect to the DPRK and notified Congress of his intent to rescind North Korea's designation as a State Sponsor of Terrorism (SST). These actions were taken following North Korea's submission of a declaration of its nuclear programs, which will now be subject to verification. ... The actual rescission of North Korea's designation as a State Sponsor of Terrorism can be carried out 45 days after the President's notification to Congress. The Administration plans to carry out that rescission only after: the Six Parties reach agreement on acceptable verification principles and an acceptable verification protocol; the Six Parties have established an acceptable monitoring mechanism; and verification activities have begun. ... The President's action on June 26 effectively lifts the application of the Trading with the Enemy Act (TWEA). This action is largely symbolic, as most of the TWEA-based sanctions were lifted in 2000. Other sanctions - in particular those related to North Korea's detonation of a nuclear device on October 9, 2006, proliferation activities, and human rights violations - will continue on the basis of other laws and regulations. The termination of the application of TWEA does remove the current requirement for licenses on all imports from the DPRK, but certain imports continue to be banned under other legal authorities. ... The President on June 26 provided a report to Congress justifying the intended rescission of North Korea's designation as a state sponsor of terrorism and certifying that North Korea has satisfied the statutory criteria for rescission. Consistent with the statutory criteria for rescission, the President has certified to Congress that North Korea (1) has not provided any support for international terrorism during the preceding six-month period and (2) has provided assurances that it will not support acts of international terrorism in the future. After a period of 45 calendar days and absent the enactment of a joint resolution blocking the proposed rescission, the Secretary of State may rescind North Korea's designation as a state sponsor of terrorism on August 11. **During the 45-day period before the Secretary may rescind North Korea's designation as a state sponsor of terrorism, we will continue to assess the level of cooperation by North Korea in obtaining a Six Party agreement**

**on acceptable verification principles; a Six Party agreement on an acceptable verification protocol; Six Party agreement on an acceptable monitoring mechanism; and commencement of verification activities.** Based on this assessment the United States will act accordingly. As is the case with TWEA, rescission of North Korea's SST status is largely symbolic. Most sanctions, including those related to North Korea's detonation of a nuclear device on October 9, 2006, proliferation activities, and human rights violations, will continue on the basis of other laws and regulations. ... On June 10, 2008, the North Korean Government issued an authoritative and direct public statement affirming that it does not support international terrorism now and will not support international terrorism in the future. Rescission of the State Sponsor of Terrorism designation will not diminish the United States' concern over the matter of North Korea's past abductions of Japanese citizens. The United States strongly supports Japan's position on the abduction issue. As the President has stated on several occasions that we have not forgotten, and will never forget, the suffering of the families of the abductees. Following bilateral meetings in early June between Japan and North Korea, North Korea agreed to take some steps toward addressing Japan's concerns on this matter. The United States will continue to urge the DPRK to address Japan's concerns without further delay, while welcoming any sincere actions taken by North to address this issue. ... North Korea's declaration will be subjected to an iterative process of verification aimed at resolving any discrepancies and achieving a declaration that is in fact complete and correct. ... A comprehensive verification regime would include, among other things, short notice access to declared or suspect sites related to the North Korean nuclear program, access to nuclear materials, environmental and bulk sampling of materials and equipment, interviews with personnel in North Korea, as well as access to additional documentation and records for all nuclear-related facilities and operations. Any discrepancies in its declaration must be addressed by North Korea until the declaration is deemed to be complete and correct. Issues related to the declaration, including concerns on uranium enrichment and proliferation, can be also addressed via a Monitoring Mechanism to be established under the Denuclearization Working Group. That Monitoring Mechanism is intended to ensure follow-through on all Six Party commitments. (Statement by the U.S. Department of State, "North Korea: Presidential Action on State Sponsor of Terrorism (SST) and the Trading with the Enemy Act")

Rice: "What if North Korea cheats? The answer is simple: We will hold North Korea accountable. We will reimpose any applicable sanctions that we have waived – plus add new ones." (Condoleezza Rice, "Diplomacy Is Working on North Korea," *Wall Street Journal*, June 26, 2008, p. A-15) In a briefing National Security Adviser Stephen Hadley acknowledged the North Korean documents made no mention of uranium, weapons fabrication or exports. Hadley said it "was probably unrealistic" to expect Kim Jong-il to "provide a document which on its face would be so compelling that we could say it's complete and correct." (Gellman, *Angler*, p. 372)

McCain statement text: "The announcement today that North Korea has provided information concerning elements of its nuclear program is a modest step forward, as will be the destruction of the disabled cooling tower of Yongbyon. But it is only a step covering one part of North Korea's nuclear activities. It is important to remember our goal has been the full, permanent and verifiable denuclearization of the Korean

Peninsula. That must remain our goal. The Six Party agreement called for North Korea to make a full declaration of all its nuclear weapons and nuclear programs. Many questions remain about North Korea's programs, including the disposition of plutonium at Yongbyon, the number and status of nuclear weapons, the nature of the highly-enriched uranium program, and the extent of proliferation activities in countries like Syria. I also want to make sure we fully account for the legitimate concerns of our South Korean and Japanese allies as we move forward. I understand certain sanctions were lifted today, some may be lifted in 45 days, and others remain in place. As we review this declaration and attempt to verify North Korean claims, we must keep diplomatic and economic pressure on North Korea to meet all of its obligations under the Six Party agreement, including denuclearization. **If we are unable to fully verify the declaration submitted today and if I am not satisfied with the verification mechanisms developed, I would not support the easing of sanctions on North Korea."**

Obama statement: "This is a step forward, and there will be many more steps to take in the days ahead. Critical questions remain unanswered. We still have not verified the accuracy of the North Korean declaration. We must confirm the full extent of North Korea's past plutonium production. We must also confirm its uranium enrichment activities, and get answers to disturbing questions about its proliferation activities with other countries, including Syria. The declaration has not yet been made available, so Congress has not had a chance to review it. Before weighing in on North Korea's removal from the list of state sponsors of terrorism, Congress must take the next 45 days to examine the adequacy of the North Korean declaration and verification procedures. **Sanctions are a critical part of our leverage to pressure North Korea to act. They should only be lifted based on North Korean performance. If the North Koreans do not meet their obligations, we should move quickly to re-impose sanctions that have been waived, and consider new restrictions going forward.** We should continue to pursue the kind of direct and aggressive diplomacy with North Korea that can yield results. The objective must be clear: the complete and verifiable elimination of North Korea's nuclear weapons programs, which only expanded while we refused to talk. As we move forward, we must not cede our leverage in these negotiations unless it is clear that North Korea is living up to its obligations. As President, I will work from the very beginning of my term in office to secure the American people and our interests in this vital region. We must work with diligence and determination with our friends and allies to end this dangerous threat, and to secure a lasting peace on the Korean peninsula."

Obama said the United States should keep sanctions on North Korea until it proves unambiguously that its nuclear drive is over. McCain said North Korea's belated declaration of its nuclear activities was a "modest step forward," but agreed that sanctions should stay in place if the declaration cannot be verified. "The objective must be clear: the complete and verifiable elimination of North Korea's nuclear weapons programs, which only expanded while we refused to talk," Obama said in a statement. "Sanctions are a critical part of our leverage to pressure North Korea to act. They should only be lifted based on North Korean performance," Obama said. "If the North Koreans do not meet their obligations, we should move quickly to re-impose sanctions that have been waived, and consider new restrictions going forward." McCain said: "I also want to

make sure we fully account for the legitimate concerns of our South Korean and Japanese allies as we move forward. As we review this declaration and attempt to verify North Korean claims, we must keep diplomatic and economic pressure on North Korea to meet all of its obligations under the Six Party agreement, including denuclearization. If we are unable to fully verify the declaration submitted today and if I am not satisfied with the verification mechanisms developed, I would not support the easing of sanctions on North Korea." (AFP, "Obama: U.S. Should Maintain Sanctions on North Korea," June 26, 2008)

South Korea lifted a ban on imports of U.S. beef despite an overnight protest rally by thousands. (Choe Sang-hun, "South Korea Ends Legal Hurdle for Importing American Beef," *New York Times*, June 26, 2008, p. A-10)

6/27/08

DPRK FoMin spokesman: "On June 26 the U.S. made public a decision on starting the process of taking the DPRK off the list of "state sponsors of terrorism" and exempting it from the "Trading with the Enemy Act" as a practical measure for lifting economic sanctions against the DPRK under the October 3 agreement reached at the six-party talks. The DPRK appreciates and hails this as a positive measure. What is important in the days ahead is for the U.S. to fundamentally drop its hostile policy toward the DPRK, a policy that compelled it to have access to a nuclear deterrent. ... The measure taken by the U.S. to lift the major sanctions which it has applied against the DPRK, listing it as an enemy state for more than half a century, should lead to totally withdrawing its hostile policy toward the DPRK in all fields in the future. Only then can the denuclearization process make smooth progress along its orbit. Other participating nations of the six-party talks should also fully honor their commitments to make economic compensations in time as already promised." (KCNA, "DPRK Foreign Ministry's Spokesman on U.S. Lifting of Major Sanctions against DPRK, June 27, 2008)

North Korea declared that it had slightly more plutonium than it had previously admitted. But the declaration falls short of the full accounting that the administration had sought, since it omits any information about North Korea's suspected efforts to enrich uranium, or the extent of any of the North's sharing of technology around the world. One of the last details to be settled was how much the United States would pay North Korea to blow up the cooling tower at Yongbyon. North Korean officials said the demolition would cost \$5 million, and the United States offered \$2.5 million – an amount that conservative hard-liners in Washington said was too much, according to several administration officials involved in the talks. "The forthcoming demolition of a nuclear cooling tower this weekend is little more than the destruction of an empty shell," Representative Ileana Ros-Lehtinen, a Republican of Florida, complained in a statement. "This is a sad, sad day," said John R. Bolton. "I think Bush believes what Condi is telling him, that they're going to persuade the North to give up nuclear weapons, and I don't think that's going to happen. I think we've been taken to the cleaners." "It sounds to me like the administration has gotten the North Koreans to agree to some intrusive and significant verification steps," said Gary Samore, a vice president at the Council on Foreign Relations. (Helene Cooper, "Bush Rebuffs Hard-Liners to Ease North Korean Curbs," *New York Times*, June 27, 2008, p. A-1)

North destroys cooling tower at Yongbyon reactor. International television crews were invited to reclusive North Korea on Friday to witness the destruction of the cooling tower at the country's main nuclear weapons plant. Viewers around the world later watched the most visible symbol of the North's nuclear ambitions collapse in a cloud of shattered concrete. In North Korea itself, however, the explosion was a nonevent. The state news agency carried no information about it on Friday, and the images had not found their way onto state television. Still, North Korea watchers in neighboring South Korea and China say that this week's deal appeared to have emerged from the shifting dynamics between North Korea's reform-oriented civilian officials and hard-line military leaders. If the civilian leadership keeps the upper hand, that could foreshadow a more robust pace of change in the country's deeply impoverished economy, they say. "I don't think it was one group winning against the other, but I think this agreement came out of long discussions between civilian and military leaders," said Song Min-soon, who served as South Korea's chief nuclear negotiator and then as foreign minister from late 2006 to early this year. "Groups inside North Korea who want to reform will now gain a voice." In his past negotiations, Song said, his North Korean counterparts referred often to objections from "other institutions in Pyongyang," the capital, which the South Koreans interpreted as the military and officials from the ruling party. "For some time, I thought it was just an excuse not to make a deal, but later I came to believe that it was not just an excuse but the reality there," said Song, who is now a member of the National Assembly. Even if they disagreed about the nuclear program and relations with the outside world, however, reformers and hard-liners are driven by a shared goal of survival, experts said. Paik Hak-soon, a North Korea expert at the Sejong Institute in Seoul, South Korea, said that since the collapse of the Soviet Union, North Korea had basically pursued the long-term goal of formally ending the Korean War and normalizing relations with the United States. "That is the only way for North Korea to survive," Paik said. "North Korea wanted the United States to come to the negotiating table, and since the United States did not want to come voluntarily, North Korea used the nuclear card." Jin Linbo, a senior research fellow at the China Institute of International Studies, said Kim had shown no real interest in a systemic economic overhaul. "These experiments can only be regarded as ways that North Korea is trying in order to find a way to make money," he said. As for large-scale economic reforms, "No, that is too dangerous for the regime," he said. But Moon Chung-in, a political scientist at Yonsei University in Seoul who was South Korea's ambassador for international security affairs until earlier this year, said he believed that economic change would accelerate now that progress had been made on the nuclear accord. "Whenever I've met party officials in the past, they've told me: 'We don't want the United States or South Korea to dictate how to manage our economy. You cannot make us open up and reform. But we really are desperate and want to modernize the motherland,' " Moon said. "You have to be careful about not using the word 'reform'; they are sensitive about that and prefer 'modernize.' " (Norimitsu Onishi, "North Korea Razes Nuclear Tower, but Intent Is Less Apparent," *New York Times*, June 28, 2008)

"From early last fall, we were discussing ways to dissuade people who were suspicious and skeptical," Song said. "That's how we got to talking about the idea of convincing them with the visible effects of demolishing the cooling tower." Charles D. Ferguson, a fellow at the Council on Foreign Relations and a former State Department expert on

nuclear safety, said that in it, North Korea declares that it produced about 81 pounds of plutonium. "You could use that to make probably about a half-dozen nuclear bombs," he told reporters Friday. A senior U.S. official said this week in Kyoto that the State Department believes North Korea may have produced up to 110 pounds of plutonium. (Blaine Harden and Stella Kim, "N. Korea Razes Cooling Tower in Show of Nuclear Accord," *Washington Post*, June 28, 2008, p. A-10)

6/28/08      Hundreds of protestors were injured during a violent rally of 18,000 against imports of U.S. beef while SecState Rice met with President Lee. (Choe Sang-hun, "Hundreds Are Injured in Seoul Beef Protest," *International Herald Tribune*, June 30, 2008, p. 5)

Sung Kim, director of the Korean affairs desk at the State Department, said the cost of demolition of the cooling tower at the Yongbyon reactor is part of the cost of North Korea's disabling of its nuclear facilities that will be borne by the U.S. He added the costs will be defrayed later. "We have been paying for the cost of disablement, and collapse of the cooling tower is no different," he told reporters in Seoul. "The arrangement we have with (North Korea) is that they carry out a disablement act, they give us an itemized bill, we review it. And once it's confirmed, we make payment." Earlier, the *New York Times* reported that the U.S. paid US\$2.5 million for the blow-up of the cooling tower. (*Chosun Ilbo*, "U.S. to Pay for N. Korea Blast," June 30, 2008)

6/30/08      Bush signed a bill enabling his administration to finance the retirement of North Korea's nuclear facilities over the next five years under a multilateral deal. HR 2642, the Supplemental Appropriations Act of 2008, overrides the Glenn Amendment, which bans any financial aid to states that have conducted a nuclear test, while permitting sales of nonlethal articles and controlled dual-use equipment or goods necessary for these activities. Both the Senate and House of Representatives passed their respective bills in May and worked jointly to transfer a joint bill to Bush for signature. The bill also earmarks \$15million in energy aid to North Korea. (Yonhap, "U.S. Signs Bill to Fund North Korea Denuclearization," June 30, 2008)

A U.S. ship bearing 37,000 tons of wheat has arrived in North Korea, officials said. (Blaine Harden, "U.S. Wheat Begins New Aid to N. Korea," *Washington Post*, July 1, 2008, p. A-7)

7/1/08      Hill: "We thought the cooling tower was very important to try to get done and get down, so we kept working at it. And finally, the North Koreans agreed to make it be the 12th element. And that's what we agreed in December and we hoped to have it done in December. But as I've often said, the Six-Party process offers no refuge for those in need of instant gratification. Everything takes a little more time than you thought it would. But I think the fact that they were able to take down the cooling tower, I think, demonstrated that we really do have a procedure on this disablement and that Yongbyon, which was entirely capable of producing more and more plutonium - there was nothing wrong with Yongbyon when it was shut down. I've heard people say, well, it was old and decrepit. Believe me, that was from a technical point of view. The answer to the question of how long Yongbyon could have operated is as long as they want it to operate, because there is nothing old or decrepit about its capacity to produce

plutonium. So the fact that it was shut down and the fact that some major disablement steps were taken, I think, is a very good sign. I thought, to be sure, the cooling tower did have a symbolic value. I mean, I've spoken to audiences about how I thought it was very important that we cut the reverse cooling loop on the reactor. But many of the audiences would slump over and go to sleep as I would explain the cutting of the reverse cooling loop. But I think now people understand that indeed we are doing some things. And it's not just the cooling tower. There are a number of things that have been done and that will continue to be done, including discharging the actual reactor. ... Obviously, a lot of our discussions in the last few months have been very much dealing with the issue of verification. That is, after they do what they were supposed to do - that is, give us a declaration and get going on this 12th disablement activity - we would need to move directly to verification. So we're going to work very hard on that this week. There are a lot of interagency people going to be working on it. And so, when we do sit down with them, that is, when the Chinese call the next meeting, I think we'll be ready. ... Obviously, we would like to deal with things in one fell swoop, but sometimes, as I was saying earlier to Derek's question, you have to kind of do things on an incremental basis to get people used to where they are and to get them to take the next step. But I would draw your attention to the fact that a year ago they were producing plutonium and not only are they not producing plutonium, but they can't produce plutonium because the thing is disabled. And obviously, we have to keep going and certainly, as I stand here before you, I'm talking about a work in progress.... There were meetings with the North Koreans and the Japanese to discuss this matter. That hasn't happened for quite a while. As I said earlier, we don't want a situation where they had a meeting and then the North Koreans say, well, we did our part, so clearly we've got to go forward. I don't know what the final resolution on this issue, I don't know what it's going to look like, I mean, what an eventual resolution would look like, but I do know that they've got to get a lot further than they've gotten. So we're going to continue to work on this issue. (Christopher Hill, "Update on Six-Party Talks," CSIS, July 1, 2008)

Members of the executive board of the U.N. Development Program would like the agency to resume its work in communist North Korea, from which it pulled out last year amid U.S. charges of financial mismanagement. The summary, however, said that "one delegation expressed ongoing concern about some of the findings of the report regarding perceived deficiencies in management." Diplomats said this was the U.S. delegation, but added that Washington was not alone in raising concerns about the report's findings. Richard Grenell, spokesman for the U.S. mission to the United Nations, made it clear that Washington had doubts about whether UNDP was ready to return to North Korea. "There has to be changes to the way the UNDP works in these countries," he said. "Otherwise we won't have confidence in the UNDP's intended purpose." A European diplomat told Reuters on condition of anonymity that North Korea's decision last week to hand in a declaration of its nuclear programs showed that there has been some real, albeit limited, improvement in North Korean behavior. "It's worth the risk for the UNDP go back and help (North Korea's) people," he said. (Louis Charbonneau, "U.N. Agency Urged Back to N. Korea Despite U.S. Doubt," Reuters, July 1, 2008)

7/2/08

Just days before North Korea delivered its long-awaited declaration on its plutonium-based nuclear programs to China last week, Pyongyang privately acknowledged the

United States' long-standing concerns about alleged uranium-enrichment activities and possible proliferation to Syria, U.S. and Asian officials said yesterday. U.S. officials have made only cryptic references to Pyongyang's private message to Washington, in part because it represents a significant scaling back of the administration's goals and ambitions for North Korea's declaration. "The declaration does reference the discussions that the United States had with North Korea on uranium enrichment and proliferation, but it is not appropriate for me to discuss the details at this time," said White House spokesman Gordon Johndroe. The gap between the administration's initial objectives and the final results has led to sharp criticism in some quarters in Washington. "What we really have is sort of a Potemkin village of U.S. policy in which there's a great deal of difference between these initial bold pledges and then subsequent reality often behind the scenes," Bruce Klingner, a Korea expert at the Heritage Foundation, said yesterday at a forum to assess the deal. Chief negotiator Hill acknowledged yesterday that the North Korea deal is "a partially finished product." He said at CSIS, "We have to keep working on issues that have still not been fully disclosed, although not denied by the North Koreans," he said yesterday at the Center for International and Strategic Studies in Washington. But he emphasized that despite the unanswered questions about a uranium-enrichment program, the administration has succeeded in shutting down a dangerous nuclear reactor. "It was less than a year ago that they were still producing plutonium, and plutonium is what they tested as a nuclear weapon," Hill said. "And plutonium is really, first of all, what we needed to stop their production of, and secondly, what we need to eventually have them abandon." Last week, Bush set in motion a 45-day process under which North Korea will be removed from the list of state sponsors of terrorism. U.S. officials have suggested the process could be stopped if North Korea proves uncooperative, but few expect that verification of North Korea's declaration will be completed before the 45-day period ends in mid-August. (Glenn Kessler, "Message to U.S. Preceded Nuclear Declaration by North Korea," *Washington Post*, July 2, 2008, p. A-7)

7/3/08 North Korea said it used 2 kilograms of plutonium to build a nuclear device it detonated in October 2006 in a report about its nuclear weapons program recently submitted to China, according to a source close to six-party talks. The report also said it had extracted a total of about 30 kilograms of plutonium, according to the source. The report also said the country had extracted a total of about 30 kilograms of plutonium, according to the source. There are about 4 kilograms of residual plutonium inside components of the nuclear facilities and another 2 kilograms in nuclear waste stored at Yongbyon. The U.S. believes that the plutonium extracted by North Korea, plus an additional 8 kilograms of the substance yet to be removed, totals about 44 kilograms. (Asano Yoshiharu, "'2 Kg of Plutonium Used in N-Test'; N. Korea's Report to China Shows that 30 Kilograms Were Extracted," *Yomiuri Shimbun*, July 3, 2008)

7/4/08 DPRK FoMin spokesman: "The DPRK took the measure of completely blowing up the cooling tower of the pilot atomic power plant, in particular, going beyond the phase of disablement. This constitutes a step taken out of good will, a proof of the DPRK's will for the denuclearization, as it means that it has taken in advance the action to be done at the phase following the dismantlement of the nuclear facilities. The other participating parties of the six-way talks should join the DPRK in its efforts by honestly fulfilling their

commitments. The U.S. published the measure for political compensation according to the October 3 agreement, **but the measure for taking the DPRK off the list of "state sponsors of terrorism" has not yet taken effect due to its procedural factor and the measure for putting an end to applying the "Trading with the Enemy Act" against the DPRK has not been implemented to the full in the light of its substance, though the U.S. claims it came into force.** The commitments of the five parties to make economic compensation have been fulfilled just 40 per cent as of now." (KCNA, "DPRK Foreign Ministry Spokesman on Implementation of Agreement Adopted by Six-Party Talks," July 4, 2008)

A.Q. Khan interview: Khan said the army had "complete knowledge" of the shipment of used P-1 centrifuges to North Korea and that it must have been sent with the consent of Musharraf, the then-army chief who took power in a 1999 coup. "It was a North Korean plane, and the army had complete knowledge about it and the equipment," Khan said. "It must have gone with his (Musharraf's) consent." Khan said, "No flight, no equipment could go outside without the clearance from the ISI and SPD and they used to be at the airport, not me," referring to the powerful Inter-Services Intelligence agency and the Strategic Planning Division that manages Pakistan's nuclear arsenal. Political and military analyst Talat Masood said it made sense that the effort was coordinated by more than one person. "If the requirement of an aircraft was there, the requirement of dealing with another country was there, it's not just one man who could have done it," Masood said. "Whether they were doing it individually or collectively or as a state policy or informally – that needs to be determined." (Associated Press, "Scientist: Pakistan Knew of N. Korea Nuke Deal," July 4, 2008)

7/6/08 Bush expressed his support for Japan over the issue of North Korea's abduction of Japanese nationals at a joint press conference after a meeting at the Windsor Hotel Toya in Toyakocho, Hokkaido, which lasted an hour and 15 minutes. Bush said he would never forget the abduction issue and that the United States' position to support Japan on the issue would not change. "I hope that Japan and the United States will closely cooperate over the issues of North Korea's nuclear ambitions and abduction," Fukuda said. "The abduction and nuclear issues should be solved together." Bush said, "The United States will not abandon you on this issue." (*Yomiuri Shimbun*, "U.S. 'Won't Forget Abductees; Fukuda, Bush Agree to Closely Inspect DPRK N-Declaration," July 7, 2008)

7/9/08 Hill: "I had further consultations with the DPRK and with the ROK. Tomorrow morning I'll meet with the Russians for breakfast and then the Chinese. And then we'll have a trilateral meeting in the afternoon with the ROK and the Japanese delegations. We are expecting them [the Japanese delegation] to come in early in the afternoon. And then we'll have the Six-Party meeting. So we're looking forward to having our first Six-Party meeting in nine months. I think the subject will be verification. That was certainly the subject of my consultations today, and it will be the subject of consultations tomorrow. We really want to get on with agreeing on a verification regime and then get on with the actual verification. So this is the verification Six-Party meeting, and I hope it will go smoothly and we can close out phase two and get on with phase three. **Q:** What was the progress with the DPRK today? Hill: These were just consultations. And we want to make sure there will be no surprises when we sit down in the Six-Party head of delegation

[meeting] but also in the denuclearization meeting to discuss the issue of verification. We also talked a little about the issue of fuel aid to North Korea, and the fact that the U.S., Russia, China, and South Korea have been providing aid, and tried to identify how we will wrap that up. We have many more shipments still to make, and so we had some discussion about that. And we'll probably do some more of that in the Six-Party. **Q:** Are you expecting these talks to produce a substantive documental agreement, or is this just only one step? Hill: Our hope is to produce a verification regime that will lay out the rules of the road for verification. Verification itself will take longer than just a few days. Verification could take several weeks or even months actually. But we need to agree on how verification will work. We have an agreement on the general principles on what is involved, and that is the interviews with their people. We have an agreement on providing documents and doing site visits. But there are a lot of details that need to be fleshed out. And that was something we were talking about today. And it's something that the denuclearization working group will take up when they meet on Friday. **Q:** There are still significant disagreements on access to sites? Hill: No, I don't think there's any significant disagreement. Obviously, the devil is in the detail on most of these things. But I think there's an understanding that we have to go forward on this. And certainly the DPRK, in providing their declaration, said they would cooperate fully on verification efforts, so we have to identify what those efforts could be." (Christopher Hill, "Evening Walk-Through at Six-Party Talks," Beijing, July 9, 2008)

7/10-12/08 "We had a detailed discussion about principles of 'the verification regime in today's meeting, said Hill. "But how those principles actually work, that will be (discussed) when the denuclearization working group meets." The principles of verification discussed today include access to North Korea's nuclear facilities and additional documents on Pyongyang's nuclear programs, as well as interviews with people related to the nuclear plans. The monitoring mechanism will also apply to the other five parties' obligations under their deal, in which North Korea takes denuclearization steps in exchange for economic and diplomatic benefits, diplomats said. "We basically agreed on the need to create a mechanism to monitor the implementation of each party's obligations in the six-party talks," Saiki Akitaka, head of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau, told reporters separately. Chinese Vice FM Wu Dawei said earlier in the day before the talks began that preliminary consultations had shown that there were still differences over the ways to check North Korea's nuclear report. "Views are not unified. There is still a need for talks. That is why we are holding a meeting." (Kyodo, "Six-Way Envoys Agree on Need for Mechanism to Verify N. Korea Report," July 11, 2008) Saiki Akitaka told reporters in Beijing that he questions whether the document can be described as "truly complete." (Kyodo, "Japan Envoys Expresses Dissatisfaction over N. Korea's Nuclear Report," July 11, 2008) "The discussion at the head of the delegation meeting concerned, first of all, a discussion about some details of the monitoring mechanism ... Tomorrow, in the heads of delegation, we are hoping to take on the issue of economic and energy assistance for the DPRK. And we hope as well to have a discussion about the next phase. So, all in all, I think it's a good start to the process. But I think the effort to negotiate the actual verification protocol will be very important. And that's where we will have experts from all six countries to sit there and -- based on the principles that we all have discussed -- see if they can reach an agreement on that. ...It's basically discussing, for example, the fact the verification needs to include

site visits, needs to include documents, needs to include interviews. But -- we had a few more details than that -- but those are examples of the principles. ... Verification will definitely include all the members of the six parties. ...there is a commitment by the DPRK that they would -- that they are not proliferating and will not proliferate in the future. So that's a statement whose veracity needs to continue to be monitored. That's one example. But there are others. And certainly the DPRK has been concerned about whether countries that have taken up the obligations to provide energy assistance -- whether they are actually doing that. And so they want those situations monitored as well. So that's the concept of what we're talking about." (Hill, "Evening Walk-Through at Six-Party Talks," Beijing July 10, 2008) Negotiators from six parties agreed July 11 on principles of creating a mechanism to verify North Korea's declaration of its nuclear programs, Japanese delegate Saiki said. Details of such a mechanism were being discussed by a six-party working group on denuclearization methods. The principles of verification discussed by the envoys July 10 are access to North Korea's nuclear facilities and additional documents on Pyongyang's nuclear programs as well as interviews with people related to the nuclear plans. "We will begin our talks today with the topic of verification and a monitoring system, which we were not able to complete yesterday," South Korean envoy Kim Sook told reporters at a Beijing hotel in the morning before heading for the second day of talks. "If the heads of delegations can agree on the topic and set up a guideline for a working group to follow, the group can hold a meeting" to discuss specifics. (Kyodo, "Six Nations Agree on Principles to Verify N. Korea Nuke Declaration," July 11, 2008) Negotiators in the six-party talks on the Korean peninsula nuclear issue reached a "principled consensus" here on Friday on verifying the declaration of the DPRK, the Chinese delegation's spokesman Qin Gang told reporters. The top negotiators discussed the specific principles of setting up a verification and inspection mechanism, as well as economic and energy aid to the DPRK. (Xinhua, "Korean Peninsular Talks End with Verification Agreement," July 12, 2008) Hill said that in Saturday's talks, he also hopes to have a more detailed discussion on the next phase of North Korea's denuclearization, which involves the country's abandonment of nuclear facilities and materials. "We had a preliminary, brief discussion on that last night, but it was decided that...we'll try to meet again today, so that's what I'm off to do," he said. (Kyodo, "Six-Way Delegates Wrap up Talks over Checking N. Korea Report," July 12, 2008) North Korea pledged today to complete steps to disable its nuclear facilities by the end of October, at six-country talks aimed at disarming the communist state in return for aid and better diplomatic relations. (Jack Kim, "N. Korea Pledges to Fully Disable Nuclear Plant by October," Reuters, July 12, 2008) North Korean negotiator Kim Gye Gwan said, **"Verification should be moving toward the denuclearization by resolving the hostile relations between North Korea and the United States and removing the threat of all nuclear war fundamentally on the Korean Peninsula and neighboring areas instead of denuclearization that would lead to our unilateral disarmament."** All participants in the six-party talks except Japan agreed at the meeting on the completion of second stage obligations to deliver economic and energy aid by the end of October in return for North Korea's commitment to finish disablement of its nuclear facilities. Japan's failure to perform its obligations might become an issue. Hill, who heads the U.S. delegation, had suggested the possibility that a third nation could shoulder Japan's obligations, saying there is no problem if some other nations deliver energy aid to North Korea on the assumption South Korea could provide it to

the North. However, South Korea would not be able to take over Japan's obligations since diplomatic friction has erupted between two nations after the government decided to mention the Takeshima group of islets in an instruction manual for the education ministry's new curriculum guideline at middle schools. Japan has been sidelined. (Ue Ichiro, "New Abduction Probe Key to Talks," *Yomiuri Shimbun*, July 30, 2008) Six-party talks could not move on to the substance of the final step in the three-tier process in their latest round of negotiations because North Korea and its five dialogue partners at disarmament talks are sharply divided over the concept of the next phase of the agreed-upon denuclearization process, South Korea's nuclear envoy Kim Sook said July 28. "The other five nations called for North Korea to get rid of all of its nuclear weapons and programs in the third and last stage," Kim told a group of journalists in Seoul. **"But North Korea claimed that one or two preliminary stages are needed before doing so."** When asked to elaborate, Kim said that North Korea asked the other parties to just "aim to dismantle its Yongyon facilities." The U.S. wants to conclude the verification protocol before Aug. 11, when the 45-day period ends. North Korea has already received the draft of the protocol but has yet to give an answer. "It means ... at least 45 days, not maximum," Kim said. "I think it would be difficult for the delisting to go into effect unless the U.S. receives the North's approval and has a verification protocol by then." (Lee Chi-dong, "N. Korea, Regional Powers Differ over Next Phase in Denuclearization Process," *Yonhap*, July 29, 2008) Six-point statement issued at the end of this week's round of six-way talks said North Korea will complete disabling its Yongbyon nuclear facility by October, while the United States, South Korea and three other regional players will complete shipment of promised energy aid to Pyongyang by that month. "The parties formulated a timetable for economic and energy assistance with disablement of the Yongbyon nuclear facilities," the statement said. "The verification measures of the verification mechanism include visits to facilities, review of documents, interviews with technical personnel and other measures unanimously agreed upon among the six parties," it said. "When necessary, the verification mechanism can welcome the International Atomic Energy Agency (IAEA) to provide consultancy and assistance for relevant verification." Details will be decided by the working group on denuclearization, it added. (Lee Chi-dong, "N. Korea to Finish Disabling of Reactor by October," *Yonhap*, July 12, 2008) The six nations agreed in principle to set up an intrusive inspection program to verify that North Korea has dismantled its plutonium-based program to produce fissile material for nuclear weapons. After three days of talks in Beijing, however, the negotiators were unable to complete a detailed inspection schedule and decided to refer specific issues back to their capitals in hopes of working out an itemized inspection regime in September, according to the chief U.S. negotiator Hill. "All this kind of stuff requires a lot of scrutiny," Hill said. (Edward Cody, "Accord in North Korea Talks," *Washington Post*, July 13, 2008, p. A-12) The latest round of six-party talks on North Korea's nuclear program that ended Saturday in Beijing has left the Japanese government anxious and frustrated. "Unfortunately, we couldn't reach an accord on the specifics [of verification]," said Akitaka Saiki, director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau told reporters after the talks. On the timing of the verification, Saiki said, "It'll certainly be late coming, so reaching agreement on details [on the method of verification] should be given top priority." Saiki insisted on the necessity of early verification throughout the three-day talks. **He is believed to have felt that if North**

**Korea's declaration of its nuclear program is verified, there likely would be some shortcomings that would prompt the United States to scrap its plan to remove Pyongyang from the terrorism sponsors list.** (Anai Yuji, "Govt Anxious after Latest 6-party Talks," *Yomiuri Shimbun*, July 13, 2008) Full text of the communiqué of the 6<sup>th</sup> round: I. In accordance with the Joint Statement of the Six-Party Talks adopted on 19 September 2005, **the six parties agreed to establish a verification mechanism within the Six-Party Talks framework to verify the denuclearization of the Korean Peninsula.** The verification mechanism consists of experts of the six parties and is responsible to the Working Group on Denuclearization of the Korean Peninsula. **The verification measures of the verification mechanism include visits to facilities, review of documents, interviews with technical personnel and other measures unanimously agreed upon among the six parties.** When necessary, the verification mechanism can welcome the International Atomic Energy Agency (IAEA) to provide consultancy and assistance for relevant verification. **The specific plans and implementation of the verification will be decided by the Working Group on Denuclearization of the Korean Peninsula in line with the principle of consensus.** II. **The six parties agreed to establish a monitoring mechanism within the Six-Party Talks framework. The monitoring mechanism consists of the heads of delegation of the six parties. The mission of the monitoring mechanism is to ensure that all parties honor and fulfill their respective commitments made within the Six-Party Talks framework, including non-proliferation and economic and energy assistance to the DPRK.** The monitoring mechanism will carry out its responsibilities in ways considered effective by the six parties. The heads of delegation of the six parties can authorize appropriate officials to carry out their responsibilities. III. The Parties formulated a timetable for economic and energy assistance along with disablement of the Yongbyon nuclear facilities. **Disablement of the Yongbyon nuclear facilities by the DPRK and the remaining heavy fuel oil (HFO) and non-HFO assistance to the DPRK by other parties will be fully implemented in parallel. All parties will work to complete their HFO and non-HFO assistance to the DPRK by the end of October 2008.** The United States and Russia will work to complete the provision of their remaining share of HFO assistance to the DPRK by the end of October 2008. China and the ROK will work to sign with the DPRK binding agreements for the provision of their remaining share of non-HFO assistance by the end of August 2008. **Japan expressed its willingness to take part in the economic and energy assistance to the DPRK as soon as possible when the environment is in place.** (Full text of the press communiqué of the sixth round of six-party talks) Hill: "We discussed the next phase. We discussed elements. But we didn't have a very lengthy discussion on it because we were taken up by some other things." (Hill, "Afternoon Walk-Through at Six-Party Talks," Beijing, July 12, 2008) Sources close to the party talks on North Korea's nuclear programs, which resumed last week after a nine-month hiatus, described Saturday's agreement on three principles as an incomplete agreement. On July 8, Hill arrived in Beijing on the same schedule as North Korean chief negotiator Kim Gye Gwan. During their two days of talks, both in effect reached agreement on how to verify North Korea's declaration. Saturday's announcement ended up being no more than a carbon copy of this bilateral agreement. (Asano Yoshiharu and Miyazaki Takeo, "6-Party Talks Accord Short on Details; Pyongyang Presses for Aid Despite Vagueness of N-Program Verification Process," *Yomiuri Shimbun*, July 15, 2008) [U.S. wanted IAEA to conduct

inspections, initial inspections to focus on declaration of plutonium, including interviews, instruments at sites, but North insisted on six-party inspections, reciprocal inspections in the South, no instruments at sites]

7/11/08

In a speech at the National Assembly, President Lee proposed resumption of inter-Korean talks on ways to implement summit accords made by his predecessors, and offered to help reduce the Communist country's acute food shortage. In a major U-turn from his initial hawkish policy, Lee said he is ready to discuss ways of making progress in the agreements signed between South and North Korean leaders that include the Basic Agreement of 1991, the June 15, 2000 Declaration and the October 4, 2007 Declaration. "The South Korean government is willing to engage in serious consultations on how to implement the inter-Korean accords and agreements made so far," he said. "I propose engaging in inter-Korean humanitarian cooperation. From a humanitarian and fraternal standpoint, the government is ready to cooperate in efforts to help relieve the food shortage in the North as well as alleviate the pain of the North Korean people." The President made the proposal hours after a North Korean soldier shot and killed a 53-year-old Korean tourist when she was strolling at a beach near the restricted military area near Mt. Kumgang. **The President learned of the killing shortly after noon, before leaving for the Assembly, according to his spokesman Lee Dong-kwan.** (Kang Hyun-jyung, "President Offers Olive Branch to N.K." *Korea Times*, July 11, 2008)

*Rodong Sinmun* signed commentary: Lee "failed to clarify his stand on the historic June 15 joint declaration and the October 4 declaration but glossed over them by combining them with other agreements reached between the north and the south in the past. The traitor talked about the necessity to advance toward the "era of practice going beyond the era of declaration" and "fresh thinking and orientation." This betrays his sinister intention to overturn the historic declarations between the north and the south, nullify the successes achieved by them after the publication of the June 15 joint declaration and mislead the inter-Korean relations." (KCNA, "Lee Myung-Bak's 'Policy Speech' Under Fire," July 13, 2008)

7/12/08

South Korea has been trying to send the North an official message asking for help in an investigation into the shooting yesterday of a 53-year-old female tourist but North Korean liaison officials at the border village of Panmunjom have not shown any "active response" to the request, said Unification Ministry spokesman Kim Ho-nyeon. South Korea's leader escalated criticism of the killing. "What cannot and should not happen has happened," Lee told a security ministers' meeting, according to his office. "I can't understand that they shot a civilian tourist" at a time of the day when it is possible to discern she is a civilian, Lee said. He also urged Pyongyang to "actively cooperate" in an investigation. The victim, Park Wang-ja, was killed before dawn after she entered into a fenced-off, restricted area along a beach near the Diamond Mountain resort. North Korea told the South Korean tour organizer that its soldier opened fire because Park ignored a warning to halt and ran away. Yonhap quoted a tourist, 23-year-old college student Lee In-bok, who returned from the resort yesterday, who said he was watching the sunrise nearby when he saw a middle-aged woman dressed in black walking along the beach before hearing two gunshots and a scream about 10 minutes later. "When I

looked in the direction where the gunshots were heard, there was one person collapsed and three soldiers ran out of a forest and touched the person with their feet as if trying to see if that person was alive." Yoon Man-joon, head of Hyundai Asan, the South Korean company that organizes the tours and operates the North Korean resort, left for the North to meet officials, visit the shooting site and urge the government to agree to a joint investigation. "I will visit the site and listen to explanations from the North," Yoon told reporters earlier in the day. "A joint investigation is necessary, isn't it? I will also convey this point to the North." (Jae-soon Chang, "S. Korea: N. Korea Not Cooperating in Shooting Probe," Associated Press, July 12, 2008)

KCNA: "A south Korean who came to tour Mt. Kumgang was shot to death by a serviceman of the Korean People's Army at around 4:50 a.m. on July 11. A spokesman for the Guidance Bureau for Comprehensive Development of Scenic Spots issued a statement on Saturday in this regard. The DPRK feels regretful at this, the statement notes, and goes on: As for the cause of the incident, it occurred because the south Korean tourist trespassed on the area under the military control of the north side, going beyond the tourist zone. ...the south Korean tourist intruded deep into the area under the military control of the north side all alone at dawn, going beyond the clearly marked boundary fence, even his shoes got wet. When a KPA serviceman spotted him and ordered him to stop, he did not obey the order but began to run away. He kept running although the KPA serviceman repeatedly shouted at him to stop, even firing blank bullets. The KPA serviceman could not but open fire at him. The responsibility for the incident entirely rests with the south side. The south side should be held responsible for the incident, make clear apology to the north side and take measures against the recurrence of the similar incident. Nevertheless, the south side authorities unilaterally announced that they would suspend the tour of Mt. Kumgang for the time being, a challenge to the north side. As it is an intolerable insult to the north side, it will take a measure not to accept south Korean tourists until the south side makes proper apology for the recent incident and takes measures against the recurrence of such incident. As the cause of the incident is very clear and the north side has already confirmed the scene of the incident together with personnel of the Hyundai side right after its occurrence, it cannot accept the south side's proposal for inspecting the area of the north side for investigation. (KCNA, "South Side Chiefly to Blame for Incident at Mt. Kumgang Resort," July 12, 2008)

7/14/08

Japan decided Monday to refer to two uninhabited islets disputed with South Korea in the Sea of Japan in a teaching guideline for junior high schools, making it the first time such an educational document has mentioned the territory. The education ministry said the nonbinding guideline recommends that teachers "deepen (students') understanding of Japan's territory and domain, as they do over the Northern Territories, while mentioning that there are differing opinions with South Korea (over the islets)." The pair of South Korean-controlled rocky islets in the Sea of Japan includes numerous reefs covering a total area of 210,000 square meters, have long been a source of dispute between the two countries. The Japanese government once considered stating outright in the guideline that "Takeshima is an inherent part of the territory of Japan," but decided to soften the wording in the guideline apparently in consideration of South Korea's position. Chief Cabinet Secretary Machimura Nobutaka said he expects South

Korea to respond calmly on the matter. "We'd like to avoid a situation in which the Japan-South Korea relationship is greatly affected by an individual issue like this," he told a news conference. "We hope that South Korea responds calmly." The top Japanese government spokesman said the Takeshima issue is equivalent to that of the Northern Territories -- the group of Russian-administered islands off Hokkaido -- also claimed by Japan. "Needless to say, South Korea is a very important neighbor for Japan," Machimura said, adding that a deterioration in the two countries' ties could have an adverse effect on the six-party talks aimed at denuclearizing North Korea as well as bilateral matters between Japan and North Korea, such as the abduction issue. PM Fukuda told reporters in Tokyo, "I believe it is a necessary thing for Japan...to steadily think about our country's history and the issue involving that territory." But South Korea immediately protested the move, "(South Korean ownership of) Dokdo is a historical fact and belongs to an area of territorial sovereignty," Lee was quoted by his spokesman Lee Dong Kwan as saying. "The government has to deal with the Japanese claim to Dokdo sternly and strictly." Spokesman Lee also expressed "deep disappointment and regret" at the Japanese ministry's decision. "Japan's latest territorial claim to Dokdo will ruin a recent bilateral summit agreement to pursue a future-oriented partnership." Separately, Foreign Ministry spokesman Moon Tae Young said the government has decided to temporarily recall South Korean Ambassador to Japan Kwon Chul Hyun in protest. "The (South Korean) government can never accept (Japan's move)" and "strongly protests against the Japanese government and demands an immediate retraction," Moon said, reading a statement at a hastily convened press briefing. Japan's decision is "an unjustified attempt to undermine our territorial ownership over Dokdo," Moon said. "We can never condone those and we strongly urge Japan to stop these attempts immediately," adding, "The government reconfirms in the clearest terms that Dokdo is part of our territory geographically, historically and by international law." (Kyodo, "S. Korea's Lee orders stern response to Japan's islet move," July 14, 2008) South Report on Verification Measures Relating to North Korea's Nuclear Programs Recall Ambassador from Japan," Associated Press, July 14, 2008) *Yomiuri Shimbun* quoted a Japanese official as saying, "When Fukuda notified Lee of his nation's plan to describe Takeshima as Japan's territory, Lee remarked, "This is not the right time to do so. I am asking you to wait." (*Hankyore*, "What Happened between Lee and Fukuda at the G-8?" July 17, 2008)

South Korea's ruling party proposed holding parliamentary talks with North Korea, which has spurned all official contact over the shooting death of a southern tourist and rejected Seoul's offer to revive reconciliation efforts. Hong Joon-pyo, floor leader of the GNP, said the talks are necessary to prevent a further chill in relations between the countries after a North Korean soldier gunned down a 53-year-old housewife at a mountain resort in the North. The shooting "paradoxically shows why South-North reconciliation is necessary," Hong said. (Hyung-jin Kim, "South Korea Proposes Talks with North Korea," Associated Press July 14, 2008)

The main South Korean investor in North Korea failed to persuade the communist nation to cooperate in an investigation into the killing of a South Korean tourist at a northern mountain resort, the firm's head said. North Korea reiterated its refusal to allow South Korean officials to visit the area of Friday's shooting where a 53-year-old

housewife was killed by a North Korean soldier, Yoon Man-jun, head of Hyundai Asan, said after a four-day trip to the Diamond Mountain resort. "The North also feels sorry for this incident and is seriously pondering how to cope with it," Yoon said in a statement after returning to the South. (Hyung-jin Kim, "North Korea Rejects Probe into Shooting Death," Associated Press, July 15, 2008) President Lee Myung-bak told a weekly cabinet meeting on July 16, "We can not resume the tours to Mount Geumgang unless North Korea cooperates with the investigation and installs preventive guidelines and other security measures to better protect the lives of South Koreans." (Kim Ji-hyun, "Lee Gets Tough on Tourist Killing," *Korea Herald*, July 17, 2008)

7/15/08 *Report on Verification Measures Relating to North Korea's Nuclear Programs* submitted to Congress July 15, 2008 [Cf. 11/16/07] Annex I: "Disablement Actions in Second Phase of Implementation of the Joint Statement, November 16, 2007: 1. Disablement of the 5 MWe reactor a. Discharge reactor to spent fuel pond; b. Remove control and drive mechanism; c. Sever secondary cooling loop and cooling tower interior structure. 2. Disablement of the reprocessing plant: a. Remove drive mechanisms for fuel cask transfers; b. Remove receiving cell door mechanism and overhead crane; c. Remove mechanism for fuel shearing/decladding; d. Sever process equipment steam line valves. 3. Disablement of the fuel rod fabrication facility: a. Remove uranium fuel rod casting furnaces and machine equipment; b. Remove uranium metal reduction furnaces; c. Remove ore concentrate dissolver tanks, empty process tanks/pipes; d. Disablement of fresh fuel.

7/15?/08 The United States has proposed a mechanism for verifying North Korea's claims about its nuclear past. The proposal was made in Beijing last week, and the U.S. is waiting for a response from Pyongyang, U.S. Assistant Secretary of State Christopher Hill told reporters. After giving North Korea the proposal "we ... asked them to come back with specific comments," said Hill. South Korea's main nuclear envoy confirmed the proposal was made to the North. "The ball is actually in the North Korean court because they already received the draft of verification protocol," Kim Sook told reporters after talks with Hill. (Jae-soon Chang, "U.S. Offers Nuclear Proposal to North Korea," Associated Press, July 22, 2008)

Verification Measures Discussion Paper: "These measures provide a means to address all elements of a nuclear program, to include plutonium production, uranium enrichment, weapons, weapons production and testing, and proliferation activities. The verification regime consists of experts of the six parties and is responsible to the Working Group on Denuclearization of the Korean Peninsula. ... Verification activities involving weaponization-related activities, information, facilities or material will be conducted by experts from the Nuclear Weapons states ... The verification measures of the verification regime include visits to facilities, review of documents, interviews with technical personnel and other measures unanimously agreed among the relevant parties.

Visits: Experts must be allowed the following access in a prompt manner: **Full access to all materials at any place on a site, facility or location where nuclear material, in any form, is or has been located**, to include past and present facilities. **Full access to**

**any site, facility or location that does not contain nuclear material but is related to elements of nuclear program as declared or as determined by the relevant parties.**

Full access **upon request** to any site, facility or location not contained in the declaration, for verification of the completeness and correctness of the declaration of nuclear program and to confirm the absence of undeclared nuclear material, equipment, and related activities.

Review of Documents: Experts will be given: Full access to records (fully preserved and maintained), including originals ...documenting nuclear material production, handling, and disposition, as well as other nuclear-related activities to include ... **records of all imports or exports of nuclear materials and nuclear-related equipment.**

Interviews with Technical Personnel: At any site, facility, or location, experts will be permitted to interview personnel, including scientists, technicians and facility managers.

Other Measures: At any site, facility, or location, experts will be permitted to: conduct and record visual observations ... utilize radiation detection equipment and other measurement devices ...conduct forensic measurements of nuclear materials and equipment; collect and remove from that Party samples of nuclear materials, samples of equipment, environmental samples, and samples of nuclear waste in a manner consistent with denuclearization activities ... as relates to a graphite-moderated reactor, collect and remove from the Party physical samples of the graphite moderator after the core has been defueled; as related to the research reactor, collect and remove from the Party samples of the aluminum core support structures and from the reactor reflector elements; as related to all nuclear materials, wastes, equipment, and facilities ... collect and remove from the Party samples and forensic measurements.

When necessary, the verification regime can welcome the IAEA to provide consultancy and assistance for relevant verification. (Verification Measures Discussion Paper, undated)

7/16/08 ASEAN foreign ministers will welcome North Korea's "impending accession" to the treaty "as a strong signal of the DPRK's commitment to the peace and security of the region," said a draft statement to be issued by the ministers at the end of their meeting this weekend. The Association of Southeast Asian Nations' foreign ministers also will express hope that remaining difficulties in the final phase of disarmament talks can be overcome to rid the secretive nation of its nuclear weapons, the document said. The ministers will tackle North Korea's accession to the regional bloc's Treaty of Amity and Cooperation at their annual meeting July 19-20 in Singapore. The treaty, signed in 1976, requires signatories to renounce the use or threat of force and calls for the peaceful settlement of conflicts. Aside from the 10 ASEAN members, 11 countries outside the regional bloc have signed on to the pact. (Jim Gomez, "Southeast Asian Countries Welcome North Korea's Plan to Join Nonaggression Treaty," Associated Press, July 16, 2008)

7/18/08 Secretary of State Rice will meet next week with her North Korean counterpart and the foreign ministers of four other countries involved in the effort to end Pyongyang's

nuclear programs, the DoS said. The session, which will take place on the sidelines of a Southeast Asia security conference in Singapore, will mark Rice's first meeting with the North Korean official, Pak Ui Chun, and follows on an extraordinary thawing in the tensions between the two countries. The North Korean talks have entered a delicate stage. While North Korea has declared how much plutonium it possesses, and has broadly agreed to cooperate in the verification of its claims, the technical details of that process remain under discussion. (Glenn Kessler, "Rice to Meet N. Korean Diplomat," *Washington Post*, July 19, 2008, p. A-11)

- 7/20/08 A team of "hardline" U.S. officials has taken charge of their country's efforts to verify the dismantlement of North Korea's nuclear programs, raising the possibility that the process may be delayed, sources said Sunday. Diplomatic sources in Seoul said Patricia McNerney, chief of the U.S. State Department's international security and non-proliferation team, represented Washington at a working group for verifying the North's denuclearization at the latest six-way talks. (Yonhap, "U.S. Hardliners Verifying N. Korea's Nuclear Disarmament: Sources," July 20, 2008)
- 7/21/08 Jay Lefkowitz, U.S. envoy for North Korean human rights has canceled a trip to the Kaesong complex. He had planned to visit this week but he "voluntarily withdrew his plan," Unification Ministry spokesman Kim Ho-nyeon told The Associated Press. (Kwang-tae Kim, "U.S. Envoy Cancels Trip to North Korea," Associated Press, July 21, 2008)
- 7/22/08 Hill: "[I]t's a Six-Party informal. It's something we did in Manila a year ago when John Negroponte attended. But of course, this is the first time that we'll get all six ministers around the table. It - there is no formal agenda, but it's expected that there will be a (inaudible) - I mean, a discussion about completing the verification protocol in phase two, and perhaps an opening discussion of what phase three might look like.... , I'm going to Vienna to see the IAEA. ... We have [had] lengthy discussion about a draft verification protocol that we tabled in Beijing. The North Koreans took it home to study it, and we've asked them for some specific comments and we're looking forward to getting those as soon as possible. I think everyone wants to get this thing completed well before the 45 days. ... I think we presented it, like, Friday a week ago. ... Our view is that there should be IAEA involvement. And this is laid out in the Chinese statement, Chinese press statement that was issued at the end of the Six-Party head-of-delegation meeting. But it's also envisioned in our - the draft protocol that was circulated. So our view is there should be an IAEA role. The precise role needs to be worked out through negotiation, but we would expect IAEA to have a continuing role. ... It was a U.S. draft. There was - there were a lot of discussions about it. And so all the capitals are taking it back for comment, not just North Korea. So it is not agreed by five. ... Because the actual verification, which would go alongside phase three, will involve things like sampling. We envision sampling. But in order to sample, you need to complete some actions, for example, of disablement. So what you're trying to do is verify things that they've said, verify commitments, verify statements. And so you might be able to verify them quicker than you think or it might take you longer. So I don't think you can commit yourself to a timeframe for verification." (Christopher Hill, Roundtable with Traveling Press, Shangi-la Hotel, Singapore, July 22, 2008)

7/23/08

Ministers from six nations involved in nuclear talks, including U.S. Secretary of State Rice, held a rare meeting that China said showed a "political will" to move the disarmament process forward. In a break with U.S. policy, Rice joined "informal talks with DPRK FM Park Ui-chin on the sidelines of the ASEAN forum in Singapore and said afterwards it had been a good meeting. "The spirit was good because people believed we have made progress. There is also a sense of urgency about moving on and a sense that we can't afford to have another hiatus of several months," Rice told reporters after the talks. China's FM Yang Jiechi said the six foreign ministers would meet again in Beijing for a more formal negotiating session, but no date had been set. "The parties all agreed that it is important to achieve early, comprehensive, balanced and verifiable implementation of the second-phase actions, including reaching early agreements on the verification protocol," Yang said. (Sue Fleming, "Handshakes and Smiles at North Korea Meeting," Reuters, July 23, 2008) Hill: "It was a general discussion. I think that's the first thing to understand. The ministers did not get into the weeds, by any means. But it was a good discussion. The - I would say they talked about a number of issues, but I would say the main issue was about verification and the fact that now that the - that the North Koreans have put forward a declaration, and now it's time to put together a verification protocol. And we'd like to get that done as soon as possible. ...She [Rice] spoke about the importance of getting a verification protocol. That was her main, main point. ...Japanese raised the abduction issue. Secretary Rice also spoke to that issue. ...Several countries put together some notes, some pieces of paper during the denuclearization working group. The U.S. tried to put together a comprehensive protocol based on the principles, written principles that were discussed with other parties. So in putting a piece of paper on the table in Beijing, we were trying to focus, especially the North Koreans, on agreeing on what a verification protocol would like. And since this had been shared with parties already, our idea was not to have any surprises, but to simply show them what we would expect of a international standard of a protocol that would meet international standards, which, by the way, is a term that Lavrov used, as well as the Secretary and others." (Christopher Hill, Remarks with Traveling Press, Shangri-la Hotel, Singapore, July 23, 2008)

The U.S. has told North Korea that it will not strike it from the list of state sponsors of terrorism until it agrees on a verification protocol for its nuclear programs and stockpiles, it emerged. A reliable source in Washington said the U.S. reaffirmed its position that it will not remove North Korea from the terrorism list until it agrees on a detailed verification procedure. The U.S. was expected to strike the North off the list on Aug. 11 but will hold off however long it takes for Pyongyang to agree on the protocol, the source added. "The U.S. has made this point clear to North Korea with a view to pressuring it into agreeing on the verification protocol," the source said. (*Chosun Ilbo*, "N. Korea too Stay on Terrorism List until Verification Is Agreed," July 25, 2008)

President Lee Myung-bak responded negatively to sending a special envoy to North Korea to seek a possible breakthrough in the stalemate in inter-Korean relations." At this moment, it would difficult for the North to accept an envoy and it would not do that," he told reporters during at Cheong Wa Dae. The issue should be resolved based on principles, Lee said, noting that the shooting of an unarmed female tourist in the back by a North Korean soldier goes against a principle. Chairman Park Hee-tae of the

governing GNP was going to suggest the plan to President Lee, a GNP spokesman said earlier in the day. "Park is expected to raise the issue during his meeting with the President or GNP's policy coordination meeting with the presidential office," a Cheong Wa Dae spokesman said. "There have been no discussions about sending a special envoy to Pyongyang, nor have we received such a proposal from the GNP." (Kang Hyun-kyung, "Lee Responds Negatively to Sending Envoy to N. Korea," *Korea Times*, July 23, 2008)

7/24/08

Rice in Singapore: "Unless we're satisfied that we can verify the declaration, we've been very clear that we're taking that into our assessment of when to go forward," Rice warned. "It's a 45-day minimum notification, but we certainly expect, and we're watching very carefully, to see whether or not North Korea is going to come through on the essential issue, which is verification, and to act accordingly." (Kyodo, "Rice Warns N. Korea of Possibly Postponing Its Removal from Terror List," July 24, 2008) "Pyongyang had a falling-out with Washington because the United States had not removed North Korea from its list of state sponsors of terrorism. Under the Joint Agreement, this was the next action-for-action, once North Korea had taken steps to dismantle its facilities at Yongbyon. The problem, I was told, was that the hard-liners in the U.S. administration were trying to get 'something extra' from North Korea before removing the country from the list: specifically, more progress on the verification of the North Korean declaration. **Naturally, Pyongyang saw this as the United States renegeing on yet another commitment.**" (Mohamed El Baradei, *The Age of Deception: Nuclear Diplomacy in Treacherous Times* (New York: Henry Holt, 2011), p. 108)

At the 15<sup>th</sup> anniversary of the ASEAN Regional Forum in Singapore, North Korea inked a nonaggression treaty with ASEAN, formalizing its accession to the Treaty of Amity and Cooperation in Southeast Asia. North Korean delegation spokesman Ri Dong Il told reporters, "This reflects our intention to expand our friendly relations with all nations in the region and contribute to the region's amity and peace." The ARF ministers welcomed recent developments of the six-party nuclear talks but emphasized the importance of the early establishment of an effective verification and monitoring mechanism of the North's nuclear activities. FM Komura told reporters after the talks that he also reemphasized to his counterparts Tokyo's stance that the verification must be carried out soon and once again called for support for Japan's demand that Pyongyang resolve cases of abducted Japanese nationals. More than 10 participating nations, including all five involved in the six-way nuclear talks with North Korea, made specific remarks agreeing on the importance of a thorough verification, the ministry official said. Meanwhile, North Korean FM Pak Ui Chun gave no counterargument on the verification issue but said Tokyo and Pyongyang are engaged in dialogue and that his government takes its promises made to Japan in June seriously, according to Komura. The ARF ministers also expressed concern over the fatal shooting of a South Korean tourist at the Mt. Kumgang resort area earlier this month and their hope that the incident would be resolved expeditiously between Pyongyang and Seoul, the statement said. (Kyodo, "Asia-Pacific Nations Agree to Boost Maritime Security," July 24, 2008)

Several Obama aides believe that a crucial moment in the campaign came after a debate sponsored by YouTube and CNN on July 24. During the debate, Obama was

asked, **“Would you be willing to meet separately, without preconditions, during the first year of your Administration, in Washington or anywhere else, with the leaders of Iran, Syria, Venezuela, Cuba, and North Korea, in order to bridge the gap that divides our countries?” Obama answered simply, “I would.”** Hillary Clinton pounced on the remark as hopelessly naïve, and her aides prepared to emphasize what appeared to be a winning argument. Obama’s aides had much the same reaction. “We know this is going to be the issue of the day,” Dan Pfeiffer, recalling a conference call the following morning, said. “We have the sense they’re going to come after us on it. And we’re all on the bus trying to figure out how to get out of it, how not to talk about it.” **Obama, who was listening to part of the conversation, took the telephone from an aide and instructed his staff not to back down. According to an aide, Obama said something to the effect of “This is ridiculous. We met with Stalin. We met with Mao. The idea that we can’t meet with Ahmadinejad is ridiculous. This is a bunch of Washington-insider conventional wisdom that makes no sense. We should not run from this debate. We should have it.”** The episode gave Obama’s communications aides a boost of confidence. “Instead of writing a memo explaining away our position to reporters, we changed our memo and wrote an aggressive defense of our position and went on the offense,” Pfeiffer said. (Ryan Lizza, “Battle Plans,” *New Yorker*, November 13, 2008, pp. 48-49)

North Korea’s Committee for the Peaceful Reunification of the Fatherland lashed out at the South Korean Defense Minister Lee Sang-hee for calling the communist state “a present enemy” before the National Assembly. South Korea had called North Korea its “main enemy” but stopped using the reference in 2005. The comment was an “unpardonable provocation” against the North, said the statement carried by KCNA. (Associated Press, “North Korea Angriily Responds to ‘Enemy’ Reacts,” July 24, 2008)

The Lee administration will not allow a large group from the Advisory Council on Democratic and Peaceful Unification to visit North Korea next month, a government source said yesterday. Also canceled was a scheduled visit to the North next month by South Gyeongsang Province Governor Kim Tae-ho and a delegation. The administration is considering restricting large-scale visits by civic organizations of South Korea from next month if the North fails to cooperate with the investigation into the July 11 killing of a South Korean tourist. (*Dong-A Ilbo*, “Shooting Prompts Ban on Civilian Visits to N. Korea,” July 24, 2008)

7/25/08 North Korea has limited overland traffic entering the communist country from South Korea, citing inadequate communication infrastructure near the corridor leading to the Kaesong industrial complex, government sources said Thursday. Sources said the new restrictions that limit traffic to 200 vehicles every 30 minutes in the Gyeongui corridor went into effect at 8:30 a.m., when the first group of vehicles is allowed to cross. The west coast corridor is used mainly by South Korean cars going to and from the Kaesong industrial complex in the North. (Yonhap, “N. Korea Limits Overland Traffic from S. Korea,” July 25, 2008)

7/26/08 At the ASEAN Forum in the chairman’s statement, written after opinions had been gathered from foreign ministers of 27 participating nations, the host state Singapore

said the ministers had “expressed strong support for continued development of inter-Korean dialogue based on the October 4 Summit Declaration.” Inclusion of this information might have come after China wielded its influence on the ASEAN member nations and the United States turned a blind eye, many observers say. The South Korean delegation, however, appeared shaken by the chairman’s statement. The South Korean diplomats had attempted to include in the statement the phrase “the Mount Geumgang incident will be resolved through dialogue by resuming government-level talks between South and North Korea.” They also tried to have the phrase “based on the October 4 Summit Declaration” removed from the statement. On the contrary, North Korean officials had tried to insert the phrase “support for the June 15 Joint Declaration and October 4 Summit Declaration” into the statement. They were opposed to including comments about the Mount Geumgang incident. In the end, the chairman’s statement was largely written as North Korea had hoped, handing the South Korean government a diplomatic defeat. (Hankyore, “Lee’s N. Korean Policy Criticized at ASEAN Regional Forum,” July 26, 2008) The shooting death of a South Korean tourist in North Korea was omitted from the chairman’s statement of the Asian Regional Forum in Singapore at the demand of the North, a high-ranking ROK official said. “North Korea strongly protested mention of the incident in a statement to the Singaporean government, while [South Korea] raised issue with mention of the declaration from last year’s inter-Korean summit,” the official said. “The Singaporean government apparently deleted the two phrases at the same time.” South Korea’s Foreign Ministry said July 25, “Assistant Vice Minister Lee Yong-joon asked his Singaporean counterpart to remove the phrase about the inter-Korean declaration at the request of FM Yu Myung-hwan.” “The Singaporean Foreign Ministry accepted our request, but also removed another phrase about international cooperation on the shooting death to maintain balance as the holder of the forum’s presidency.” A FoMin official said, “We learned Friday that North Korea filed a strong protest with Singapore but didn’t disclose this since it would’ve been inappropriate for us to leak an issue between Pyongyang and Singapore.” (*Dong-A Ilbo*, “Foreign Ministry Blasted for Forum Statement Fiasco,” July 28, 2008)

North Korea called on the U.S. to discuss the replacement of a 55-year-old armistice agreement with a peace treaty. “It is quite impossible to prevent any accidental military conflict and catastrophic war as long as the present cease-fire mechanism is allowed to go on,” KCNA said. The treaty is a key to eliminating the danger of war and promoting peace and security in the Korean peninsula and the Asia-Pacific, it said. “The tension can be defused on the peninsula and the danger of war removed from it only when the U.S. drops its hostile policy toward the DPRK and a peace agreement is concluded between the two sides,” KCNA said. “Nevertheless, the U.S. has rejected or sidestepped the fair and realistic peace proposals” advanced by North Korea. (Sungwoo Park, “North Korea Calls on U.S. to Replace Truce with Peace Treaty,” Bloomberg, July 27, 2008)

7/28/08

South Korea’s foreign ministry launched a task force with the primary goal of “rectifying” Washington’s new position on Dokdo. The ministry also made clear that it would take disciplinary measures against Seoul’s ambassador to Washington if any mishandling of the issue is found through its ongoing internal probe. The U.S. Board on Geographic Names previously said the islets are under South Korea’s control. But the BGN recently altered the stance on its Web site, calling them an area of “undesigned sovereignty.”

Officials here noted the authority of the BGN, a federal body whose decision directly affects other U.S. government agencies in regard to geographic names and descriptions. "I feel sorry for causing public worries due to the Dokdo description issue," Vice FM Shin Kak-soo told reporters after the first meeting of the task force. Shin heads the team, which is to hold meetings twice a week during its open-ended activity. Shin added that related investigation is underway. "If any negligence of duty by the South Korean Embassy in the U.S. is confirmed, corresponding measures will be taken," he said. The U.S. formally calls Dokdo the "Liancourt Rocks." (Yonhap, "S. Korea Aims to Rectify U.S. Position on Dokdo," July 28, 2008)

Talks between Foreign Minister Pak Ui Chun who is heading the DPRK delegation to the Meeting of Foreign Ministers of the Non-Aligned Countries and Manouchehr Mottaki, foreign minister of the Islamic Republic of Iran, were held in Tehran. (KCNA, "Talks Held between DPRK and Iranian Foreign Ministers," July 30, 2008)

- 7/29/08 PM Han Seung Soo visited Dokdo, the first by a ROK prime minister. Chief Cabinet Secretary Machimura Nobutaka criticized the visit as inappropriate, but repeated Tokyo's call for a coolheaded response. Acknowledging differences over the sovereignty of the South Korean-held islets, he told a news conference, "The basic stance is for both sides to handle this in a calm manner in order to build a new age for Japan-South Korea relations, and I don't think such action to stir up the differences is very appropriate." (Kyodo, "Japan Raps S. Korean PM's Takeshima Visit, But Calls for Calm," July 29, 2008)
- 7/30/08 The United States will not delist North Korea as a state sponsor of terrorism unless North Korea agrees to a protocol for verification of North Korea's uranium-based nuclear program and nuclear proliferation, a White House official said Wednesday. "We are obviously all aware that the President talked about the delisting of the North Koreans from the state sponsors of terrorism if the North Koreans agree to a verification protocol that included the plutonium program, highly enriched uranium activity and proliferation," Dennis Wilder, senior director for Asian affairs at the National Security Council, told reporters. (Yonhap, "U.S. Will Not Delist N. Korea without Verification of Uranium, Proliferation," July 31, 2008)
- 7/31/08 Hill statement to Senate Committee on Armed Services: "**As of today, the DPRK has completed eight out of 11 agreed disablement tasks, and has discharged more than half of the 8,000 spent fuel rods from the 5-MW(e) reactor.** Upon completion of all 11 steps, the DPRK would have to expend significant effort, and time -- upwards of 12 months -- to reconstitute all of the disabled facilities. ... The **declaration package** that the DPRK provided to the Chinese on June 26 addresses its plutonium program, and acknowledged our concerns about the DPRK's uranium enrichment and nuclear proliferation activities, specifically with regard to Syrian ... In response to the DPRK's actions to fulfill its Second Phase commitments, the United States has also moved forward on fulfilling our Second Phase commitments. On June 26, President Bush announced that he was terminating the exercise of authorities under the Trading with the Enemy Act with respect to the DPRK, and notified Congress of his intent to rescind designation of the DPRK as a State Sponsor of Terrorism (SST) following the 45-day

Congressional notification period. The President made clear that we would use this 45-day period to assess the DPRK's cooperation, including on reaching agreement on a verification protocol, and respond accordingly. ... To date, the DPRK has received approximately 420,000 tons of HFO and equivalent assistance, including 134,000 tons of HFO provided by the United States. HFO-equivalent materials and equipment provided have been consistent with U.S. laws controlling exports to the DPRK. On July 12, the Six Parties announced agreement to work in parallel to complete all remaining disablement work at Yongbyon and to contract for or deliver remaining energy assistance by the end of October. ... The Six Parties have agreed to establish a monitoring mechanism to track all Parties obligations - including nonproliferation and provision of energy assistance. We will use this mechanism to hold the DPRK to its commitment 'not to transfer nuclear materials, technology, or know-how.' .... We remain committed to replacing the 1953 Armistice with a permanent peace arrangement on the Korean Peninsula. The United States believes that discussions of a Korean Peninsula peace regime could begin early in the Third Phase. We can achieve a permanent peace arrangement on the Korean Peninsula once the DPRK has verifiably denuclearized. We also hope to move forward on the development of a Northeast Asia Peace and Security Mechanism, which could help further solidify the cooperative relationships built through the Six-Party process and provide a means for the parties to work together to address issues including greater economic opportunity and greater human rights protections for their citizens." (DoS, Hill, "North Korean Six-Party Talks and Implementation Activities," Statement before the Senate Committee on Armed Services, July 31, 2008) Hill said that North Korea included as part of its June 2008 "declaration package" a letter that says that "they do not now and will not in the future have a highly enriched uranium program." Beth Nikitin, *North Korea's Nuclear Weapons*, Congressional Research Service RL34256, February 12, 2009, p. 9)

Elation replaced a sense of betrayal in South Korea after Washington reversed how it referred to the ownership of a cluster of rocks at the centre of a war of words between Seoul and Tokyo. "The rare swift action indicates President Bush is fully aware of South Koreans' sentiment and reflects the deep trust and friendship between the two countries' leaders," Blue House said in a statement after the U.S. agency announced it would reverse its change. Bush is due to visit Seoul August 5-6 for talks with President Lee Myung-bak who has seen his popularity plunge over the beef issue and a number of other perceived policy stumbles. Analysts said Bush was loathe to antagonize South Korea ahead of his visit and wanted to show support for the conservative ex-CEO Lee who had gone out of way to open up the country to U.S. beef and had taken a tough stand with U.S. arch foe North Korea. (Kim Junghyun and Jack Kim, "South Korea Elated by U.S. Move on Disputed Isles," Reuters, July 31, 2008) President Lee instructed his secretaries to take a long-term, strategic approach to the Dokdo issue, the spokesman said. "Since we're already in virtual control of Dokdo, our steady efforts will be eventually acknowledged by the international community, as well as by our next generation," Lee was quoted as by the spokesman. President Bush said yesterday that he had asked Secretary of State Condoleezza Rice to review the recognition of South Korea's sovereignty over its easternmost islets of Dokdo and that the seven days prior position be restored in the database of the Board on Geographic Names (BGN), a U.S. federal naming agency.

"As to the database, I asked Rice to review it and the database will be restored to where it was ... seven days ago," Bush said in a joint interview with reporters from South Korea, China and Thailand ahead of his trip to the three Asian nations. (Jung Sung-ki, "U.S. reclassifies Dokdo As Korean," *Korea Times*, July 31, 2008)

North Korea has slipped back into a serious food shortage that is causing millions of people to go hungry, the United Nations announced. The World Food Program, will resume emergency operations there in the next two weeks to help feed more than 5 million people over the next 15 months at a cost of \$500 million, according to Jean-Pierre de Margerie, the agency's country director in Pyongyang. "The situation is indeed very serious," he said at a news conference in Beijing. (Edward Cody, "N. Korean Food Crisis Spurs U.N to Act," *Washington Post*, July 31, 2008, p. A-14)

7/31-8/1/08 Sung Kim in Beijing to negotiate verification protocol. North Korea is reluctant to accept basic requirements for checking the authenticity of its recent nuclear account, dampening U.S. hopes of producing a workable verification mechanism within the week, a senior South Korean official said August 5. "North Korea is still refusing to agree to some basic stuff," the official said in a background briefing for reporters without elaborating. North Korea has already agreed to general principles for verifying the nuclear declaration, including visits to related facilities, reviews of documents, and interviews with technical personnel, according to a statement released after the six-way talks last month. But Pyongyang and Washington are reportedly divided over details involving the sampling of nuclear materials and certain items of equipment to be brought into the North. The official said that North Korea and the U.S. failed to narrow their differences in two days of working-level talks in Beijing last week between Sung Kim, the State Department's special envoy for the six-way talks, and Ri Gun, head of the North Korean Foreign Ministry's American affairs bureau. "The two sides are continuing efforts to resolve the issue," he said. (Lee Chi-dong, "N. Korea recalcitrant on nuclear verification: Seoul official," *Yonhap*, August 5, 2008)

8/1/08 PM Fukuda revamps cabinet, retains four including Machimura as chief cabinet secy, Kimura as FM, promotes Aso to LDP secretary-general. (Kyodo, "Fukuda makes major change to Cabinet, retains only Four," August 1, 2008)

Kathleen Stephens confirmed as ambassador to South Korea after Sen. Brownback (R-NE) drops hold with Hill's commitment to put human rights on the negotiating agenda. (Hwang Doo-hyung, "Senate Confirms Nomination of New U.S. Envoy to S. Korea," *Yonhap*, August 1, 2008)

8/3/08 KPA special statement: "We still do not know for what purpose the killed tourist crossed the boundary fence which bans free access in early dawn and what the tourist was going to do after intruding deep into the said area. **Whatever the cause of the incident might be, our side already expressed regret at it through a relevant organ**, taking into consideration the fact that the tourist was a compatriot **although the tourist met death due to the tourist's own mistake**. But no sooner had the incident occurred than the south Korean puppets, as if they had been waiting for the incident to occur, went so imprudent as to kick up a reckless racket of confrontation with the north almost every

day, misleading the public opinion at home and abroad. ... A soldier of the KPA spotted the above-mentioned unidentified intruder into the area under the military control of the north side at around 4:50 a.m. on July 11 in a place about 800 m north of the boundary fence. The soldier who was on combat duty at that time asked the intruder to stop several times according to the relevant regulations in order to ascertain the identity, given that it was too early for the soldier to judge from which direction the intruder came and discern whether the trespasser was a man or a woman. The trespasser, however, began to flee away, disregarding the soldier's repeated demand. This compelled the soldier to fire even blank shots in an effort to stop the intruder at any cost. Defying this, the intruder ran away so quickly that the soldier was compelled to open fire at the intruder, killing intruder in the end. ... The reality shows that traitor Lee Myung Bak is driving the frozen inter-Korean relations to a catastrophic phase and he has reached the phase of completely hamstringing the implementation of the historic June 15 joint declaration and the October 4 declaration after going beyond the phase of negating these declarations. In view of such grave provocation of the Lee Myung Bak group as persisting in its reckless anti-DPRK confrontational racket after unilaterally suspending the tour of Mt. Kumgang under the pretext of the recent case the spokesman for the above-said unit of the KPA made it clear that the unit is authorized to take the following measures: **We will expel all the persons of the south side staying in the Mt. Kumgang tourist area we deem unnecessary.** We will more strictly limit and control the passage of the persons and vehicles of the south side through the Military Demarcation Line to enter the area of Mt. Kumgang. We will take strong military counter-actions against even the slightest hostile actions in the tourist resort in the area of Mt. Kumgang and the area under the military control from now on. (KCNA, "Spokesman for KPA Unit Stationed in Area of Mt. Kumgang Issues Special Statement, August 3, 2008)

North Korea tends to use brinkmanship when cornered, and South Korea should consider giving sticks rather than carrots when Pyongyang resorts to that strategy, South Korean opposition parties said. The North aims to move inter-Korean relations toward its intended direction through that extreme tactic, they said. Chung Sye-kyun, chairman of the main opposition Democratic Party (DP), accused Pyongyang of a "rigid reaction," referring to the statement issued Sunday by the North following the July 11 killing of a South Korean tourist in Mt. Geumgang. "North Korea wouldn't keep quiet if one of its tourists was shot dead by a South Korean soldier," Chung said. "The North should not attempt to translate Seoul's reaction to the killing in a political and military context." (Kang Hyung-kyung, "'Give N. Korea Sticks Instead of Carrots,'" *Korea Times*, August 4, 2008)

8/5/08

South Korea mounted a massive security operation Tuesday as US President George W Bush arrived for a two-day visit and opponents of American beef imports took to the streets. Drum-beating and flag-waving protesters streamed into a downtown plaza ringed by hundreds of riot police and police buses. "Down with Lee Myung-Bako" and "We oppose Bush's trip," demonstrators chanted at the candlelit protest. A student trampled on a picture of Bush and Lee bearing the slogan: "No Bush. No mad cow." Police estimated the evening protest crowd numbered 2,000, while organizers put it at 5,000. Police said about 7,000 officers would guard Bush, while 17,000 more were

being deployed during his stay to control the beef protests -- the latest in a months-long series. Thousands of troops will also be mobilized, the defense ministry said. President Lee-Myung Bak ordered tight security. The close US relationship is "the backbone of South Korean diplomacy," he told his Cabinet. Earlier in the day, some 30,000 military veterans, right-wing activists and conservative Christians prayed for a strong alliance, according to a police estimate. "Welcome President Bush -- Let's strengthen US-Korea alliance" read a giant banner suspended from balloons. Hymns blared through loudspeakers. (AFP, "South Korea Mounts Security Clampdown As Bush Arrives," August 5, 2008)

After two years of intensive and often secretive overtures, Taiwan and Japan, two neighbors long viewed as the most likely to face a military threat from a rising China have been drawn closer into its orbit. "China wants to use the Olympics as a turning point," said Yang Bojiang, a Japan scholar at the China Institutes of Contemporary International Relations, a semiofficial research organization that advises on foreign policy. "It wants to make its society turn into a more mature society, increase the comprehensive power of the nation further in the world and improve its international image." A Western diplomat echoed the same thoughts. "The way that China deals with Taiwan will assuage or fuel anxiety over the way China deals with the other neighbors," he said. "Beijing has adopted a flexible, pragmatic attitude," said Chang Jung-kung, deputy secretary general of the Kuomintang, the governing party in Taiwan, and a frequent negotiator with the mainland. "Beijing's most important concern is to not destroy the Olympics." A turning point in the Taiwan policy came in 2005. In March, Hu's hard-line side emerged: China passed the Anti-Secession Law, which stated in legal terms China's intent to use force against Taiwan if its government tried to declare formal independence. But the next month, Hu employed a softer and more subtle tactic. He hosted a meeting with Lien Chan, then the chairman of the Kuomintang, the opposition party at the time. The meeting in Beijing was an attempt to undermine Chen's authority and extend an olive branch to those in Taiwan who favored integration. It led to a series of visits by Lien and other officials in Taiwan. In China's diplomacy with Japan, Hu also took the reins. Relations reached a low point in 2005, when PM Koizumi repeatedly visited the Yasukuni Shrine in Tokyo, which honors Japanese war dead, including some whom Chinese view as war criminals. At the same time, China and Japan were engaged in territorial disputes and Chinese protested the way wartime history was being depicted in Japanese textbooks. Violent anti-Japanese protests flared up here. The next year, when Abe took over as prime minister, Hu was faced with a problem: Abe was considered even more conservative than Koizumi and had visited the war shrine himself, but Abe was signaling that he wanted to visit China. Here was a chance for a fresh start. Yang, the Japan scholar, said the Chinese almost certainly reached an undisclosed understanding with Abe: China would welcome Abe if he discontinued the shrine visits. On Oct. 8, 2006, less than two weeks after taking office, Abe met with Hu in Beijing. "The arrangement was made by a quick leadership decision: 'If you want to come, we'll welcome you,'" said Wenran Jiang, a Japan expert and acting director of the China Institute at the University of Alberta in Canada. "The Chinese leadership took a gamble on Abe." Improved relations helped smooth the way for Fukuda, an openly pro-China politician, to take over as prime minister in September 2007. Fukuda met with Hu in Beijing in December, and Hu reciprocated in May, the first visit to Tokyo by a Chinese

head of state in a decade. "We can't find any document that's as bold as this in describing the bilateral relationship between China and Japan," said Jin Linbo, a Japan scholar at the China Institute of International Studies. "It demonstrated Hu's personal leadership in formulating and implementing China's foreign policy." Jin said that during the visit, Hu also probably reached an agreement in principle with Fukuda on joint development of oil fields in the East China Sea, one of the most delicate issues dividing the countries. Chinese and Japanese negotiators later signed a formal agreement. That move has damaged Hu's standing among some right-wing Chinese, though, and government officials are watching carefully whether the backlash could spark anti-Japanese protests during the Olympics. (Edward Wong, "Getting in Shape for Games, China Strengthens Ties with Neighbors," *New York Times*, August 5, 2008, p. A-6)

NSC senior director Dennis Wilder said that the U.S. government seeks a greater role for Korea in Afghanistan if Seoul is willing. On Air Force One headed for Seoul, Wilder told a news conference on the plane that Korea can enable democracy in other areas. "We want to work on the 21st century strategic alliance between Korea and the United States," he said. "The two leaders will talk about global issues, particularly those areas of the world where we are cooperating closely -- like Iraq and Afghanistan." "First and foremost is the security of the (Korean) Peninsula. Once we're sure that that's been done, then we hope South Koreans can also help in other parts of the world. A diplomatic source in Seoul said, "The United States hopes Korea can help in a variety of forms, including sending police trainers to Afghanistan. But it will not officially request Korea to send troops." A Seoul official said, "The government is not considering sending troops to Afghanistan." (*Dong-A Ilbo*, "U.S. Seeks Bugger Korean Role in Afghanistan," August 6, 2008)

8/6/08

Bush: **"The 12th is the first opportunity where they may be lifted off the list.** And, yes, they got a lot to do. **They got to show us a verification regime that we can trust.** This is a step-by-step process. I don't know whether or not they're going to give up their weapons. I really don't know. I don't think either of us knows. I know this: that the six-party talks is the best way to convince them to give up their weapons. I know there's a framework in place that will make it easier for those of us who care about this issue to work together to send a common message to the North Korea leader: You have a choice to make. You can verifiably do what you say you're going to do, or you'll continue to be the most sanctioned regime in the world. ... Part of the step-by-step was to say, okay, if you do the following things like you said you would do, you get off the terrorist list. That could conceivably happen, as you mentioned, on the 12th. However, it's going to require action on the leader of North Korea's part. It just doesn't automatically happen. ... It used to be that -- okay, we'll give you something and hope that you end up responding. It's no longer that way. The six-party talks basically says, you have made a promise; once you fulfill your promise, then something will happen positively. And so we'll see. It's his choice to make as to whether or not he gets to come off the list. If he is off the list, I want to remind you, that he'll still be -- they will still be the most sanctioned country in the world. And so then the fundamental question is, do they want to continue on and try to change the status? Do they want to try to change their isolation? Do they want to enter the community of nations? Do they want to be viewed as a peaceful country? And so there's a series of steps that we've all agreed to,

including North Korea, that it's up to them to make the decision as to how they'll proceed. **Q** I was wondering, do you think that North Korea has fundamentally changed from being a member of the "axis of evil" a few years ago? Bush: That's to be determined. The human rights abuses inside the country still exist and persist. **The North Korean leader has yet to fully verify the extent to which he has had a highly enriched uranium program. There's still more steps to be done on the plutonium program.** So in order to get off the list, the 'axis of evil' list, then the North Korean leader is going to have to make certain decisions. And that's all part of the six-party talks. And again, I can't predict the North Korean leader's decision-making. I don't know what he's going to do. But I do know that the best way to solve this issue is for five other nations to be saying the exact same thing. And there has been progress. I mean, one thing is for certain that he did blow up the cooling tower. That was -- that's verifiable because we all saw it. And it's -- that was a positive step. And I think all of us appreciated that positive step, but there's more steps to be taken. And my hope is that the 'axis of evil' list no longer exists. That's my hope, for the sake of peace. And it's my hope for the sake of our children. (White House, Office of the Press Secretary, President Bush Participates in Joint Press Availability with President Lee Myung-bak of the Republic of Korea," August 6, 2008)

8/7/08

A draft list of procedures devised by the United States for verifying North Korea's declaration concerning its nuclear weapons programs includes a probe into the reclusive state's alleged cooperation in promoting similar projects by other nations, it was learned August 5. Items subject to inspection, according to the **four-page draft**, a copy of which has been obtained by *Yomiuri Shimbun*, include North Korea's nuclear arms and its suspected production of highly enriched uranium, neither of which were covered in its declaration. **The draft also demands Pyongyang submit documents that might clarify its role in nuclear proliferation in the form of cooperation with other nations' nuclear weapons programs, including its production of plutonium, a material used to build nuclear bombs.** The draft demands **entry for inspectors to all facilities related to the North Korean nuclear programs**, including those used in the past. It also states that facilities related to Pyongyang's nuclear weapons development activities must be subject to inspection, including those in which nuclear materials were not stored. The draft emphasizes the need to determine whether there were any omissions in need of correction in Pyongyang's declaration of its nuclear weapons projects. All this signified an effort to clearly tell North Korea that nuclear facilities other than those in Yongbyon, where the process of disablement is under way, would be subject to inspections. Pertinent data include records concerning not only Pyongyang's plutonium production but also its exports and imports of nuclear materials and nuclear-related equipment. **Documents regarding the transfer of personnel involved in Pyongyang's nuclear programs, storage containers and vehicles also are included.** (Miyazaki Takeo, "N-Probe Also Eyes DPRK's Help to Others; Inspection Dispute May Delay Delisting," *Yomiuri Shimbun*, August 7, 2008) According to a copy of the draft obtained, Washington demanded that Pyongyang allow inspectors to enter **all North Korean nuclear facilities.** (Miyazaki Takeo, "N. Korea Playing Waiting Game; Delaying Tactics Aimed at Winning Concessions on Verification Regime," *Yomiuri Shimbun*, August 13, 2008) FM Komura told reporters August 11, **"I believed the removal [of North Korea from the U.S. list of terrorism-sponsoring nations] would never take place. What I**

**was told was what I expected,"** after he was notified by Rice about the U.S. decision not to remove North Korea from its terrorism blacklist for the time being. (Minami Shoji, "Postponement No Surprise," *Yomiuri Shimbun*, August 13, 2008)

Bush speech: "Together, we're confronting the threat posed by North Korea. The nations of Northeast Asia all have an urgent stake in ensuring that Pyongyang does not threaten the region with nuclear weapons. Yet when I took office, there was no way for these nations to approach North Korea with a unified front. So America joined with China and South Korea and Japan and Russia to create the six-party talks. Faced with concerted pressure from all its neighbors, North Korea has pledged to dismantle its nuclear facilities and give up its nuclear weapons. Recently the regime submitted a declaration of nuclear activities. **Now the North Korean regime must commit to help us verify the declaration and address outstanding concerns about its behavior, including its proliferation and uranium enrichment.** The other five parties will stand united until we reach **our ultimate goal: a Korean Peninsula free of oppression and free of nuclear weapons. And the United States will continue to insist that the regime in Pyongyang end its harsh rule and respect the dignity and human rights of the North Korean people.**" (White House, Office of the Press Secretary, President Bush Visits Bangkok, Thailand, August 7, 2008)

India blocked a North Korean plane from delivering cargo to Iran in August, responding to a U.S. request based on fears about the spread of weapons of mass destruction. The secret action, described by Western and Asian officials, took place nine weeks before President George W. Bush removed North Korea from Washington's list of terrorism sponsors, as part of an agreement to declassify the North's nuclear program. U.S. diplomats say engaging North Korea is the best way to ensure its nuclear program doesn't grow more dangerous. But the August incident underscores concern about the Stalinist state's ties to America's foes across the globe. "We never saw nuclear cooperation" between North Korea and Iran, "but ballistic-missile cooperation is a key part of the process of delivering a nuclear payload," said John Bolton, who started the anti-proliferation initiative and helped to oversee it as a State Department official during President Bush's first term. In the August incident, the North Korean Air Koryo jet, which had stopped in Mandalay, Myanmar, was initially given permission by air-traffic control in Kolkata to fly through Indian airspace. At 6:35 a.m. Greenwich Mean Time on Aug. 7, India's Directorate General of Civil Aviation in New Delhi sent a message to the Kolkata controllers canceling permission, according to D. Guin, a supervisor at Kolkata Air Traffic Control. Guin reviewed the flight records of Air Koryo Flight 621 at the request of the Wall Street Journal. Guin said the denial was then passed on to air traffic control officials in Yangon, Myanmar's capital, who turned back the flight. A Western official working on anti-proliferation activities who was briefed on the Indian action said the U.S. requested the move in support of its anti-proliferation program. The official didn't specify the cargo but said the Air Koryo flight was scheduled to fly to Iran. (Jay Solomon, Krishna Pokharel, and Peter Wonacott, "North Korea Plane Was Grounded at U.S. Request," *Wall Street Journal*, November 1, 2008)

North Korea has rejected a request by a Bush administration human rights envoy Jay Lefkowitz to visit Kaesong where South Korean firms make goods using cheap labor from

the North, an official said on Tuesday. Lefkowitz has criticized the factory facility, saying North Koreans working there may be exploited and their wages used to boost the North's coffers. "We understand the North has refused to register the application by the special envoy," South Korean Unification Ministry spokesman Kim Ho-nyeon said. (Reuters, "North Korea Says No to Bush Envoy Visit to Factories," August 7, 2008)

The divided Koreas have failed to agree to a joint march as they did at Sydney and Athens at the opening ceremony of the Beijing Games. IOC President Jacques Rogge expressed regret, calling it a "setback for peace." (Sam Kim, "IOC Head Regrets Failure by Koreas to Agree to Joint Olympic March," Yonhap, August 7, 2008)

North Korea has appointed Pak Gil-yon, former ambassador to the United Nations, as a vice foreign minister, according to a North Korean news report. With the addition of Pak, North Korea's foreign ministry now has eight known vice ministers under the control of minister Pak Ui-chun. The seven others are: first vice foreign minister Kang Sok-ju, head of internal administration Kim Chang-kyu, head of nuclear affairs Kim Kye-gwan, head of Asian affairs Kim Yong-il, head of European affairs Gung Sok-ung, head of Middle East and African affairs Kim Hyong-jun and head of international organization affairs Choe Su-hon. (Shim Sun-ah, "Pak Gil-yon Appointed as N.K. Vice Foreign Minister," Yonhap, August 7, 2008)

8/7/08 Democratic Party platform: **De-Nuclearize North Korea** We support the belated diplomatic effort to secure a verifiable end to North Korea's nuclear weapons program and to fully account for and secure any fissile material or weapons North Korea has produced to date. We will continue direct diplomacy and are committed to working with our partners through the six-party talks to ensure that all agreements are fully implemented in the effort to achieve a verifiably nuclear-free Korean peninsula. **Invest in our Common Humanity** We will stand up for oppressed people from Cuba to North Korea and from Burma to Zimbabwe and Sudan. (Draft 2008 Democratic Party Platform presented by the Drafting Committee, August 7, 2008)

8/8/08 South Korea says it has delivered 600 tons of steel bars, part of the energy assistance it promised the North under the February 13, 2007 agreement, bringing its total to the equivalent of 124,000 tons of HFO. (Yonhap, "Seoul Delivers Energy Aid to Pyongyang under Six-Party Accord," August 8, 2008)

DNI: "Prior to the test North Korea could have produced up to 50 kg of plutonium, enough for at least a half dozen nuclear weapons." (Office of the Director of National Intelligence, *Unclassified Report to Congress on Nuclear and Missile Programs of North Korea*, August 8, 2007)

8/9/08 Presidents Lee and Hu agreed to work closely together in ongoing efforts to denuclearize North Korea through six-party talks. "I am not an exclusionist in terms of North Korean affairs, and although there are problems in inter-Korean relations here and there, we will overcome them," Lee said. "Solving the North Korean nuclear weapons issue requires a great deal of patience, but South Korea will play its due role for the

success of the six-party talks." (*Chosun Ilbo*, "Lee, Hu to Work Closely on N. Korean Nuke Issue," August 9, 2008)

8/10/08 The White House made it clear it did not expect a deal on verification by August 11 but said talks would continue. "I think it is reasonable to say that tomorrow will come and go without that happening," Dennis Wilder, NSC senior director for Asia told reporters during President Bush's visit to Beijing for the Olympics. "We continue to try to work with them on this question of a robust verification regime, but we aren't at the point where we are satisfied with what they have put on the table thus far, so these discussions will continue." (Reuters, "U.S. Says N. Korea Unlikely to Meet Nuclear Deadline," August 10, 2008) Sec State Rice told Japan that Washington would not remove North Korea from a U.S. list of state sponsors of terrorism on the initial deadline of August 11, Japanese Foreign Minister "So once all qualifications are met **and a thorough verification done**, then the U.S. can at any time delist North Korea," said ROK FoMin spokesman Moon Tae-young. "We hope North Korea will actively cooperate on a thorough verification so that it could be removed from the list." (Reuters, "Rice Says U.S. Won't Delist North Korea on Monday," August 11, 2008)

South Koreans begin leaving Mt. Kumgang one day after North says it will expel "unnecessary" South Korea personnel from the resort. (AFP, "South Koreans Withdraw from North Korea Resort," August 10, 2008)

8/11-13/08 Japan laid out to North Korea the conditions that would make its reinvestigation into kidnapping cases of Japanese nationals acceptable to Tokyo, as two-day talks for solving bilateral disputes began in Shenyang. While more talks on the topic were expected tomorrow, North Korea warned that the bilateral process may end if Tokyo is not ready to implement promises it made to Pyongyang in return. "We conveyed our position on the reinvestigation, including what kind of method should be used, who should play the main role, what should be targeted and how long it should take," Japan's envoy Saiki Akitaka told reporters after the day's talks. "I believe there will be more exchanges with the other side tomorrow," said the director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau. Saiki said that while Japan's demands included specifics such as how many weeks or months the probe should take, he declined to reveal their content. (Kyodo, "Japan Lists Demands for N. Korea's Probe to Kidnapping Cases," August 11, 2008) Signs of a possible agreement between Japan and North Korea on ways to solve bilateral rows, including past abductions of Japanese nationals, emerged on the second day of talks. "We are both making efforts to reach an agreement," Saiki Akitaka, director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, told reporters after a five-hour session at a Shenyang hotel. "We talked about overall issues in bilateral ties as well as the abduction issue," Song Il Ho, ambassador for normalization talks with Japan, said. "From the morning until now, we've been discussing these issues to see how we can reach an agreement tonight." (Kyodo, "Signs of possible deal emerge on 2nd day of Japan-N. Korea talks," August 12, 2008) FM Komura, asked if the negotiations could be considered a step forward, said, "Of course that was progress...We are now moving toward 'action for action,' although we are still not there yet." He also expressed expectations that the reinvestigations will include not only those officially recognized by the Japanese government as having been abducted by North

Korean agents in the 1970s and 1980s, but also other missing Japanese nationals who are likely to have been kidnapped. Separately, Nakayama Kyoko, minister in charge of the abduction issue, told reporters, "If investigations will be done with the presumption that (the abductees) are alive and not dead, then we will be entering a new phase. There is ample possibility that survivors will be found." Nakayama, who has been insisting that the return of abductees to Japan be a prerequisite for the easing of sanctions, indicated acceptance of Japan's agreement to the partial lifting of sanctions by saying, "With that as a leverage, North Korea is due to move." Japan is looking to have North Korea set up an agreed reinvestigation committee by August at the latest, a government source said.

**Japan and North Korea agreed that Pyongyang will try to complete the probe by this fall, and that Japan will lift two of its sanctions once the reinvestigation starts. However, the two sides fell short of working out details on the promised easing of a third sanction -- on allowing North Korean ships to enter Japanese ports for the transport of humanitarian goods.** "The next step will be to wait for (North Korea) to set up its reinvestigation committee and notify us when they have done so," said a senior Foreign Ministry. As for the failure to achieve consensus on how to proceed with Pyongyang's promise to cooperate in handing over Japanese radicals who hijacked a plane to North Korea in 1970, Komura dismissed concerns by saying, "In the overall picture, the ratio (of importance) of the abduction issue (and this) is below 99 to 1." (Kyodo, "Japan, N. Korea talks on abduction probe move forward: Komura," August 13, 2008) "If North Korea makes a big step, we'll also make a big one. If North Korea makes only a small step, ours will also be small," Saiki reportedly told Song. If North Korea makes specific proposals on the reinvestigation and other issues, Japan will be pressured to make decisions on difficult issues. (Minami Shoji, "Postponement No Surprise," *Yomiuri Shimbun*, August 13, 2008) The agreement, reached before dawn on the second day of talks here, calls on North Korea to complete its investigation by this autumn, officials said. For its part, Japan will ease restrictions on individual travel and charter flights between the two countries once the investigation team is set up. According to Japanese officials, it was agreed the probe would cover all Japanese abductees, including those recognized by the Japanese government as abduction victims. The North Korean task force responsible for the investigation will be granted latitude to uncover more cases. It will be obliged to provide frequent updates to Japan on progress in its investigation. The two sides also agreed that Japanese government officials will be allowed to interview abduction victims and any other people concerned. Japanese officials would also be granted access to where those people are living. There were two points where the two sides did not agree: return of Japanese leftist radicals who commandeered a Japan Air Lines plane on a domestic flight to North Korea in 1970; and port calls by North Korean vessels, including the cargo-passenger ferry Man Gyong Byon-92, to load up on humanitarian supplies to North Korea. Song Il-ho said, "If Japan breaks the agreements or moves in a direction that is different from that described in the agreements, everything will collapse." (*Asahi Shimbun*, "Japan, North Korea Agree on Procedures to Reopen Investigations into Abductions," August 13, 2008)

8/13/08

North Korea, despite calling the United States' failure to remove it from the State Department list of countries that support terrorism a "breach of agreement," said it intended to continue negotiations to denuclearize the Korean Peninsula. A high-ranking official at North Korea's UN mission in New York told *Hankyore* in a telephone

conversation August 13 that **the issue of verification was something to be discussed in the next stage and not something to be done in the second stage, but that North Korea was not opposed to discussing it within the conditions of the September 19 Joint Agreement that set as its goal the denuclearization of the Korean Peninsula.**

He stressed that according to the agreement, if North Korea submitted a report of its nuclear activities and took measures to render its nuclear facilities inoperative, the United States would remove North Korea from its list of terrorism-supporting states, lift trade sanctions and allow the other five parties of the six-party talks to provide North Korea with economic and energy aid. **The official said that because North Korea had agreed to the U.S. proposal to negotiate on the verification issue, the talks would take place within the earliest time period.** He did not think it likely that U.S. special envoy to North Korea Sung Kim would meet once again with Li Gun, the head of the North Korean Foreign Ministry's U.S. affairs desk, in Beijing, however, saying he had no idea what Kim's recent visit to China was all about. Li Gun, citing the Korean Peninsula denuclearization statement, had reportedly called for inspections of U.S. bases in South Korea during talks late last month with Sung Kim. The official said there were many places to negotiate besides Beijing, suggesting that the New York channel would be the negotiating window. (*Hankyore*, "N. Korea Intends to Continue Denuclearization Negotiations Despite Remaining on Terror List," August 15, 2008)

North Korea allowed a South Korean cargo vessel to return home Wednesday after investigating its crew members over a ship collision that left two North Koreans dead, an official said. North Korea told South Korea in a telephone call that the cargo ship carrying seven people left a North Korean port around 3 p.m. to return to the South, said Kim Honyeon, a spokesman at the South Korean Unification Ministry. (Hyung-jin Kim, "N. Korea Allows S. Korean Ship Return Home after Probe," Associated Press, August 13, 2008)

8/14/08      Sung Kim arrived in Beijing, said he would talk with the Chinese but said he had no plans [?] to meet Pyongyang officials while in the Chinese capital. "We're going to share some ideas on how to move the process forward." (Associated Press, "U.S. Diplomat Arrives in China for N. Korea Talks," August 14, 2008)

Former President Kim Dae-jung said Korea needs to take advantage of its geographical position between the fast-growing market of China and the mature economy of Japan, beef up its alliance with the United States and seize the land of opportunity in North Korea. In an exclusive interview to celebrate the 60th anniversary of the foundation of the Republic of Korea, Kim also warned against Japan's emergence of far-right ultra conservatives and China's exclusionary nationalism, which he said would surely influence Korea's relations with these neighboring countries. "Being located between China and Japan should be considered as an advantage, not a disadvantage," he said, dismissing the alarmist view that Korea will be swept by the two major powers as defeatist. "China offers the market of 1.3 billion consumers, while Japan is the land of over 100 million people." He was cautious on China. "China apparently worries about Korea's leaning toward the United States," he said, pointing out a critical tone taken by Beijing about the Korea-U.S. defense treaty during the recent visit by President Lee Myung-bak. "It is a diplomatic discourtesy," Kim chided Beijing but added that China may harbor suspicions that Seoul will join the U.S.-led missile defense (MD) project. About Tokdo, he urged

"quiet diplomacy," saying, "That is our territory. Why are we causing a fuss and running the risk of playing into the hands of ultra-nationalists in Japan?" He noted, "Diplomacy is the art of keeping your best hand close to your chest," adding that President Lee surrendered all his cards when he told Japan to forget the past and forge a partnership. He was careful not to be antagonistic, when he said that Lee is so Bush-oriented as to alienate other key players in the region. "Fortunately, President Bush has corrected his ill-guided way with his administration talking directly to North Korea," he observed. "The Lee administration will in the end go back to the road of engagement with Pyongyang." (Oh Young-jin, "Kim Calls for 'Diplomacy of Balance,'" *Korea Times*, August 14, 2008)

North Korea has given the U.S. information about several Japanese, believed to be abductees, living in North Korea and may send them home. *Mainichi Shimbun*, reported the Japanese mentioned by North Korea are believed to be separate from a group of 12 that Tokyo recognizes as abduction victims. The Japanese government says it knows of 470 people who have disappeared and may have been abducted, **36 of whom it "strongly suspects" have been abducted by North Korea.** (*Chosun Ilbo*, "'More Japanese Abductees Alive' in North Korea," August 14, 2008)

8/18/08 KCNA: "The United States is again raising the 'human rights issue' of the DPRK. This is clearly evidenced by the fact that U.S. President Bush during his junket to Asian countries blustered that he would handle the 'human rights issue' as 'an element for negotiations with north Korea.' We categorically dismiss this as a premeditated act of the U.S. to deliberately throw a hurdle in the process of the six-party talks and, furthermore, go without implementing points of the October 3 agreement on denuclearizing the Korean Peninsula. ... As already known, the DPRK submitted an accurate and complete nuclear declaration according to the October 3 agreement of the six-party talks. The U.S., however, has not honored its commitment to write the DPRK off the list of 'state sponsors of terrorism,' a key political compensation in concluding the implementation of the agreement, although the date it promised to do so has already passed. This is obviously a violation of the principle of 'action for action' essential for realizing denuclearization. ...The U.S. is persisting in the politically motivated provocations as evidenced by the ruckus kicked up over the non-existent 'human rights issue' in the DPRK, an indication of its deep-rooted hostility and inveterate enmity toward the DPRK. This attitude leaves the DPRK and the countries concerned skeptical about the U.S. intention to implement the points of the October 3 agreement. Such provocative acts of the U.S. as slandering and pulling up its dialogue partner can never help the talks make any progress in the positive direction." (KCNA, "KCNA Slams U.S. Provocative Act to Scuttle Denuclearization Process on Korean Peninsula," August 18, 2008)

North Korea has tapped Choe Su-hon, who had served as deputy foreign minister in charge of international organizations since 1986, as its new ambassador to Syria, reported. This is understood to show North Korea's emphasis on diplomatic ties with Damascus, one of Pyongyang's closest allies. (Kim Boram, "N. Korea Names Top-Level Diplomat as Ambassador to Syria," *Yonhap*, August 18, 2008)

8/20/08 DPRK FoMin spokesman: "The exercises they launched under the pretext of 'coping with emergency on the Korean Peninsula' are a clear proof of the hostile policy toward the

DPRK and the north-south confrontational policy pursued by the U.S. and the south Korean puppet authorities as they are war maneuvers targeted against the DPRK from A to Z. ... It has become clear that the "contingency on the Korean Peninsula" touted by the U.S. and its followers precisely means a preemptive nuclear attack on the DPRK. **This situation compels the DPRK to heighten vigilance against such unjust demands as the 'verification in line with the international standard' recently claimed by the U.S. as regards the nuclear issue. The DPRK will increase its war deterrent in every way as long as the U.S. and its followers continue posing military threats to it.** It will judge all matters on the principle of giving top priority to the security of the country and actively take corresponding practical measures." (KCNA, "Foreign Ministry Spokesman Assails U.S.-S. Korea Joint Military Exercises," August 20, 2008)

8/21/08 Sung Kim attended a deputies' meeting chaired by Deputy National Security Advisor James Jeffrey in Washington and discussed China's version of the verification, RFA reported. The participants may have either agreed to accept China's mediation, or decided to pressure the North to accept its original version, it said. In New York the next day, Sung Kim, in another meeting with his associates on August 20, said that "(China) offered some specific recommendations or suggestions on the verification," the RFA reported. Sung Kim met his North Korean counterpart, Kim Myong-gil, deputy chief of North Korea's U.N. mission, to discuss the move, according to sources. (Lee Joo-hee, "N. Korea Halts Nuclear Disablement Process," *Korea Herald*, August 27, 2008)

8/22/08 Sung Kim, special envoy on the North Korean nuclear issue, met with Kim Myung-gil, his counterpart at the North Korean mission to the United Nations in New York, the official said. "Obviously, they are going to talk about the six-party talks, obviously recent discussions about the verification package, which we have been calling on the North Koreans to produce," said State Department spokesman Robert Wood before the talks. Asked whether Pyongyang was set to agree on a proposed verification protocol, Wood said Sung Kim was "going to assess where things are with North Korea in his conversations with North Korean officials," adding, "The US government wants to see this verification package as soon as possible so that we can move forward with this delisting," he added. (AFP, "U.S., N. Korea Hold Talks to Break Nuclear Impasse," August 22, 2008) Radio Free Asia from Washington reported that during a visit to China earlier this month, Sung Kim, U.S. special presidential envoy and deputy chief negotiator on North Korea's nuclear situation, was presented with a possibly toned-down version of a verification mechanism. Sung Kim attended a deputies' meeting on August 14 headed by Deputy National Security Advisor James Jeffrey in Washington and discussed China's version of the verification, RFA reported. The participants may have either agreed to accept China's mediation, or decided to pressure the North to accept its original version, it said. In New York the next day, Sung Kim met his North Korean counterpart, Kim Myong-kil, deputy chief of North Korea's U.N. mission, to discuss the move, according to sources. (Lee Joo-hee, "North Korea Halts Disablement Process," *Korea Herald*, August 26, 2008) Sung Kim says on October 11, "We continue to have follow-up discussions with all of the parties throughout, including on the margins of the informal Six-Party ministerial meeting in Singapore on July 23<sup>rd</sup>. After further discussion with the parties, on August 22<sup>nd</sup>, a revised draft verification paper was circulated." (DoS Daily Briefing, October 11, 2008)

8/25/08

In his first overseas trip after hosting the 2008 Beijing Olympic Games, President Hu Jintao met with his South Korean counterpart Lee Myung-bak in Seoul to map out the details of their plan to upgrade bilateral relations. A 34-point joint statement was released following the summit and a memorandum of understanding was signed covering several key areas. A series of efforts to deepen the ties, largely based on economic and cultural exchanges, were announced. "To fully implement the agreements made, there will be bilateral consultations between the two countries' foreign ministries, economic and trade joint committees and a tourism ministers' conference," according to the joint statement. Lee and Hu agreed yesterday to maintain frequent presidential exchanges. A high-level strategic discussion between the foreign ministries of Seoul and Beijing will be held before the end of this year, they agreed. Lee and Hu also agreed that working-level talks between the two countries' foreign ministries will be routinely held to improve communication. High-level visits by defense officials will be expanded as well as cooperation on all levels of the militaries of the two countries, Lee and Hu said. (Ser Myoja, "Hu and Lee Map out New Ties during Seoul Summit," August 25, 2008)

The president of Switzerland, Pascal Couchepin stepped to a podium in Bern last May and read a statement confirming rumors that the government had indeed destroyed a huge trove of computer files and other material documenting the business dealings of Swiss engineers, Friedrich Tinner and his two sons, who were accused of acting as middlemen in A.Q. Khan's dealings with rogue nations seeking nuclear equipment and expertise. The United States had urged that the files be destroyed, according to interviews with five current and former Bush administration officials. The purpose, the officials said, was less to thwart terrorists than to hide evidence of a clandestine relationship between the Tinnners and the C.I.A. Over four years, several of these officials said, operatives of the C.I.A. paid the Tinnners as much as \$10 million, some of it delivered in a suitcase stuffed with cash. In return, the Tinnners delivered a flow of secret information that helped end Libya's bomb program, reveal Iran's atomic labors and, ultimately, undo Dr. Khan's nuclear black market. In addition, American and European officials said, the Tinnners played an important role in a clandestine American operation to funnel sabotaged nuclear equipment to Libya and Iran, a major but little-known element of the efforts to slow their nuclear progress. The relationship with the Tinnners "was very significant," said Gary Samore, who ran the National Security Council's nonproliferation office when the operation began. "That's where we got the first indications that Iran had acquired centrifuges." A senior intelligence official in Washington said of the files, "We were very happy they were destroyed." But in Europe, there is much consternation. Analysts studying Dr. Khan's network worry that by destroying the files to prevent their spread, the Swiss government may have obscured the investigative trail. It is unclear who among Dr. Khan's customers – a list that is known to include Iran, Libya and North Korea but that may extend further – got the illicit material, much of it contained in easily transmitted electronic designs. Some details of the links between the Tinnners and American intelligence have been revealed in news reports and in recent books, most notably "The Nuclear Jihadist," a biography of Dr. Khan by Douglas Frantz and Catherine Collins. In 2000, American officials said, Urs Tinner was recruited by the C.I.A. Urs Tinner persuaded his father and younger brother to join him as moles, and they began double lives, supplying Dr. Khan with precision manufacturing gear and helping run a centrifuge plant in Malaysia even as their cooperation with the United States deepened. At the time,

Washington was stepping up efforts to penetrate Libya's bomb program. In early 2003, the European official said, the Tinnens and C.I.A. agents met at a hotel in Innsbruck, Austria, to discuss cooperative terms. Several months later, in Jenins, a Swiss mountain village, Marco Tinner signed a contract dated June 21, 2003, with two C.I.A. agents, the official said. The contract outlined the sale of rights that the Tinnens held for manufacturing vacuum gear, and of proprietary information about the devices. In exchange, \$1 million would be paid to Traco Group International, a front company Marco Tinner had established in Road Town, the capital of the British Virgin Islands, on the island of Tortola. After the Tinnens were arrested, Swiss and other European authorities began to scrutinize their confiscated files and to conduct wide inquiries. European investigators discovered not only that the Tinnens had spied for Washington, but that the men and their insider information had helped the C.I.A. sabotage atomic gear bound for Libya and Iran. A former American official confirmed the disruptions, saying the technical architect of the operation was "a mad-scientist type" who took pleasure in devising dirty tricks. The sabotage first came to light, diplomats and officials said, when inspectors from the International Atomic Energy Agency traveled to Iran and Libya in 2003 and 2004 and discovered identical vacuum pumps that had been damaged cleverly so that they looked perfectly fine but failed to operate properly. They traced the route of the defective parts from Pfeiffer Vacuum in Germany to the Los Alamos National Laboratory in New Mexico, the birthplace of the bomb. There, according to a European official who studied the case, nuclear experts had made sure the pumps "wouldn't work." A more serious disruption involved a power supply shipped to Iran from Turkey, where Dr. Khan's network did business with two makers of industrial control equipment. The Iranians installed the power supply at their uranium enrichment plant at Natanz. But in early 2006, it failed, causing 50 centrifuges to explode – a serious, if temporary, setback to Iran's efforts to master the manufacture of nuclear fuel, the hardest part of building a bomb. (William J. Broad and David E. Sanger, "In Nuclear Net's Undoing, a Web of Shadowy Deals, *New York Times*, August 25, 2008.p.A-1)

8/26/08

DPRK Foreign Ministry spokesman: **"Under the October 3 agreement stipulating the practical measures to be taken at the second phase for the implementation of the September 19 joint statement on the denuclearization of the Korean Peninsula the DPRK was committed to presenting a nuclear declaration and the U.S. was also committed to writing the DPRK off the list of the 'state sponsors of terrorism.'** The DPRK has honored its commitment by presenting the nuclear declaration on June 26. But the U.S. failed to delist the DPRK as a 'state sponsor of terrorism' within the fixed date for the mere 'reason' that a protocol on the verification of the nuclear declaration has not yet been agreed upon. This was an outright violation of the agreement. **No agreements reached among the six parties** or between the DPRK and the U.S. **contain an article which stipulates the verification of the nuclear declaration of the DPRK as conditionality for delisting it as a 'state sponsor of terrorism.'** **As far as the verification is concerned, it is** a commitment to be fulfilled by the six parties at the final phase of the denuclearization **of the whole Korean Peninsula according to the September 19 joint statement.** It should be verified that there are no U.S. nuclear weapons in and around south Korea and that there has been neither new shipment nor passage of those weapons. This verification and **the verification of the DPRK's fulfillment of its commitments should be done at the same time. This is the principle**

**of 'action for action.' All that was agreed upon at the present phase was to set up verification and monitoring mechanisms within the framework of the six parties. The U.S., however, raised all of a sudden an issue of applying an 'international standard' to the verification of the nuclear declaration, abusing this agreed point. It pressurized the DPRK to accept such inspection as scouring any place of the DPRK as it pleases to collect samples and measure them. The 'international standard' touted by the U.S. is nothing but 'special inspection' which the IAEA called for in the 1990s to infringe upon the sovereignty of the DPRK and caused it to pull out of the NPT in the end. The U.S. is gravely mistaken if it thinks it can make a house search in the DPRK as it pleases just as it did in Iraq. ... Now that the U.S. breached the agreed points, the DPRK is compelled to take the following countermeasures on the principle of 'action for action': First, the DPRK decided to immediately suspend the disablement of its nuclear facilities that had been underway according to the October 3 agreement. This step took effect on August 14 and the parties concerned have already been notified of this. Second, the DPRK will consider soon a step to restore the nuclear facilities in Yongbyon to their original state as strongly requested by its relevant institutions. (KCNA, "Foreign Ministry Spokesman on DPRK's Decision to Suspend Activities to Disable Nuclear Facilities," August 26, 2008)**

The United States accused North Korea of violating a six-nation nuclear accord and retained it on a terror blacklist, after the hard-line communist state defiantly suspended disabling its atomic plants. The State Department said Pyongyang's decision to stop disabling its key Yongbyon nuclear complex was of "great concern" and "a step backward" in six-country diplomatic efforts aimed at denuclearizing the Korean peninsula. "It certainly is in violation of its commitments to the six-party framework, certainly in violation of the principle of action-for-action," department spokesman Robert Wood told reporters. The United States will not take North Korea off the state sponsor of terrorism list until we have a protocol in place to verify the dismantling and accounting for Korea's nuclear program," said White House spokesman Tony Fratto. (AFP, "U.S. Accuses North Korea of Violating Nuclear Accord," August 26, 2008)

8/27/08

Prosecutors said they have arrested a female North Korean defector believed to be a trained spy, potentially confirming long-held concerns over infiltration by agents posing as refugees. The 35-year-old suspect, Won Jeong-hwa, was arrested last month on charges of spying for North Korea, using her romantic relationships with several military officers. Several commissioned officers, mostly working as information or public affairs officers, had come in contact with the suspect, but only one of her lovers, a 26-year-old Army captain, was detained after he was found to have actually handed over information, mostly names of North Korean defectors, prosecutors said. Won is suspected of collecting classified information, including photographs and the exact locations of key military installations and weapons systems, and handing them over to North Korean agents in China. Before coming to the South in 2001, Won served jail time for theft and feared possible execution for committing another crime -- stealing tons of zinc, punishable by death in the resource-strapped North. Years after hiding in northeastern China, she returned home with relatives' help and, in 1998, became a spy for North Korea's National Security Agency. The North first commissioned her to kidnap North Korean defectors in China for repatriation. In 2001, she entered South Korea by marrying

a South Korean man. Posing as a defector, she turned herself in to South Korea's National Intelligence Service. The investigation could expand to other North Korean defectors, as prosecutors believe more spies could have entered the country under the guise of defection. "We could only suspect that there could be spies mixed in with North Korean defectors during the reconciliatory mood of the past 10 years, and had no evidence. The suspicions have turned into reality for the first time," Kim Kyeong-su, a senior prosecutor at the Suwon District Prosecutors' Office, said in a press conference. (Byun Duk-kun and Kim Hyun, "Prosecution Arrests N. Korean Spy Disguised as Defector," Yonhap, August 27, 2008)

- 8/28/08 South Korea will not describe North Korea as an "enemy" in its next biennial defense white paper. (Byun Duk-kun, "Seoul to Drop 'Enemy' Label against N. Korea in White Paper," Yonhap, August 28, 2008)
- 8/29/08 Talks on cost-sharing for U.S. troop presence end without agreement. (Yonhap, "S. Korea-U.S. Defense Cost-Sharing Talks Fail to Bring Breakthrough," August 29, 2008)
- 8/31/08 North Korea celebrated the 10th anniversary of the launch of Taepodong-1, the communist state's first self-claimed satellite rocket, declaring that it can do the same anytime. "Our country's technology has advanced to the level where **we can freely launch a working satellite at any time**," Radio Pyongyang said in a commentary monitored here. "The Kwangmyoungsong was successfully launched at that time in the face of imperialists' attempt to isolate our country and repeated outbreak of natural disasters," said the radio, calling the satellite a "purely self-developed North Korean technology." (Yonhap, "N. Korea Says It Can Launch Satellites Anytime," August 31, 2008)
- 9/1/08 PM Fukuda Yasuo abruptly announced that he had decided to resign from his post after less than a year in office. Speaking at a hastily arranged press conference held for about 20 minutes from 9:30 p.m. at the Prime Minister's Office, Fukuda said he had decided to step down because a new cabinet lineup was necessary to fulfill various policy goals. With about a year remaining before a House of Representatives election must be held--in September next year--the DPJ has been intensifying its confrontational stance against the ruling coalition. Fukuda judged it would be necessary to freshen up the cabinet lineup before the next extraordinary Diet session, which is set to convene on September 12. "We have to seek the realization of policies under a new lineup. That's why I decided to resign," Fukuda, 72, said. "The situation will certainly be different if someone other than me takes the helm of the government." (*Yomiuri Shimbun*, "Fukuda Steps Down; Low Approval Rating, Diet Stalemate Seal Premier's Fate," September 2, 2008) He was apparently trying to differentiate himself from his predecessor, Shinzo Abe, who resigned just after delivering his policy speech in an extraordinary Diet session last year. "There is still time before the start of full-scale deliberations in the Diet," he said. "I chose this time because I thought my resignation would not give much trouble to the people." Fukuda also said he decided to resign late last week after the government and the ruling parties compiled a package of emergency economic measures." New Komeito was calling for an early dissolution of the Lower House and a snap election. But Fukuda, whose public support ratings had been hovering around 20 percent, wanted to hold off on calling a general election. The LDP and New Komeito were also at odds over the government's

plan to extend the special measures law to enable the Maritime Self-Defense Force to continue its anti-terrorism refueling mission in the Indian Ocean. With the opposition certain to reject the extension bill, the ruling coalition planned to pass the legislation in a second vote in the Lower House, where the ruling parties hold a two-thirds majority. New Komeito was reluctant to go along with this plan because of public backlash expressed when the coalition resorted to similar tactics in January this year. The LDP made concessions to New Komeito by accepting its request for fixed-sum tax cuts. "If the coalition government of the LDP and New Komeito goes smoothly, there will be no problems," Fukuda said. "But if I look at the future, there is a possibility that it will not go smoothly. I thought that the coalition must not find itself in an unexpected situation."(*Asahi Shimbun*, "Aso Hints at Plan to Succeed Fukuda," September 2, 2008) Fukuda's sudden resignation is expected to have implications on the relations between Seoul and Tokyo, which have reached their lowest ebb over history and Dokdo in the East Sea, local experts said. Some are worried that relations could turn sourer amid reports that Taro Aso, a former foreign minister known as being more conservative than Fukuda, will take over the post, while others are taking a wait-and-see approach as Japan's political situation unfolds. Professor Ha Jong-moon of Hanshin University in Gyeonggi Province described Aso's possible inauguration as "the worst-case scenario" for ties between South Korea and Japan. "Aso is well known for speaking about his opinions on historical and other political issues in a straightforward manner, so I believe bilateral relations would become worse," Ha said.(Jung-Sung-ki, "Fukuda's Exit Complicates Korea-Japan Ties," *Korea Times*, September 2, 2008)

9/2/08 North Korea started reassembling its main nuclear complex in Yongbyon, a move that reverses efforts to disable the facility under a six-party accord. (Kyodo, "N. Korea Starts Reassembling Nuclear Facility: Sources," September 3, 2008) FM Yu Myung-hwan confirmed that the North notified the U.S. earlier this week of its decision to reactivate the plutonium-producing facility in Yongbyon. "As North Korea is translating words into actual action, we express concern over it and close consultations with related nations are under way," Yu said in his first press briefing in nearly four months. On the basis of intelligence shared by the U.S., South Korea stated a day later that the North began the process of putting equipment removed from the reactor back into operation, a move apparently aimed at protesting Washington's delay in removing the communist nation from its list of state sponsors of terrorism The ROK Foreign Ministry defined Pyongyang's step as the start of the full-scale recovery of the nuclear facility, but the U.S. was cautious. "Our understanding is that the North Koreans are moving some equipment around that they had previously put into storage," State Department spokesman Sean McCormack said in Washington. "I don't have a whole lot of details beyond that." (Lee Chi-Dong, "U.S. Informed of N. Korean Decision to Restart Reactor," *Yonhap*, September 4, 2008)

The World Food Program said it needed \$60million urgently for an emergency program to feed 6.3 million North Koreans. The WFP needs a total of \$503 million to fund the 15-month operation – but requires \$60 million immediately to run the program until the end of the year, the agency's Asia director, Tony Banbury, told reporters in Beijing. (Gillian Wong, "UN Agency Needs \$60 Million for North Korean Food Aid," *Associated Press*, September 2, 2008)

- 9/3/08      GOP platform: "The U.S. will not waver in its demand for the complete, verifiable, and irreversible dismantlement of North Korea's nuclear weapons programs, with a full accounting of its proliferation activities. We look toward the restoration of human rights to the suffering people of North Korea and the fulfillment of the wish of the Korean people to be one in peace and freedom."
- 9/4/08      North Korea's recent "moving of equipment" in its main nuclear complex is most likely a negotiating ploy to win removal from the U.S. blacklist of state sponsors of terrorism, former U.S. officials said. "if you are interested in legacy, you better get moving on the terrorism list," said Jack Pritchard. (Nicholas Kralev, "N. Korean Nuke Move Called 'Ploy,'" *Washington Times*, September 4, 2008)
- 9/5/08      North Korea told Japan that it will be suspending the launch of a reinvestigation panel concerning the abductees until it confirms the policy of the new Japanese administration, FM Komura Masahiko said. North Korea conveyed its position last night in response to a call Japan made on the 3rd that North Korea follow up on a promise to launch the panel at an early date, even though the Japanese prime minister will change, Komura told a press conference. "It was very regrettable," Komura said. (Kyodo, "N. Korea Tells Japan of Delay in Launching Abduction Probe Panel," September 5, 2008)
- North Korea told Japan that it will be suspending the launch of a reinvestigation panel concerning Japanese abductees until it confirms the policy of a new Japanese administration, Japanese Foreign Minister Masahiko Komura said. North Korea conveyed its position last night in response to a call Japan made on the 2<sup>nd</sup> that North Korea follow up on a promise to launch the panel at an early date, even though the Japanese prime minister will change, Komura told a press conference. "It was very regrettable," Komura said. (Kyodo, "N. Korea Tells Japan of Delay in Launching Abduction Probe Panel," September 5, 2008)
- 9/5-6/08      Hill meets with other four parties in Beijing. Afterward he told reporters, "We had a complete understanding with the ROK delegation, complete understanding with the Japanese," said Hill. "The Russian ambassador assured me we have no daylight between us. And, China is also very much working along the same lines." He insists that the U.S. will delist only after it North Korea accepts the protocol. "The declaration without a protocol is really like just having one chopstick," he said. "You need two chopsticks if you're going to pick up anything." (Daniel Schearf, "U.S. Envoy Confident Stalled N. Korea Denuclearization Will Be Resolved Soon," *Voice of America*, September 6, 2008) Hill in Beijing: "They are very clear they have concerns about the verification protocol. And I think we've made equally clear - as have the other members of the Six-Party process - that part of the declaration is to have a verification protocol. You can't have a declaration without a verification protocol. And so, we have, I think, publicly said on a number of occasions that we're prepared to complete our obligations as they complete theirs. But a declaration without a protocol is only half of the obligation." (DoS, Hill Evening Walkthrough at Six-Party Talks, Beijing, September 5, 2008) China will "reach out" to get North Korea to accept rules to vet its nuclear disclosures. Hill said he expects China will work on its communist neighbor, which stopped disabling its Yongbyon nuclear complex because it was unhappy with nuclear verification rules demanded by

other countries in six party disarmament talks. "I was reassured that China's doing all it can, working very hard to address these problems and to get North Korea on track in terms of providing a verification protocol," Hill said after meeting China's top diplomat in the talks, Wu Dawei. "China's won a lot of gold medals in the past weeks, and I hope that they're going to win one more in terms of resolving this issue," Hill added. (Chris Buckley, "China to Press N. Korea on Nuclear Dispute: U.S. Envoy," Reuters, September 6, 2008) Hill: "I was reassured that China is doing all it can and working very hard to address these problems and to get North Korea on track in terms of providing a verification protocol. Now, I pointed out that we're not asking for the declaration to be verified now. We're simply asking for the rules of how it will be verified - that is to put together a protocol - and that we will remove North Korea from the list of state sponsors of terrorism as soon as we know that we will be able to proceed with verification. So, I think it is a very good opportunity to review this situation with the Chinese. And I was very reassured to see that China is working very hard to address this. ... Now, I wanted to make clear to the Chinese that we are not, as the North Koreans suggest, looking to do 'house-to-house' searches and this other type of activity. That is not what is in the protocol. That's not what we're trying to do at all. But we need to be able to say that the declaration that we've received from them is verifiable. And the way to make it verifiable is to have this verification protocol. So the declaration without a protocol is really like just having one chopstick. You need two chopsticks if you're going to pick up anything. (DoS, Christopher Hill, Evening Walkthrough at the Six-Party Talks, September 6, 2008)

9/6/08

North Korea is reassembling its nuclear facilities at Yongbyon, Fox News reported, citing two ranking U.S. officials familiar with North Korean affairs who said that the North "has crossed a new threshold" in rebuilding the Yongbyon nuclear facility by breaking seals placed by the International Atomic Energy Agency. One official said the North Koreans "are definitely reassembling the plant." He added, "The IAEA seals are not proving to be an impediment. In fact, they are breaking them, adding pipes, valves, etc., and then replacing the seals." A South Korean foreign service official said Seoul has no such information but "if it's true, it means the North has taken a concrete step towards restoring its nuclear weapon facilities." (*Chosun Ilbo*, "N. Korea 'Breaking IAEA Seals at Nuclear Facility,'" September 8, 2008)

Hill: "They have taken some equipment out. As I understand, the equipment is still in its wrapping paper. But they've taken some equipment out. And I think what we need to do is to get on with the negotiations - which is to put together a workable verification protocol. And we're going to keep our focus on that. And I think the Chinese, again, have been very reassuring in the fact that they understand their responsibility as chair is to be active and try to address this issue. ... To say that we're looking to make house-to-house searches in North Korea is simply not an accurate characterization of what we need. **I want to stress too that we're not looking to verify their declaration now. We're looking to come up with rules with how we will verify it in the future. So if we can get that, we'll take them off the terrorism list.** We've done our 45-day notice period to the Congress. So we're prepared to move very quickly on that - really instantaneously - provided we get what we need in terms of the verification." (Christopher Hill, Evening Walk-Through at Six-Party Talks," Beijing, September 6, 2008)

9/9/08

Kim Jong-il is seriously ill and is likely to have suffered a stroke weeks ago, American officials said, raising the prospect of a chaotic power struggle in nuclear-armed North Korea. Intelligence officials in Washington said that the exact status of Kim's health was unclear, but that today he failed to attend a celebration of the 60th anniversary of the founding of North Korea and that American intelligence agencies believed that he was now under the care of doctors in Pyongyang, North Korea's capital. On the 10th, Song Il-ho, a senior North Korean diplomat, denied news reports suggesting Mr. Kim was ill. "We see such reports as not only worthless, but rather as a conspiracy plot," the Kyodo news agency quoted Mr. Song as saying. Later, the country's No. 2 leader, Kim Yong-nam, said there was "no problem" with Kim Jong-il, Kyodo reported. An American intelligence official, who, like others interviewed for this article, spoke on condition of anonymity because assessments about Mr. Kim's health are classified, said Tuesday that it did not appear that Mr. Kim's death was imminent. The official said there were no clear indications the North was stepping up preparations for a transfer of authority. The official would not say whether American intelligence agencies expected Kim to fully recover. The topic of Kim's health came up in discussions between Christopher R. Hill, and Chinese officials during a recent trip by Mr. Hill to China, said a Bush administration official. But despite the closer contacts between China and North Korea, the official said, Hill did not come away with a clear sense of Kim's condition, or what would happen in the event of his death. It is now unclear whether Kim ordered the reversal or whether other North Korean officials were making decisions while he was incapacitated. North Korea experts in Seoul cautioned that Mr. Kim had often disappeared from public view for extended periods. "The nuclear talks are in a stalemate," said Kim Keun-sik, a North Korea expert at Kyungnam University in South Korea. "Tensions with the United States are deepening. Kim knew that the world was watching whether he would show up today. For him, this may be a perfect chance to bring world attention to him." (Mark Mazzetti and Choe Sang-hun, "'North Korea's Leader Is Seriously Ill, U.S. Intelligence Officials Say,' *New York Times*, September 9, 2008, p. A-15) The U.S. believes that Kim Jong-il might have suffered a "health crisis" after he failed to appear at a key military parade to commemorate the 60th anniversary of the repressive communist state. Kim has in the past disappeared from public view to create a sense of chaos at key times in negotiations with other countries. But one senior US official said his absence from the military parade - "a very big one to miss" - was significant. "It is fair to say that Kim appears to have had a health crisis," the official said. "He has not been seen in public since August 14. Something seems to be up." The reclusive leader, who reportedly suffers from heart problems and diabetes, has not appeared in public since he inspected a military unit last month. He attended parades celebrating the 50th and 55th anniversaries of the country, founded by his father, Kim Il-sung. *Chosun Ilbo* on the 9th reported that Kim had collapsed last month. Reuters cited a US intelligence official who said the 66-year-old might have suffered a stroke, but U.S. officials could not confirm that report. (Demetri Sevastopulo and Song Jung-a, "U.S. Official Claims Kim Jong-il's Absence Signals 'Health Crisis,' *Financial Times*, September 10, 2008, p. 1) North Korea's No. 2 leader and ceremonial head of state, Kim Yong Nam, told Kyodo there is "no problem" with the supreme leader, and senior diplomat Song Il Ho also said reports about Kim Jong Il's health are "not true." (Jae-soon Chang, "N. Korea Officials Deny Kim Is Ill," Associated Press, September 10, 2008) Kim Jong-il is on the mend from an apparent stroke, a South Korean lawmaker said on the 11th, with no signs he has lost his grip over a country that

possibly has nuclear weapons. Kim can stand up with assistance and is able to communicate, Lee Cheol-woo told a radio program after a meeting with his country's spy chief, who knocked down reports in the local media that the enigmatic North Korean leader was partially paralyzed. "He's had circulatory problems but had treatment and now doesn't have problem communicating," the GNP lawmaker told a radio program. "Kim is recovering quickly." (John Herskovitz, "North Korea's Kim Said Recovering Quickly, Still Rules," Reuters, September 11, 2008) Defense Minister Lee Sang-hee said on the 11th that he has received no reports showing unusual activity in the North Korean military. At a meeting of the National Assembly's defense committee, Lee said he ordered the military to strengthen surveillance at the inter-Korean border but won't elevate the level of defense readiness against a possible North Korean attack. Lee showed lawmakers satellite images of a medical center in Pyongyang, where Kim is presumed to be receiving treatment. "An increasing number of vehicles have gone in and out of the medical center since the middle of last month. The images suggest Kim might have collapsed in mid-August," he said. On the 10<sup>th</sup> NIS Director Kim Sung-ho said in a report to lawmakers that he has information suggesting Kim has undergone surgery for a stroke but is recovering. "His health is not good enough to engage in outdoor activities, but he is recovering," Kim was quoted as saying by lawmakers. Kim and other intelligence officers denied reports that the North Korean leader is seriously ill. (Na Jeung-ju, "No Unusual Activities Detected in North Korea," *Korea Times*, September 11, 2008) Kim, 66, is lucid and has no trouble speaking, according to a high-level Chinese official who met with him, *Chosun Ilbo* reported. But the Chinese official has predicted Kim would miss the anniversary celebration on the 9<sup>th</sup>. Yonhap quoted a senior South Korean official as saying Kim is well enough to brush his teeth on his own. NIS and the Unification Ministry could not confirm the report. (Jae-soon Chang, "Report: Kim Well Enough to Brush His Teeth," Associated Press, September 12, 2008) Kim Jong-il collapsed from a stroke on August 14 and underwent surgery with help from five Chinese military doctors dispatched at North Korea's request, according to multiple Chinese sources. The sources said he is recovering from his stroke but is still experiencing problems in the functioning of his limbs. While he is expected to recover almost the way they were, it will take a long period of rest and rehabilitation. (Kyodo, "Chinese Doctors Performed Surgery on N. Korean Leader after Stroke," September 14, 2008)

The government Tuesday expressed its determination to send food aid to famine-hit North Korea. "North Koreans are suffering from food shortages. We will not turn our back on this and we plan to actively help them," Unification Minister Kim Ha-joong said at a seminar to mark the 60th anniversary of the nation's founding in Seoul. "North Korea is reluctant to follow our policy because it is mistaken that Seoul would begin economic cooperation after its nuclear facilities are completely disabled," the minister said. "But we will gradually help the North achieve economic development in line with nuclear disablement." (Kim Sue-young, "Seoul Plans to Send Food Aid to North Korea," *Korea Times*, September 8, 2008)

9/10/08

The United States is ready to be flexible about how to verify North Korea's reports on its nuclear development, Christopher Hill, told reporters. "[The North Korean declaration] needs to be verifiable," Hill said. But he added, "We want to be flexible--**we really want to be flexible on format.**" [That opens the way to separating verification of enrichment

program and proliferation from plutonium verification] (Miyazaki Takeo, "U.S. 'Flexible' on N. Korea N-report Verification," *Yomiuri Shimbun*, September 12, 2008)

The North's number two leader Kim Yong-nam was quoted by Japan's Kyodo news agency as saying that the current stand-off with the U.S. over verification "could eventually be overcome." He described the recent move at the Yongbyon nuclear site as largely a symbolic step aimed at pressing Washington to keep its promise to remove Pyongyang from the terror list. (Lee Chi-dong, "Future of Nuclear Talks Murky amid Kim's Illness," *Yonhap*, September 11, 2008)

North Korea has postponed the launching of a fresh investigation into Japanese abductees because it wants to see if a new Japanese prime minister will honor a bilateral agreement on the probe, a senior diplomat said. "There is no change in our position to implement the (August) agreement," Song said. "It will depend on how quickly Japan coordinates everything internally and carries out its promises, because we will move in connection with that." (Kyodo, "N. Korea Says Waiting for the New Prime Minister, But Deal Stands," September 11, 2008)

North Korea has built a long-range missile base on its west coast that is larger and more capable than an older and well-known long-range missile launch site on its east coast, the Associated Press reported. Construction on the site on North Korea's west coast began at least eight years ago, according to Joseph S. Bermudez, Jr., senior analyst with Jane's Information Group, and Tim Brown with Talent-keyhole.com, a private satellite imagery analysis company. Bermudez first located the site in early spring and they have tracked its construction using commercial and unclassified satellite imagery. "The primary purpose of the facility is to test," Bermudez told The Associated Press in an interview last week. A base capable of a long-range test could obviously be used in wartime to launch a missile that carried a warhead. "This is a clear indication North Korea is continuing its ballistic missile development program," Bermudez said. . Pike said the new facility represents a major step forward for North Korea's long-range missile program as it would allow multiple test flights in a short time, which is difficult at the smaller, original long-range missile launch site known as Musudan-ni. "This would be a facility to conduct a real flight-test program and develop something that you have some operational confidence in," Pike said. "It would suggest they have the intention to develop the capability to perfect a missile to deliver atomic bombs to the United States. ...At the old facility, (a robust test program) just wasn't going to happen." (Pamela Hess, "N. Korea Has Quietly Built Long-Range Missile Base, Associated Press, September 11, 2008)

9/12/08 The DPRK started to install equipment at a nuclear facility in Yongbyon this week and launched restoration which is in full swing, a high-ranking U.S. Government official revealed. The DPRK had been proceeding with a disablement process for the nuclear facility in Yongbyon. The high-ranking official told *Yomiuri Shimbun* that "the DPRK has started to reassemble [the facility] by restoring equipment in these last few days." The official also said, "It is possible to restart operation of the reprocessing facility within about two months." He said that "unextracted plutonium that was generated in spent fuel rods is still at the facility," expressing concern that [if the DPRK] starts to operate the reprocessing, this would further increase the amount of plutonium for nuclear weapons. In addition, the DPRK reportedly brought together the IAEA and the US supervisors when

taking equipment out of storage and removed seals in front of them. The DPRK had removed equipment and they had been kept in storage as part of a disablement process. Meanwhile, it appears that the DPRK has not taken any action to expel the US supervisors -- given that the country has issued visas to them -- who are replaced every few weeks. (Miyazaki Takeo, "High-Ranking U.S. Official: DPRK Full-Swing Restoration of Nuclear Facility Confirmed," *Yomiuri Shimbun*, September 13, 2008)

9/14/08 *Rodong Sinmun*: "Our mightiest weapon -- the real missile -- is 'the missile of unity.' There are weapons that can destroy missiles, but there is not any weapon that can destroy a crystal made up of tens of millions of hearts." (Yonhap, "N. Korea Emphasizes National Unity amid Reports of Kim's Illness," September 14, 2008)

Whatever names he is called, there was a surprising ambivalence in official Washington about the news -- more than a whiff of reluctance, in fact, to lose Kim at the helm just now. This was true especially among intelligence officials, who wake up every day worried about what happens when states implode, and whether there will be a free-for-all for their weapons. "It is very difficult for me to imagine someone arriving at a North Korean facility with guns blazing and emerging with a nuclear weapon," said Matthew Bunn, who teaches at Harvard's Kennedy School of Government and is the author of an annual survey titled "Securing the Bomb." "And the military understands that there is a big chance of retaliation if they ever sold anything to a terrorist -- retaliation that would remove them and everyone they ever met from power." That is why the American bomb-watching community has a grudging fondness for Mr. Kim, the "pygmy dictator." The Americans' biggest fear about North Korea is a collapse of the state, in which a starving, broke nation simply implodes. That could send everyone on a mad scramble for the country's arsenal -- the Chinese, the South Koreans, the Russians, the Americans. "The bad news about North Korea," said Jonathan Pollack, a North Korea expert at the Naval War College, "is that we don't know much about their nuclear control system. Or even if they have much of one." The good news is that the arsenal is small. In recent negotiations with the United States, before Mr. Kim fell ill, the country said it possessed about 82 pounds of bomb-grade plutonium. If they are not lying (a significant "if") that's about enough to make six weapons. Some in the C.I.A. think the North Koreans could have 12 or more weapons. It's nothing to sneeze at, but compared to Pakistan's arsenal, it's a manageable number. (David E. Sanger, "We May Miss Kim Jong-il - and Maybe Musharaff," *New York Times*, September 13, 2008, p. IV-3)

9/15/08 Kim Jong-il's deteriorating health has rekindled talks for promoting joint South Korean and U.S. plans to deal with a sudden collapse of power North Korea. Allied forces currently have a conceptual action plan, codenamed CONPLAN 5029, for such a situation, but the American forces have long since proposed promoting them into a fully operational set of plans, called OPLAN 5029. The idea was halted in 2005 on the decision of former President Roh Moo-hyun. OPLAN 5029 has since been on the political backburner. But last week lawmakers from the Grand National Party and the Pro-Park Alliance voiced their desire to promote the conceptual plan to an operational plan. Defense Minister Lee Sang-hee said the state is making "appropriate preparations" to cope with a possible provocation from the North. According to security experts, the Lee Myung-bak administration has been planning the transition to OPLAN 5029 for some

time. "It's not a new issue for the Lee government. I believe (Lee) held closed-door discussions on the issue during previous summit talks between presidents Lee Myung-bak and George W. Bush," said one security expert who declined to be identified. He confirmed the latest predictions that the matter is likely to be taken up at the annual meeting of defense ministers to be held in Washington next month. But the expert stressed that the promotion to OPLAN 5029 has a tough road ahead, especially since the Combined Forces Command is set to be disassembled by April 17, 2012 when Seoul will regain wartime operational control from Washington. "The plan may require major alterations from the previous contingency scenario because of such structural military changes," he said. (Kim Ji-hyun, "S. Korea, U.S. Preparing for N.K. Emergency," *Korea Herald*, September 15, 2008)

9/16/08 North Korea has tested the engine mechanism for a long-range intercontinental missile that might be able to hit major cities on the West Coast of the United States, according to accounts in the South Korean press. A previously unknown missile launch site on the west coast of North Korea was identified last week by Jane's Defense Weekly, which cited commercial satellite images. The facility has a mobile launch pad and a ten-story tower that would support the North's largest ballistic missiles, Jane's reported. Appearing before a parliamentary committee in Seoul on the 11th, Defense Minister Lee Sang-hee said the launch site is about 80 percent complete. *Chosun Ilbo* reported that a U.S. reconnaissance satellite earlier this year detected a test at the launch site of a long-range missile -- presumably an updated version of the Taepodong-2 missile, which failed in a 2006 test firing. A 2006 U.N. Security Council resolution demands that North Korea "suspend all activities related to its ballistic missile program" and abandon its program in a "complete, verifiable and irreversible manner." (Blaine Harden, "Report: N. Korea Tests Missile Engine Mechanism," *Washington Post*, September 16, 2008, p. A-12)

9/17/08 Pyongyang proposed that Seoul meet representatives from the North on the 18th for their first direct talks since a June meeting in Beijing. "Major agenda items will include the scheduled fuel oil and other economic aid and other obligations for both sides to complete the second phase (of the North's three-step denuclearization process)," said the Foreign Ministry. (Jung Ha-won, "Pyongyang Asks Seoul for Meeting," *JoongAng Ilbo*, September 17, 2008)

Japan shot down a dummy ballistic missile using Patriot Advanced Capability-3 (PAC-3) interceptors in a joint ground-to-air test with the United States at White Sands, New Mexico, in a joint test, the Defense Ministry said. (Reuters, "Japan Shoots Down Dummy Missile in Test," September 18, 2008)

South Korean officials told foreign investors in recent days that they are prepared and capable of dealing with instability in North Korea, aiming to reassure important market participants after news that Kim Jong-il has been incapacitated. (Evan Ramstad, "South Korea Aims to Reassure Investors after News on Kim," *Wall Street Journal*, September 18, 2008, p. A-17) [Even preceding Kim's stroke, foreign capital has been fleeing to cover shortfalls elsewhere, down from 47 percent of KOSPI to high 20s.]

North Korean leader Kim Jong-il's first son has hinted at his father's health problems, saying nobody can resist the process of aging, Chinese political sources said Thursday. "It seems nobody can go against the passage of time," Kim was quoted by the sources as telling Beijing officials when asked about his father last week. "Thanks for your concerns," the 37-year-old son added. He did not elaborate further on his father's health, the sources said. The sources confirmed Kim's presence in Beijing and interpreted his comments as an indirect admission of his father's illness. "Kim told us that he will have to live between Beijing and Pyongyang for the time being," the Chinese sources were quoted as saying. "He looks to be worrying about the possibility that his father's health will worsen," they said. (Yonhap, "Kim Jong-il's First Son Signals Father's Illness," September 19, 2008)

9/19/08 DPRK FoMin spokesman: "The core of the October 3 agreement is for the five parties including the U.S. to make political and economic compensation in return for the DPRK's disablement of its nuclear facilities and presentation of the declaration on its nuclear program. It was the commitment the U.S. was obliged to completely fulfill at the second phase for the implementation of the September 19 joint statement according to this October 3 agreement to implement the measure for delisting the DPRK as a 'state sponsor of terrorism.' It is, therefore, an issue quite different from the verification of the nuclear declaration. The issue of setting up a verification and monitoring mechanism which was agreed upon at the talks of heads of the delegations to the six-party talks in **July was envisaged as a measure for verifying the fulfillment of the commitments by all six participating parties at the phase of realizing the denuclearization of the whole Korean Peninsula** according to the September 19 joint statement. This notwithstanding, the U.S. is foolishly trying to force the DPRK to dismantle its nuclear weapons unilaterally through pressure and deception while misleading the public opinion by creating impression that the process of the denuclearization was put into stalemate because the DPRK evaded the verification. The U.S. put on hold the effectuation of the measure for taking the DPRK off the list of 'state sponsors of terrorism,' its commitment, under the pretext of the verification of the nuclear declaration in line with the 'international standard,' though no agreement was made on it. This glaringly reveals its true intention to step up its hostile policy toward the DPRK in the end. The U.S. seeks to make a house-search of the DPRK, which is neither signatory to the NPT nor member of the IAEA, under the pretext of 'international standard.' This is no more than a pipedream. **Now that the U.S. true colors are brought to light, the DPRK neither wishes to be delisted as a 'state sponsor of terrorism' nor expects such a thing to happen. It will go its own way.**"(KCNA, "Foreign Ministry Spokesman Blasts U.S. for Putting on Hold Effectuation of Its Measure," September 19, 2008)

9/19/08 North Korea said Friday it is working to restart its atomic reactor and no longer wants US concessions after accusing Washington of breaking a nuclear disarmament pact. "We are making thorough preparations to restore (nuclear facilities)," said foreign ministry official Hyon Hak-Bong. "You may say we have already started work to restore them to their original status," he told reporters at the border truce village of Panmunjom before the start of talks between the two Koreas on energy aid. The foreign ministry in Pyongyang said later that work has been under way "since some time ago" to restore the plutonium-producing reactor in response to the US failure to drop the North from a terrorism blacklist. Hyon said the North had "perfectly and flawlessly" completed 90 percent of

disablement work including the extraction of 4,740 spent fuel rods. In return for disablement, negotiating partners promised the impoverished state one million tons of heavy fuel oil or equivalent energy aid. Nearly half has so far been delivered and Hwang Joon-Kook, chief of the South Korean delegation, said the rest would be sent. "We also want to make sure that the six-party process does not go backward," Hwang said in his own opening remarks. A senior South Korean foreign ministry official said Friday's talks reached no agreement and the two sides failed to set a date for the next meeting. "I think North Korea is still interested in the six-party process," the official told reporters on condition of anonymity. Hyon rejected the reports about Kim's health as malicious. "That's sophism by evil people wanting to break up unity between the two Koreas," he said. (AFP, "North Korea Preparing to Restart Nuclear Reactor: Official," September 19, 2008)

South Korea's foreign minister Yu Myung-hwan said North Korea's commitment to the denuclearization process remains uncertain, citing its ongoing move to restart a main nuclear reactor in Yongbyon. "It is unclear whether North Korea's measure is intended to return the situation to where it was prior to the disabling work, or whether it is another bargaining move," he told a luncheon meeting with foreign correspondents. (Lee Chidong, "S. Korean FM Questions Pyongyang's Commitment to Denuclearization," September 19, 2008)

9/21/08

In a telephone conversation, Presidents Bush and Hu "agreed that they would work hard to convince the North to continue down the path established in six-party talks toward denuclearization," said White House spokesman Gordon Johndroe. (Elaine Sciolino, "North Korea Moves Closer to Restarting Its Nuclear Program, Atomic Agency Says," *New York Times*, September 23, 2008, p. A-6)

South Korea and the United States agreed to make concerted efforts bring North Korea back to the six-party talks as soon as possible. They also agreed not to cut off their economic and energy aid to the North for the time being. Kim Sook, Seoul's chief nuclear negotiator, and Christopher Hill concurred on the points at their one-hour closed-door meeting in New York today. During the meeting, the envoys focused on ways to avoid deepening the current stalemate in the six-party talks aimed at denuclearizing North Korea. "At this time of meeting, we discussed how to prevent a further aggravation of the status in the six-party talks, and make (the North) return to the disablement process and complete the second phase of disablement. Also discussed was how to finalize the verification protocol with North Korea," Kim told reporters after the. The negotiators also agreed to reserve the option to suspend the planned aid to the North, apparently so as not to provoke the communist country. "For now, there is no clear plan on halting or postponing aid to North Korea. There was no concrete discussion on the issue." Kim said. However, Kim added the decision may change depending on how the situation will proceed. "Certainly, the economic and energy assistance for North Korea is part of a scheme based on an action-for-action principle," Kim said. Seoul sources said on Sunday the two countries would halt economic and energy aid to North Korea if the North accelerates the process of restoring its nuclear facilities. (Jin Dae-wong, "Korea, U.S. Try to Reinstate Nuke Talks," *Korea Herald*, September 22, 2008)

South Korea considering suspending its promised aid if Pyongyang accelerates the pace of restoring its key nuclear facilities, South Korea's Yonhap quoted sources as saying. South Korea had decided to postpone sending 1,500 metric tons of steel pipes to the North, which had been originally planned on the 18th. "Although the restoration is proceeding quite slowly at the moment, Seoul will have to make a countermove once the process picks up speed," an unnamed diplomatic source said. (Reuters, "South Korea Considers Suspending Aid to North: Yonhap," September 21, 2008)

9/22/08

Sung Kim met with the North Koreans in New York.

Mohamed ElBaradei told the 35-nation IAEA board that North Korea "asked the agency's inspectors to remove seals and surveillance equipment to enable them to carry out tests at the reprocessing plant, which they say will not involve nuclear material." (Elaine Sciolino, "North Korea Moves Closer to Restarting Its Nuclear Program, Atomic Agency Says," *New York Times*, September 23, 2008, p. A-6) IAEA: "As the Director General reported to the Board on Monday, the Democratic People's Republic of Korea, the DPRK, asked the IAEA to remove seals and surveillance from the reprocessing plant in Yongbyon. This work was completed today. There are no more IAEA seals and surveillance equipment in place at the reprocessing facility. The DPRK has also informed the IAEA inspectors that they plan to introduce nuclear material to the reprocessing plant in one week's time. They further stated that from here on the IAEA inspectors will have no further access to the reprocessing plant." (Statement to the Media by IAEA Press Spokesman Melissa Fleming, IAEA Press Release 2008/13, September 24, 2008)

Hill in New York, where Secretary of State Rice had separate meetings in New York with her Chinese and South Korean counterparts on the issue on the fringes of the U.N. General Assembly, said, "The six-party process has had its difficult moments in the past, and we are certainly having one now." Because it would take time to restart the reactor, he said, "we have time -- time ahead to continue to work this issue. We don't expect any dramatic developments in a matter of days. . . . But clearly it's a difficult moment . . . and it's a time where we really are going to have to work very closely with our other partners (Karen DeYoung, "Unease Grows As N. Korea Asks to Remove Seals from Reactor," *Washington Post*, September 23, 2008, p. A16)

Former FM Aso Taro scored a landslide victory in the LDP's presidential election Monday to succeed unpopular PM Fukuda, reflecting hope in the ruling party that his strong name recognition will bring victory in a House of Representatives election widely expected to be called soon. Vowing to defeat the main opposition DPJ, which is seen as having its best chance ever of taking power, Aso, a 68-year-old outspoken hawk and an advocate of increasing public spending, said after defeating his four rivals that his major mission is to eliminate concerns over the nation's flagging economy and people's lives. Aso will be chosen as Japan's new PM in parliament on the 24th. A new Cabinet is expected to be launched the same day. Of the total of 527 votes -- 386 by LDP lawmakers and 141 by prefectural chapter representatives -- Aso, who was making his fourth bid for the LDP presidency, took an overwhelming 351, including 134 from the local chapters. Economic and Fiscal Policy Minister Kaoru Yosano, 70, was second,

taking 66 votes, while former Defense Minister Yuriko Koike, 56, the first-ever female candidate in an LDP leadership race, took 46. Former LDP policy chief Nobuteru Ishihara, 51, gained 37 and former Defense Minister Shigeru Ishiba, 51, got 25 votes. The remaining two votes were invalid. (Kyodo, "Ex-Foreign Minister Aso Elected LDP Chief, to Be Japan's New Leader," September 22, 2008)

9/23/08

North Korea has barred international inspectors from a nuclear reprocessing plant that produces weapons-grade material and intends to restart activity there in a week, the International Atomic Energy Agency said. (Elaine Sciolino, "North Korea Bars International Inspectors from Nuclear Facility," *International Herald Tribune*, September 24, 2008) IAEA: "There are no more IAEA seals and surveillance equipment in place at the reprocessing facility. The DPRK has also informed the IAEA inspectors that they plan to introduce nuclear material to the reprocessing plant in one week's time. They further stated that from here on the IAEA inspectors will have no further access to the reprocessing plant." [They can remain at Yongbyon.] (IAEA, Press Release 2008/13, "IAEA Removes Seals from Plant in Yongbyon," September 24, 2008)

WikiLeaks cable: Tuesday, 23 September 2008, 08:59

S E C R E T RANGOON 000749

SIPDIS

FOR STATE ISN/CTR AND PM/ISO/PMAT (24/7)

DEPT PLEASE PASS TO DEPT OF ENERGY

**EO 12958** DECL: 09/23/2018

**TAGS** KNNP, MNUC, PARM, KCRM, PTER, ASEC, KCOR, BM

**SUBJECT: BURMESE CIVILIAN OFFERS TO SELL PURPORTED URANIUM**

238 TO U.S. EMBASSY RANGOON, [BURMA](#)

REF: A. 2007 STATE 162091 B. USDAO RANGOON IIR 6 812 0131 08

Classified By: CDA Larry Dinger for Reasons 1.4 (b and d)

**Summary** Burmese civilian provides US embassy in Rangoon with a half-bottle alleged to contain radioactive material, and says he has access to large quantities. Cable highlights dangers of nuclear proliferation. Key passage highlighted in yellow.

1. (S//REL to USA, ACGU) Per Ref A, Post is alerting the Department and Washington agencies that on XXXXXXXXXXXX after USDAO Rangoon received guidance from DIA, a Burmese civilian met with members of USDAO Rangoon and offered to sell Uranium-238. The individual had initially contacted the USDAO eight days prior with the offer. The individual provided a small bottle half-filled with metallic powder and a photocopied certificate of testing from a Chinese university dated 1992 as verification of the radioactive nature of the powder. *During XXXXXXXXXXXX interview, the individual claimed to be able to provide up to 2000 kg of uranium-bearing rock from a location in Kayah State XXXXXXXXXXXX, and further stated if the U.S. was not interested in purchasing the uranium, he and his associates would try to sell it to other countries, beginning with Thailand.* See Ref B for further information.

2. (S//REL TO USA, ACGU) Details of the incident follow, keyed to questions in Ref A:

A) (S//REL to USA, ACGU) Current location of the material: Sample bottle is in transit via classified Diplomatic Pouch to Aberdeen Proving Grounds via DIA.

B) (S//REL to USA, ACGU) Transportation status of material: sample bottle in transit through diplomatic courier service. The sample was wrapped in several layers and placed inside multiple containers, including glass, lead, and wooden boxes/crates. Following instructions from DIA headquarters, USDAO has sent the package via Diplomatic Pouch to Aberdeen Proving Grounds, through DIA, 3100 Clarendon, Arlington, VA. The box is marked "Secret." Dimensions are 16 X 16 X 8 inches. Embassy Rangoon assesses that the host nation is currently unaware of USDAO receipt and shipment of the material. However, the possibility cannot be dismissed that rather than a sale for profit, the seller is attempting to assist in executing a government entrapment scheme.

C) (S//REL to USA, ACGU) As noted, Post assesses that the Burmese government is currently unaware of USDAO receipt and shipment of the sample. Burmese authorities would likely seize any additional samples or stocks of the material if aware of their existence.

D) (S//REL to USA, ACGU) Sample is in transit by commercial air via Diplomatic Pouch.

E) (S//REL to USA, ACGU) Intended destination of material: The subject indicated his first choice for a possible buyer of the alleged uranium is the United States, via the Embassy in Rangoon. Other stated options include the Thai and Chinese Embassies. His intent appears to be to sell the material in Rangoon. Subject made no mention of intent to move material across borders.

F) Unknown.

G - J) (S//NF) Subject identified himself as XXXXXXXXXXXXX .

(S//REL TO USA, ACGU) The subject brought with him a small bottle weighing 1.8 ounces and measuring 70 mm long by 26 mm in diameter, which was half-filled with a grey metallic powder. He claimed the material in question was Uranium-238 in powder form. The subject claims to represent a small group that wants to sell uranium to the U.S. Embassy. According to the subject, he has 50 kilograms of uranium-containing rock or ore at an undisclosed location in Rangoon, which is stored in a barrel that prevents the radioactivity from being toxic XXXXXXXXXXXXX . He estimates there are at least 2000 more kilograms that could be dug up from the site in Kayah State. The uranium was only recently brought to Rangoon (subject would not give a specific time frame). The subject claimed the uranium was discovered in Kayah state in 1992. XXXXXXXXXXXXX (S//REL TO USA, ACGU) The subject claimed XXXXXXXXXXXXX know about the uranium. XXXXXXXXXXXXX

K) N/A.

L) N/A.

M) (S//REL TO USA, ACGU) Interview occurred in a consular interview room (used for walk-ins) at the U.S. Embassy Rangoon.

N) Additional details: Ref B contains all other available information related to this incident.

### 3. (SBU) XXXXXXXXXXXXXXX DINGER

Kathleen Stephens, the new U.S. ambassador to South Korea, arrived. "I am very excited coming here as the ambassador, 33 years after I served as a Peace Corps volunteer in the country," she said in fluent Korean during a press conference at Incheon International Airport yesterday. Stephens taught English at a local middle school in rural South Chungcheong Province for three years beginning in 1975 as a Peace Corps volunteer. She later came back to the country in the 1980s as a junior diplomat, serving in the U.S. embassy and consulate offices in Seoul and Busan and married a Korean, with whom she had a son. The two have since divorced. (Jung Ha-won, "U.S. Envoy Tells of Ties to Korea on Arrival," *JoongAng Ilbo*, September 24, 2008)

A U.S. intelligence agency believes Jang Song-taek, brother-in-law of North Korean leader Kim Jong-il, will likely take the most important role in running the country if the ailing leader either becomes physically disabled or dies. The agency made the suggestions in a report recently delivered to the South Korean presidential office, intelligence agency and other security-related offices, the *Dong-A Ilbo* said, citing sources in Washington and Seoul. (Yonhap, "Kim's Brother-in-Law Likely to Take N.K. Helm: U.S. Intelligence Agency," September 24, 2008)

Obama written responses to *Arms Control Today*: **ACT:** As China increases its military spending and modernizes its nuclear forces, what role, if any, should arms control play in preventing a regional arms competition or crisis and improving relations between the United States and China? **Obama:** China appears to be developing a credible retaliatory capability as part of its evolving nuclear deterrent. As president, I will ensure that the United States continues to maintain our own military capabilities so that there can be no doubt about the strength and credibility of our security commitments in the Asia-Pacific region. I support the continuation of military-to-military exchanges with China, including efforts by the Bush administration to sustain a dialogue on strategic nuclear issues and resume laboratory-to-laboratory exchanges that were terminated in the 1990s. I will urge China to increase transparency of its nuclear weapons policies and programs – indeed, of its military and defense policies more generally. We are not enemies. I will engage the Chinese leadership in discussions that convey how greater openness in military spending and nuclear force modernization is consistent with China's and the United States' national interests and more likely to lead to greater trust and understanding.. **ACT:** How would you build on U.S. efforts through the six-party process to denuclearize North Korea and prevent it from proliferating nuclear weapons-related technology and missiles? **Obama:** As president, I will work from the very beginning of my term in office to reduce nuclear dangers in Northeast Asia. I will continue to pursue the kind of direct and aggressive diplomacy with North Korea that can yield results, while not ceding our leverage in negotiations unless it is clear that

North Korea is living up to its obligations. North Korea will be offered a stark choice: if it verifiably eliminates its nuclear weapons programs and does not engage in any proliferation activities whatsoever, it will receive meaningful economic, political, and security benefits. If North Korea refuses, it will face a bleak future of political and economic isolation. The objective must be clear: the complete and verifiable elimination of North Korea's nuclear weapons programs, which only expanded while we refused to talk. Pyongyang's recent nuclear declaration was a step forward, but there will be many more steps to take in the days ahead. I will aggressively follow up to ensure a complete, accurate, and verifiable accounting of North Korea's past plutonium production; confirm its prior uranium-enrichment activities; and get answers to disturbing questions about its proliferation activities with other countries, including Syria. As my administration moves forward, I will also work with our friends and allies in the region to assure that the six-party process addresses all issues on the agenda, including that of abductees. (*Arms Control Today*, "Arms Control and the 2008 Election," September 24, 2008)

9/25/05

Hill has brief meeting with President Bush, who was noncommittal about Hill negotiating efforts instead of offering words of encouragement. Hill considers quitting. (Chinoy, *Meltdown*, p. 262) Rice: "Chris Hill and his North Korean counterpart, Kim Gye Gwan, worked on the declaration for months. I knew that everyone in the government was nervous about what was transpiring. Steve Hadley scheduled interagency meetings for Chris to apprise his colleagues about the course of diplomacy. Unfortunately, Chris often acted as if they were an intrusion into the considerable flexibility that I'd won for him with the President. By all accounts, he answered questions somewhat petulantly, only reinforcing concerns in the Pentagon, the Vice President's office, and even the National Security Council staff. There was a tendency, too, in the Washington press corps to attribute every breakthrough exclusively to Chris's negotiating skill, which would only reinforce the misguided notion that State was somehow winning a bureaucratic battle against other agencies that opposed the course we were on. A few too many stories appeared throughout the spring, and it was a problem for me and for Chris. We agreed after a while that he wouldn't talk to the press about the negotiations. I'd take any questions so that I could deflect criticism of him from the right, on Capitol Hill, and within the administration. Chris also stepped back from the day-to-day negotiations with the North, handing that responsibility to ... Sung Kim, with Paul Haenle representing the NSC." (Rice, *No Higher Honor*, p. 706)

9/25/08

North Korea's is on the verge of restarting a nuclear weapons program whose shutdown had been portrayed by the White House as a significant diplomatic achievement. Senior Bush administration officials said Wednesday that they believed that North Korea was engaging in transparent brinkmanship to extract concessions as the United States sought to cement the country's commitment to give up its nuclear weapons with a strict and intrusive verification system. "They don't have a lot of ways to get leverage, and this is one of them," one Bush administration official who was involved in the negotiations said of North Korea's move. North Korea's actions are likely to provide fodder to conservative critics of the administration, who say that North Korea has no intention of giving up its nuclear program and that it is blackmailing the United States and its negotiating partners to subsidize North Korea's failing economy. But its elaborately choreographed violation of the agreement in publicly announced steps over the past

few weeks could also be part of a tough negotiating stance that North Korea feels is necessary to obtain the security guarantees and financial aid the country was promised as part of the nuclear accord. "It is, I think, more serious than just brinkmanship on the part of the North Koreans," said Charles L. Pritchard, a former ambassador and special envoy for talks with North Korea who is now president of the Korean Economic Institute in Washington. "They're trying to recoup what they've given away for nothing, from their point of view." American and European officials, trying to assess the seriousness of the North Korean intentions, noted that so far, experts who have been overseeing the dismantling of North Korea's nuclear program, including some Americans, had not yet been expelled from the country. "We don't see the tensions on the ground," the senior administration official said. "Everyone knows what the path ahead is," Secretary of State Rice said. "The path ahead is for there to be agreement on a verification protocol so that we can continue along the path of the denuclearization of the Korean Peninsula." She did not elaborate on what additional steps the administration would take. Mr. Bush has been criticized by some conservatives who say that the initial accord was not vigorous enough in verifying the North's nuclear activities, including what officials say is a separate and still secret uranium program and evidence of the transfer of nuclear technology to other countries, specifically Syria. "We're still not convinced they have given us a true picture of what they may or may not have done," the senior administration official said yesterday, underscoring, he said, the need for a vigorous protocol for future inspections. The official involved in the negotiations said that the United States had presented a draft of its verification proposals to the North Koreans in August and that **it included "the max."** The official said, **"We put the most we could on paper, anticipating they would bargain."** Derek J. Mitchell, a former Defense Department official now at the CSIS, said that the American insistence on extracting a verification system was justified and probably difficult for Mr. Bush and his most hawkish aides to accept otherwise. "I'm not sure any action can be taken, or is politically viable, without a demonstration of North Korean good faith," he said. At the same time, though, Mitchell noted that the United States had so far not conceded much, undercutting the process. While Bush gave Congress 45 days notice that he intended to remove North Korea from a list of terrorist sponsors, he did not take that step before that window closed on Aug. 11. He lifted sanctions under the Trading with the Enemy Act but **imposed new ones under a little publicized emergency declaration he issued the same day** in June. **"We haven't given up much yet," Mitchell said, adding that he, like others, assumed that there was little chance for an agreement during the final months of this administration. "Meanwhile, they have frozen their program. It is step by step, action for action. We can't cut corners."** (Steen Lee Myers and Elaine Sciolino, "North Koreans Bar inspectors at Nuclear Site," *New York Times*, September 25, 2008, p. A-1)

PM Aso named cabinet. Aso decided to retain five cabinet members from the administration of former Prime Minister Yasuo Fukuda--Health, Labor and Welfare Minister Masuzoe Yoichi; Economy, Trade and Industry Minister Nikai Toshihiro; Environment Minister Saito Tetsuo; Yosano Kaoru, who placed second in the party presidential election on Monday, as state minister in charge of economic and fiscal policy; and Noda Seiko, state minister in charge of consumer affairs. Former Defense Minister Ishiba Shigeru, who also vied for the LDP presidency, was named agriculture,

forestry and fisheries minister. He named Nakasone Hirofumi foreign minister and former Defense Agency Parliamentary Vice Minister Yasukazu Hamada, an independent LDP member, was named defense minister, his first cabinet appointment. (Yomiuri Shimbun, "Aso Elected Premier; Announces Cabinet Lineup Himself; Poll Likely on November 2," September 25, 2008)

The approval rate for Prime Minister Aso Taro's just-inaugurated Cabinet stood at 48.6 percent Thursday, according to the latest Kyodo poll, lower than the 57.8 percent for his predecessor Yasuo Fukuda's Cabinet just after its launch last September. Aso, president of the ruling LDP, easily outscored Ozawa Ichiro, DPJ president, in terms of suitability as prime minister, by 53.9 percent to 29.4 percent. The nationwide telephone poll, conducted over the past two days, showed the disapproval rate for the Aso Cabinet stood at 32.9 percent. Asked which political party they would vote for if an election is called for the House of Representatives, respondents were equally split between the LDP and the DPJ with the former receiving 34.9 percent and the latter receiving 34.8 percent. (Kyodo, "Approval Rate for Aso's Cabinet Stands at 48.6%: Kyodo Poll," September 25, 2008)

FM Yu Myung-hwan told reporters in Washington, "The current situation can be regarded as North Korea's brinkmanship strategy to gain the upper hand in last-minute talks (with the Bush administration)." He added, however, that North Korea may also be trying show to the world that it is in fact implementing the previous announcement threatening to restore the Yongbyon facilities, including its reprocessing plant. (Lee Chidong, "Nuclear Deal in Tatters, Pyongyang's Intention Still Unclear," Yonhap, September 26, 2008)

9/26/08

The United States pressed ahead with a verification proposal despite warnings from China, Russia and other countries that it was asking too much of the xenophobic North Koreans, officials said. North Korea balked and the once-promising talks were at an impasse. Under the four-page proposal, heavily influenced by the State Department's arms control experts, the U.S. requested "full access to all materials" at sites that might have had a nuclear purpose in the past. It sought "full access to any site, facility or location" deemed relevant to the nuclear program, including military facilities, according to the four-page document. U.S. verification experts were not even closely consulted when the six nations involved in the talks concluded a vague agreement on how verification might proceed. But they were given the lead role in drafting the U.S. document presented to North Korea in July. An official involved in drafting the U.S. verification proposal said North Korea submitted a counterproposal in which it agreed to a number of U.S. demands but objected to two key elements -- visits to undeclared facilities and the taking of samples. "Those are basic principles of verification," the official said. "I don't know what we could have done except say to the North Koreans, 'I believe you.' You can't just kick this can down the street." David Albright, president of the Institute for Science and International Security, who visited North Korea this year, said Pyongyang made it clear it did not want the IAEA involved. North Korean officials also did not want visits to their military sites and were distressed to learn how U.S. scientists were able to pick up minute nuclear particles from samples of tubes and documents previously provided to U.S. officials. Albright, who reviewed the U.S.

proposal for *The Post*, said it would be "completely unacceptable to any country's sovereignty" and amounted to "a verification wish list" and "a license to spy on any military site they have." He said Iraq agreed to such provisions in the 1990s only after it was bombed. (Glenn Kessler, "Far-Reaching U.S. Plan Impaired N. Korea Deal, *Washington Post*, September 26, 2008, p. A-20)

9/27/08

First presidential debate: **OBAMA:** Nobody talked about attacking Pakistan. Here's what I said. And if John wants to disagree with this, he can let me know, that, if the United States has Al Qaida, bin Laden, top-level lieutenants in our sights, and Pakistan is unable or unwilling to act, then we should take them out. Now, I think that's the right strategy; I think that's the right policy. And, John, I -- you're absolutely right that presidents have to be prudent in what they say. But, you know, coming from you, who, you know, in the past has threatened extinction for North Korea and, you know, sung songs about bombing Iran, I don't know, you know, how credible that is. I think this is the right strategy. ... **OBAMA:** But we are also going to have to, I believe, engage in tough direct diplomacy with Iran and this is a major difference I have with Senator McCain, this notion by not talking to people we are punishing them has not worked. It has not worked in Iran, it has not worked in North Korea. In each instance, our efforts of isolation have actually accelerated their efforts to get nuclear weapons. That will change when I'm president of the United States. **LEHRER:** Senator, what about talking?

**MCCAIN:** Senator Obama twice said in debates he would sit down with Ahmadinejad, Chavez and Raul Castro without precondition. Without precondition. Here is Ahmadinejad (ph), Ahmadinejad, who is, Ahmadinejad, who is now in New York, talking about the extermination of the State of Israel, of wiping Israel off the map, and we're going to sit down, without precondition, across the table, to legitimize and give a propaganda platform to a person that is espousing the extermination of the state of Israel, and therefore then giving them more credence in the world arena and therefore saying, they've probably been doing the right thing, because you will sit down across the table from them and that will legitimize their illegal behavior. The point is that throughout history, whether it be Ronald Reagan, who wouldn't sit down with Brezhnev, Andropov or Chernenko until Gorbachev was ready with glasnost and perestroika. Or whether it be Nixon's trip to China, which was preceded by Henry Kissinger, many times before he went. Look, I'll sit down with anybody, but there's got to be pre-conditions. Those pre-conditions would apply that we wouldn't legitimize with a face to face meeting, a person like Ahmadinejad. Now, Senator Obama said, without preconditions.

**OBAMA:** So let's talk about this. First of all, Ahmadinejad is not the most powerful person in Iran. So he may not be the right person to talk to. But I reserve the right, as president of the United States to meet with anybody at a time and place of my choosing if I think it's going to keep America safe. And I'm glad that Senator McCain brought up the history, the bipartisan history of us engaging in direct diplomacy. **OBAMA:** Senator McCain mentioned Henry Kissinger, who's one of his advisers, who, along with five recent secretaries of state, just said that we should meet with Iran -- guess what -- without precondition. This is one of your own advisers. Now, understand what this means "without preconditions." It doesn't mean that you invite them over for tea one day. What it means is that we don't do what we've been doing, which is to say, "Until you agree to do exactly what we say, we won't have direct contacts with you." There's a difference between preconditions and preparation. Of course we've got to do

preparations, starting with low-level diplomatic talks, and it may not work, because Iran is a rogue regime. But I will point out that I was called naive when I suggested that we need to look at exploring contacts with Iran. And you know what? President Bush recently sent a senior ambassador, Bill Burns, to participate in talks with the Europeans around the issue of nuclear weapons. Again, it may not work, but if it doesn't work, then we have strengthened our ability to form alliances to impose the tough sanctions that Senator McCain just mentioned. And when we haven't done it, as in North Korea -- let me just take one more example -- in North Korea, we cut off talks. They're a member of the axis of evil. We can't deal with them. And you know what happened? They went -- they quadrupled their nuclear capacity. They tested a nuke. They tested missiles. They pulled out of the nonproliferation agreement. And they sent nuclear secrets, potentially, to countries like Syria. When we re-engaged -- because, again, the Bush administration reversed course on this -- then we have at least made some progress, although right now, because of the problems in North Korea, we are seeing it on shaky ground. And -- and I just -- so I just have to make this general point that the Bush administration, some of Senator McCain's own advisers all think this is important, and Senator McCain appears resistant. He even said the other day that he would not meet potentially with the prime minister of Spain, because he -- you know, he wasn't sure whether they were aligned with us. I mean, Spain? Spain is a NATO ally. ... **MCCAIN:** He said that there could be secretary-level and lower level meetings. I've always encouraged them. The Iranians have met with Ambassador Crocker in Baghdad. What Senator Obama doesn't seem to understand that if without precondition you sit down across the table from someone who has called Israel a "stinking corpse," and wants to destroy that country and wipe it off the map, you legitimize those comments. This is dangerous. It isn't just naive; it's dangerous. And so we just have a fundamental difference of opinion. As far as North Korea is concerned, our secretary of state, Madeleine Albright, went to North Korea. By the way, North Korea, most repressive and brutal regime probably on Earth. The average South Korean is three inches taller than the average North Korean, a huge gulag. We don't know what the status of the dear leader's health is today, but we know this, that the North Koreans have broken every agreement that they've entered into. And we ought to go back to a little bit of Ronald Reagan's "trust, but verify," and certainly not sit down across the table from -- without precondition, as Senator Obama said he did twice, I mean, it's just dangerous. CQ Text)

South Korea withheld a response Saturday to North Korea's dialogue offer, as it weighed the surprise proposal to hold the first official contact between the sides since Seoul's new conservative government took office in February. The North's offer of military talks appeared to have caught the South off guard, coming as the frayed ties between the two sides showed no sign of improving. The Seoul government disclosed the offer a day after it arrived, a possible indication that it was scrambling to study the North's intentions. "We're still having an internal review," a Defense Ministry official said. "It's unlikely to reach a conclusion until early next week." Local media reported that the South is likely to agree to the talks, but is considering offering a new date for the meeting, possibly Oct. 2 or Oct. 3, instead of the North-proposed Sept. 30. (Jae-soon Chang, "South Korea Weighs North Korea's Dialogue Offer," Associated Press, September 27, 2008)

9/28/08

Kristof: "Judging from McCain's own positions, he might well revive a cold war with Russia and could start a hot war with Iran or North Korea. In those three hot spots, McCain could constitute a dangerous gamble for this country ... North Korea is one of the Bush administration's greatest failures, and McCain seems intent on making it worse. For eight full years, the Clinton administration kept North Korea from obtaining plutonium to make a single nuclear weapon; on Mr. Bush's watch, North Korea has obtained enough for a half dozen weapons and has conducted a nuclear test. Even President Bush recognized the failure of his first term's hard-line policy and abandoned it, instead pursuing negotiations and diplomatic solutions with North Korea. McCain fumes that this is accommodation and seems to prefer the first-term fist-waving that was emotionally satisfying but failed catastrophically. A McCain administration would thus apparently mean no more diplomatic track with North Korea. The upshot would be North Korea's restarting its nuclear weapon assembly line. In similar circumstances in 1994, McCain raised the prospect of military strikes on North Korea and suggested that war might be inevitable (instead, President Clinton stopped plutonium production with a negotiated deal)." (Nicholas D. Kristof, "Impulsive, Impetuous, Impatient," *New York Times*, September 28, 2008, p. E-12)

9/29/08

At a ROK-Russia summit in Moscow, Presidents Lee Myung-bak and Dmitry Medvedev agreed to the first tangible and unprecedented three-nation project, sending Russian natural gas from Vladivostok through a pipeline to South Korea via North Korea starting in 2015. Under the contract signed between Korea Gas Corp. and Russia's Gazprom, Russia is to send at least 7.5 million tons of natural gas annually for 30 years, an estimated 20 percent of South Korea's annual natural gas consumption. "Korea Gas Corp. and Gazprom will soon start a joint study on the construction of a Russian-South Korean natural gas pipeline that passes across North Korea," said Lee's office in a press statement. "South Korea and Russia will also seek various other tripartite economic cooperation projects involving North Korea through the gas pipeline project, providing fresh momentum for inter-Korean economic cooperation." South Korea and Russia issued a 10-point joint statement calling for promoting strategic partnership across the board, including politics, diplomacy, security, defense, energy and economy. Both sides also agreed to regularly hold vice minister-level strategic talks to boost exchanges in military and defense fields. With the agreement, South Korea-Russia ties will be on par with Seoul's relations with China. (Yoo Cheong-mo, "S. Korea Russia Agree on Gas Pipeline Project Involving N. Korea," *Yonhap*, September 29, 2008) Vice Energy Minister Lee Jae-hoon said, "Under the deal signed by Korea Gas Corp. and Gazprom, 10 billion cubic meters of natural gas will be imported every year for 30 years." He said this translates into about \$90 billion in gas imports during the cited period, with about \$9 billion being used to build and operate joint petrochemical and liquefied natural gas (LNG) plants in Russia's Far East, the products of which can be marketed abroad. Besides this plan, the vice minister said that South Korea will start importing 1.5 million tons of LNG directly from the Sakhalin-2 well on the northern sector of the island starting in 2009. "The Sakhalin-2 well import arrangement is being pursued independent of this proposed deal," he said. The exact price of the gas to be imported will be decided in 2010 after feasibility studies have been conducted, but PNG currently provided by Russia to Europe costs an average \$410 per ton, compared to the \$499 paid by South Korea for the same quantity of LNG imported from Qatar, Oman,

Malaysia and Indonesia. "Russia will be tasked with building the pipelines and negotiating with North Korea," the policymaker said, adding that **Pyongyang will likely agree to the win-win proposal since it stands to earn \$100 million per year from the project.** (Lee Joon-seung, "S. Korea to Import 7.5 Million Tons of Natural Gas from Russia," Yonhap, September 29, 2008)

Robert Wood, DoS deputy spokesman Q: You know, the North Koreans are known to be sticklers on written agreements. **I don't believe that any of the agreements -- any of the written agreements - flowing from the September 2005 agreement actually explicitly addresses verification or explicitly requires the North to submit a verification package. I think that the key document referred to their making a complete and correct declaration, but I don't think it said anything of their nuclear programs - but I don't think it said anything about submitting a verification package.** And the Singapore agreement - again, an agreement on verification principles - is different from a specific agreement to, sort of, produce a package or to accept the package that the United States has proposed. So from the North Koreans point of view, they may feel that they gave you a declaration. They may regard it as complete and correct, and they may not feel obliged to accept your definition of a verification regime. WOOD: Well, **all I can say is that the North knows exactly what it has to do. The verification package - they're quite aware that we need to have that in place, a verifiable one, so that we can move forward on other aspects of denuclearization.** I can't tell you why the North is saying what it's saying, but let me just again reiterate the fact that this is not new. The North Koreans know exactly what's required of them. **And you know, the idea that they couldn't possibly - or a verification package is not something that they believe that they needed to submit.** That's just not the case. All the other members agree that we need to be able to verify the declaration that the North submitted. And in order to do that we need a verification package. (DoS Daily Briefing, September 29, 2008)

10/1-3/08 Hill holds "substantive" talks in Pyongyang. Hill drove from Seoul to the heavily armed border, a U.S. official said. He arrived by car in Pyongyang in the afternoon, the North's KCNA news agency said. A senior U.S. official has described Hill's visit as a "last-ditch effort to get things on track." Yonhap cited a South Korean government source familiar with the talks as saying: "The U.S. has come up with a revised draft verification protocol. Hill will try to reach a compromise on it." Minor activity has been spotted at the site of the North's 2006 nuclear test, on the east coast and away from Yongbyon, indicating it may be working to restore the test site, Yonhap quoted another government source that smoke was seen rising from the site, probably from workers burning clothing and equipment, the source was quoted as saying, but there was no indication that heavy equipment was being moved. The South's spy agency could not confirm the report. (Jon Herskovitz, "U.S. Envoy Looks to Save Nuclear Deal in Pyongyang," Reuters, October 1, 2008) "The U.S. has come up with a revised draft verification protocol," a diplomatic source privy to the issue said. "Hill will try to reach a compromise on it." The North Koreans "invited Chris Hill to come, so we hope that there is some effort to address the verification protocol, because that's what we need," said Secretary of State Rice. (Lee Chi-dong, "Hill Visits Pyongyang in Showdown on Nuclear Talks," Yonhap,

October 1, 2008) Hill met with Lt. Gen. Lee Chan Bok, chief of North Korea's delegation at the border truce village of Panmunjom. One line of speculation posits that the two might have discussed the issue of changing the Korean Armistice Agreement into a permanent peace regime. Hill would not elaborate on what they discussed, only saying they exchanged views on a wide range of subjects. "North Korea's military is critical of the government's initiative to promote nuclear talks with the United States," a South Korean government source said, while commenting on the Hill-Lee talks. "So, Mr. Hill was told of the hard-line views of the North Korean military." (*Yomiuri Shimbun*, "Internal Hardship Seen Driving Pyongyang's Policy, October 24, 2008) In what some analysts see as major behind-the-scenes concessions in October 1-3 talks, Washington agreed to have the issues of verifying North Korea's suspected uranium-enrichment program and nuclear proliferation referred to in an appendix to the main document, separate from the plutonium program, informed sources said on November 1. The appendix is less binding than the main document. The sources noted that both verification of the North's uranium-enrichment program and the nuclear proliferation problem had been dealt with separately from Pyongyang's plutonium program referred to in the main document. The enriched uranium and proliferation verification issues have instead been incorporated into the document's appendix, the sources said. (*Yomiuri Shimbun*, "U.S. 'Gave Ground' to North Korea, November 2, 2008) Vice FM Kim Gye-gwan's opening statement to Hill was blunt. "Mutual cooperation has collapsed," he said. The deal they had previously reached was "over." The die, he said, "has been cast." Pyongyang had been testing U.S. intentions, watching whether it followed through on removing the North from the terrorism list. Because it had backed away, it was clear Washington was not serious and the only thing left for the North was to "strengthen our deterrent." (Oberdorfer and Carlin, *The Two Koreas*, pp. 430-31)

DoS briefing: "MCCORMACK: No. No. There's no - and **I saw this in a story that he was bringing, quote, "new proposals." And inasmuch as that refers to any change in the substance, that would be incorrect. He, of course would talk about how the process can move forward, any of the sort of choreography of that process, but there was no - he wasn't bringing with him any new substance in terms of proposals.** Q: What do you mean by choreography? Do you mean, like, sequencing, for example, things like that? MCCORMACK: Those sorts of things. I don't want to get in too deeply into it, but, in essence, yes. In essence, yes. ... **we have in this process used the Chinese, who are chair of the Six-Party Talks, as a way of, in the past, serving as a repository for documents and information. But so - I don't want to get into it any more deeply than that. But the Chinese have - after they've served as a repository or an escrow account, if you will, for information and declarations, that has been shared with all the other members of the Six-Party Talks. So I guess the best way to put it is, Chris really isn't plowing any new ground here, either in terms of substance or in terms of choreography.** Q: What do you mean by choreography? ... Do you mean the timing of everything? MCCORMACK: In terms of who hands what to what person when." (DoS Daily Briefing, October 1, 2008)

North Korea has recently been increasing activities near a nuclear test site on its northeastern tip in an apparent move to repair the site, a South Korean military source said yesterday. The source said they may be in line with the North's recent move to

renege on a six-nation disarmament deal. "Recently, we have spotted smoke at several places near the nuclear test site in Punggyeri, North Hamgyeong Province. We are closely paying attention to the moves to find out whether the North is intending to restore the site," the source said. The site is where the communist regime detonated its nuclear device on Oct. 9, 2006. Intelligence authorities suspect the smoke comes from burning of clothes and equipment used for the restoration work, according to the source. (Jin Dae-woong, "N. Korea Repairing Nuclear Reactor," *Korea Herald*, October 1, 2008)

10/?/08 Control rod drive mechanism cannot be removed until all fuels rods are removed. At this point, 4,740 of the 8,000 have been removed. Steps taken to prevent loading of spent fuel into the reprocessing plant could be re-enabled in about "a month or so," Siegfried Hecker said. The United States was to bend the fresh fuel rods but North Korea has not yet agreed. It has less than a quarter of a full load of fresh fuel for the 5 MWe reactor. (Peter Crail, "North Korea Moves to Restart Key Nuclear Plant," *Arms Control Today*, October 2008, pp. 29-31)

10/2/08 The United States would provisionally remove North Korea from its list of terrorism-sponsoring nations under a proposal that emerged during talks between the countries in Pyongyang over the secretive state's nuclear program declarations, U.S. government sources said. The proposal envisions a two-step verification package that differentiates between nuclear-related activities and facilities declared by North Korea in June and those yet undeclared, the sources said. Under the proposal being discussed, North Korea would submit a verification plan to China--host of the six-way talks between Japan, China, North and South Korea, Russia and the United States. The plan would be limited to North Korean nuclear activities and facilities, such as Yongbyon, already reported to Beijing in June. In turn, the United States would provisionally remove North Korea from its blacklist. Following that, Pyongyang would state its intention to cooperate with the comprehensive verification of its nuclear weapons programs and other undeclared atomic facilities and programs by IAEA inspectors, in line with U.S. demands, according to the sources. (Ogawa Satoshi, "U.S. Compromise Could Delist DPRK," *Yomiuri Shimbun*, October 4, 2008)

N-S military working-level talks, the first inter-Korean talks since President Lee's inauguration at the Peace House, located on the southern side of the Military Demarcation Line in the truce village of Panmunjom, ended fruitlessly. The North criticized the dissemination in North Korea of leaflets critical of the North by civilian groups in the South. The North had gone into detail at the talks in describing examples of the leaflets critical of the North by South Korean civilian groups, and strongly demanded apologies, punishment of those responsible, and a promise to prevent future occurrences. According to the Ministry of Defense, the North indicated that, in the event of continued acts of flier distribution, there would be severe negative repercussions affecting the industrial complex and tourism at Kaesong, transit of South Korean personnel through the Military Demarcation Line could not be realized properly, and it could become impossible for South Korean personnel to be housed within the Kaesong and Mount Kumgang regions. In response, the South affirmed that its military authorities are faithfully abiding by the June 2004 agreement to discontinue

propaganda activities at the Military Demarcation Line and said it is inappropriate for the North to link the distribution of leaflets by civilian groups with the industrial complex at Kaesong and tourism in Kaesong and at Mount Kumgang. Colonel Lee Sang-cheol, chief delegate for the South at the talks, said that the North is quite sensitive about leaflets containing content critical of North Korea's National Defense Commission Chairman Kim Jong-il. Since 2004, groups such as the North Korea Christian Association and Fighters for Free North Korea have been sending large balloons carrying fliers from the vicinity of the Armistice Line. The fliers are known to contain information about human rights infringements in North Korea such as torture, massacres, and public executions, as well as about the wives, family problems and health issues of North Korean leader Kim Jong-il. (*Hankyore*, "North Demands S. Korea End Distribution of Propaganda Fliers," October 3, 2008)

- 10/3/08 General Secretary Kim Jong-il enjoyed a student football match between teams of Kim Il Sung University and Pyongyang University of Railways on the occasion of the 62nd anniversary of Kim Il Sung University. After watching the match, Kim congratulated the players on their good results. Accompanying him were First Vice Department Director Ri Jae Il and other leading officials of the C.C., the Workers' Party of Korea and officials concerned. (KCNA, "Kim Jong-il Enjoys Student Football Match," October 4, 2008)
- 10/5/08 At a 145-nation Vienna meeting of the IAEA, Israeli delegate David Danieli accused Pyongyang of being a black market supplier of nuclear technology to six Middle East nations "The Middle East remains on the receiving end of the DPRK's reckless activities," Danieli told the meeting. "At least half a dozen countries in the region ... have become eager recipients" of the North's arms and nuclear sales, he said. (George Jahn, "Israel: North Korea Adds to Mideast Proliferation," Associated Press, October 5, 2008)
- 10/7/08 The Lee Myung-bak government unveiled a list of 20 strategic policy goals and 100 detailed policy tasks, placing its top foreign and security priority on building inter-Korean military confidence to push for arms control on the Korean Peninsula. Simultaneously with inter-Korean military disarmament, the Lee government will seek to create a new peace regime on the peninsula through the dismantling of North Korea's nuclear weapons program, the presidential office said in a press release. (Yoo Cheung-mo, "Lee Sets Military Disarmament of Korean Peninsula As Key Policy," Yonhap, October 7, 2008)
- 10/7/08 North Korea has fired a short-range missile into the Yellow Sea, media reports said. NHK quoted officials as saying Tokyo was trying to verify a report from a third country that the communist nation fired a missile. NHK said the firing did not involve a ballistic missile. (Associated Press, "N. Korea Reportedly Fires Missile in to the Yellow Sea," October 7, 2008) North Korea has fired two short-range missiles into the Yellow Sea, an action widely interpreted as a message to pressure the United States and South Korea over stalled nuclear negotiations. "North Korea test-fired air-to-ship missiles during daytime Tuesday from above Sohan Bay," a South Korean military source said yesterday. The North usually tests ground-to-ground or ground-to-ship missiles. An air-to-ship missile launch is rare. According to the source, the missiles fired this week were modifications of the Styx, a naval ship-to-ship missile. The North remodeled the 46-kilometer-range

missile to fire them from aircraft. The missiles were fired from a Soviet-era IL-28 bomber, the source added. "For several years, the North has been modifying the Styxes to make air-to-ship missiles," he said. North Korea test-fired three modified Styx missiles from its west coast in March. Experts say that the test follows Pyongyang's long history of brinkmanship in timing missile tests to coincide with sensitive junctures in negotiations. The launches came shortly after Christopher Hill, U.S. nuclear negotiator, returned from a visit to Pyongyang to discuss how to verify the North's declaration of its nuclear programs, a signal that the North has more cards to play. "Clearly, North Korea intends to pressure the United States," said Kim Yong-hyun, professor of North Korean studies at Dongguk University. (Ser Myo-ja and Kim Min-seok, "Missile Launch by North Seen as Negotiating Tactic," *JoongAng Ilbo*, October 9, 2008)

At second McCain-Obama debate, Obama: "Nobody called for the invasion of Pakistan. Senator McCain continues to repeat this. What I said was the same thing that the audience here today heard me say, which is, if Pakistan is unable or unwilling to hunt down bin Laden and take him out, then we should. Now, that I think has to be our policy, because they are threatening to kill more Americans. Now, Senator McCain suggests that somehow, you know, I'm green behind the ears and, you know, I'm just spouting off, and he's somber and responsible. McCain: Thank you very much. Obama: Senator McCain, this is the guy who sang, 'Bomb, bomb, bomb Iran,' who called for the annihilation of North Korea. That I don't think is an example of 'speaking softly.'"

10/8/08

North Korea may be working to develop a light-weight nuclear warhead that can be loaded onto a missile, but it is not clear whether the communist nation actually possesses warheads or has actually begun their development, JCS chairman, Gen. Kim Tae-young said. He told the National Assembly the North is believed to have about 40 kilograms of plutonium, enough to make six or seven nuclear weapons, but said it was not certain whether Pyongyang has already used up its plutonium stockpile to produce weapons.

"Because we have seen North Korea engaged in experiments to manufacture nuclear devices and conduct high explosive tests, we believe they have the ability to initiate such a program," Kim said. Asked if North Korea currently possesses nuclear arms, Kim said, "As I said earlier, it is certain that North Korea possess plutonium. It is certain the North has enough plutonium to make six to seven nuclear weapons, but it is not clear whether it has produced nuclear weapons." He added, "Because (the 2006 test) was not a complete test and only yielded partial success, it is not clear whether the North has weaponized its plutonium." (Byun Duk-kim, "N. Korea Unlikely to Possess Nuclear Weapons: Military Chief," *Yonhap*, October 8, 2008)

10/9/08

North Korea barred U.N. monitoring throughout its Yongbyon nuclear complex on Thursday in a significant step toward scrapping a deal with five powers to scrap its atomic bomb program, diplomats said. "The monitors were told that as of today, they are out, no more access permitted to any facilities in Yongbyon. But as of now, they are still in their guest house on the premises," a senior diplomat close to the IAEA told Reuters. (Mark Heinrich, "N. Korea Bars Monitors from Atom Complex: Diplomats," *Reuters*, October 9, 2008) "The DPRK has today informed IAEA inspectors that effective immediately access to facilities at Yongbyon would no longer be permitted. The DPRK

also has stated it has stopped its disablement work, which was initially agreed upon within the Six-Party Talks. Also, since it is preparing to restart the facilities at Yongbyon, the DPRK has informed the IAEA that our monitoring activities would no longer be appropriate. IAEA inspectors will remain in Yongbyon pending further information by the DPRK." (IAEA Press Release 2008/15, "IAEA Inspectors No Longer Permitted Access to Yongbyon," October 9, 2008)

South Korean military authorities are on alert after reports that North Korea is gearing up to fire several more short-range surface-to-ship and ship-to-ship missiles. Agents say some dozen KN-01 surface-to-ship and Styx ship-to-ship missiles are deployed ready for firing in an area near Chodo, North Hwanghae Province. It would be an unprecedented number of missile tests if the North fires all of them. In 2006, North Korea tested seven, but they were medium- and long-range ballistic missiles. The KN-01, an improved version of the Chinese Silkworm missile, has a range of 110 to 120 km. The Styx has a range of 46 to 50 km. Meanwhile, there is speculation that the North fired air-to-ship missiles from an IL-28 bomber on Tuesday, not surface-to-ship or ship-to-ship missiles as is widely believed. (*Chosun Ilbo*, "N. Korea 'to Test More Missiles,'" October 9, 2008) North Korea is possibly preparing to fire up to 10 more missiles in addition to the two short-range ones it fired last week into the West Sea, government sources said. South Korean and U.S. surveillance systems have detected signs that the North is gearing up to fire more missiles as part of a training session, a local daily quoted unidentified authorities as saying. State Department spokesman Sean McCormack said on Wednesday that the latest reports of the missile firing is not "helpful in any way in managing tensions within the region, which are always at a constant level." (Kim Ji-hyun, "North Korea Prepares to Fire up to Ten Missiles," *Korea Herald*, October 10, 2008)

Asked if North Korea and the United States had reached a compromise in the talks, Secretary of State Rice told reporters, "We are continuing to work on it. This is an issue of whether the verification protocol meets our standards." She added, "And so I will get back to you when we have something." When asked if her silence could be interpreted as bad news on North Korea, she replied: "You certainly should not." (AFP, "Rice Insists North Korea Must Meet Verification Standards," October 8, 2008)

The US military is prepared for any contingency but has seen no unusual North Korean movements following reports that North Korean leader Kim Jong-il suffered a stroke said General Walter Sharp, the top US commander in Korea. "We are prepared for any reaction up North, anything up North, and we have not seen anything out of the normal." "We continue to watch all the intel indicators as to any movement or anything that's going on and have not seen anything out of the ordinary," Sharp said. "But I'm confident that, based upon what we see going on in the North, and all the contingencies that we need to be prepared for, we're prepared to react to those, us and the alliance." (AFP, "U.S. Prepares for Anything from North Korea: Commander," October 8, 2008)

The Navy of the Korean People's Army solemnly declares that it will never tolerate the moves of the south Korean puppet army authorities to fix the 'Northern Limit Line' (NLL) unilaterally drawn by the U.S. forces without any legal basis and prior consultation with

the DPRK as the extension of the military demarcation line in sea waters but decisively counter any attempt to infringe upon its sovereignty. A spokesman for the Navy Command of the KPA declared this in a statement issued in connection with the fact that the situation in the waters off the frontal area on the west coast of Korea has become so tense that a naval clash may break out due to such military provocations as the ceaseless infiltration of warships deep into the territorial waters of the north side by the south Korean puppet army. The navy of the south Korean puppet army has escalated the intrusion of warships into the territorial waters of the north side since early in September, the statement noted, and went on: Recently, the daily average of the number of their intrusions reached three to five. On September 27, several warships intruded into the waters of the north side from Yonphyong Islet and Taechong Islet, firing shells. On October 7, seven warships and a rubber boat illegally intruded into the waters of the north side. The south Korean puppet army authorities are infiltrating warships into the territorial waters of the north side in a premeditated manner, openly revealing their sinister intention to "stick to" the illegal NLL unilaterally set by the U.S. forces in the territorial waters of the north in disregard of the Korean Armistice Agreement and international law half a century ago. What should not be overlooked is the fact that no sooner had the present puppet traitor come to power than adopted the 'Northern Limit Line' as a 'policy,' claiming that 'no compromise should be made over it' from 'the standpoint of the territorial conception.' The warmongers of the south Korean puppet army are gradually expanding the sphere of intrusion into the waters of the north side to the waters east of Taechong Islet and northwest of Paekryong Islet from those southwest of Yonphyong Islet. Their reckless military provocations and moves to preserve the NLL are rendering the situation in the West Sea of Korea so dangerous that the third West Sea skirmish and the second June 25 war may break out any moment there. There is always a limit to patience. (KCNA, "S. Korean Puppet Army Authorities' Moves Denounced," October 9, 2008)

10/9/08

Rice: "The verification measures were far from perfect, and for eight days we debated whether to complete the process and remove the North from the state sponsors of terrorism list. Again the President faced contradictory advice, with the Vice President saying no and me arguing that we needed to take this one last step. ... On the evening of October 9, I was at a State Department retreat just outside Washington, D.C. The President and I had talked numerous times about the decision he faced. .... That night the President called me several times, clearly struggling with the decision, I talked to Steve Hadley, who was also struggling, but he decided he agreed with me on the decision. The President did, too. I asked if the President wanted me to come back to Washington immediately. He did. ... I called several members of Congress. Most were fine, but some, such as Senators John Kyl and John Ensign as well as Congresswoman Ileana Ros-Lehtinen of Florida, were deeply troubled. ... I thought that the argument was sold for trying - one last time - to get the North Koreans to deal. ... Despite our best efforts, the North balked and would not write down the understandings we had agreed to orally." (Rice, *No Higher Honor*, pp. 710-11)

Japan has rejected a North Korean proposal on nuclear verification, in a major blow to U.S. efforts to reach a deal with Pyongyang towards removing nuclear weapons from the Korean peninsula. PM Aso Taro has informed the Bush administration that he cannot

accept the North Korean offer, which Washington had urged him to support, two sources familiar with the decision told the FT. (Demetri Sevastopulo and David Pilling, "Japan Rejects N. Korea Nuclear Proposal," *Financial Times*, October 10, 2008) "Below the president, there is consensus that this deal should be pursued as long as all [the other] four parties are reasonably comfortable with it," said one U.S. official. U.S. intelligence has also detected activity, which includes moving earth and cables, that could suggest the regime was preparing for another nuclear test. "What you are now seeing is this is now a decision point at which the North is trying to build the pressure to get us to accept their proposal," said the official. "How do you get the world to accept your offers if you're a failed state? Well, part of what you do is up the ante. So maybe you make it look like you might just have to test." Asked whether the North Korea proposal would limit inspections to Yongbyon, the U.S. official said it would be more expansive, but added the language of the agreement was vague. "What they are offering is in substance what we need, but on paper a little bit ambiguous," said the official. (Demetri Sevastopulo, "Washington to Back Pyongyang Nuclear Proposal," *Financial Times*, October 10, 2008, p. 4) South Korean Foreign Minister Yu Myung-hwan indicated on October 10 that North Korea will no longer be required to open "undeclared" nuclear facilities to international inspectors under a tentative deal between Pyongyang and Washington. "In theory, (the planned verification) is different from the 'special inspection' by the International Atomic Energy Agency (IAEA)," Yu told a press briefing. "Verification in a foreign nation should be based on that country's consent." A special inspection, pursued by the IAEA in dealing with the reclusive North in the early 1990s, was aimed at allowing inspectors to look at installations unannounced and without prior approval from Pyongyang. The North rejected it and withdrew from the nuclear Non-Proliferation Treaty. Yu said consultations are being held on ways to inspect facilities left off of North Korea's declaration with Pyongyang's consent on a case-by-case basis. Yu confirmed that the U.S. plans to put the verification of undeclared nuclear facilities on the backburner, along with suspected uranium-based programs and proliferation. "Verification of those things should be carried out in sequence," he said. The minister also hinted that it might take a few more days for the U.S. to announce a formal deal with the North. "The U.S. is still in the process of internal coordination, and is also holding consultations with China, Japan, and other nations," he said, referring to member states of the six party talks, which also include South Korea and Russia. "No final decision has been made with regard to the verification protocol issue following Assistant Secretary of State Hill's trip to North Korea." (Lee Chi-dong, "No Deal et in Verifying Undeclared N. Korean Nuke Facilities: Minister," *Yonhap*, October 10, 2008)

10/10/08 Following a nasty shouting match between Secretary of State Rice and Foreign Minister Nakasone Hirofume last night, efforts are underway to try and work a deal with Tokyo allowing President Bush to go ahead and de-list N. Korea as a terrorist nation, in return for some changed language on the draft inspections protocol already okayed by Bush. The Rice/Nakasone "conversation" yesterday is described by informed sources as "pretty nasty," with Rice basically demanding "get out of our way and let us do this." The quote may be a paraphrase, sources say, but the net effect was that Rice's words "didn't go down well." Japan was subsequently promised that Bush would not sign the de-listing without first notifying Tokyo, a concession reinforced by Nakasone's pointed

decision to go to bed early on Friday, (this was when it still looked like the de-listing order would come Saturday) sources add. (*Nelson Report*, October 10, 2008)

The Bush administration plans to remove North Korea from a terrorism blacklist tomorrow after getting assurances the Stalinist nation has agreed to a plan to inspect its nuclear facilities, The Associated Press has learned. President George W. Bush signed off on the move today. The removal is provisional, and North Korea will be put back on the State Department's "state sponsors of terrorism" list if it doesn't comply with the inspections, they said. The diplomats spoke on condition of anonymity because the administration has not yet announced the step. The move follows days of intense internal debate in Washington and consultations with U.S. negotiating partners China, South Korea, Russia and Japan. Japan had balked at the move because North Korea has not yet resolved issues related to its abduction of Japanese citizens. Earlier today, U.S. officials said they were trying to build consensus among negotiating partners on the step as well as the inspection regime that Washington insists must accompany the delisting. "We're continuing to work with our six-party partners," White House press secretary Dana Perino said, referring to China, Japan, Russia and South Korea, which along with the United States and North Korea make up the group of countries working on the deal. In Tokyo, FM Nakasone Hirofumi said his country could accept a U.S. move to remove North Korea from the list but only if it was reasonable. "We still don't know when and what kind of decision the United States makes, but I expect they will consult us before making a final decision," he said. "If the decision is something that is also satisfactory to our country, that's all we ask for." And in Washington, Japanese Finance Minister Nakagawa Shoichi used a meeting of the world's top economies to urge the United States to keep in mind Japanese unease over the threat of North Korean nuclear weapons and missiles and about its past kidnapping of Japanese citizens. It was not immediately clear how or if Japan was swayed, although a senior U.S. official said the administration was working urgently to meet Japanese concerns amid fears the entire denuclearization deal would collapse. (Matthew Lee, "U.S. to Remove North Korea from Terror Blacklist," Associated Press, October 11, 2008) The U.S. State Department will likely make the announcement on Friday or Saturday, U.S. time," said a source in Washington on October 9. "Kim Myong-gil, the minister at the North's United Nations mission, visited Washington recently and discussed the issue along with the nuclear declaration verification protocol with State Department officials." (Ser Myo-ja and Lee Sang-il, "US. Ready to Take North off Terrorism Sponsor List: Reports," *JoongAng Ilbo*, October 11, 2008)

10/11/08 The Bush administration announced that it had removed North Korea from a list of state sponsors of terrorism in a bid to salvage a fragile nuclear deal that seemed on the verge of collapse. Republican lawmakers, including the presidential nominee, Senator John McCain, quickly expressed concern, complaining that North Korea had yet to demonstrate that it was serious about adhering to its commitment to denuclearize. Senator Barack Obama called the deal "a modest step forward" in dismantling North Korea's nuclear program. Other Democrats said they welcomed the agreement but noted that it did not go much beyond an agreement President Clinton reached with North Korea in 1994, which the Bush administration, including Secretary of State Rice, criticized as inadequate. Rice "very strongly feels that it is our own responsibility, until

Jan. 20, 2009, to act as good stewards of the national interest," DoS spokesman Sean McCormack said during a news conference. Experts on North Korea say that the concession by the United States was probably necessary to achieve a deal, but that it no doubt will lead to future fights, since the North's leaders will not want to give inspectors free rein to travel the country. Patricia A. McNerney, one of the State Department negotiators, acknowledged that issue would probably lead to a hornets' nest of problems. "Going into verification with North Korea will not be easy, we know that," she said. "This is the most secret and opaque regime in the world." The administration has been at war with itself over whether to go ahead with the North Korea pact despite objections from critics in the office of Vice President Dick Cheney, and even some members of the State Department's verification and compliance office. That rift spilled into the open at the news conference on Saturday, when a reporter asked Paula A. DeSutter, the assistant secretary of state for verification, compliance and implementation, how she responded to criticism of the deal from John R. Bolton, her former boss at the State Department. DeSutter did not defend the accord, saying simply, "John is the epitome of a skeptical policymaker, and that's appropriate." Despite the internal fights, Rice convinced President Bush last week that this was the best the administration could get in its remaining time in office. But as late as two days ago, things remained up in the air, said one administration official, who, like several other officials and diplomats interviewed for this article, spoke on the condition of anonymity because of the delicacy of the issue. Another senior administration official described the internal deliberations as a "close call." Senator McCain said in a statement that he would not support the deal until he got some questions answered. "I expect the administration to explain exactly how this new verification agreement advances American interests and those of our allies," he said. He added that he was "concerned that this latest agreement appears to have been reached between Washington and Pyongyang, and only then discussed with our Asian allies in an effort to garner their support." Representative Ileana Ros-Lehtinen, (R-FL), issued a statement strongly criticizing the deal. "I am profoundly disappointed," she said. "By rewarding North Korea before the regime has carried out its commitments, we are encouraging this regime to continue its illicit nuclear program and violate its pledge to no longer provide nuclear assistance to extremist regimes." Gary Samore, a nonproliferation expert in the Clinton administration, characterized the deal as probably the best that could be gotten at this time, but warned of stormy times to come. "Every agreement you ever have with the North Koreans always contains certain ambiguities, and that ends up being the basis for which you have the next round of talks," he said. "It's always two steps forward and one step back." For instance, he said, besides the issue of access to suspected nuclear sites, the United States and North Korea appear to have fudged the critical issue of whether American inspectors will be allowed to take all the samples they want out of the country to foreign laboratories for inspection. According to a fact sheet issued by the Bush administration, the two sides agreed "on the use of scientific procedures, including sampling and forensic activities," although the sheet doesn't say where those tests would be done. Bolton said that the Bush administration had "punted" the hardest issue, that of inspections beyond declared nuclear sites. "This means that North Korea has a veto over everything beyond Yongbyon," he said, "so that's a clear victory for North Korea." (Helene Cooper, "U.S. Declares North Korea off Terror List," *New York Times*, October 12, 2008, p. A-1) Officials declined to release the text of the agreement

but said North Korea had bent on two key points: potential access to facilities not included in Pyongyang's nuclear declaration and permission for inspectors to take environmental samples. North Korea also dropped objections to Japanese and South Korean participation in the inspections, officials said. The text uses vague terms for some of the purported concessions -- it does not explicitly mention the taking of samples, for example -- but the State Department's assertions rest on a number of oral agreements, sources familiar with the document said. Rice instructed diplomats last week to obtain greater clarity from North Korea on some of the oral understandings before she signed off on the deal. Officials acknowledged that they do not have permission to visit the site of North Korea's 2006 nuclear test or any military facilities possibly involved in the nuclear program. Experts will have access to facilities at the Yongbyon reactor site and some academic institutions; visits to additional sites will be subject to negotiations. Officials said it will be months, if not years, before questions about North Korea's nuclear program are answered. "This is going to be a bumpy road," said Assistant Secretary of State Paula A. DeSutter, the chief of the verification bureau. "However, we are building a road." In a sign of internal tensions, DeSutter, whose office was barred from knowing the details of the deal until Friday morning, declined to dismiss complaints about it from John R. Bolton, the former ambassador to the United Nations and her former boss as undersecretary for arms control in Bush's first term. "John is the epitome of a skeptical policymaker, and that's appropriate," she said. "There is a real danger that Pyongyang will pull a bait and switch now that sanctions have been lifted," said Michael J. Green, Bush's former top aide for Asia policy. "The credibility of this agreement really hangs on what happens next, including how we repair the damage done with Tokyo." But David Albright, a former weapons inspector who is president of the Institute for Science and International Security in Washington, expressed sympathy for the administration's dilemma. "North Korea was more than willing to walk away from this thing," he said. "This is about as good as you could get at this moment." In Japan, where North Korean abductions of Japanese citizens many years ago remains an emotional issue, officials were furious about the U.S. concession. Rice and her Japanese counterpart had a tense and lengthy conversation yesterday morning, and Bush called PM Aso Taro yesterday to smooth things over. But Finance Minister Nakagawa Shunichi, in Washington, told reporters that the U.S. decision was "extremely regrettable," adding: "I believe abductions amount to terrorist acts." The State Department, in a rare Saturday news briefing, brought forward one of the chief negotiators and two internal skeptics of the verification deal to show a united front. But U.S. officials acknowledged privately that a key factor was the growing concern that North Korea could test a nuclear weapon in the final 100 days of Bush's presidency. (Glenn Kessler, "U.S. Drops North Korea from Terrorism List," *Washington Post*, October 12, 2008, p. A-1) "I have previously said that I would not support the easing of sanctions on North Korea unless the United States is able to fully verify the nuclear declaration Pyongyang submitted on June 26," McCain said in a statement. "It is not clear that the latest verification arrangement will enable us to do so." McCain added, "I am also concerned that recent negotiations appear not to have addressed the issue of North Korean abductions of Japanese citizens, a serious omission and directly relevant to any decision about North Korea's support for terrorist activities." Obama welcomed the delisting as "a modest step forward in dismantling its nuclear weapons programs. President Bush's decision is an appropriate response, as long as there is a clear

understanding that if North Korea fails to follow through there will be immediate consequences." (Yonhap, "U.S Presidential Nominees Differ on N. Korea Delisting," October 11, 2008) At a stop at a market and gas station in Altoona, Pennsylvania vice presidential candidate Sarah Palin was also asked to respond to today's news that North Korea has been officially taken off the United State's terrorism list. She said North Korea has to live up to their side of the agreement. "Condoleezza Rice, of course, having worked on this strategy for quite some time, I have faith in her that they're making this wise decision and North Korea, of course, better live up to its end of the bargain there, in speaking with the other countries whom they've been working with, in promising the verification. That end of the bargain has got to be lived up to." (Shushanna Walshe, "Palin Addresses North Korea and Troopergate Investigation," Fox News, October 11, 2008) According to sources close to the U.S. administration, however, officials of the State Department's Verification, Compliance and Implementation Bureau (VCI) strongly objected to the agreement, insisting that such verification procedures were unacceptable. According to sources close to negotiators, however, the draft was drastically revised during the course of negotiations under Hill. Consequently, "mutual consent" became required for inspectors' access to undeclared nuclear sites, giving the North the right to refuse access to such facilities. In addition, the final agreement ended up using ambiguous expressions on the sampling of nuclear materials and questioning of engineers, referring to them as "the use of scientific procedures, including sampling and forensic activities." Furthermore, Hill reportedly showed his compromise plan only to certain senior officials in the administration. It was already October 10, or only one day before North Korea was removed from the list of terrorism-sponsoring countries, that the State Department's senior official in charge of verification was finally called into a meeting on the verification accord with Hill and Secretary of State Condoleezza Rice. On that night, President Bush approved the removal of North Korea from the list of terrorism-sponsoring countries. (*Yomiuri Shimbun*, "Delisting Concerns U.S. Officials," October 22, 2008)

U.S. statement: The participants in the Six-Party Talks have for some time been discussing the importance of verification measures that will allow the Parties to reliably verify North Korea's denuclearization as the process moves forward. The Six-Party Heads of Delegation met in July to discuss verification measures, and draft papers were exchanged among the Parties. On July 12, China, the Chair of the Six-Party Talks, released a Press Communiqué stating that verification measures would include visits to facilities, review of documents, and interviews with technical personnel as well as other measures unanimously agreed among the Six Parties.

Upon the invitation of the North Korean government, a U.S. negotiating team on behalf of the Six Parties visited Pyongyang from October 1-3 for intensive talks on verification measures. Based upon these discussions, U.S. and North Korean negotiators agreed on a number of important verification measures, including:

1. Agreement that experts from all Six Parties may participate in verification activities, including experts from non-nuclear states;
2. Agreement that the IAEA will have an important consultative and support role in verification

3. Agreement that experts will have **access to all declared facilities and, based on mutual consent, to undeclared sites;**
4. Agreement on **the use of scientific procedures, including sampling and forensic activities;** and
5. Agreement that all measures contained in the Verification Protocol will apply to the plutonium-based program and any uranium enrichment and proliferation activities. In addition, the Monitoring Mechanism already agreed by the Six Parties to monitor compliance with Six-Party documents applies to proliferation and uranium enrichment activities.

The U.S.-DPRK agreement on these verification measures has been **codified in a joint document between the United States and North Korea and certain other understandings**, and has been reaffirmed through intensive consultations. The agreement and associated understandings have been conveyed to the other parties. These measures will serve as the baseline for a Verification Protocol to be finalized and adopted by the Six Parties in the near future. Verification of the North Korea declaration submitted on June 26 has already begun with review of the over 18,000 pages of operating records from Yongbyon that North Korea provided on May 8. (DoS, Office of the Spokesman, "U.S.-North Korea Understandings on Verification," October 11, 2008)

DoS spokesman Sean McCormack: Upon the invitation of the North Korean Government, a U.S. negotiating team, on behalf of the Six Parties, visited Pyongyang from October 1<sup>st</sup> to the 3<sup>rd</sup> for intensive talks on verification measures, and Ambassador Sung Kim was part of that delegation. He can talk a little bit in depth and from firsthand accounts about those negotiations. **Based on these discussions, the United States and North Korea negotiators agreed - and I have to emphasize this is an agreement - on a number of important verification measures**, including agreement that experts from all Six Parties may participate in verification activities including experts from non-nuclear states; agreement that the IAEA will have an important consultative and support role in verification; agreement that experts will have access to all declared facilities, and based on mutual consent, to undeclared sites; agreement on the use of scientific procedures, including sampling and forensic activities, and agreement that all measures contained in the verification protocol will apply to the plutonium-based program and any uranium enrichment and proliferation activities. In addition, the monitoring mechanism already agreed by the Six Parties to monitor compliance with the Six-Party documents applies to proliferation and uranium enrichment activities. **The U.S.-North Korea agreement on these verification measures has been codified in a joint document between the United States and North Korea and certain other understandings, and has been reaffirmed through intensive consultations.** The agreement and associated understandings have been conveyed to the other parties and these measures will serve as a baseline for a verification protocol to be finalized and adopted by the Six Parties in the near future. And let me just add a couple addenda to this, and our experts can speak to this in a bit more depth. **Every element of verification that we sought is included in this package. That's an important point. Every single thing that we sought going in is part of this package.** And on the point about the intensive consultations, I think

Ambassador Kim can speak to that a bit more, but we also had intensive consultations with our Japanese colleagues. And in the course of those consultations, **Japan made it clear that the agreement should be formalized, including in writing, at the level of the Six Parties.** And we agree with that, and I have to emphasize here that this is already in agreement.

Amb. Sung Kim: "In early May, as you may recall, the North Koreans gave us 18,000 pages of documents related to their Yongbyon facilities. **An analysis of those documents has given us some useful information.** In conjunction with the submission of the declaration on June 26<sup>th</sup>, the China - the Chinese, as the chair of the Six-Party process, announced that the parties agreed that that declaration would be subject to full verification and that there is an agreement within the Six Parties on principles to guide the verification regime. This was further refined during the July 10-12 Six Party heads of delegation meeting as well as the denuclearization working group meeting. And I think Sean mentioned the press communiqué that the Chinese issued as a result of those discussions. **We continue to have follow-up discussions with all of the parties throughout, including on the margins of the informal Six-Party ministerial meeting in Singapore on July 23<sup>rd</sup>. After further discussion with the parties, on twenty - August 22<sup>nd</sup>, a revised draft verification paper was circulated. We did not receive any substantive response from the North Koreans, but they did invite a U.S. delegation led by Assistant Secretary Hill to visit North Korea last week. And during that visit, we had detailed and substantive discussions on a set of verification measures.** And as Sean mentioned, we reached agreement on these verification measures. **Now these measures will have to be codified in the Six-Party process. As Secretary Rice likes to say, we need to "Six-Partyize" this bilateral agreement, and that is our - that is the next step.** You asked about the timing of the Six-Party meeting. We have been talking to the Chinese, and I think the Chinese would like to call a meeting as soon as possible, possibly within this month, to finalize and adopt this verification package. **I just want to mention again that we have continued to have very intensive consultations with all of our parties, especially Japan. In fact, just a couple of days ago, an NSC colleague and I were in Tokyo and met with Japanese counterparts for four to five hours going through details of the agreement that we had reached with the North Koreans. And there have been several senior-level communication with Japanese leaders as well.**

Assistant SecState for Verification and Compliance Paul DeSutter: **Now that's a breakthrough, but not because there's anything novel or unique in the verification measures that we've been pursuing.** They're - every different regime, every type of problem, whether it's bio or, you know, fissile material, has different requirements. The question is, what is the verification question you're trying to answer and how do you structure the rights and responsibilities of the various parties so that the way is forward for us to go in and implement a verification agreement? So there are things that are agreed in here that most countries in the world that have experience with - with arms control and verification wouldn't blink an eye at, sampling, how are we going to deal with the problem of undeclared sites, documentation, taking samples out of countries. **All of these are things that have been done in verification in the**

**past, and what is the breakthrough is that we have now obtained North Korean agreement to all of those elements. And so again, you know, it isn't tied up in a pretty bow that Sung can hand out to you, but the elements are agreed and that's very important. It's a very big step.** As Patty mentioned, there is a lot of work that will be required. This is going to be difficult. And you know, I think those of you who have dealt with the verification bill on Libya or anything else know that verifiers, by nature and by their job description, tend to be skeptical. We don't trust anybody. We want to see the data. We want to do the work. We've also learned that this can be done in a fairly cooperative process if the other side is willing, and we're hoping that we can move forward on that basis. **One of the other things that was agreed that I think is important is that all of the parties can participate in these inspections, and we have envisioned all along that we would have teams of inspectors where we've coordinated this and take advantage of, you know, different attributes and skills and capabilities that they have.** And so I think that the ways is open. ... **The declared sites are, we know, inadequate and don't fully describe the North Korean nuclear program. And so - but the term, mutual consent, I think a lot of people have - take pause at that and say, well, you know, they get a veto. Well, let me just remind you, one of the things that I discussed with Ambassador Hill several times is that you'll never hear anybody that's a verifier from my bureau say, what we must have is challenge inspection or anytime, anywhere inspection. Because for me, that gives you a false sense of security; it doesn't really mean much. And remember, anytime we do verification activities - okay, with maybe one exception - we are there in another country that has rights. If we want to go to a place, generally speaking, we are going to be asking the host country to provide transportation. They're going to have to provide escorts. They're going to have to ensure that we get the access we need when we get to the site. All of those things have to happen, okay? So the idea of mutual consent is not a showstopper for us.** Q: Your former boss, John Bolton, has been very - is very angry about the U.S. coming to this decision. What's your response to his criticism?

DeSutter: **All of my former bosses are almost always right about everything - no. John is the epitome of a skeptical policymaker, and that's appropriate. I mean, nobody - I don't think the Secretary would want anybody to take this and not say that it should be challenged and we should be pushed to make sure that we're doing the best possible job.** And so, you know, I'll tell you this. **I have - my first boss in verification, I invite him out periodically and ask him to do a survey, you know, to see how we're doing, how am I doing. And I don't do it that often, and the reason is because when he tells me, it makes me cry. .... Samples are, you know, sort of standard fare. You see the IAEA do it all the time.** And what it does is -- because a part of what we will be looking for at facilities is what nuclear material may be there, what may have been there in the past, what may, you know, be going on. And so to take the samples, you've got to bring them back, and we will be using the Air Force Technical Applications Center, who also does some work for the IAEA, and they're fantastic and they do very technical analysis, that it simply wouldn't be possible to do on site." (DoS Special Briefing, October 11, 2008)

The U.S. delisting of North Korea from its list of state sponsors of terrorism would not pose an impediment to resolving the issue of Pyongyang's past abductions of Japanese

nationals, Prime Minister Aso said today. "We would be able to hold sufficient discussions on the abductions in the process of negotiations to come. It does not mean a loss of leverage," he told reporters in Hamamatsu, Shizuoka Prefecture. He showed some understanding of the removal, saying he believes that Washington "used the delisting" as a diplomatic tactic to win concessions from Pyongyang in negotiations over the verification measures for its nuclear activities. "I understand that they took the step, considering it would be better than leaving an issue totally immovable...it's one way." FM Nakasone Hirofumi released a statement earlier today, "Japan will do its utmost, in close cooperation with the United States and other countries concerned, to push forward Japan-North Korea relations, including the abduction issue, alongside the nuclear issue." Chief Cabinet Secretary Kawamura, who is minister in charge of the abduction issue, said today, "Japan has no reluctance to cooperate in the denuclearization of the Korean Peninsula. At the same time, we have a strong feeling that the abduction issue should not be left out. We will take up the issue without fail in the six-party talks." (Kyodo, "U.S. Delisting of N. Korea No Obstacle to Abduction Issue: Aso," October 12, 2008)

10/13/08

Victor Cha op-ed: "Many will criticize the Bush administration's decision to remove North Korea from the terrorism blacklist this weekend, over objections from close U.S. ally Japan, as a Hail Mary pass by an administration desperate for some good news. ...At the core of the current impasse, for example, was the North's spurious claim that its June nuclear declaration was sufficient for it to be taken off the blacklist and that verification of the declaration was not part of the deal. As former deputy negotiator for the U.S. delegation to the six-party talks, I can attest that the North Koreans fully understood our need for verification as far back as the September 2005 joint statement (the road-map agreement), the February 2007 "first phase" and the October 2007 "second phase" implementation agreements, as did the other six-party participants. Yet while all express outrage at Pyongyang's petulance when it reneges on agreements, the parties end up pressing the United States -- knowing full well that the North is at fault, and traversing the bounds of fairness and good faith but certain that the only chance of progress lies in American reasonableness rather than North Korean unreasonableness. That almost certainly was a factor here. The result is that any additional American flexibility is widely perceived in the region as evidence of American leadership (except perhaps in Tokyo) but is viewed in Washington as some combination of desperation and weakness. In return for being taken off the blacklist, the North has apparently agreed to immediately resume disablement of its bomb-making facilities (rather than reversal). This is hardly enough. It has also agreed to allow inspection of its declared nuclear sites and to allow some "scientific procedures" (i.e., sampling of materials) to be done by experts from the other five parties, including Japan and South Korea. Provisions apparently exist for interviewing scientists and reviewing documentation. Inspections, sampling, interviews and documentation are the four key elements of any decent verification scheme. There are still some rather big loopholes in this agreement. Access to undeclared sites is possible only with mutual consent. And Pyongyang's uranium-based nuclear activities and its proliferation connections with Syria are said to be covered by the scope of the agreement, though ambiguities remain. Moreover, none of this is set in stone until the six parties codify the understandings reached in Pyongyang -- and even then, who is to say the North won't welsh again in the future?

Nonetheless, with this agreement Bush is likely to leave his successor the remnants of a workable nuclear disablement process rather than a full-blown crisis." (Victor Cha, "Delisting North Korea," *Washington Post*, October 13, 2008) p. A-19)

10/14/08 PM Aso told the Diet, "We have clearly said that we are dissatisfied with the delisting," stressing he has conveyed to Washington Japan's stance of seeking a resolution to North Korea's decades-old abductions of Japanese citizens. "Our basic policy of continuing to demand that North Korea begin its promised reinvestigations soon to lead to the return of all survivors will remain unchanged." He added, "I would like to continue to maintain the basic stance of seeking normalization of ties after a comprehensive solution of the various concerns over the abduction, nuclear and missile issues, and settlement of the unfortunate past." On energy aid to North Korea, the prime minister said, "Our policy is not to join economic and energy assistance under framework" without seeing progress in the Japan-North Korea relationship, including resolution of the abduction issue. (Kyodo, "Aso Expresses 'Dissatisfaction' over U.S. Delisting of N. Korea," October 14, 2008)

10/15/08 "I understand that the IAEA has resumed its work. It has started to reapply seals," said State Department spokesman Sean McCormack. "I think, as simply put, the North Koreans have started the reversal of their reversal," he said. "They're getting back to that baseline where they were very close to meeting their obligations ... in terms of disablement." (AFP, "UN Inspectors Back Inside North Korea: U.S.," October 15, 2008)

In the third presidential debate, Obama said, "I just want to make one last point because Senator McCain mentioned NAFTA and the issue of trade and that actually bears on this issue. I believe in free trade. But I also believe that for far too long, certainly during the course of the Bush administration with the support of Senator McCain, the attitude has been that any trade agreement is a good trade agreement. And NAFTA doesn't have -- did not have enforceable labor agreements and environmental agreements. And what I said was we should include those and make them enforceable. In the same way that we should enforce rules against China manipulating its currency to make our exports more expensive and their exports to us cheaper. And when it comes to South Korea, we've got a trade agreement up right now, they are sending hundreds of thousands of South Korean cars into the United States. That's all good. We can only get 4,000 to 5,000 into South Korea. That is not free trade. We've got to have a president who is going to be advocating on behalf of American businesses and American workers and I make no apology for that." (Transcript of the third President debate, Hofstra University, October 15, 2008)

Talks between FM Pak Ui Chun on a visit to Russia and FM Sergei Lavrov were held in Moscow. Present at the talks were the foreign minister and his party and Kim Yong Jae, DPRK ambassador to Russia, from the DPRK side and Russian Vice-FM Aleksei Borodavkin and other officials concerned from the Russian side. At the talks both sides recalled that the two countries marked the 60th anniversary of the establishment of diplomatic ties and exchanged views on the issue of boosting the DPRK-Russia friendly and cooperative relations. The talks proceeded in a friendly atmosphere. (KCNA, "Talks between DPRK FM and Russian FM Held," October 17, 2008)

10/16/08 "The Lee group is becoming more frantic in its racket of confrontation with the DPRK in league with outside forces, instead of dropping its anti-reunification 'policy towards the north,' thus blatantly challenging the desire of the times and the nation," a *Rodong Sinmun* commentator says, and goes on: "All the dialogues between the authorities of the north and the south were stopped and the inter-Korean relations have been driven to a touch-and-go situation, going beyond the phase of freeze and deterioration, due to the reckless anti-DPRK confrontational moves of the Lee group. ...The real aim sought by the Lee group in escalating such moves for confrontation with the DPRK is to divert elsewhere the public criticism of it touched off by its sycophantic and treacherous policy and unpopular misrule and get rid of its crisis, first of all. ...Another aim sought by the group of traitors is to stem the trend of the times towards independent reunification and bring back the inter-Korean relations to those in the era of the Cold War. In fact, the negation of the June 15 joint declaration and the October 4 declaration means denying the ideology and system in the DPRK and seeking confrontation between the north and the south. ...The moves for an anti-north war stepped up by the south Korean puppets in league with the U.S. to cope with 'contingency' would not only bring a nuclear disaster to the Korean nation but create such a dangerous situation as causing serious calamities to the surrounding areas. ...If the group of traitors keeps to the road of reckless confrontation with the DPRK, defaming its dignity despite its repeated warnings, **this will compel it to make a crucial decision including the total freeze of the north-south relations.**" (KCNA, "Lee Myung-bak Group's Racket of Confrontation with DPRK Slammed," October 16, 2008) *Rodong Sinmun* said: "Tarnishing our supreme dignity is tantamount to an outright challenge to our system and a declaration of war." Although this part was not mentioned in the KCNA's shortened English version, "our supreme dignity" referred to Kim Jong-il himself. It was a reference to leafleting by South Koreans that informed North Koreans among other things of the stories regarding the North Korean leader's troubled health and a doomsday forecast of the Kim Jong-il regime. One of the preliminary preconditions for the first inter-Korean summit was that "no negative mention of the great general." The North Koreans have always vehemently reacted to any criticism or negative statement of Kim Jong-il. (Tong Kim, "Deterioration of Inter-Korean Relationship," NAPSNET, November 4, 2008)

10/17/08 The North Koreans have also removed more nuclear fuel rods from the reactor, DoS spokesman Sean McCormack said. "On the reactor, they have actually gone beyond where they were prior to their reversing the disablement steps," he told reporters, adding that 60 percent of the fuel rods had been taken out of the reactor. (Reuters, "North Korea Sticks to Pact, U.S. Says," *New York Times*, October 17, 2008, p. A-7)

At a meeting of the Military Committee Meeting (MCM) between the heads of the Joint Chiefs of Staff, the United States proposed setting up a detailed action plan in case of the collapse of the North Korean regime under Kim Jong-il, a move Seoul once rejected for fears it would provoke Pyongyang, sources said October 29. "The U.S. side proposed the countries develop CONPLAN 5029 into an operational plan at the MCM," the source said. Responding to questions over whether Seoul and Washington were working on finalizing OPLAN 5029 Defense Minister Lee Sang-hee said at the joint press conference, "South Korea and the United States are fully prepared for developments

that can have a large impact on security and the two countries will continue to develop our preparation plans." (Yonhap, "U.S. Proposes Action Plan in Case of N. Korea Collapse," October 29, 2008)

President Bush Friday said his administration will soon waive visa requirements for tourists and businessmen from South Korea and six other countries who intend to stay in the U.S. for less than 90 days. "I'm pleased to stand with the representatives of seven countries -- the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia, and South Korea -- that have met the requirements to be admitted to the United States visa waiver program," Bush said in a statement read at the White House Rose Garden. (Yonhap, "Bush Announces S. Korea's Entry into Visa Waiver Program," October 17, 2008)

The *Mary-Ann Hudson*, a U.S. cargo vessel carrying 20,000 tons of corn and 5,000 tons of beans, left from Norfolk and is scheduled to arrive at North Korea's western port of Nampo on November 18, Radio Free Asia reported, citing a spokesperson of World Vision. (Yonhap, "Latest U.S. Grain Shipment to N.K. Departs," October 18, 2008)

Defense Minister Lee Sang-hee, joined by Defense Secretary Robert Gates at a news conference, said, "Kim Jong-Il has not been seen in public for a while now, but both Korean and United States intelligence services estimate that he still has control over his administration," Lee said. Gates said, "I just echo Minister Lee's observation that our militaries stay in very close touch on this, work together and consider various alternatives." (AFP, "Kim Believed in Control in North Korea, Says S. Korean Minister," October 18, 2008)

10/18/08 The approval rating for Prime Minister Aso Taro's Cabinet stood at 42.5 percent in a telephone poll conducted by Kyodo on October 18-19, down 6.1 points from the previous poll in September, while disapproval grew by the same margin to 39 percent. Asked which political party they would vote for in the proportional representation block if a general election is called, 35.9 percent cited the main opposition Democratic Party of Japan, outpacing Aso's Liberal Democratic Party, which scored 32.7 percent. (Kyodo, "Approval Rate for Aso's Cabinet Slips 6.1 Points to 42.5%," October 19, 2008) Sixty-nine percent of voters are disenchanting with the Liberal Democratic Party, but the percentage of those pinning their hopes on the main opposition Democratic Party of Japan hovers at just 50 percent, according to a nationwide poll, jointly carried out by The *Yomiuri Shimbun* and Waseda University on Oct. 4 and 5. (*Yomiuri Shimbun*, "69% Cool toward LDP, But Only 50% Back DPJ," October 9, 2008)

In a meeting at the presidential office of the Blue House on October 18, President Lee reprimanded ministers related to national security, asking in effect why they were standing by while North Korea continued to release harsh rhetoric about him and urged them to drop the perception that the South Korean economy would be negatively affected by the increasing tension with North Korea, according to remarks made by multiple government sources on November 2. Lee also ordered that a working-level meeting on energy and the economy, chaired by South Korea, be halted unless there is progress in the six-party negotiations on the North Korean nuclear issue, the government

sources said. Related to this, another government official said, "President Lee thinks that the United States' delisting North Korea from the U.S. list of state sponsors of terrorism, an agreement made after a meeting in Pyongyang between North Korean Foreign Minister Kim Kye-gwan and U.S. Assistant Secretary of State Christopher Hill, is the wrong response to the North's threats." Present at the October 18 meeting were: Foreign Minister Yu Myung-hwan, Unification Minister Kim Ha-joong, National Intelligence Service Director Kim Sung-ho, Vice Defense Minister Kim Jong-cheon (Kim stood in for Defense Minister Lee Sang-who, who was in the United States for an annual security meeting), Presidential Secretary for Diplomacy and Security Kim Seong-hwan and Presidential Adviser for External Strategy Kim Tae-hyo. (*Hankyore*, "Lee's North Korea Policy Appears to Turn on Terror List Removal," November 3, 2008)

10/19/08 The Bank of Korea announced its response to the financial crisis: ㉠ The Korean government will provide guarantees to Korean banks' external debt after securing approval of the National Assembly. When Korean banks or its overseas branches take upon external debt from October 20th this year to June 30th, 2009, the government will offer guarantees to the debt for 3 years. Initially, Korea Development Bank or Korea Eximbank will provide guarantees starting from October 20th until the government wins approval of the National Assembly. After securing the approval, the government will take over the task of providing guarantees. \* The total value of guarantees will be capped at USD 100 billion. Domestic banks' external debt reaching maturity until the end of June, 2009 is estimated to be around USD 80 billion. ㉡ The government and the Bank of Korea will further provide additional dollar liquidity, equivalent to USD 30 billion, to the banking sector by utilizing foreign exchange reserves. ㉢ The Bank of Korea will provide adequate Korean Won liquidity into domestic financial markets by purchase of RPs, buying government bonds and early redemption of monetary stabilization bonds. These measures will help soothe anxiety of the financial market. ㉣ We will make efforts to maintain stability in the foreign exchange market through the smoothing operation to avoid extreme volatilities. ㉤ The government will provide tax incentives for long-term holdings of funds. This will help strengthen stability of the stock market and asset management companies. ㉥ At the moment, it seems that recapitalization of financial institutions or expansion of deposit guarantees are not necessary. However, should the need arise to pursue such measures, the government will take proper actions. ㉦ As part of an effort to boost international cooperation, the Korean Government will not only promote multinational collaboration among G-20 countries but also reinforce the regional ties centering on Korea, China and Japan. More specifically, the Korean government will make efforts to expand bilateral currency swap schemes to G-20 countries and to finalize detailed plans to multilateralize the Chiang Mai Initiative by the end of 2009. ㉧ The government will make an investment in kind, equivalent to Korean Won 1 trillion, expanding the capital base of the Industrial Bank of Korea. This injection of liquidity is likely to translate into additional loans worth Won 12 trillion available to small and mid-sized companies. Finally, the government will make efforts to have the tax cut package and the draft budget package pass the National Assembly and minimize the impact of the turmoil of the international financial market on Korea's real economy. (Yonhap, "Full Text of Government Statement on Stabilizing Financial Market," October 19, 2008)

10/20/08 Christopher Hill, who visited Pyongyang earlier this month, told the *Asahi Shimbun*, "We certainly have impressions that something happened there, but it's not something you could easily see visiting there," when asked what he knew about Kim's health. "What was clear was we had some troubles getting answers from North Korea in August and answers came more quickly in September or the beginning of October. So whatever happened, they seemed to be making decisions again." (AFP, "U.S. Confident Can Assess N. Korea Plutonium Despite Talks Delay," October 20, 2008)

10/21/08 FM Nakasone Hirofumi indicated Japan is considering funding and providing technology for North Korea's nuclear dismantlement, hinting at a different approach from Tokyo's current refusal to take part in energy aid to the North due to unresolved abduction cases. "Our policy of not giving economic and energy aid to North Korea until progress is seen on the abductions is unchanged," he said. "But with regard to nuclear abandonment, we have made our contributions through the International Atomic Energy Agency and would like to discuss with other nations involved on how we can continue to do so." (Kyodo, "Japan to Mull Funds, Technology to Denuke N. Korea: Nakasone," October 21, 2008) "Japan will not provide energy aid unless there is progress in the abductees issue, this has been declared before," Chief Cabinet Secretary Takeo Kawamura told a news conference. "But in terms of the nuclear issue, Japan is contributing to the International Atomic Energy Agency (IAEA), and it is possible that we will cooperate in moves taking place in such areas," he added. A South Korean official close to the six-way talks told reporters on Tuesday that it might be necessary to seek an alternative if Japan refused to contribute energy aid. "We may have to consider the participation of the international community," he said, without naming any specific countries. Meanwhile, KCNA said on Tuesday that it was necessary to discuss Japan's right to take any further part in the six-way process, "Nothing says Japan needs to participate in this." (Kubota Yoko and Jack Kim, "Japan May Help North Korea to Scrap Nuclear Program," Reuters, October 21, 2008)

10/22/08 The United States is discussing the option of asking several countries, including Australia, to provide energy assistance to North Korea equivalent to the level of aid Japan has postponed in return for the reclusive state's disablement of its nuclear facilities in Yongbyon. Japan has been asked to shoulder a share of about 200,000 tons, or about 17 billion yen, but it has postponed implementing the agreement because there has not been major progress in talks to resolve the issue of Japanese nationals abducted by North Korean agents. (Ogawa Satoshi, "U.S. Eyes Oil Aid Sources for N. Korea; Replacements Sought for Japan Assistance," *Yomiuri Shimbun*, October 22, 2008)

Unif Min Kim Ha-joong: "We have made it very clear that the Vision 3000 initiative **does not require the North to abandon its nuclear programs as a precondition**, as wrongly claimed by Pyongyang. Rather, **it is a policy that will enable gradual expansion of inter-Korean cooperation in accordance with progress made in the denuclearization process**. ... North Korea has also insisted that the Lee government has denied or ignored the June 15 Joint Declaration and the October 4 Declaration. ...However, our government has never denied the two summit declarations. ...The government **respects the spirit of those inter-Korean agreements** aimed at improving inter-Korean relations. In this context, the government hopes that the two

Koreas can find practical ways to implement the June 15 Joint Declaration and the October 4 Declaration. ... From such a perspective, the government has continued promoting those projects that have supported reconciliation and cooperation between the two Koreas over the past ten years. The number of cross-border travelers and the volume of inter-Korean trade continue to grow every day. The number of cross-border travelers increased by 37 percent last year, and the volume of commercial trade between the two Koreas also went up by 13 percent. The number of South Korean companies operating their factories in the Gaeseong Industrial Complex and the number of North Korean workers employed by them have almost doubled during the same period. **Mt. Kumgang tourism will be resumed if Pyongyang returns to the dialogue table and an agreement on resolving the shooting incident is made between the two Koreas. ... If the dismantlement of North Korean nuclear programs goes as planned, serious consultations on establishing a durable peace regime on the Korean peninsula could also begin.** (Unification Minister Kim Ha-joong, Keynote Speech for Korean Council for Reconciliation and Cooperation and Korea NGO Council for Cooperation with North Korea International Conference, October 22, 2008)

10/23/08 The government is holding back aid as leverage to encourage Pyongyang to come clean about the abductions of Japanese by its agents. Some members of the government believe that having other nations provide aid to North Korea in place of Japan would reduce the tools available to get Pyongyang to budge on the abduction issue, but others hold the view it would have no impact. PM Aso Taro stressed there would be no repercussions from any request by the United States to other countries to supply aid to the reclusive country. "The United States, in particular, understands the abduction issue well," Aso told reporters at the Prime Minister's Office. "The issue will neither strengthen nor weaken Japan's [position]." Japan's share of the burden is to supply the equivalent of 200,000 tons--worth about 17 billion yen. "It's possible this will weaken Japan's presence in the six-party talks and reduce the amount of sway we have," one government source said. Members of the opposition parties are also pressing the government on the issue. "Any subrogation [of Japanese aid to North Korea] would be a major setback for Japanese diplomacy," Democratic Party of Japan lawmaker Fujita Yukihisa said during a House of Councillors plenary session. In contrast, other members of the government suggested the strategy of dangling aid in front of North Korea as a carrot to encourage Pyongyang to make concessions on the abductions is effective. Chief Cabinet Secretary Kawamura Takeo said at a press conference Wednesday: "The [substitution] might temporarily mean that [aid] continues to [get to Pyongyang] for a short period, but after that, North Korea has to revive its own economy. Japan's role will be clear at that time." (Yumoto Hiroshi and Okazaki Tetsu , "Government Split on Alternative Sources for North Korea Aid," *Yomiuri Shimbun*, October 24, 2008)

The way the United States dropped North Korea from its list of state sponsors of terrorism was peculiarly abrupt and unexpected in the eyes of the government and has brought about a lingering effect on Tokyo's mode of thinking about the future of Japan-U.S. relations. The delisting has given rise to concern over its impact on the Japan-U.S. alliance. The potential impact was exemplified in a comment made last week by Democratic Party of Japan Secretary General Hatoyama Yukio: "[The reason for the

delisting is because] the United States hasn't necessarily placed importance on Japan, isn't it?" FM Nakasone Hirofumi offered a counterargument in a Budget Committee session of the House of Councillors on October 14: "It's definitely wrong to say the United States has made the decision [to remove North Korea from the blacklist] with a disregard for the wishes of this country." The foreign minister subsequently met with U.S. Deputy Secretary of State John Negroponte in Abu Dhabi on October 21, calling anew for a U.S. commitment to help Japan resolve the issue of the abduction of Japanese nationals by North Korea. A senior Foreign Ministry official said last week, "Unfortunately, the United States has fallen short of understanding the psychological impact [the delisting would have on Japan]." (*Yomiuri Shimbun*, "Delist Decision Shakes Japan's Faith in the U.S.," (October 23, 2008)

U.S. Senate, Committee on Foreign Relations, *North Korea and Its Nuclear Program - a Reality Check*, 110<sup>th</sup> Congress, 2<sup>nd</sup> Sess. (October 2008) has final version of February 2008 Hecker trip report.

10/24/08 Australia is prepared to help take over Japan's share in providing energy aid to North Korea as a reward for Pyongyang's disablement of the Yongbyon nuclear facility, an Australian Foreign Affairs and Trade Ministry spokesman said. The spokesman said his country was ready to consider responding to any request to contribute to North Korea's denuclearization process through the six-party talks on Pyongyang's nuclear program. The spokesman said Australia understood Japan's standpoint that it was difficult to take part in the energy assistance in the absence of progress on the issue of abductions of Japanese by North Korean agents. Meanwhile, a spokesperson for the New Zealand Foreign Affairs and Trade Ministry told the *Yomiuri* by phone Friday that the country was discussing offering financial assistance for heavy oil aid for North Korea through the six-party talks. (Okazaki Tetsu, "Australia Ready to Cover DPRK Aid Withheld by Japan," *Yomiuri Shimbun*, October 25, 2008)

North Korea has unofficially requested that the United States provide financial aid to nuclear engineers and farmers supplying products to its Yongbyon nuclear site in return for the reclusive country's dismantling of its nuclear facilities, sources said. North Korea's request came after the United States proposed to support reemployment of the country's nuclear engineers in civilian sectors in exchange for the dismantling. The United States needs congressional approval to implement the program. Officials representing Congress have visited North Korea several times to discuss the measure with the North Korean Foreign Ministry. During the discussions, North Korea requested the United States include farmers as recipients of aid, claiming farmers selling food to nuclear facilities in Yongbyon would lose their jobs if the facilities are dismantled. The latest request would bring the total number of North Koreans receiving aid from the United States to 10,000, including farmers and engineers. However, the U.S. government's intention is to support only these engineers who might otherwise leave the country and spread their nuclear knowledge to such countries as Iran and Syria. Therefore, Washington is wary of Pyongyang's escalating demands for aid to farmers who do not have a direct link to nuclear proliferation. The United States is planning to apply the Nunn-Lugar Program--or the Cooperative Threat Reduction Program, which began in 1991--on North Korea. (Ogawa Satoshi, "North Korea Asks U.S. to Support Farmers;

Pyongyang Seeks Aid for Workers Who Sell Crops to N-Facility Due to Be Dismantled," *Yomiuri Shimbun*, October 24, 2008)

PM Aso Taro held separate meetings with Chinese President Hu Jintao and Chinese Premier Wen Jiabao to discuss the financial crisis, North Korea's nuclear program, the safety of food products made in China, and other issues. In a speech in Beijing, Aso said, "Competing and cooperating is a true strategic, mutual-benefit relationship." But he also mentioned opinion polls and other surveys that show negative sentiments between people of the two countries over issues that include the two countries' past. "It is our mission for the next generation to reflect on the past in a humble manner and build our futures together," he said, emphasizing the importance of promoting understanding through dialogue and exchange activities. Aso also cited the many problems that Japan and China must tackle together, including the global financial crisis, environmental degradation, energy saving and United Nations reform. "I will build relations in which leaders of both countries can communicate immediately by telephone if something happens," Aso said. (*Asahi Shimbun*, "Aso's Speech in China Promotes 'Common Benefits,'" October 24, 2008)

Unification Ministry spokesman Kim Ho-nyeon disputed the U.N.'s assessment that millions of North Koreans are at risk of food shortages, saying that the impoverished communist country does not appear to face a "serious" food emergency. This year's harvest, he said, is not bad, citing South Korean civic officials who recently visited the country. "We believe that the North's food condition is not in a serious crisis situation," Kim told reporters, adding that the weather has been good and there were no heavy rains like the ones that devastated the North last year. His comments came a day after the U.N. food agency said millions of North Koreans face a food crisis and called on donor countries, including South Korea, to provide urgent food aid. "Some areas of the northeastern provinces in the country ... have become extremely vulnerable, facing a situation of a humanitarian emergency," Jean-Pierre de Margerie, the WFP's country director for North Korea, said Thursday at a forum. Around 2.7 million people on North Korea's west coast will run out of food in October, the WFP said in a report released on October 21. Food shortages have forced many North Koreans to go to hills to collect wild food to complement their daily rations and reduce the number of meals per day to two, de Margerie said. He said his agency hasn't seen any evidence of starvation but said, "We have reached (a) very critical level and we shouldn't wait for another starvation before ringing the alarm bells." In August, the WFP asked South Korea to provide emergency aid to North Korea to help it avert a food crisis, but Seoul has not yet responded. The South Korean government said it would not tie food aid to North Korea's nuclear disarmament, but it also said public opinion was a consideration in deciding whether to send aid. De Margerie was to meet South Korean officials on Friday and renew his agency's appeal for the North. "Donor countries should back us up ... Now is (the) time to act," de Margerie said. (Kwang-tae Kim, "South Korea: There's No North Korea Food Crisis," Associated Press, October 24, 2008)

10/27/08 North Korea threatened to expel South Koreans working in the North if Seoul does not prevent activists from dropping propaganda leaflets across the border, a South Korean defense official said. Military officers made the demand to their South Korean

counterparts during a 20-minute working-level meeting at the border, the second official meeting between the rival Koreas since the North broke off relations in February. The Koreas agreed in 2004 to end decades of propaganda warfare involving leaflets, loudspeakers and radio broadcasts. However, activists in South Korea continue to send anti-Pyongyang leaflets to the North, and the South Korean government cites freedom of speech in its refusal to stop them. (Hyung-jin Kim, "North Korea Demands End to Propaganda Leaflets," Associated Press, October 27, 2008) North Korea raised the issue of supplying materials and equipment for an existing military communication network as much and as forcefully as its demands for the cessation of leaflet distribution to North Korea, the Ministry of Unification has revealed. Discussion and continuous cooperation between North and South Korean authorities at the working level are needed to resume the supply of materials and equipment for the communication network, which was discontinued following the shooting death of a tourist at Mount Kumgang last July. The analysis emerging within and outside the government is that this may be the North's signal of a restoration of relations between North and South Korean authorities. (*Hankyore*, "N. Korea Appears to Signal Resumption of Inter-Korean Relations," October 29, 2008) A spokesman for the north side delegation to the north-south military talks gave the following answer to a question raised by KCNA Tuesday as regards the south Korean puppets' confrontational racket against the DPRK going beyond a tolerance limit with each passing day: We clarify our stand that should the south Korean puppet authorities continue scattering leaflets and conducting a smear campaign with sheer fabrications, our army will take a resolute practical action as we have already warned. Long ago we have seen through the sinister aim sought by the south Korean puppet authorities to go on with the anti-DPRK psychological warfare while citing what they called 'peculiarities of the south Korean society' and 'deeds of non-governmental organizations' as pretexts. As far as the 'peculiarities of the south Korean society' are concerned, the puppet authorities have put even the conservative media under their control. As for the 'deeds of non-governmental organizations,' they are nothing but premeditated operations conducted by the conservative organizations which the 'National Intelligence Service' and other institutions of the puppet authorities use as a shock brigade in kicking up an anti-DPRK confrontational racket while directly feeding and clothing them. If the puppet authorities respond to our repeated warnings with excuses and pretexts, the army of the DPRK will have no option but to go over to practical actions as clarified at the October 2 north-south military working talks. As for the 'preemptive strike' which the puppet warhawks officially announced as a basic mode of strike at the DPRK, we will counter it with more powerful and advanced preemptive strike of our own style as we have already stated before the world. This is our steadfast stand. The advanced preemptive strike of our own style is based on a preemptive strike beyond imagination relying on striking means more powerful than a nuclear weapon. It will, therefore, render any early warning system and interceptor system of the puppet warmongers completely ineffective, and the 'preemptive strike' based on the so-called method of fighting a war centering on Network much touted by them will also prove futile. The puppet authorities had better bear in mind that the advanced preemptive strike of our own style will reduce everything opposed to the nation and reunification to debris, not just setting them on fire, and it will turn out to be a just war of strike to build an independent reunified state on it." (KCNA, "DPRK's Stand on S. Korean Puppets' Anti-DPRK Confrontational Racket Clarified," October 29, 2008)

Kim Jong-Nam, eldest son of Kim Jong-Il is believed to have visited a Paris brain surgeon who apparently flew to Pyongyang to treat his father, Japan's Fuji Television reported. It showed footage from Paris of a man it identified as Kim. "He is believed to have met with a French brain surgeon, who later departed from Paris for Pyongyang under North Korean escort," the network said. (AFP, "Kim Jong-il's Son Lines up French Brain Surgeon: Report," October 27, 2008) "The North Korean side pointed out that the spread of leaflets is on the rise and demanded that our side take immediate measures to halt their distribution (in the North)," Col. Lee Sang-cheol, head of the North Korea policy bureau at the ROK Defense Ministry, told reporters. (Byun Duk-kim, "Pyongyang Blasts Seoul over Anti-Communist Leaflets," Yonhap, October 27, 2008) North Korean leader Kim Jong-il appears to be quickly recovering from a stroke he reportedly suffered and is well enough to resume his ordinary duties, South Korea's intelligence chief was quoted as saying today. "Although not completely fit, he appears well enough to perform his daily duties," National Intelligence Service Director Kim Sung-ho was quoted as saying by opposition party lawmaker Park Young-sun during a closed-door parliamentary session. "We also believe Kim's eldest son made a trip to France last week," he added, concerning recent reports that Kim Jung-nam visited Paris to meet a neurosurgeon for his ailing father. (Shin Hae-in, "N. Korean Leader Well Enough to Get Back to Work," Yonhap, October 28, 2008)

The Bank of Korea cut its benchmark interest rate by 75 basis points to 4.25 per cent and said it would buy up to Won10,000bn (\$7bn) of bank bonds to provide more liquidity to the banking sector and to help boost the slowing economy. The BoK said it would include local banks' bonds in its repurchase agreement deals to provide more liquidity. It will allow exporters to borrow dollars to pay for their mounting foreign exchange losses and small companies to roll over foreign-currency debt for one year. The action came as President Lee Myung-bak said, "I can say with absolute certainty, there is no foreign currency crisis in South Korea right now," he told lawmakers at parliament. "The situation is completely different from 10 years ago when we received a financial bail-out." The central bank rate cut came after it convened an unscheduled monetary policy board meeting. Over the weekend President Lee held an emergency meeting with top economic officials where he called for strong action to address South Korea's mounting financial problems. (Song Jung-a, "S. Korea Makes Emergency 75-Point Rate Cut," *Financial Times*, October 27, 2008)

10/28/08 At TCOG in Washington, Christopher Hill is "going to talk about the abduction issue and reiterate our support to the Japanese government and Japanese people for seeing that issue resolved," said DoS spokesman Sean McCormick on October 27. "I'm sure they talk about - touch on - heavy fuel oil, making sure that the six parties in way, shape or form meet their obligations." (AFP, "U.S., Japan to Discuss Japanese Abducted by North Korea," October 28, 2008)

PM Aso Taro decided to put off calling an election this year, sources close to Aso said. (Kyodo, "Aso, Faced with Financial Crisis, Eyes No Election This Year," October 28, 2008)

Freshly evaluated soil and air samples from a Syrian site bombed by Israel on suspicion it was a covert nuclear reactor provide enough evidence to push ahead with a U.N probe, diplomats said. The findings are important after months of uncertainty about the status of the investigation by the International Atomic Energy Agency. Preliminary results regarding environmental samples collected from the site by an IAEA team and made public earlier this year were inconclusive, adding weight to Syrian assertions that no trips beyond the initial IAEA visit in June were necessary. But the diplomats said that the IAEA's final evaluation, completed a few days ago, has the agency convinced it needs to press on with its investigation. The agency feels "there is enough evidence there to warrant a follow-up" said one of the diplomats. (George Jahn, "Diplomats: IAEA Says Syrian Nuke Info Needs Probe," Associated Press, October 28, 2008)

John Bolton: "Especially now with Kim Jong-il's health, it's very hard to predict. I mean, you hear a lot of speculation – based, theoretically, on intelligence – about what the status of the regime is in North Korea. But frankly, Kim Jong Il's health is the biggest state secret they've got, bigger than their nuclear capabilities. So much of what you see being commented on in the press is pure speculation....Q: On the North Korea front, what is the national security threat that balances on Kim Jong Il's health right now? What's the worst thing that could happen there? A: Always the worst thing that could happen is they would use a nuclear weapon somewhere for reasons that we would find very hard to understand. This is not a regime that's rational in the sense we understand it. It has its own rationality, to be sure, but it doesn't have the same cost-benefit analysis that we do. So the risk of – not necessarily it'd be used on the United States, because they may not be able to make it here, but used against Japan, used in a situation where the regime is collapsing in itself, in circumstances where there's a conflict for power, if Kim Jong -il dies, or in a variety of circumstances like that, as well as North Korea selling a weapon to a terrorist group. Q: What do you think is the likelihood that the next president would be put in a situation where it would be appropriate to take military action against North Korea or Iran? A: I don't think this administration's going to take military action, period. I think, in the case of North Korea, the circumstance of the greatest challenge and the greatest opportunity is when Kim Jong Il finally dies. What you would be worried about then would be collapse of the regime in the North and nuclear weapons and other nuclear technology escaping from the peninsula, which we can't have. Or the chemical and biological weapons that North Korea has being used in an internal struggle there that could have repercussions for the South. And you would have a risk of massive flows of North Korean refugees. There are contingency plans now to deal with that that would involve the use of military force to try and stabilize North Korea – stabilize the population, not the government." (Alexander Burns, "Q&A with John Bolton, Politico.com, October 28, 2009)

10/29/08 South Korean intelligence indicates that Kim Jong-il suffered a serious health setback, *Dong-A Ilbo* reported. (Jean H. Lee, "Report: N. Korea's Kim Suffers 'Serious' Setback," October 29, 2008)

North Korea is unwilling to put in writing procedures for verifying its declaration of its nuclear programs. Representatives of Japan and the United States agreed at TCOG to confirm the verification process for North Korea's declaration, which will be the focal

point of the next round of six-party talks, by having the reclusive state put it in writing. According to sources close to the six-party talks, North Korea has told the U.S. government that it hoped to keep the documentation of the verification process off the agenda at the next round of talks and instead focus on the country's disabling of nuclear facilities, such as the removal of nuclear fuel rods at the Yongbyon nuclear facility, and the implementation of economic and energy support measures equal to 950,000 ton of crude oil. As a result, the resumption of the six-party talks, which has been expected within this month, could be delayed if the three countries fail to coordinate their stance on this issue. Japan yesterday agreed to a U.S. move to ask Australia and other countries to shoulder Japan's share of energy aid being provided to North Korea, according to sources close to negotiators. The Japanese government is refusing to provide North Korea the aid, which is equivalent to 200,000 tons of fuel oil, because no progress has been made in resolving the abduction of Japanese by North Korean agents. "U.S. officials racked their brains to come up with this plan. This is not something we asked for, so Japan is not in a position to object [to the move]," said Akitaka Saiki, director general of the Foreign Ministry's Asia and Oceanian Affairs Bureau, after the meeting. (*Yomiuri Shimbun*, "N. Korea 'Cool toward Written Verification,'" October 30, 2008)

The State Department has invited Li Gun to New York on November 7 for informal six-party discussions under the umbrella of the National Committee for American Foreign Policy, chaired by Donald Zagoria. Also participating will be Track II co-supervisor Evans Revere and colleagues of The Korea Society, including former ambassador to South Korea and society president, Donald Gregg, and former Secretary of State Henry Kissinger, and Secretary of Defense Bill Perry. Christopher Hill will be accompanied by Special Envoy Sung Kim, and "the whole purpose of this is for them to meet with Li Gun to try and tee-up the next round of the six-party talks," we are reliably informed. If the talks are successful, despite all the problems noted above, the results will be conveyed to Beijing, Tokyo, Seoul, Moscow and Pyongyang, with the goal of setting a formal 6 Party plenum "as soon as possible". Hill has come under enormous internal pressure from defense, intelligence and non-proliferation colleagues, worried that the verification agreement as presented to President Bush is too focused on Yongbyon only, and does not contain verifiable or enforceable inspection rights on a host of concerns beyond plutonium production at Yongbyon. In particular, as stressed by both Frank Jannuzi and Michael Green at KEI today, apparently not dealt with in any direct way is the whole "red line" question of proliferation, which was not "solved" by the Israeli destruction of the North Korean assisted nuclear plant in Syria last year. "It looks like we dropped it...this is a strategic mistake," Green warned. This and the related issue of China's increasingly vital role in leveraging the DPRK was discussed, with much agreement and little real debate at the Korea Economic Institute this afternoon by Green, and Obama rep Frank Jannuzi, a senior Biden staffer on Senate Foreign Relations. Jannuzi called China the "indispensable partner," saying McCain is "exactly right" to be "demanding more," while Green said the key will be to "not let China get comfortable" with the status quo.: "Left alone, China's default position is to do nothing..." (Nelson Report, October 29, 2008)

10/31/08 The United States has asked Australia, New Zealand and the European Union if they could provide energy aid to North Korea instead of Japan, which is unable to participate

in a multinational energy assistance program in return for the communist state's nuclear disablement, Minister of Foreign Affairs and Trade Yu Myung-hwan said. Yu mentioned there might be some differences in the "philosophy" of managing the South Korea-U.S. alliance when Barack Obama of the Democratic Party is elected in the U.S. presidential election Tuesday. But he said overall relations between Seoul and Washington would remain solid regardless of who is elected as the next U.S. president because the two country's shared values and national interests have expanded to a great extent in recent years ranging from the military alliance and politics to economics and culture. (Jung Sung-ki, "Australia, NZ, EU Invited to Aid N. Korea," *Korea Times*, October 31, 2008) "Once agreed, the relevant parties would share energy assistance (originally borne by Japan) valued at some 100 million dollars," Yu was quoted as telling the *Korea Times*. "We don't know yet how much and in what way each party will contribute." Yu said, "The issue will be discussed at the six-party talks" involving the two Koreas, host China, the United States, Russia and Japan. "There is still the possibility that Japan will change its position and provide energy aid as the United States has urged North Korea to resolve the abduction issue," Yu said. "While sympathizing with Japan's position related to the issue of abductees, I hope that an environment for Japan's participation could be made possible at an early date," he added. "We're not just in a wait-and-see position but making active efforts to have the second-phase process be completed by the end of the year," Yu said. The aim was "that the six-party framework will be able to maintain momentum under the new U.S. government, which will inevitably review the North Korea nuclear issue," after the U.S. presidential election. (AFP, "U.S. Asks Australia, N.Z., E.U. for N. Korea Energy Aid: Seoul," November 1, 2008)

South Korea will likely postpone steel shipments to North Korea until agreement is reached at upcoming six-party nuclear disarmament talks on a protocol to verify the communist state's nuclear declaration, government sources said. "The government is contemplating ways to ship 3,000 tons of steel pipe promised to North Korea as part of the six-party deal after a verification protocol is formally adopted in the soon to be held nuclear talks," one of the sources said. Seoul also plans to approve the protocol only if it contains crucial elements for nuclear inspections of North Korea, the sources said. "The government would welcome it if the protocol to be adopted in the six-party talks includes all the contents of the deal between Pyongyang and Washington," a source said. "But if not, our position can be changed." (Yonhap, "Seoul to Ship Steel to N.K. after Verification Agreement," October 31, 2008)

11/5/08

*Rodong Sinmun*: "Lurking behind the Lee Myung-bak gang's nasty whining about the measure taken by the United States to remove [the DPRK] from the list of 'state sponsors of terrorism' is its apprehension that the situation may develop quite contrary to its wishes. It is a known fact that the Lee Myung-bak gang came up with the 'Denuclearization, Opening, and 3,000 Initiative,' an anti-national confrontation idea, as soon as it came into power, calling '[our] abandonment of nuclear [program] first' the precondition for North-South relations. Prattling that 'reunification is impossible with nuclear [weapons] over our heads and North-South relations are equally hard to [develop],' the puppet traitor ran amok with bloodshot eyes to kick up an anti-Republic confrontation racket in cahoots with outside forces. Now that there is some progress in the settlement of the nuclear issues and that our Republic has been removed from the list

of 'state sponsors of terrorism,' which are thanks to our sincere effort, the traitorous clique has fallen into the position of the dog looking over the roof after failing its pursuit of a chicken in the true sense of the words. It is out of uneasy feeling that that the Lee Myung-bak gang has let loose nasty outbursts, such as the 'reinstatement of sanctions against the DPRK,' secretly hoping that the DPRK-US relations deteriorate again over the nuclear issue. Through this, the anti-national true colors of the Lee Myung-bak gang, which does not want any development in the DPRK-US relations and North-South relations and the settlement of the nuclear issue, while running amok to suffocate fellow countrymen in collaboration with outside forces, have been brought to light for all to see. It is preposterous for the Lee Myung-bak ring to prattle about the 'reinstatement of the lifted sanctions' and other such things, failing to squarely look at the trends. The traitorous clique should stop futilely complaining and had better pay attention to how things are in its house that is collapsing." (KCNA, "DPRK Party Organ Decries ROK Foreign Minister, 'Lee Myung-bak Gang,'" November 5, 2008)

Gary Samore, vice president of the Council on Foreign Relations, said in an e-mail interview "Early in the Obama administration, I expect Washington will make a high-level statement that the U.S. is prepared to normalize relations with Pyongyang and sign a peace treaty ending the Korean War, but only after North Korea has completely eliminated its nuclear weapons and dismantled its nuclear facilities." (Yonhap, "Obama May Offer N. Korea Chance for 'Big Deal,'" November 5, 2008)

11/6/08

DoS spokesman Robert Wood: "Chris [Hill had dinner last night with the North Korean delegation, and then he also had discussions with Ri Gun, the Director General for North America at the North Korean Foreign Ministry. And they discussed the verification protocol, you know, energy assistance, and disablement of the North's nuclear facilities. Let me just give you a little something on Sung Kim. He also met with Ri Gun yesterday in New York, and they had morning talks followed by a lunch - a working lunch which was then followed by another meeting, you know, an afternoon session. And the talks were substantive, serious, and they focused on, of course, how to move the Six-Party process forward" (DoS Briefing, November 7, 2008) Sung Kim, the U.S. special envoy to the six-party talks on North Korea's nuclear disarmament, and Li Gun, North Korea's director for North American affairs, both said their talks covered a wide range of issues. Kim said the meeting was "substantive, detailed, and we look forward to continuing to keep in touch." Li said "We all agree (in) the exchange of views what we have to do more, and what is the next thing." (Associated Press, "U.S. Official Meets North Korean Delegation," November 7, 2008) Li Gun said, "We've handled many U.S. administrations, some seeking dialogue with us and others trying to isolate and oppress us," Li Gun said, as he emerged from the meeting. "We are ready to respond to any U.S. administration whatever its North Korea policy may be." (*Korea Herald*, "Pyongyang Ready to Deal with Any Government," November 7, 2008)

President-elect Obama was briefed by D.N.I. Mike McConnell: "Another main threat, McConnell said, was North Korea, which had enough nuclear material for six bombs and an effort underway to increase that. The North Korean leaders were loony. Attempts to negotiate with the regime would likely repeat the Bush administration's experience. It would be 'negotiate, prevaricate, escalate and renegotiate,' he said. The North Koreans

would talk, they would lie, they would escalate and threaten to walk away, and then they would try to renegotiate. 'That's how it's going to work.'" (Bob Woodward, *Obama's Wars* (New York: Simon & Schuster, 2011), p. 9)

Senior North Korean military officers reportedly told South Korean companies in the joint Kaesong Industrial Complex to go home and take their factories with them. The North Korean delegation including Lt. Gen. Kim Yong-chol, head of the Policy Planning Office of the North Korean National Defense Commission, inspected the facility today. In a closed-door meeting between Unification Minister Kim Ha-joong and representatives of the firms in Seoul, one of the representatives said his staff told him that North Korean officers made the remarks when they spent 45 minutes at the factory. He quoted the North Korean officers as claiming the land belongs to the military. (*Chosun Ilbo*, "S. Korean Firms in Kaesong 'Told to Pack Their Bags,'" November 14, 2008)

11/7/08 North Korea signaled Friday it wishes to "continue the momentum" of diplomacy with the United States and hold dialogue with Washington's incoming Barack Obama administration, Donald Zagoria, a professor of international politics at Hunter College, told reporters after sitting in on a closed-door seminar attended by a North Korean delegation. Also attending the seminar were Frank Jannuzi, a senior foreign policy adviser to U.S. President-elect Obama, and Sung Kim, U.S. special envoy to the six-party talks. Sung Kim would not elaborate on the contents of the meeting, saying only, "It was a good discussion to improve relations between the U.S. and North Korea." Jannuzi also refused to comment on the meeting. "We are ready to respond to any U.S. administration whatever its North Korea policy may be," Ri said. "We've handled many U.S. administrations, some seeking dialogue with us and others trying to isolate and oppress us." Hill also met with North Korea's Ri in New York on Thursday and held "substantive, serious" talks, according to Robert Wood, spokesman for the State Department. "They discussed the verification protocol, you know, energy assistance, and disablement of the North's nuclear facilities," Wood said, adding the U.S. is waiting for China to announce a date for the resumption of the six-party talks. (Yonhap, "N. Korea Expresses Interest in Continued Dialogue with U.S.: Scholar," November 8, 2008) A high-ranking North Korean official has proposed that former U.S. Secretary of State Henry A. Kissinger visit the North and the former secretary of state has expressed his willingness to take up the offer if two conditions are met, a governing Grand National Party lawmaker said. "We were told that Ri Kun, North Korean foreign ministry director for the North American bureau, met Kissinger last month, asking him to visit Pyongyang," Rep. Chung Mong-joon told Korean reporters in Washington. The Center for American Progress recommended, "During the first 100 days of the new administration, the President should send a special envoy to Pyongyang to deliver a simple message," CAP said in a policy recommendation report titled "Change for America: A Progressive Blueprint for the 44th President." The report also stated that "the envoy should make it clear that the efforts of the Bush administration in 2008 to resolve the standoff over North Korea's nuclear weapons program through the six-party talks, as well as the direct bilateral talks the outgoing administration finally engaged in are still on track." (Kang Hyun-kyung, "Kissinger Invited to Visit Pyongyang," *Korea Times*, December 5, 2008)

- 11/8/08 North Korea has slowed disablement work at its key nuclear reactor to a snail's pace, complaining of a delay in delivery of energy aid it is supposed to receive, Kyodo quoted diplomatic sources as saying. (Edwina Gibbs, "North Korea Slows Disablement: Kyodo," Reuters, November 8, 2008) The number of nuclear fuel rods that are pulled from the reactor and put into an adjacent water pond at the Yongbyon nuclear complex has gone down to 15 a day from last month's 30 a day, the sources said. More than 60 percent of the 8,000 fuel rods have been pulled so far, falling short of a goal set in July to try to finish the task by the end of October. (Kyodo, "N.Korea Slows Disabling to Snail's Pace," November 8, 2008)
- 11/9/08 President Lee Myung-bak said he is not opposed to a possible summit between U.S. president-elect Barack Obama and North Korean leader Kim Jong-il if it helps North Korea to abolish its nuclear development program. He made the remark in a joint interview with the *Chosun Ilbo*, *Mainichi Shimbun* and the *Times* today. "Some fear such a summit could exclude the South, but I'm not concerned about that," Lee added. Lee said Obama will probably consider South Korea's views "very prudently" and Seoul and Washington will be able consult "fully" on the North Korean nuclear issue. Regarding rumors about Kim's health, Lee said it was his understanding that the North Korean leader has no problem governing. The president expressed willingness to meet Kim at any time for the sake of "joint prosperity of the two Koreas and honest dialogue." (*Chosun Ilbo*, "Lee Not Opposed to Obama-Kim Jong-il Meeting," November 9, 2008)
- 11/10/08 DoS spokesman: "The *USS Providence*, a nuclear-powered submarine, made a brief visit to Okinawa on November 10. The Ministry of Foreign Affairs raised their concern about a delay in standard notification procedures, and the U.S. Embassy in Tokyo has expressed regret over the delay." (DoS, Office of the Spokesman, Statement, November 10, 2008)
- The United States plans to provide 50,000 tons of heavy fuel oil to North Korea by the end of this month as part of a six-party deal aimed at ending Pyongyang's nuclear drive, a U.S. government source said. Of the promised 1 million tons worth of aid, 500,000 tons have been provided so far. (Kyodo, "U.S. to Offer 50,000 Tons of Heavy Fuel Oil to N. Korea by November's End," November 10, 2008)
- 11/12/08 DPRK FoMin spokesman: "Amid the situation where the implementation of the 3 October agreement at the Six-Party Talks is being delayed lately, there are forces which are passing around wrong public opinion as if the responsibility lies on us. They are asserting that the Six-Party Talks should adopt a verification document, which includes sample extraction and so on, because the DPRK-US Pyongyang agreement related with the verification issue is insufficient. Some public opinions are describing the situation as if the opening of the talks by the heads of delegations to the Six-Party Talks is being delayed and the speed of economic compensation by the five parties is naturally slowed down because we are not responding to this [aforementioned assertion on adopting a verification document]. This is a product of an impure maneuver to wrest a concession from us related with the verification issue by imposing psychological pressure on us while turning away from the essence of the situation. In relation to this we cannot but reveal the agreed upon matters regarding the verification issue between the DPRK and the United States when the US assistant secretary of state visited Pyongyang in early October. First

of all, the DPRK and the United States reached a consensus in opinion on the special situation of the DPRK regarding the verification issue. Our country is a country that withdrew from the Nuclear Non-Proliferation Treaty [NPT] and the International Atomic Energy Agency [IAEA] and conducted a nuclear test outside the NPT and proclaimed that we are a nuclear state. Also, the Six-Party Talks are currently at the second stage of implementing the 19 September Joint Statement. This is the special situation determining the method and range of verification of nuclear declaration at the stage of neutralization. Therefore, in order to guarantee the accuracy of the nuclear declaration, **the verification measures to be taken on the precondition of a complete implementation of the 3 October agreement were agreed upon in a written document.** On viewing its [the written document's] content, the essence is that the object for verification is the Yongbyon nuclear facility which will be ultimately abolished in accordance with the 13 February 2007 agreement and the 3 October 2007 agreement; its verification method **is limited to on-the-spot visits, confirmation of documents, and interviews with technicians, and the period for verification is after the economic compensation is completely concluded in accordance with the 3 October agreement.** This is the most well-intended token that we can show against the backdrop of continuation of deep-rooted distrust and hostile relations between the DPRK and the United States. **If the application of the so-called 'international standard' is insisted upon and even one more letter other than the hard-achieved written agreement between the DPRK and the United States is demanded, without considering the current level of trust in relations between the DPRK and the United States, which are in a state of war, that would be nothing short of an act of infringing upon sovereignty -- an attempt to [launch] a house-search -- and the infringement of sovereignty is inevitably bound to bring a war.** The ulterior motive of [the fact] that some forces insist on such a coercive method as a house-search in [addressing] the issue of verification at the current stage, though [they] know all too well that it cannot succeed, lies in [an attempt to] neglect their obligation for economic compensation or to justify the delay in their fulfillment of obligation by delaying the Six-Party Talks themselves. We have already agreed to the proposal by the Chinese side to hold the talks of the heads of delegations to the Six-Party Talks on 18 October. **With regard to the delay in economic compensation by the five parties, we are countering with a slowdown in the pace of unloading the spent fuel rods by half** in accordance with the 'action-for-action' principle. If the economic compensation continues to be delayed, the pace of neutralization too will slow down to the same extent, and the prospect of the Six-Party Talks will become difficult to predict." (KCNA, "DPRK FM Spokesman on Forces Blaming DPRK for Delay in Implementation of Agreement," November 12, 2008)

North Korea said that it won't allow outside inspectors to take samples from its main nuclear complex to verify the communist regime's accounting of past nuclear activities. Pyongyang's Foreign Ministry said in a statement that it never agreed to such sampling, contradicting statements by U.S. officials last month following a breakthrough deal about how to verify North Korea's list of nuclear programs the regime submitted in June under a disarmament pact. The conflicting statements could prove to be a new snag in the long, tortured process of nuclear disarmament on the Korean peninsula. North Korea has agreed to give up its nuclear weapons but had bickered with the U.S. over verification,

with Washington insisting on strict measures to ensure Pyongyang is not hiding any active atomic programs. U.S. officials said last month that North Korea agreed to allow atomic experts to take samples and conduct forensic tests at all of its declared nuclear facilities and undeclared sites on mutual consent. The North's Foreign Ministry said today the country agreed last month only to let nuclear inspectors visit its main atomic complex, view related documents and interview scientists. Pyongyang also said only its Yongbyon atomic complex is subject to verification, and inspections can take place only after it receives all energy aid promised from its negotiating partners – China, Japan, South Korea, the United States and Russia. "It is an act of infringing upon sovereignty little short of seeking a house-search ... to insist on adding even a word except the written agreement reached between" the two countries, said the statement. (Jae-soon Chang, "North Korea: No Sample-Taking at Nuclear Site," Associated Press, November 12, 2008)

Statement by the DPRK Red Cross Society Central Committee: "If we are to talk about the game of 'resolution on human rights of the North,' it is a groundless anti-Republic scheme staged by the United States and its following forces on the stage of the UN; and it is truly astonishing that the puppet authorities presented themselves as the 'joint sponsoring state' by participating as the prime mover in this [scheme]. Furthermore, the traitorous gang had the phrase supporting the 15 June Joint Declaration and 4 October Declaration -- which was unilaterally supported and welcomed by the UN and which had been included in the [draft] 'resolution' -- deleted. By doing this, the traitorous gang completely cast off even the mask of 'respect for the declarations' and openly revealed to the whole world its anti-Republic confrontational true character. The South Korean conservative authorities' maneuver of participating in and fabricating the 'resolution on human rights of the North' is a frontal challenge against our dignity and system, a grave provocation against our Republic, and an overall denial of the 15 June Joint Declaration and the 4 October Declaration. The traitorous gang is scheming to fabricate the 'North's human rights law' at the puppet National Assembly and is all the more frantically running amok in the new war maneuver opposing our Republic. This shows that the South Korean conservative authorities' anti-Republic, confrontational maneuver has reached a very reckless and dangerous stage. ... Under the condition in which the traitorous gang is nonetheless ignoring our warning and the public opinion at home and abroad, and is doggedly marching toward the path of confronting fellow countrymen, [we] have no choice but to take a corresponding measure out of necessity. **The DPRK Red Cross Society Central Committee declares that the Panmunjom Red Cross liaison mission, which is no longer able to perform its functions owing to the grave situation created by the South Korean conservative authorities, be closed down; the delegation of our side withdrawn; and all direct North-South telephone channels that pass through Panmunjom be cut off.**" (KCNA, Statement by the DPRK Red Cross Society Central Committee, "DPRK to Close Panmunjom Liaison Mission," November 12, 2008)

DoS deputy spokesman Robert Wood: "Last week, we provided the North Koreans with 50,000 metric tons of heavy fuel oil. And it – apparently, the shipment will arrive in the DPRK on two different ships in late November and early December 2008. So again, this is part of our action-for-action strategy. I'm not able to tell you what the North Koreans are thinking. But again, just going back to the issue of verification, if you remember the

understandings on verification that were issued last month, it's - it was basically agreed that experts could take samples and remove them from the country for testing. So as far as I'm concerned, the United States is doing its part with regard to action- for-action. And we're going to continue to have these discussions with the North on verification. And so I'll just leave it at that." (DoS Daily Briefing, November 12, 2008)

The North Korean military yesterday threatened that it will "strictly restrict and cut off" all overland passages of the inter-Korean border from December 1 in retaliation to South Korea's reluctance to implement two summit declarations. Lt. Gen. Kim Yong-chol, head of the North's delegation to the inter-Korean military talks, sent the phone message to the South Korean military, KCNA said. "We officially notify (the South) that our military will take an actual crucial measure to strictly restrict and cut off all ground passages of the Military Demarcation Line beginning on Dec. 1 as the first (punitive) step," the message quoted by the KCNA said. "The South Korean authorities' unchanged stance and attitude toward the historic two declarations has been finally confirmed. Despite our repeated warning, the racket of confrontation with the DPRK kicked up by the South Korean authorities including the military, in particular, is going beyond the danger level," the message said. (Jin Dae-wong, "North Korea Threatens to Close Border," *Korea Herald*, November 12, 2008)

The Lee Myung-bak administration should speed up efforts to establish diplomatic channels through which it will be able to closely cooperate with the next U.S. government on North Korean affairs, Rep. Park Jin of the GNP said. "President-elect Obama is expected to take a flexible approach toward diplomacy (with North Korea), but I'm sure it has a firm stance on the principle of denuclearization," Park, who chairs the National Assembly's foreign affairs and unification committee, said at a Seoul forum hosted by the Korea Institute for Defense Analyses. "The Obama administration is expected to push for denuclearizing the North through direct talks in an aggressive manner." The legislator said Washington and Pyongyang would exchange special envoys or hold high-level talks, including a summit between the leaders of the two nations, in bids to improve bilateral relations. "The Seoul government, for itself, should establish a cooperation mechanism with the U.S. government as soon as possible," said Park. (Jung Sung-ki, "Obama Flexible on Ties with North Korea," *Korea Times*, November 12, 2008)

- 11/?/08 In an early warning of what was to come, one ranking North Korean official told an American in a private conversation soon after the U.S. elections that the situation was already out of the hands of the diplomats. (Oberdorfer and Carlin, *The Two Koreas*, pp. 430-31)
- 11/13/08 The Chinese military has boosted troop numbers along the border with North Korea since September amid mounting concerns about the health of Kim Jong-il, the North Korean leader, according to US officials. Beijing has declined to discuss contingency plans with Washington, but the US officials said the Peoples' Liberation Army has stationed more soldiers on the border to prepare for any possible influx of refugees due to instability, or regime change, in North Korea. (Demetri Sevastopulo and Song Jung-a, "China Increases Troops on North Korea Border," *Financial Times*, November 13 2008, p.

4) North Korea is restricting visitors from China, virtually closing off the Dandong border crossing. (Reuters, "North Korea Restricts Travel for Chinese Visitors," November 13, 2008)

The disablement of North Korea's Yongbyon nuclear complex and the provision of energy aid to the reclusive country will not be completed before President Bush leaves office. According to a ranking official at the U.S. State Department, delays in disablement work and provision of aid means the second phase of North Korea's nuclear disablement will not be completed until after President-elect Barack Obama takes office in January. The ranking official said the schedule for finishing disabling the nuclear facility had not been decided, but that it was important to keep making progress. The official also said the United States and Russia were considering stepping in to cover Japan's share of the energy aid. Australia and other countries without a seat at the six-party talks had been asked to help cover Japan's share of about 200,000 tons of heavy fuel oil, the official said Thursday. However, Congress will need to provide a budget to purchase this fuel oil, the official said, adding that it would be up to the next administration to decide whether to seek to allocate this budget. This would mean that the energy aid likely would be provided after budgetary discussions in February at the earliest. (Ogawa Satoshi, "DPRK N-Disablement Facing Delays," *Yomiuri Shimbun*, November 15, 2008)

11/14/08 South Korea has expressed its hope that North Korea will accept an offer to send materials and equipment necessary to improve military communications between the two sides, officials said. The South Korean military sent a telephone message to the North yesterday, proposing a working-level meeting be held to discuss details of Seoul's plan to send the materials. "North Korea has yet to respond to the proposal," Kim Ho-nyoun, spokesman for the Unification Ministry on North Korea affairs, said in a regular press briefing. "We expect the North to accept the offer since it has repeatedly demanded donation of the materials and equipment and it also wants to expand and develop the Kaesong industrial complex." Eighty-three South Korean labor-intensive manufacturers operate in Kaesong to benefit from the North's cheap land and labor. They employ about 35,000 North Korean workers. The two Koreas are linked by nine military hot lines but some are out of service for technical reasons, according to the ministry. Improving the lines would help quicken customs procedures for South Korean border crossers to Kaesong and ultimately contribute to reactivating the industrial park, officials said. (Shim Sun-ah, "Seoul Urges N. Korea to Accept Military Communications Materials," *Yonhap*, November 14, 2008)

Former South Korean President Kim Dae-jung told *Hangkook Ilbo*, "South-North relations now stand at a crossroads -- heading toward catastrophe or reconciliation." (Jon Herskovitz, "Korea Ties May Be Heading to Disaster: Ex-President," Reuters, November 14, 2008)

11/19/08 A Syrian facility destroyed by Israel last year could have been a nuclear reactor, an International Atomic Energy Agency (IAEA) report issued today determined. Although the IAEA has not completed its investigation, its early findings appear to support U.S. claims made in April that Syria was constructing a nuclear reactor in secret with North

Korean assistance at a site called Dair al Zour. One of the key pieces of evidence uncovered during the IAEA inspection of Dair al Zour was the presence of a "significant number of natural uranium particles" in some of the samples taken from the site. The agency noted that this uranium was produced through chemical processing and was therefore man-made. Speaking in regard to the uranium particles, a senior UN official said during a background briefing today, "[T]hat kind of material should not be there." The official further noted that the size of the particles was "extremely small," making it more difficult to tell its exact composition and therefore its potential purpose. The possible origin of any man-made uranium particles is far from clear. Syria pursued a small-scale effort to extract yellowcake uranium from phosphates in technical cooperation programs with the IAEA during the 1980s and 1990s. Yellowcake uranium is chemically processed uranium ore and is the result in one of the first steps in manufacturing nuclear fuel. According to the agency, financial difficulties prevented these uranium-extraction projects from moving beyond the experimental stage. It is unclear whether Syria has pursued any undeclared efforts to fuel a nuclear reactor. An unclassified 2005 CIA report to Congress judged that, "in 2004 Syria continued to develop civilian nuclear capabilities which may also be potentially applicable to a weapons program," including uranium-extraction technology. This judgment did not appear in subsequent annual unclassified reports to Congress in 2006 and 2007. If the U.S. intelligence assessment of the design of the alleged Syrian reactor is correct, such a plant would be able to operate on natural uranium fuel, which requires only limited steps beyond yellowcake uranium to purify it into uranium dioxide and fashion it into metal fuel rods. During an April 24 briefing, U.S. intelligence agencies claimed that the facility was a reactor based on the design of North Korea's Yongbyon nuclear plant. The senior UN official surmised that the uranium particles could have been reactor fuel but that further analysis was needed to come to any conclusion. Damascus claims that the uranium came from Israel. In a November 11 response to the agency's findings, Syria alleged that "the only explanation" for the presence of the uranium particles "is that they were contained in the missiles that were dropped from the Israeli planes onto the building." Although some types of munitions contain depleted uranium, the senior UN official stated that "not one single depleted uranium particle has been found so far." Making use of available satellite imagery of the facility prior to its destruction, the agency assessed that its size and layout were similar to those of a reactor. The IAEA also noted that a pumping facility on the Euphrates River that still remains after the facility's destruction provides a pumping capacity "adequate for a reactor [of] the size referred to" by U.S. intelligence. The agency has also sought clarification regarding Syrian procurement activities that the IAEA judged "could support the construction and operation of a nuclear reactor." The report cautioned that it was possible that such equipment was intended for a non-nuclear use. Lastly, the report stated that the agency has requested visits to three additional sites in Syria that may have installations "of relevance to the activities" at Dair al Zour. The IAEA determined from satellite imagery that Syria landscaped these sites and removed large containers shortly after the agency's request. The senior UN official noted Nov. 19 that the agency did not have any information suggesting that any of these locations were involved in producing fuel for a reactor or reprocessing spent nuclear fuel from a reactor. A reprocessing capability is necessary to extract plutonium from spent nuclear fuel to use in nuclear weapons. The U.S. intelligence community judged that the Dair al Zour facility was intended to produce this

spent fuel. The 2005 CIA report assessed that Syria was developing hot cell facilities, which can be used to extract plutonium from spent nuclear fuel. (Peter Crail, "IAEA Report Raises Suspicions on Syrian Site," *Arms Control Today*, December 2008, 59-60)

11/20/08

South Korean activists launched tens of thousands of leaflets attacking North Korea's regime towards the border, ignoring threats from Pyongyang and pleas from Seoul. "Return the abductees!" shouted Choi Sung-young as he released a towering gas-filled balloon carrying leaflets towards the heavily fortified frontier. Ten activists who gathered on a wintry hillside launched 100,000 plastic pamphlets castigating the hard-line communist regime and its leader Kim Jong-il. Apart from the leaflets, one of the balloons bore a huge slogan reading: "Down with the Kim Jong-il dictatorship!" (AFP, "Activists Send More Leaflets Heading to N. Korea Despite Pleas, Threats," November 21, 2008)

North Korea is now threatening to shut down an industrial complex in the North Korean town of Kaesong, the best South Korea had to show for its 10 years of sunshine policy. During an inspection tour earlier this month, a high-ranking North Korean general turned to the South Korean factory owners and asked, "How soon do you think you can pack your gear and go home?" Last week, North Korea said it had never agreed to let American experts take samples from its main nuclear complex, contrary to Washington's announcement that it had. All in all, the North's actions seemed to point not only to the end of the sunshine policy but also to a dangerous disintegration of relations. But longtime North Korea watchers see it much differently, saying that the moves fit a familiar and consistent pattern, and that they may even signal an upturn in relations with the United States. Over the years, they say, North Korea has divided its negotiations with the outside world into what analysts call "salami pieces," maximizing its gains at each stage. If the opponent balks, it uses brinkmanship. "North Korea got what it could from Bush. Now it is signaling to President-elect Barack Obama, 'O.K., let's negotiate again over nuclear sampling,'" said Lee Sang-hyun, an analyst at Sejong Institute. "To Lee Myung-bak, its message is that it means action if he doesn't reconsider his policy." To pull off the two tricks together, North Korea is using its old tactic of "tongmi bongnam" – opening the door to the Americans while shutting it to the South Koreans. The idea is to engage the United States while raising tensions with South Korea, with the aim of driving a wedge between allies. Lee is a conservative who wants to make his mark as a disciplinarian on North Korea. He vowed not to support any major economic help for the North until there was a breakthrough in dismantling its nuclear facilities. While Washington agreed to ship 500,000 tons of food to North Korea, Lee said that South Korea would not give food aid unless the North publicly asked for it. North Korea never did, and it never forgave. It called Mr. Lee "despicable human scum," an epithet it had previously reserved for John Bolton. "Obviously the North Koreans decided that they can sacrifice the sunshine policy and show to everybody in Seoul that they don't care," said Andrei Lankov, a North Korea expert at Kookmin University in Seoul. "Meanwhile, we will see spring in the North Korea-U.S. relations." The North Korean tactic puts Lee, a self-styled pragmatist, in a difficult position. Abandoning his principled stance will be seen as surrender by his supporters, while staying the course will virtually assure that North Korea shuts down Kaesong, analysts say. That will feed South Korean fears of an unstable peninsula and provide Mr. Lee's liberal critics with plentiful ammunition. Perhaps the greatest current concern about North Korea's recent moves, Korea experts say, is what

they may signal about the internal dynamics of the regime. "The more intriguing issue is whether all these developments signal a growing role of the military," said Daniel C. Sneider, associate director for research at Stanford's Shorenstein Asia-Pacific Research Center. "And the tour of Kaesong by the military was troubling in that regard." The military is said to detest Kaesong and its capitalistic influence, as well as any deal that would deprive it of nuclear weapons. "It is the conservative mood that prevails in Pyongyang now," said Leonid A. Petrov, a North Korea expert at Australian National University. With all the speculation over the North's motives, Lankov said, one thing seemed clear. "The decision to close Kaesong is a very big decision that no one in North Korea can make without explicit approval from Kim Jong-il," he said. "It is an indirect confirmation that he is in control." (Choe Sang-hun, "Latest Threats May Mean North Korea Wants to Talk," *New York Times*, November 20, 2008, p. A-18)

11/21/08 The U.N. General Assembly's human rights committee approved a resolution calling for the improvement of North Korean human rights, which was co-sponsored by South Korea, by a vote of 95 to 24 with 26 abstentions. The resolution is a product of a political plot to forcibly change the North Korean regime and its ideology, said Pak Dok-hun, DPRK deputy chief of mission to the United States in New York. "We urge other member nations to reject the attempt to politicize the issue." He also warned Seoul that it would pay the "dearest price," calling its co-sponsorship anti-unification activity and a complete denial of inter-Korean agreements. (Kim Sue-young, "UN Panel Adopts Resolution on N. Korean Human Rights," November 23, 2008)

While the government co-sponsored and voted in favor of a human rights resolution on North Korea, adopted at the Third Committee of the 63rd United Nations General Assembly today, it abstained from the resolution on Iran. In connection with the North Korea human rights resolution, the government announced, "We participated as a co-sponsoring nation based on the fundamental view that because human rights are values universal to humankind, we must separate human rights issues from other issues and deal with them in themselves." An official at the Ministry of Foreign Affairs and Trade said Thursday that "out of the three nations for which human rights resolutions were presented at this UN General Assembly, we voted in favor of the resolutions for North Korea and Myanmar and abstained from the one for Iran." The official explained, "In the case of Iran, we decided to abstain after considering the fact that its human rights situation has improved in part from last year, as well as our interests, particularly oil." The official added that South Korea has abstained from all human rights resolutions on Iran thus far, including last year, for the same reason. Regarding South Korea's participation as a co-sponsor of the North Korea human rights resolution, Minister of Foreign Affairs and Trade Yu Myung-hwan said in a briefing with reporters on November 7 that "the North Korea human rights resolution has content in which related nations show their interest in human rights in North Korea, insofar as human rights are a value universal to humankind, and demand human rights improvements." Yu also said, "We made this decision based on the philosophy that human rights issues should be separated from other issues and continuously pursued in that human rights themselves are universal values of humankind." A Ministry of Foreign Affairs and Trade official said, "In the case of North Korea, nothing has improved in the human rights situation, and the current administration's approach to human rights is that we must participate in the human rights

issues of our fellow Koreans." It was in consideration of that situation that South Korea co-sponsored and voted in favor of the North Korea resolution at the security policy coordination meeting, the official said. But an official from another government that has opposed the North Korea resolution said, "If they separate human rights issues from other issues and deal with them as values universal to humankind, I wonder why they abstained from the resolution on Iran." The official added, "It isn't persuasive when you bring in 'universality of humankind' against claims that the special nature of inter-Korean relations and national interests must be considered." The North Korea resolution passed at the Third Committee session of the UN General Assembly on November 21 with 95 votes for, 24 against and 62 abstentions, with the UN General Assembly plenary meeting vote set for mid-December. (*Hankyore*, "S. Korea Abstains from Human Rights Resolution on Iran," December 5, 2008)

11/24/08 Q: You know the [North] Korean government has said that it will not allow any inspectors to take samples from Yongbyon, and that was quite different from what the U.S. has been talking about. Do you have any strategies on how to resolve the U.S. - North Korea difference? Sung Kim: There's no confusion between us and the DPRK on what was agreed to. So it's a matter of taking our agreement and understandings into the Six-Party process and finalizing and adopting it in the Six-Party Talks. (DoS, Remarks to the Media upon Arrival, Incheon, November 24, 2008)

North Korea said it would ban South Korean tourists from the ancient city of Kaesong and "selectively expel" South Koreans working in a joint industrial complex there starting December 1. The North also said it planned to shut down the only cross-border train service with South Korea, idling the freight train that makes a daily round trip between Kaesong and Seoul, the South's capital 45 miles to the south. North Korea warned Monday that the actions it was announcing were only a "first stage." Analysts and officials in Seoul feared that North Korea would attempt to extract concessions from Mr. Lee by gradually strangling the operations at Kaesong. The next round of nuclear disarmament talks are to be held in Beijing on Dec. 8. The talks have stumbled because of disagreement between American and North Korean officials over how to verify the North's nuclear declaration and its nuclear dismantlement. North Korea is refusing to allow nuclear samples to be taken out of the country for testing. The North will stick to that stance, analysts say, in hopes of using it as leverage in negotiating with the Obama administration. (Choe Sang-hun, "North Korea Threatens to Snip Ties with South," *New York Times*, November 25, 2008, p. A-8)

Current and former U.S. officials say the Bush administration has put unprecedented trust in North Korea's regime - a charter member of its "axis of evil" - and accepted verbal agreements that Pyongyang now disputes, with potentially unsettling implications for arms control. Most recently, the administration has taken as sufficient an oral commitment by North Korea to allow sampling and other scientific activities to verify its nuclear history - a pledge the North says it never made. The only written account of that promise - which the officials say was given privately to chief U.S. negotiator Christopher Hill by his North Korean counterpart, Kim Kye-gwan, in Pyongyang last month - is in a "memorandum of conversation" written by Hill to Secretary of State Condoleezza Rice. North Korea, however, insists that it never agreed to sampling and other measures to

verify a nuclear declaration it submitted in June to six-nation disarmament talks. In a statement earlier this month, the North said it accepted a document with no specific enforcement measures. Rice told reporters yesterday that leaders of the United States, Russia, China, South Korea and Japan agreed during a weekend economic summit in Peru to meet in China December 8 to try to clarify the situation. Hill told other members of the administration that the North Koreans were blustering, according to a former senior official who still maintains regular contact with his ex-colleagues. He requested anonymity because he was discussing private conversations. Hill and his aides declined to comment, but a senior State Department official did not dispute the former official's account. The official also conceded that no written, audio or video evidence exists of North Korea's commitment to allow sampling at its nuclear sites. Department spokesman Sean McCormack said, "The U.S.-North Korea agreement on verification measures has been codified in a joint document between the United States and North Korea and certain other understandings, and has been reaffirmed through intensive consultations." In an indication of doubt about Kim's private commitment, an Asia analyst at a Washington think tank said he received a call from the State Department after Hill returned from Pyongyang and was told that U.S. officials "hoped" the North would agree to the understandings in the near future. The "understandings," which include the specific measures and were written by the United States, have been released, but the main agreement has not. Neither of the documents was signed, said officials close to the negotiations who asked not to be named. In fact, the officials said, none of the six-party documents has been signed. Evans Revere, president of the Korea Society in New York and a former career diplomat, said it appears that the administration has no "accountability mechanism" when negotiating with the North. "I hope there will come a day when we can base our relationship with Pyongyang on mutual trust and good faith, but we are unfortunately not there yet," he said. "It's particularly important that the Bush administration reassure skeptics that there are no differences between Washington and Pyongyang over how to interpret the agreements that have been reached." Bruce Klingner, senior research fellow at the Heritage Foundation, said the Bush administration's failure so far to secure such a protocol shows that it "prematurely removed North Korea" from the U.S. blacklist of state sponsors of terrorism, which it announced on October 11. Officials said that, during Hill's October visit, the North Koreans threatened to begin reprocessing plutonium for use in nuclear weapons again or even test a weapon, as they did in 2006, if they did not come off the list. The North stopped reprocessing and almost disabled its main reactor at Yongbyon as part of an earlier six-party deal, which also included energy and economic aid. This summer, the administration said the North had agreed to finalize a verification protocol before its removal from the terrorist list. But the administration failed to provide written proof of that promise when the North denied it. "Who's telling the truth? There is no way to know, since Washington has relied on ambiguous text, oral agreements and side letters to keep the negotiations going, but allowing North Korea to avoid full compliance," Klingner said. Revere said that such negotiating tactics fall short of "promoting confidence by the American people, Congress" and the other six-party members. "The concerns that have been raised by the lack of such reassurances provide an important lesson for the next U.S. administration as it begins to develop its approach to bilateral talks with Pyongyang." (Nicholas Kralev, "U.S. Takes N. Korea's Word on Nukes Pact," *Washington Times*, November 24, 2008)

DoS spokesman Sean McCormack told a daily news briefing, "We hope and would expect that the verification protocol would be formalized in a six-party sense at the next heads of delegation meeting, which my boss announced just the other day." Secretary of State Condoleezza Rice said yesterday that "there will be a push to finalize the verification protocol" during the upcoming multilateral nuclear talks in Beijing on December 8. "It's very important that that verification protocol reflect the discussions that Chris Hill had with his North Korean counterparts when he was in Pyongyang, a set of assurances that were given," Rice said, advising patience. "The North Koreans took 30 years to get a nuclear weapons program; I think it might take more than a couple to unravel it." (*Korea Herald*, "U.S. Hopes to Formalize Agreement in 6-Way Talks: State Dept." November 25, 2008)

KCNA said calling for sampling to be included in a document on verification steps to be drawn up in the next six-party denuclearization talks amounts to "a total denial" of an October deal between the United States and DPRK. The U.S.-DPRK agreement "includes no paragraph referring to the collection of samples," KCNA said. (Kyodo, "DPRK Repeats Rejection of Sampling to Check Nuclear Information," November 14, 2008)

11/25/08 Park Hee-tae, chairman of the governing Grand National Party (GNP), claimed on a radio program that the inter-Korean agreement signed between former President Roh Moo-hyun and Kim Jong-il was "too rosy and exaggerated" to implement. "It will take at least tens of trillions of won to implement the commitments in the Oct. 4 agreement signed in 2007." Choi Jae-sung, spokesman of the largest opposition Democratic Party (DP), called the remarks "very inappropriate," given the current situation. "The GNP leader's comments could aggravate the North, which has already begun playing hardball," Choi told reporters. (Kang Hyun-kyung, "Park's Criticism of Inter-Korean Accord Draws Backlash," *Korea Times*, November 25, 2008)

11/27/08 South Korea offered to hold dialogue with North Korea on the communist nation's earlier decision to suspend almost all cross-border projects, but was rebuked as the North took follow-up measures to prove it is serious about its decision. "I propose government officials of the two Koreas meet to discuss the North's measures," Unification Minister Kim Ha-joong said in a speech at an exhibition featuring products from a joint industrial complex in Kaesong. North Korea, however, delivered messages to the South on the same day detailing measures to scale back hours available for border crossings by South Koreans and to halve the number of South Koreans working at a joint tourism area. Following up on earlier threats, North Korea has asked that the number of South Koreans working at a resort at the North's Mount Geumgang be halved, spokesman Kim said. A North Korean office in charge of management of the tourism enclave made the request in a new message delivered on Wednesday to Hyundai Asan, the South Korean tour operator, he added. "The North asked the number of South Koreans staying at the mountain resort to be reduced from the current 200 to less than 100," he said in a press briefing. South Korea has suspended the tours and left a minimal number of staffers at the resort since the shooting death of a South Korean tourist there in July. North Korea on November 24 said it also wants half of the nearly 4,000 South Koreans working at plants, construction firms and in service jobs to leave the South Korean-run joint industrial park in Kaesong. The North's military also sent a message to the South, saying

it has changed immigration rules to reduce daily or weekly hours for opening its border with the South. Under the changed rules, North Korea will open the border to South Koreans from the current four times a day to just twice a week on the eastern side of the border, Kim said. On the western side of the heavily armed frontier, South Koreans will be allowed to cross the border only six times a day, down from the current 19, he said. The North also said the total size of South Korean groups that can cross the border into the North at once will be reduced by half from the current 500 people. The measures are expected to severely dampen business activities in the joint industrial complex in Kaesong, although the North promised not to shut down the complex for 88 South Korean manufacturers operating there. (Shim Sun-ah, "Seoul Offers Dialogue with N. Korea on Border Restrictions," November 27, 2008)

Former President Kim Dae-jung criticized President Lee Myung-bak's North Korea policy, saying Lee "has intentionally derailed the inter-Korean relations with a wrong approach." During a meeting with Rep. Kang Ki-kab, leader of the opposition Democratic Labor Party (DLP), at his home in Seoul, Kim said, "The Lee administration won't be able to reverse the United States-North Korea relations. If it attempts to do so, South Korea will only work from the sidelines in the North Korean affairs." Kang paid a visit to the former President after returning from his visit to the North on November 16. (Kang Hyun-Kyung, "Lee's N. Korea Policy in Wrong Direction," *Korea Times*, November 27, 2008)

11/22-29/08 A leaked 37-page report purportedly drafted by Burmese officials describes a top-secret visit to North Korea by its senior military led by General Thura Shwe Mann, its third-ranking official. Swedish journalist Bertil Lintner, an authority on North Korea, said the report may have been fabricated leaked to discredit the exile Burmese press. A November 27 memorandum of understanding covers training, "the building of tunnels for aircraft and ships as well as other underground installations," and arms modernization. (Radio Free Asia, "Burma, North Korea Said to Expand Military Ties," July 2, 2009)

12/1/08 North Korea pulled the curtains tighter today, drastically cutting South Korean access to a joint industrial complex in the border city of Kaesong. The border restrictions slash the number of South Koreans permitted to stay in the factory complex from 4,200 to 880, continuing an autumn of outrage during which the communist North has suspended cross-border train service with the South and curbed tourist access across the border. Reductions of South Korean staff -- and sharp cutbacks in hours during which border crossings are allowed -- are expected to inconvenience companies operating in Kaesong, but they will not drastically disrupt factory operations, said one South Korean businessman who runs a factory there. "North Korea has too much at stake to kick out the manufacturing business community," said the businessman. "North Korean officials assured us that our business activities will not be hurt. No one from the manufacturing sector has been asked to leave yet. It would be too much of a risk for North Korea to give up cash payments they get for wages and rent." At Kaesong, companies pay North Korean workers about \$68 a month, with about \$53 of that going directly to the North Korean government, according to recent estimates. The livelihoods of about 110,000 people living near Kaesong depend directly on the complex. "The North's strategy with South Korea seems to be the same: create crisis and extract concessions," said Koh, the

North Korean specialist at Dongguk University. "If they really shut down Kaesong, that means they are severing ties with Lee. They are not doing that now. They are giving Lee a chance to respond." (Blaine Harden, "North Korea Restricts Border Traffic," December 2, 2008, *Washington Post*, p. A-12)

12/2/08

At TCOG in Tokyo., South Korea, Japan and the United States agreed to complete the second phase of North Korea's denuclearization process and enter the third phase of abandonment of nuclear weapons before March. On the verification protocol, the main agenda of the upcoming six-party talks, South Korea's top negotiator Kim Sook said, "The representatives from the three countries reaffirmed that the protocol must include **core elements** of verification, such as taking samples from North Korea's nuclear sites." (*Dong-A Ilbo*, "Phase 2 of Denuclearization to Wrap up Before March," December 4, 2008) **HILL:** "We need to be able to look at documents - we've already received a lot of documents. We need to be able to interview their personnel, and it looks like we'll be able to do that. And thirdly we need to be able to make site visits, which involve using scientific procedures. And I think we have a pretty good definition of what that is. So we need to get this all in a protocol and get on with the work. **QUESTION:** Is there a possibility that the sampling section will be in another document and not in the main protocol? **HILL:** Well, I really don't want to get into how many documents we're talking about. Our point is that we need to get to the verification phase which is a phase which takes place after we have completed disabling. Much of it will have to take place after we complete disabling because you can't be verifying a reactor until the reactor is completely de-fueled. And our concern is that we want to get to that phase and not have any surprises. We don't want a situation where our scientists arrive, and they want to do some scientific procedures, and then there's a big disagreement on what scientific procedures they are allowed to do. So that means that - in order to avoid those disagreements and misunderstandings - we want to get everything as clear as possible in the Six-Party head of delegation meeting. Now whether that takes one document, two documents, three documents, I don't know. The important point is to make it clear, so that there are no misunderstandings. (DoS, Christopher Hill, Remarks Upon Arrival in Japan, December 2, 2008) **SAIKI:** The verification method and the subject of verification - that is the nuclear facilities as well as the nuclear plants that would be subject to verification - would have to be absolutely clear, so that there is no room for misunderstanding. That kind of clear, solid understanding and agreement must be put in writing, so that there is no room for misunderstanding. As far as this point is concerned, as Assistant Secretary Hill indicated, Japan and the United States - and tomorrow together with Korea - we will have in-depth discussions on these issues. And based on the outcome of that trilateral discussion, I believe that the United States will be discussing these matters with North Korea in Singapore. In Beijing the Six-Party Talks will be held, and certainly we expect some hardships that we will be facing during the Six-Party Talks. But to the extent possible, we would like to establish a clear framework, and then start the verification process, which would be an extremely important roadmap for a step toward complete denuclearization of North Korea's nuclear facilities. And to that end, we would like to cooperate with the United States. **QUESTION:** Did you discuss anything about the collection of samples? **SAIKI:** We did. In performing verification, sampling is an extremely important factor or element. And I think there is no doubt about that. And as far as that is concerned - within the framework of the Six-Party Talks - hopefully the

North Korean representatives would come to an agreement on the method of verification as well as the method of sampling. (DoS, Joint Press Availability, Christopher Hill and Saiki Akitaka, Director-General for Asian and Oceanian Affairs," Tokyo, December 2, 2008) "We agreed that it is necessary to take samples to verify North Korea's declaration of its nuclear program," Kim Sook told reporters in Tokyo after meeting with his American and Japanese counterparts. "We will make efforts to put it in writing during the forthcoming six-party talks (on the North Korean nuclear program)." (Yonhap, "S. Korea, U.S., Japan to Seek Sampling from N. Korean Nuke Facilities," December 2, 2008)

12/3/08 Working on the assumption that North Korean leader Kim Jong Il's health is worse than first thought, Washington has begun drawing up plans to deal with a new Pyongyang leadership on the assumption that Kim could fall from power or die, an informed U.S. source said. According to the source, Kim suffered a stroke on Aug. 14 or 15, and was treated by Chinese and French doctors. Even though the U.S. government had initially believed Kim was recovering, based on further analysis, it now believes his physical condition does not allow for such an outlook. Dennis Wilder, senior director for Asian Affairs at the White House National Security Council, said on Nov. 21 that Kim had suffered "some sort of health crisis." The source said today: "You should read that as code language for '[Kim] could potentially not recover, could potentially die from this.'" According to the source, Kim suffered paralysis on the left side of his body and it is unknown whether he is capable of making decisions on key policies, such as those relating to nuclear development issues. "The chance of him returning to a full leadership role is very, very thin," the source said. He indicated Kim's downfall in the near future is possible, saying there have been moves to establish some kind of collective leadership system involving the military, the Workers' Party of Korea and Kim's family. "If these people felt [Kim] was capable of coming back to power, they would sort of step back," he said. (Kurose Yoshinari, "Washington Preparing for Post-Kim Regime," *Yomiuri Shimbun*, December 6, 2008)

Park Sang Hak, a North Korean defector, launches balloons bound for his homeland. They carry leaflets accusing North Korean leader Kim Jong Il of being a drinker of pricey wine, a seducer of other men's wives, a murderer, a slaveholder, a dictator and "the devil." The South Korean government says it wishes Park wouldn't rain all this provocation on a heavily armed neighbor, but it says it is powerless to stop him. So about the only thing that usually stops Park's balloons is a wind that won't blow north. But this morning at Paju, near the DMZ that separates the two Koreas, Park and his compatriots ran into a bunch of South Korean activists willing to fight to keep the balloons on the ground. Park's anti-Kim leaflets, they shouted, were a threat to peace on the Korean Peninsula. A balloon-driven rumble broke out. Scores of police struggled to keep it from turning into a full-blown riot. Before it was over, Park kicked one of the counter-protesters squarely in the head -- a blow that sounded like a bat whacking a hardball. He spat on several others who were trying to rip apart bags of leaflets. He pulled a tear-gas revolver from his jacket, and fired it into the air before police grabbed it. In the end, Park's group managed to launch just one of its 10 balloons. Thousands of leaflets were torn from bags and spilled onto the ground. (Blaine Harden, "Brawl Near Korea's Border," *Washington Post*, December 3, 2008, p. A-9) On December 5, anti-communist activists decided to suspend their campaign of sending propaganda leaflets into the

North. The announcement came after their meeting with Grand National Party leader Park Hee-tae. "Chairman Park Hee-tae asked us to restrain from the activity, citing the North's recent hard-line measures which Pyongyang says are in retaliation for the spread of the leaflets," said Park Sang-hak, head of the Fighters for Free North Korea, a Seoul-based North Korean defectors' group. "We decided to stop the leaflet dissemination for a while and will watch to see whether the North changes its attitude." (Jin Dae-woong, "Anti-N.K. Campaign Put on Hold," *Korea Herald*, December 6, 2008)

12/4-5/08 U.S.-D.P.R.K. bilateral in Singapore. "What we need to do is to make sure that the Hill, told reporters after arriving for talks with his North Korean counterpart, Kim Kye-gwan. "We need some specificity on this protocol, we had a lot of discussions about it and I think we do have an understanding on how to go forward." (Jon Herskovitz and Melanie Lee, "Verifying N. Korea Nuclear Claims Is Vital: U.S.," Reuters, December 3, 2008) "We need to arrange for the protocol of verification, fuel delivery, and schedule of disablements," Hill told reporters. "We have to make sure the verification protocol is one that clarifies issues so there won't be any misunderstandings when we get to the actual verification." (Alex Kennedy, "U.S. Envoy in Singapore for Talks with North Korea," Associated Press, December 3, 2008) Top nuclear envoys from the United States and North Korea fell short of reaching consensus on how to mention steps to verify Pyongyang's nuclear information in a proposed six-party document. But Assistant Secretary of State Christopher Hill and Vice Foreign Minister Kim Kye Gwan, following their meeting, both said they would hold more talks. "We held specific discussions on issues related to verification," Kim told reporters after the two-day bilateral talks. "In the process, we have learned of issues that both sides are concerned and worried about. We will be continuing discussions in the future," he said, indicating that an agreement was not reached. "The issue is how to capture things in writing, and so that's what we've all got to work on," Hill told reporters separately at a Singapore hotel. Hill said he had a "preliminary discussion" with North Korea on what the wording and format of the document is going to be. "I can't say that we've...agreed on anything at this point, but we certainly had a good exchange of views" on how verification measures will be mentioned, he said. A compromise under consideration is to solve the issue by drawing up a separate document that will not be made public. When asked about such a plan, Kim said, "We have decided that will be discussed." Another major item on the agenda of the six-party is setting the timelines for the disablement of North Korea's key nuclear complex and delivery of energy aid promised in exchange. Hill hinted after his talks with Kim on the 4<sup>th</sup> that a deal was nearing with North Korea on the timeframe, saying he does not foresee major problems. (Kyodo, "U.S., N. Korea Fall Short of Consensus on Verification," December 5, 2008) Hill: "I can't say that we've agreed on anything at this point. But we certainly had a good exchange of views, on primarily the issue of the level of specificity, and what verification is going to look like. We talked a lot about the timing of things. So it was a good discussion. And that together with the trilateral we had in Tokyo, and I'm looking forward to meeting Ambassador Borodavkin in Beijing -- so I think we'll be ready for the Six-Party meeting. And let's hope we can get this verification protocol done then, and then move on from there. ... **They did reaffirm what they agreed to in Pyongyang. The issue is how to capture things in writing, and so that's what we've all got to work on.** But I want to emphasize this is not a bilateral issue; it's an issue involving all the six parties. That's why we spent a lot of time in Tokyo on it.

That's why I'll be meeting with the Russian representative. So we'll see how we do at the Six-Party meeting. ...**Scientific procedures they've agreed to, and we have an understanding from them on what it means. The question is how much they're willing to put on paper in advance.** (DoS, Hill, Evening Walkthrough in Singapore, December 5, 2008)

12/5/08

In what appears to be a new indication he has no plans to change his approach to North Korea anytime soon, President Lee Myung-bak, speaking to officials from the National Unification Advisory Council (NUAC, Minju Pyeongtong) visiting the Blue House on Friday, said that it is "better to move towards true reconciliation and unification by getting off to the right start, even if that is difficult at first, than to arrive at a bad outcome for having been unexacting about the North-South relationship." His comments are a confirmation that his administration is not going to alter the tone of its North Korea policy, despite recently worsening relations. Rather, it is going to maintain what it calls its "Vision 3000" plan, in which Seoul would give the North economic aid on a massive scale on the condition it goes through with denuclearization and becomes more open, and will make no new initiatives until North Korea changes. Lee went on to say that that North and South need to "meet directly" and engage in dialogue "whether about the North-South Basic Agreement or the June 15 and October 4 declarations," and that Pyongyang "will know the truth of our intentions if we talk." Dialogue between North and South has diminished in recent weeks following a dispute between the two over leaflets sent to the North by conservative South Korean civic groups. North Korea has since taken several steps to reduce the number of people permitted across the border, leading to speculation about the future of the Gaeseong (Kaesong) Industrial Complex. "The goal we must strive for is to have the seventy million people of North and South enjoy at least their human rights and live humane lives, based on universal principles," he said. "Our administration intends to be the most true and loving of our North Korean brethren. Being of the same people, we must help the North when it is in difficulty and we cannot help but assist them." "You hear talk about North Korea 'communicating with the United States and severing relations with the South' (*tong mi bong nam*), but that was only going to work (as a strategy for Pyongyang) when the U.S. and South Korea didn't trust each other. The U.S. and South Korea have more mutual confidence than any time before, so that term should be discarded." (*Hankyore*, "President to Maintain Current N, Korea Policy," December 6, 2008)

South Korea is considering "incentives" that include financial compensation to North Korea for the return of South Korean soldiers held prisoner since the end of the Korean War, an official at the defense ministry said. "The proposal is not yet finalized, but the government is considering various ways, such as providing incentives to the North, to win their return," the official said, noting such incentives could include monetary compensation. At least 560 former South Korean soldiers are still believed to be held in the communist North since they were taken prisoner during the three-year Korean War, the official said, asking not to be identified due to the sensitivity of the issue. Pyongyang strongly denies holding any South Korean prisoners of war (POW), claiming South Korean soldiers now in the North defected voluntarily. "In July 1953, when the Korean Armistice Agreement was signed, the United Nations Command estimated some 82,000 South Korean soldiers were taken prisoner. Only some 8,300 of them were repatriated at

that time as a result of the armistice," the official told reporters. Seoul had in the past offered to provide what the official called "significant incentives," mostly in the form of economic or humanitarian assistance, if Pyongyang agreed to resolve the issue. Tens of thousands of South Koreans have remained separated from their loved ones in the North for over five decades. (Byun Duk-kun, "Seoul Mulls Compensation to N. Korea for Return of POWs," *Yonhap*, December 5, 2008)

12/6/08

"The focus of the negotiation is to clearly establish the blueprint of how to provide the delayed economic compensation (to North Korea) by the five countries," *Chosun Shinbo* said. Some people claim that a verification process should be made, including the sampling of the nuclear material in a written document, which was not part of the original agreement between North Korea and the U.S., the newspaper said, adding that it goes against the "action-for-action" principle. "The nonsense demand by the forces that obstruct the denuclearization progress should be blocked." (*Korea Times*, "N.K. Sees Compensation as Key Agenda for Nuke Talks," *Korea Times*, December 6, 2008)

DPRK FoMin spokesman: The talks of heads of delegations to the six-party talks are slated to open soon to round off the implementation of the October 3 agreement. It is the main task of the talks to ensure the speed of economic compensation by the five parties to the talks as called for by the principle of 'action for action' as it is delayed as compared with the DPRK's speed of disablement and **achieve common understanding of the issue of verification**. What matters is that Japan persistently and impertinently insists on its participation in the talks though it is refusing to fulfill its commitment despite the fact that the implementation of the October 3 agreement is at its final phase. ...It is the ulterior intention of Japan to bar the denuclearization of the peninsula from coming true and put spurs to its moves to turn itself into a military power under the pretext of the nuclear issue. Such country has neither justification nor qualification to participate in the talks. On the contrary, it only lays a hurdle in the way of achieving the common goal. ...We will neither treat Japan as a party to the talks nor deal with it even if it impudently appears in the conference room, lost to shame. (KCNA, "DPRK Does Not Regard Japan as Party to Six-Party Talks," December 6, 2008)

"As for the implementation of the 3 October Agreement, a breakthrough has been made by the DPRK-US agreement that was reached on the verification issue during the Pyongyang visit by the assistant secretary of the US Department of State in early October of this year. However, certain forces are claiming that a document of verification should be adopted at the meeting held this time to include sampling and the like, which is not specified in the DPRK-US Pyongyang agreement. The two parties -- the DPRK and the United States -- have reached unanimity of view on the verification procedure and method suitable for the DPRK's special circumstances of having conducted a nuclear test outside the NPT and for the current phase of neutralization. The agreement with the United States has restricted the method and scope of verification, but this does not mean that the DPRK side is opposed to verification that will be required during the process of the denuclearization of the entire Korean peninsula. What is being done is a principled response that is made based on a phased theory for the verification issue." (Kim Chi-young, "Meeting of the Chief Delegates to Six-Party Talks," *Chosun Sinbo*, December 6, 2008)

12/7/08

China has largely rebuffed Bush administration attempts to discuss contingency planning should Kim Jong-il be unable to rule, according to current and former U.S. officials. "The Chinese don't want to have anything to do" with such a dialogue, said one. "Acting on a belief that Kim is ill and North Korea will descend into chaos invariably affects domestic outcomes in Pyongyang, and that violates China's own principle of noninterference" in others' internal affairs, said Zhuang Jianzhong, vice director of the Center for National Security Studies at Jiaotong University in Shanghai. (Jay Solomon and Jason Leow, "Beijing Sprns U.S. Effort to Prepare in Event of Korean Leader's Demise," *Wall Street Journal*, November 7, 2008, p. A-11)

The approval rating for Prime Minister Aso Taro's Cabinet plunged to 25.5 percent as of this weekend, below the 30 percent line into the level considered "critical" in terms of survival, and down 15.4 percentage points from the previous poll in November, according to a Kyodo News survey released today. The disapproval rating rose to 61.3 percent, up 19.1 points, with 55.7 percent of the respondents saying the Cabinet's postponement of submitting a second extra budget to the Diet was inappropriate. Respondents also gave higher marks to Ozawa Ichiro, president of the main opposition Democratic Party of Japan, than to Aso, though marginally, when asked which one they would prefer to see as leader of the nation. Ozawa received 34.5 percent, up 10.1 points from the previous poll, while Aso got 33.5 percent, down 17.5 points. It was the first reversal for the two in terms of people's preferences since Aso, who also heads the ruling Liberal Democratic Party, became prime minister in September. The increase in the disapproval rating for Aso appears to be attributable mainly to his administration's delay in forming a second supplementary budget, which only 26.0 percent of the respondents said was appropriate. (Kyodo, "Approval Ration for Aso's Cabinet Falls into 'Critical' Level," December 7, 2008) Prime Minister Taro Aso signaled last week his readiness to depart from austere fiscal policies ardently defended by then Prime Minister Koizumi Junichiro and his successors. The about-face was immediately seen by politicians and observers as another sign of Aso's rapidly weakening power: It appears he is no longer capable of controlling ruling bloc Diet members who want larger stimulus budgets out of fear they could lose their seats in the next election. "As many as 70 percent to 80 percent of Liberal Democratic Party lawmakers are wary of whether they can remain the ruling party under the Aso administration," acting LDP Secretary General Ishihara Nobuteru said December 7 in a speech in Tokyo. "(Aso's administration) is on the edge of a cliff both politically and in terms of the economy." Traditionally, LDP lawmakers have brought public works projects to their home districts to win more votes and campaign contributions. But Koizumi, in 2006, set down budget rules that automatically reduce spending on public works and social welfare in order to hold down the deficit, which has been growing at an alarming rate since the late 1990s. Government debt is equal to 170.9 percent of Japan's gross domestic product in 2008, the worst among developed states. Koizumi managed – barely – to fend off demands from lawmakers for more pork-barrel spending by appealing directly to voters, who regarded him as a robust reformist.

12/8/08

Japan and the U.S. have begun a radical review of a plan to prepare Self-Defense Forces and the U.S. military for a crisis on Japanese soil or emergencies in areas surrounding Japan, such as the Korean peninsula, sources said today. Topics include use of private

airports for use by the U.S. military in emergencies, transportation of wounded servicemen and designation of medical facilities to admit them, control of air space, Japanese treatment of people the U.S. considers POWs, radio frequencies, response to CBRN attacks, improved information sharing, backup supply system, treatment of dead and missing persons. (*Yomiuri Shimbun*, "Japan, U.S. to Review Crisis Plan," December 11, 2008)

Millions of North Koreans will urgently need food aid in the coming months because of expected low crop yields this year, the World Food Program (WFP) said in a report released today. The report estimated the North's total agricultural production at 4.21 million tons for the 2008-2009 marketing year, leaving the impoverished country facing a cereal deficit of 836,000 tons, even with commercial imports. Around 40 percent of the country's population, or an estimated 8.7 million people -- mostly children, pregnant and nursing women and the elderly -- will urgently need food assistance in the coming months as a result, the WFP said after about two weeks of a food supply survey conducted in North Korea jointly by the Food and Agricultural organization (FAO). Agricultural production is more than 3 million tons higher than the previous marketing year, when the North suffered massive flooding -- but it still shows a downward trend compared to the record harvest of 4.5 million tons in 2005. (Shim Sun-ah, "U.N. Says N. Korea Faces 860,000-Ton Food Shortfall," *Yonhap*, December 8, 2008)A much-heralded U.S. program to restart food aid to North Korea has run into difficulty as Washington and Pyongyang haggle over the terms of access, according to U.S. and overseas officials. The previously undisclosed problems come amid estimates of growing hunger in the isolated communist country. U.S. officials noted that food aid delivered via nongovernmental organizations continues but acknowledged that the main effort -- through the WFP -- has stalled. They said they are trying to resolve the problems over the number of U.S. personnel in Pyongyang and Korean-speaking U.N. employees around the country. "The United States seeks to fully implement the terms of the food aid agreement with the DPRK, which included agreed-upon improvements in monitoring and access conditions that are necessary to effectively ensure food is reaching those most in need," DoS spokesman Robert A. Wood said, referring to North Korea's official name, the Democratic People's Republic of Korea. But Tony Banbury, Asia director for the World Food Program, said that if the problems are not resolved soon, millions of hungry people will not get food in the middle of the harsh North Korean winter. "The whole operation may come to a halt in January because we don't have enough food," Banbury said. "Already in October, we could reach only 2.4 million people and only with 40 percent of the rations they should be getting." The last shipment was in August. Asked why North Korea-bound food aid has stopped going to the World Food Program, White House spokesman Gordon Johndroe said, "In the case of the WFP, we are working with the North Koreans to maintain the plans in the agreement with them." Johndroe noted that aid continues via nongovernmental groups but declined to say what disagreements, if any, have emerged to warrant the suspension of food shipments to the largest distributor. "To date, over 143,000 metric tons of U.S. food -- wheat, corn, and soybeans -- has been delivered to North Korea," said State Department spokesman Wood, noting that a shipment of 25,000 metric tons of corn and soybeans arrived in North Korea on Nov. 23 and has been unloaded for distribution by the U.S. NGOs. Banbury said that in the past six months, North Korea has given the World Food Program broader access than

before, including to counties near the Chinese border where U.N. food monitors had been denied entry. "The North Koreans are fulfilling their obligations under agreements with the WFP and the U.S. government," Banbury said. "We just no longer have food to deliver, and that is risking the cooperation we have been receiving from the North." Banbury said his agency's policy requires that monitors have on-the-ground access to all storage and distribution sites. In recent years, there have been allegations that foreign food aid was diverted to the military and official elites. "Our policy is: No access, no food. But the North Koreans are saying: No food, no access," Banbury said. "We risk the possibility that the whole operation will unravel. It happened in 2005." (Blaine Harden and Glenn Kessler, "Dispute Stalls U.S. Food Aid to North Korea," *Washington Post*, December 9, 2008, p. A-8)

Korea's ambitious plan to put a satellite into the lunar orbit by 2020 could be troubled by difficulties in rocket development. The country wants to launch a satellite into orbit from its brand new spaceport in Goheung, South Jeolla Province next summer. But even if the launch of the Korea Space Launch Vehicle-1 (KSLV-1) is a success, the Naro Space Center won't be used again until 2017, when Korea plans to have its KSLV-2 locked and loaded. Countries such as the United States and Russia strictly prohibit the export of rocket propulsion technologies, due to the potential in military use, which means that the Koreans will have to figure out the hard parts themselves. However, it seems that local scientists and policymakers have yet to agree on what the KSLV-2 should look like. A Seoul official said that the government plans to spend around 22 billion won (about \$15 million) next year to initiate the development of the KSLV-2, although the direction and pace of the project will be greatly effected by the results of the KSLV-1 launch. "Most of the money will be used to create a blueprint for KSLV-2's rocket system, which includes establishing its overall capabilities, mission and requirements for components," said the official. "Developing the liquid-fuel rocket engine will obviously be the biggest challenge, as it is the most crucial step of the project in which we won't be getting any help. However, there is the possibility that we could partner with companies in other countries for the development of other parts," he said. There is a wide-ranging debate over how the KSLV-2, designed to support a payload of 1.5 tons, should be used. Some experts say it could be effectively used to launch multi-purpose low-orbit satellites, but the government seems to have bigger plans, such as using the rocket for lunar exploration projects. "If we have a successful launch in June, the development project for KSLV-2 could be started as early as July or August, and then we could have a clearly discussions about the purpose of the new rocket," the official said. (Kim Tong-hyung, "Local Space Program Hits Snag," *Korea Times*, December 8, 2008)

It has been confirmed that the Grand National Party is pushing for the passage of legislation that would have the South Korean government directly support the sending of leaflet balloons to North Korea, an activity that has so far been the realm of private groups and is cited as one of the factors behind the poor state of inter-Korean relations. Human rights and civic groups are calling it an "anti-North Korean activities support act" despite how the term "human rights" is worked into the title of two proposed bills, and say that it will cause more animosity between North and South. At this point the GNP has submitted two bills to the National Assembly, the "North Korean Human Rights Act" and the "North Korean Human Rights Promotion Act," sponsored primarily by Hwang Woo-

yea and Hwang Jin-ha, respectively. Both acts would obligate the government to support groups working to promote human rights in the North. The North Korean Human Rights Act calls for 700 million won for "transmitting information to the North Korean people," of which 300 million won would be allotted for "support for launching freedom balloons and small radios." The bill would also give 100 million won for the "restoration" of programs accused of slandering North Korea that target Northern listeners and were once broadcast by KBS, and 300 million won to support private broadcasting aimed at North Korea like Free North Korea Radio. North Korea long made strong calls for an end to both forms of radio broadcasting. KBS stopped broadcasting content critical of North Korea in 2003, after both sides agreed to halt all broadcasting targeting the other side. (*Hankyore*, "GNP Pushes for N. Korea 'Human Rights' Act," December 8, 2008)

12/9/08 South Korean manufacturers operating in the pioneering Kaesong industrial park have suffered a steep fall in orders since Pyongyang curtailed land crossings last month. "Since the [border] measure was announced, clients are very reluctant to issue new orders because of political risks," said Yoo Chang-geun, who represents the Kaesong park tenants and is president of SJTech, an IT software developer. "Production in the North has not been disrupted . . . but our clients are reducing orders." Orders received by the 88 South Korean companies in the park, mostly small and mid-sized makers of clothing, watches and other labour-intensive products who together employ about 38,000, have seen an average 20-30 per cent decline, with some dropping up to 70 per cent. (Song Jung-a and Christian Oliver, N. Korea Moves Cloud Talks," *Financial Times*, December 9, 2008, p. 9)

12/10/08 **Q:** Considering that you took North Korea off the terrorism list already, what leverage do you have at this point in this particular process in Beijing right now to get them to sign on to the understandings you believed you had? **MCCORMACK:** Well, at the time - at the time of our briefing, we also released a list, a multi-page list of all the various other sanctions that continue to apply to North Korea. So that act notwithstanding, North Korea does not have a normal relationship with the rest of the world, never mind the United States. And part of this process whereby North Korea would denuclearize, and the Korean Peninsula would be denuclearized, is that North Korea would gradually come to have a more normal relationship with the rest of the world and thereby gain benefits, have more interaction with the rest of the world, it could be more economic opportunities, a lot of other things that would redound to the benefit of the North Korean people. That's not where we are at this point. So there's a lot of - there is a lot of leverage. There's a lot of incentive for North Korea. Now, whether or not the North Korean regime decides that those incentives and those possible benefits are worth changing their behavior is a calculation only they can make. We can set out the different visions. We can lay out the incentives - we, meaning the other five parties. But it's going to be up to them whether or not they take up the other five parties on that pathway. There is, of course, another pathway, and we all know what that is. We're focused on trying to go down the more positive pathway, and we'll see what decision, what calculation the North Korean regime makes.

**Q:** I think the Secretary Rice herself and several other officials have said that if North Korea doesn't, in the end, adhere to this verification - to a verification regime, you could always put North Korea back on the terrorism list. Is that being considered at this point?

**MCCORMACK:** Look, I guess - I suppose these things are always possible. You know, I don't know the ins and outs of the law, but I think that they're - you know, it's based on behavior. And we'll see what behavior North Korea engages in. And again, you know, I know that, you know, North Korea put a lot of focus on that, and some have put a lot of focus on that, and we took that action very seriously, because we have certain responsibilities under the law. But if you just go down the list of sanctions that continue to apply - **Q:** - I mean, that may be the only leverage you have is to put them back on. **MCCORMACK:** That's fine, but it has no material effect on the relationship with the rest of the world. It didn't change one iota their ability to trade with the United States. **Q:** Well, it didn't have one iota when you took them off. **MCCORMACK:** Exactly my point. So there's still a lot of leverage in place. (DoS spokesman Sean McCormack, Daily Briefing, December 11, 2008)

KCNA: "The U.S. government ranked the DPRK among nuclear weapons states. The recent annual report of the U.S. Defense Department said 'The rim of the great Asian Continent is already home to five nuclear powers: China, India, Pakistan, the DPRK and Russia.' It is the first time that the U.S. officially recognized the DPRK as a nuclear weapons state and announced it in its government report." (KCNA, "U.S. Recognizes D.P.R.K. As Nuclear Weapons State," December 10, 2008)

12/8-11/08 7<sup>th</sup> round of six-party talks in Beijing. China, the host of the six-party meeting, was scheduled to propose a draft of the protocol tomorrow for further discussion, top U.S. nuclear negotiator Christopher Hill told reporters after the first day of the multilateral talks in Beijing. Hill said that no contentious issues emerged over a timeline of when to complete disablement of North Korea's key nuclear facility and the delivery of energy aid promised in exchange. "I don't think there needs to be more discussion on that," said Hill. "The issues were not particularly contentious." Hill, however, declined to reveal the dates that were discussed, saying that will be unveiled only at the end of the ongoing talks. A Japanese official also said that although an "agreement" would be too strong a word, there was a "general idea" on the schedule after the day's talks. Negotiators said that the discussions will focus on the verification protocol. "The Chinese are going to try to...put together a draft, and circulate something tomorrow," Hill told reporters, referring to the verification protocol. "The Chinese have some ideas on how to approach the issue and said they've put it on a piece of paper and we'll discuss those ideas." (Kyodo, "6-Way Envoys Solve Scheduling, to Tackle N. Korea Draft Protocol," December 8, 2008) The Seoul delegation disclosed on the first day that unless the North shows a "forward-looking" attitude toward stipulating the collection of nuclear samples, the supply of heavy oil to Pyongyang slated to be completed by March could be suspended. (*Chosun Ilbo*, "Six-Party Nations Look to Tempt the North with Aid," December 10, 2008) Hill: "The Chinese circulated a draft this morning. We went through it; there were a lot of discussions among the parties. We got our comments back to the Chinese, and we expect to have a meeting tomorrow morning to discuss it in a heads of delegation. I think the Chinese obviously put in a lot of work on it overnight - tried to address everyone's concerns. Obviously that's not easy to do, and so I think it's fair to say the Chinese really had to work very hard. We've taken the draft with great seriousness, worked very hard ourselves through the day to try to make sure it encompasses what we need to do to get on with verification. We've submitted our comments. There have been a lot of bilateral

meetings through the course of the day. I've spent a lot of time talking to the ROK, Japanese, and to the Russians as well. Everybody was putting in their comments. We've had some discussions with the DPRK, though not at my level - at a deputy's level. So, we'll reconvene, I guess, in the morning and see how we are. **Q:** Can you tell us some of the points of the comments that you made to the Chinese in the draft? **HILL:** We just want to make sure it was consistent with what we need to get through this phase. As you know, we're very concerned that we have real verification and that when we get to important stages of verification, there is no confusion and there's no effort to hide any of the major issues. Our comments were in the nature of trying to make it more precise. And I think that's what others were trying to do. I'd rather not get into the substance of it, really, because we're in the middle of negotiations." (DoS, Christopher Hill, Evening Walkthrough at the Six-Party Talks, December 9, 2008) "It's a work in progress -- we have given our comments and other delegations have given theirs," said Christopher Hill on the 9th, adding conversations would continue tomorrow. But Japan's chief negotiator Akitaka Saiki said there were "many places" in the draft where he thought improvements could be made, according to Kyodo. Hill earlier said he had three objectives for these negotiations, which have offered the North energy aid and diplomatic concessions in exchange for stopping its atomic program. "We want to complete a verification protocol. We also want to complete a schedule for energy and a schedule for disablement," he said. "Our plan is to get all three done." (AFP, "N. Korea Talks Look at New Chinese Proposal," December 9, 2008) Hill: "I think I told you this was going to be a difficult round. I hate to be proved correct, but indeed it's a tough, long day today. We tried to discuss the Chinese draft, and we had some real difficulties getting consensus on moving forward there. And I had a bilateral meeting earlier today with the North Koreans. Let me just say without going into too many details that it was a difficult meeting. We've had several plenary sessions or sessions with all six parties. We had considerable discussions about the issues. I can't say there are any breakthroughs. So, I'm back here. I'm going to report back to Washington. **Q:** What is the most sticking point on your negotiation? Verification or -- **HILL:** Oh, it's verification, yes. Verification. I don't want to say it's any one issue. ... **Q:** Today's meeting with the North Koreans -- yesterday's was a deputy level, but today's was -- you met with them yourself? **HILL:** Yes, I attended that. **Q:** How was the atmosphere? **HILL:** Business-like. **Q:** Constructive? **HILL:** I wouldn't go that far. Let me just call it business-like. **Q:** How long did it go? **HILL:** I'm not sure. I would think maybe an hour - something like that. (DoS, Hill, Evening Walkthrough at the Six-Party Talks, December 10, 2008) Hill: "Unfortunately, we were not able to complete some things we wanted to do. We worked very hard on verification, but ultimately were not able to get an agreed verification protocol. We certainly reviewed a lot of the ideas and a lot of the specifics of verification but were not able to agree on a verification text. As you know, we had circulated a text from Pyongyang along with some other points that needed to be included so that we would have an overall verification protocol. What we did in Pyongyang, of course, was to put together some essential elements of verification that comprised DPRK cooperation toward the final goal of a verification protocol. And we don't have that yet, so we're going to keep working on that. We also had good discussions about completing the disablement and second phase activities - disablement and fuel oil. Again, I think we look forward to completing that as we complete a verification protocol. Finally, I think we received a very well-written, well-done paper by the Russian delegation on Northeast Asia peace and security and had a good discussion

about that. ... There is a great interest from other countries in participating. We're very much pleased that there is so much interest in trying to make sure the Six-Party process concludes satisfactorily. So I'm sure that - as we move ahead on fuel oil and verification and disablement - that we will have the necessary participation from other countries." (DoS, Hill, Departure Walkthrough from the Six-Party Talks," December 11, 2008) White House spokeswoman Dana Perino said that chief U.S. negotiator Christopher Hill was returning to the United States and had said North Korea did not want to put into writing what it had put into words. "It's too early for me to say what the next steps are, but what's unfortunate is that the North Koreans had an opportunity here, there was an open door and all they had to do was walk through it," Perino said. **"Because they decided not to work with us and the talks have devolved because they wouldn't put it in writing, we're going to have to rethink some of the action-for-action."** Japan's top nuclear negotiator, Akitaka Saiki, said the prospect for setting up the next round of six-party talks appeared "quite difficult," Kyodo reported. (Chris Buckley, "North Korea Talks Fail to Break Impasse," Reuters, December 11, 2008) North Korea balked at agreeing to a written plan for verifying its nuclear claims, handing President Bush a diplomatic defeat and the incoming Obama administration a new diplomatic headache. Bush took a gamble two months ago when he agreed to remove North Korea from the list of state sponsors of terrorism, based on spoken assurances from Pyongyang that it had agreed to a verification plan. At the time, there were signs North Korea was planning to restart its shuttered nuclear plant or even conduct a nuclear test, and administration officials were desperate to avoid a crisis in the final months of Bush's presidency. U.S. officials at the time asserted that North Korea had privately bent on two key issues: potential access to facilities not included in Pyongyang's nuclear declaration and permission for inspectors to take environmental samples from facilities to determine how much plutonium had been produced. The State Department publicly distributed a statement titled "U.S.-North Korean Understandings on Verification" that listed six key points, but it declined to release the text of the claimed agreement. But U.S. officials acknowledge now that most of the purported agreements announced two months ago were simply oral understandings between Hill and his North Korean counterparts. Before Bush announced he was taking North Korea off the state sponsors of terrorism list -- a significant diplomatic carrot for Pyongyang -- **Hill submitted a memorandum to North Korea's U.N. mission outlining his understanding of the oral agreements. The North Korean officials did not object to Hill's summary, U.S. officials said, but they would not commit to it in writing.** Hill's gambit was controversial among senior Bush administration officials. But in the end, Secretary of State Rice persuaded Bush to lift the sanctions based on Hill's claims of a spoken deal with Pyongyang. "We got a commitment," State Department spokesman Sean McCormack said yesterday. "And we have very, very precise notes about those commitments. And we committed those to paper and also in the form of a memorandum, for the record, if you will." McCormack added that North Korea also privately confirmed its deal with Hill to other nations participating in the disarmament talks. (Glenn Kessler, "N. Korea Doesn't Agree to Written Nuclear Pact," *Washington Post*, December 12, 2008, p. A-22) Michael J. Green, a former NSC adviser under President Bush who is now at the Center for Strategic and International Studies in Washington, said the administration had erred in removing North Korea from the list without extracting a more concrete step on verification. "The United States expended its carrots, including delisting North Korea from the terrorist list, in

exchange for a verbal promise that Pyongyang would sign on to these verifications," he said. "We now know the North Koreans tricked us." Green said North Korea might be balking at vigorous verification measures because it was not forthcoming in its declaration of nuclear activities this summer. He said the uncertainty surrounding the country's intentions posed an enormous challenge for the incoming administration. He advocated a "very carefully calibrated" balance between incentives and punitive actions, like halting fuel oil shipments. A State Department spokesman, Sean McCormack, said the administration would not restore North Korea to the list because the decision to remove it had been made "based on the law and the facts." But at the White House, Perino suggested that the United States would reconsider some of the assistance it had provided under carefully calibrated agreements over the past two years. The aid includes fuel oil that the United States – along with China, Russia, South Korea and Japan, who are the other parties in the talks – had offered in exchange for North Korea's steps toward dismantlement, but she emphasized that no decisions had been made yet. Obama's transition office declined to comment on the latest breakdown in talks over the North Korean nuclear program. North Korea's hard-line posture in recent talks has prompted some officials to question whether Kim Jong-il was fully in charge after a stroke in August, creating a leadership vacuum that made North Korean negotiators unwilling to complete an agreement. A French doctor who treated him, François-Xavier Roux, confirmed in an interview with *Le Figaro* said that Kim had a stroke but that his condition had since improved. Dr. Roux, a neurosurgeon based in Paris, told the newspaper that Kim had undergone treatment but not an operation; he last treated him in late October, he told the newspaper. (Steven Lee Myers, "In Setback for Bush, North Korea Talks Collapse," *New York Times*, December 12, 2008, p. A-)

Chairman's Statement of the Six-Party Talks: The Heads of Delegation of the Six-Party Talks held a meeting in Beijing from 8 to 11 December 2008. Mr. Kim Gye Gwan, Vice Minister of Foreign Affairs of the DPRK; Mr. Saiki Akitaka, Director-General for Asian and Oceanian Affairs, Ministry of Foreign Affairs of Japan; Mr. Kim Sook, Special Representative for Korean Peninsula Peace and Security Affairs of the ROK Ministry of Foreign Affairs and Trade; Mr. Alexei Borodavkin, Deputy Minister of Foreign Affairs of the Russian Federation and Mr. Christopher R. Hill, Assistant Secretary for East Asian and Pacific Affairs of the State Department of the United States attended the talks as heads of their respective delegation. Mr. Wu Dawei, Vice Minister of Foreign Affairs of China, chaired the meeting. There were three items on the agenda as agreed by the Parties: 1. Full implementation of principles on peace and security in Northeast Asia. The Parties conducted serious, candid, in-depth and constructive discussions on these topics. The Parties gave full recognition to the **positive progress made in implementing the second-phase actions of the September 19 Joint Statement: disablement** of the relevant DPRK Yongbyon nuclear facilities; the DPRK's declaration on nuclear facilities and programs; and economic and energy assistance. The Parties spoke highly of the active efforts made by all parties in this regard. The Parties **agreed, as described in the October 3 Second Phase Agreement, to complete in parallel the disablement of the Yongbyon nuclear facilities and the provision of economic and energy assistance equivalent to one million tons of heavy fuel oil by the other parties.** The Parties would welcome the participation of the international community in providing assistance to the DPRK. The ROK, as the chair, would convene a meeting of the Working Group on

the Economy and Energy Cooperation at an appropriate time to coordinate the relevant issues concerning assistance to the DPRK. The Parties reaffirmed the September 19 Joint Statement goal of the verifiable denuclearization of the Korean Peninsula. The Parties evaluated the progress made towards agreement on terms for verification. The Parties would welcome assistance and consultancy from the IAEA in the course of verification. The Russian Federation distributed the **revised draft of Guiding Principles on Peace and Security in Northeast Asia. It was discussed by the Parties and received generally positive reaction.** Parties agreed that a meeting of relevant Working Group under the Russian Chairmanship will be held in Moscow in February 2009 for further consideration of the above mentioned draft. The Parties encouraged sincere efforts by the DPRK and the US as well as the DPRK and Japan toward resolving the issues of concern and normalizing their relations. The Parties unanimously agreed to advance the Six-Party Talks process and make contributions to peace and stability in Northeast Asia and the world. The Parties agreed to hold the next Six-Party Talks meeting at an early date.

12/10/08 DoS spokesman Sean McCormack: **Q:** Considering that you took North Korea off the terrorism list already, what leverage do you have at this point in this particular process in Beijing right now to get them to sign on to the understandings you believed you had? **MCCORMACK:** Well, at the time - at the time of our briefing, we also released a list, a multi-page list of all the various other sanctions that continue to apply to North Korea. So that act notwithstanding, North Korea does not have a normal relationship with the rest of the world, never mind the United States. And part of this process whereby North Korea would denuclearize, and the Korean Peninsula would be denuclearized, is that North Korea would gradually come to have a more normal relationship with the rest of the world and thereby gain benefits, have more interaction with the rest of the world, it could be more economic opportunities, a lot of other things that would redound to the benefit of the North Korean people. That's not where we are at this point. So there's a lot of - there is a lot of leverage. There's a lot of incentive for North Korea. Now, whether or not the North Korean regime decides that those incentives and those possible benefits are worth changing their behavior is a calculation only they can make. We can set out the different visions. We can lay out the incentives - we, meaning the other five parties. But it's going to be up to them whether or not they take up the other five parties on that pathway. There is, of course, another pathway, and we all know what that is. We're focused on trying to go down the more positive pathway, and we'll see what decision, what calculation the North Korean regime makes. **Q:** I think the Secretary Rice herself and several other officials have said that if North Korea doesn't, in the end, adhere to this verification - to a verification regime, you could always put North Korea back on the terrorism list. Is that being considered at this point? **MCCORMACK:** Look, I guess - I suppose these things are always possible. You know, I don't know the ins and outs of the law, but I think that they're - you know, it's based on behavior. And we'll see what behavior North Korea engages in. And again, you know, I know that, you know, North Korea put a lot of focus on that, and some have put a lot of focus on that, and we took that action very seriously, because we have certain responsibilities under the law. But if you just go down the list of sanctions that continue to apply - **Q:** But that was the one that they really cared about, so I mean, when we talk about leverage -- **MCCORMACK:** Well, it - the - I mean - but - **Q:** - I mean, that may be the only leverage you have is to put them

back on. **MCCORMACK:** That's fine, but it has no material effect on the relationship with the rest of the world. It didn't change one iota their ability to trade with the United States. **Q:** Well, it didn't have one iota when you took them off. **MCCORMACK:** Exactly my point. So there's still a lot of leverage in place. (DoS, Daily Briefing, December 10, 2008)

12/11/08 White House spokesman Dana Perino: **Q:** Apparently the North Korea talks have reached an impasse. So what's the next step? **PERINO:** I did hear that just before I came down, and Chris Hill made some comments, and one of the things he said was that the North Koreans don't want to put into writing what they've put into words. He is now on his way back to the United States, and I'm sure he'll be briefing principals as soon as he possibly can. So it's too early for me to say what the next steps are, but what's unfortunate is that the North Koreans had an opportunity here. There was an open door, and all they had to do was walk through it, because five of the members of the six-party talks had all agreed on a verification protocol. **Because they decided not to work with us and the talks have devolved, because they wouldn't put it in writing, we're going to have to rethink some of this action for action, which is what we had said we would do.** So let us hear from Chris Hill as soon as he gets back, and we'll keep you updated on next steps. (White House Daily Briefing, December 11, 2008)

*Chosun Sinbo:* "Initially, parties including Japan and South Korea demanded the adoption of a verification document with additional clauses on "sample taking" at the talks. The DPRK refused the demand outside of the agreement reached with the US side in October in Pyongyang. **The two sides' showdown was not caused by the technical theories surrounding the verification process, but their contradictory stances on the "action-for-action" principle established within the six-party framework. The DPRK is not unconditionally denying verification to be raised in the future process of denuclearization. Only that [the DPRK] is taking the stance of the step-by-step theory based on principles.** In the second phase of denuclearization, that is, at present when the United States merely took its first step of changing policy by deleting [the DPRK] from the list of "state sponsors of terrorism," it is not so unreasonable for the DPRK to refuse 'taking samples,' which means providing clues for understanding the truth of the nuclear program that the DPRK has carried out, and it is a fair assertion considering the principle of simultaneous actions. What is against the principle is the demand for the DPRK to allow 'sample taking' being made based on the pretext that 'international standards' should be applied to verification. **During the talks, parties including Japan and South Korea unhesitatingly presented the brigandish theory that the DPRK should take one more step forward in the verification issue even before the five parties concluded the 3 October agreement.** It can be said that a variant of the theory of 'unilateral nuclear disarmament' -- that while the threat of the hostile country, the United States, still remains, the DPRK's nuclear deterrent to cope with [the threat] should all be disclosed -- was repeated at the Six-Party Talks to conclude the second phase of denuclearization. ...**The "action-for-action" principle, which permeates the six-party agreement, came from the concept that the nuclear issue on the Korean peninsula originated from the hostile DPRK-US relations and that, therefore, the issue must be resolved in the course of promoting mutual trust and improving the relations, not through one side's change.** ...The Bush regime, which had once called the DPRK [part of] the "axis of evil," finally took the measure of removing [the DPRK] from the list of "state

sponsors of terrorism," which served as a starting point for a shift by the United States in the hostile policy toward the DPRK. And, the Obama regime will be inaugurated. **When the second stage of denuclearization is concluded in the future, the DPRK will prepare a next stage of a diplomatic offensive to fulfill a new goal.**" (Kim Chi-young, "Talks by the Heads of Six Party Delegations," *Chosun Sinbo*, December 18, 2008)

DoS spokesman Sean McCormack: "And where we stand now is that North Korea said it could not, at that meeting, accept the draft, it could not initial the draft. All the parties said okay, let's - let's adjourn the meeting, go back to capitals, think about it, and we'll keep working this process. [Asked if the a North would be put back on the list of state sponsors of terrorism] **No, it's - because that was - that was an action, again, as I said yesterday, that was based on the law and the facts. That's an irreducible condition. You can't get around that. They met the criteria.** As I said, this is a process that is action-for-action, and the North Koreans had made considerable progress on disablement and they had - and they also agreed with us on a verification protocol. So - and again, I don't want to go back to tracing - you know, connecting each action for each action going back to the beginning of this process, but fair to say, that's where we were up until this meeting. And **going forward, the United States is - and I think it's to say perhaps others - not going to move forward with further obligations absent a verification protocol.** Q: Do you think it was a mistake to come to an oral understanding on this issue, you know, bilaterally with the U.S. and North Korea? MCCORMACK: No, because we got a commitment. And we have very, very precise notes about those commitments, and we committed those to paper and also in the form of a memorandum, a memorandum for the record, if you will. So we know what was committed to during those discussions. And it was very, very useful to be able to bring that written record. And again, others have independently confirmed the substance of those conversations between the United States and North Korea. So it was very useful to have that down on paper. Now, we'll see if North Korea - we'll see if North Korea is willing to take the next step and to formalize that among the six. (DoS, Daily Briefing, December 11, 2008)

Japan was unable to hold a meeting with the DPRK to address bilateral issues such as the past abductions of Japanese citizens to the DPRK on the sidelines of the six-nation talks which ended Thursday, chief Japanese delegate Saiki Akitaka said. "We called in advance for contact between Japan and North Korea, including a meeting with Mr. Kim Kye Gwan," Saiki told reporters in Beijing. "But to our regret, North Korea probably did not have a policy of having contact with Japan." (Kyodo News ("No Japan-N. Korea Meeting Held during Just-Ended 6-Way Nuclear Talks," December 11, 2008)

12/12/08 DoS spokesman McCormack: "Chris Hill is back in the building. He had an opportunity to meet with the Secretary and brief her on his recent discussions in Beijing and the Six-Party Talks. They, of course, were able to consult while he was there, but he was able to give her a more full briefing when he was here. He's going to continue his consultations with respect to the Six-Party Talks. And I would also just reiterate one point that we made yesterday, and that is that this is an action-for-action process. And certainly, the United States as well - and I think this is the understanding of other parties -- is that **future fuel shipments aren't going to move forward absent a verification regime.** So there's - that's very clear from the United States' point of view. There aren't going to be -- Q: But

you're not up for a while anyway, are you? I mean, the Russians -- **MCCORMACK:** That's right. That's right. There's one in train with the Russians, but I think there is an understanding among the parties, I guess the five parties -- the exception being North Korea -- that fuel oil shipments will not go forward absent progress. **Q:** So you notified North Korea at this -- at the -- **MCCORMACK:** They understand. ... **Q:** So the Russians agreed then that they're not going to send the next shipment? **MCCORMACK:** Well, that one is -- **that one, I believe, is already in train. I think it's very difficult to turn off.** I'll try to get you the technical details. But again, this is action-for-action. The North Koreans have not come through and signed onto the verification protocol, which all other parties have agreed, so therefore those fuel shipments -- ... **Q:** When you use the phrase that Chris Hill will "continue consultations," could you elaborate on that as to what the goal is maybe? **MCCORMACK:** Well, they're still in that period. The way that this was left was that the North Koreans didn't sign onto this verification protocol, that they would go back to their capital -- all the other parties would go back to their capitals -- and there is the opportunity for North Korea to sign onto this verification protocol. That still exists. We'll see. The ball is in their court. In the meantime, Chris, for example, will continue his consultations with his South Korean counterparts, with Japanese, Russian and Chinese counterparts as well. So that possibility exists that the process can move forward, but it's not going to move forward if the North Koreans don't agree to this verification protocol. **Q:** Are you concerned that this will just get the North Koreans kind of angry and they'll stop disabling and go back to that routine that they've been -- **MCCORMACK:** Well, this process has not necessarily been a linear one throughout, Dave. There have been stops and starts and various kinds of fits. But this is an absolute matter of principle. And we have been very clear on that, that it is an action-for-action negotiation. The *sine qua non* for progress is a verification protocol. The ball is in the North Koreans' court. **QUESTION:** Just to get back to the details of shipments of the Russians, they're already on the high seas, you think. How much do they have? Do you know? **MCCORMACK:** That I don't know. **Q:** And when is it your turn? **MCCORMACK:** I'll try to get details for you. But again, it's not just us. It is the other parties as well. **Q:** Because you're making -- you can't speak for the Russians, so -- **MCCORMACK:** I know, and I'm passing along to you the sense and the understanding among the other parties. And also, if you recall, there were efforts to perhaps solicit donations of fuel oil from other parties not involved in the Six-Party Talks, which has happened before, and I don't see those going forward without agreement on a verification protocol. **Q:** So there was a decision taken among the five then that fuel oil shipments would stop (inaudible)? **MCCORMACK:** Correct, correct. **Q:** And everyone signed onto that, even the Russians -- **MCCORMACK:** Correct, correct. (DoS Daily Briefing, December 12, 2008)

12/13/08

North Korea's envoy to six-party talks warned that it would slow disabling if it does not get energy aid. "Let's watch whether economic and energy compensation projects stop or move forward," the North Korean envoy, Kim Kye Gwan, said as he prepared to return to Pyongyang. "We'll adjust the speed of our disablement work if it [energy aid] doesn't come in." (Associated Press, "North Korea Warns Nuclear Disabling Might Slow," December 13, 2008)

At three-way summit in Fukuoka, the leaders of China, Japan and South Korea called for the resumption of diplomacy after the collapse of six-party talks. "The three countries will make concerted efforts with other relevant parties to push forward the process of the

talks," they said in a statement after a rare joint summit in southwestern Japan. Prior to meeting with Chinese Premier Wen Jiabao, Japanese Prime Minister Taro Aso and South Korean President Lee Myung-bak voiced regret over North Korea's "refusal to discuss verification" of its nuclear disarmament, a Japanese official said. "But they agreed to continue to cooperate closely in the six-nation talks as the verification issue is very important in pressing ahead with North Korean denuclearization." (AFP, "China, Japan, S. Korea Seek Resumption of N. Korea Talks," December 14, 2008)

North Korea's orchestras are eager to travel to the United States and replicate the New York for such a visit that are underway between North Korean officials and American music leaders indicate that informal cultural diplomacy is advancing beyond government-sponsored efforts to ease tensions between the two nations. The Philharmonic's president and executive director, Zarin Mehta, who led the orchestra's trip to Pyongyang, said North Korean music leaders have asked if they can bring an orchestra to play for American audiences. The New York-based Korea Society is brokering discussions among North Korea's U.N. mission, the State Department and the Philharmonic with a goal of bringing 160 performers from Pyongyang's State Symphony Orchestra to New York's Lincoln Center next year, according to a spokesman in Mehta's office. The Korea Society's executive director, Frederick F. Carriere, who is planning how to raise the estimated \$750,000 cost of the proposed visit, said the State Department gave its tentative approval in October. The trip, he warned, depends on whether U.S.-North Korean relations do not deteriorate further. "We are aware that the Korea Society is considering this project and have discussed their plans with them," said a State Department official who spoke on the condition of anonymity because of the sensitivity of the discussions. President-elect Barack Obama urged the Bush administration during the election campaign to push for an end to the forced deportation by China of North Korean defectors. "They should not be forcibly returned into persecution; they should have the protection to which asylum seekers and refugees are entitled under international law," Obama said in May in a letter to the Korean Church Coalition for North Korea Freedom. "These issues should be on the table when we talk to countries in the region, including China." Obama did not specify whether that issue or human rights in general should be part of the six-party talks, which has been a standing request by rights activists and legislators such as Sen. Sam Brownback (R-KS). In talking with delegates in the five working committees of the negotiations, the State Department has opted to say nothing about human rights in North Korea. Assistant Secretary of State Christopher R. Hill, mastermind of the administration's rapprochement with North Korea, took umbrage last month when reproached about the delinking of the six-party process from human rights. "Are you trying to get something accomplished, or are you just trying to feel good?" Hill said. "Can you find a way forward and engage them in this and not use human rights as a weapon? Each country, including our own, needs to improve its human rights record." He added: "Human rights is a serious means to a serious end. It should not be used to humiliate people or beat them on the head with, but to restore some dignity to the people in these countries. But most of those pushing for human rights have no patience." Brownback, who has questioned Hill sharply during congressional hearings, said State Department officials who fear that raising human rights issues might be detrimental to nuclear talks are missing an opportunity. "At least we would have saved lives," Brownback said. "When we are talking about concentration camps, widespread

famine, thousands of exploited refugees who are trafficked or repatriated, and decades-old abduction issues -- human rights affects all the parties." "This is not just about fulfilling our moral obligations to the North Korean people," Brownback added. "As we learned with the Soviets, linking human rights and security in a single framework yields better long-term results for our national security." Kjell Magne Bondevik, a former prime minister of Norway and now president of the Oslo Center for Peace and Human Rights, agrees. "It is possible to do both if you are engaged in a dialogue and not let one overshadow the other," he said during a recent visit to Washington. "What is affecting people daily in North Korea is not the nuclear issue, but human rights." (Nora Boustany, "Musical Diplomacy Resonates with N. Korea As Official Efforts Stall," *Washington Post*, December 13, 2008, p. A-9)

12/14/08 The United States and Russia disagree over whether to continue energy aid for North Korea after the latest round of six-way disarmament talks collapsed. In a non-binding statement that summarized the results of last week's six-party talks, China said, "The Parties agreed, as described in the October 3 Second Phase Agreement, to implement in parallel the disablement of the Yongbyon nuclear facilities and the provision of economic energy assistance equivalent to one million tons of heavy fuel oil." But the U.S. later said it would halt further fuel shipments unless the North gives in writing concrete verification assurances about its nuclear declaration made in June. "This is an action-for-action negotiation. I don't think you're going to see much action from other parties until North Korea acts." State Department spokesman Sean McCormack said in a press briefing. "Future fuel shipments aren't going to move forward absent a verification regime." He added that the other four negotiating partners, including Russia, also agreed to the suspension of the energy aid. Russia said it was "surprised" by the U.S. stance. **"We hope to complete shortly all of our quota of 200,000 tons of fuel,"** Deputy Russian Foreign Minister Alexei Borodavkin was quoted as saying by Ria Novosti news agency on Sunday. **"We hope that all the parties implicated in the six-party settlement will respect their engagements."** South Korea maintains a cautious approach. "We will review the issue prudently," a foreign ministry official said, asking not to be named. "It is a matter to be decided by each nation, which does not require a compromise among the five parties." North Korea threatened to slow the pace of disablement if the energy aid comes to a halt. "We do not care about whether it is suspended or supplied," Pyongyang's nuclear envoy Kim Kye-gwan told reporters at the Beijing airport on Saturday as he headed back to his country. "If it is not provided, we will probably adjust the speed of the disabling." (Yonhap, "Russia, U.S. Differ over Energy Aid for N. Korea," December 14, 2008) China said on December 16 that failure to reach an understanding on the verification protocol for North Korea's nuclear facilities is not sufficient cause to halt energy aid. "The Oct. 3 agreement outlines 1 million tons of heavy fuel oil in exchange for North Korea agreeing to disable its Yongbyon nuclear plant," said Foreign Ministry spokesman Liu Jianchao. He added that people must carefully examine the wording of the existing deal. (Yonhap, "China Hints It Will Consider Energy Aid to N. Korea," December 16, 2008)

North Korea has imposed stiffer punishments on those caught trying to flee the destitute state with the new measures coming into effect after reports surfaced that leader Kim Jong-il suffered a stroke, relief groups said. The tougher penalties implemented in the

past few months were designed to show the central government was well in control as questions were raised about leadership in Asia's only communist dynasty in response to Kim's suspected illness, they said. "The penalties are getting stronger and they have increased after Kim Jong-il's stroke," said Tim Peters, the founder and director of Helping Hands Korea, a Christian aid group that helps North Koreans seek asylum. The State Department said in a report earlier this year that North Korea controlled its population by shutting them off from the outside world, keeping them in fear through arbitrary and unlawful killings and running a network of political prisons to stamp out dissent. Kim Sung-han, a former U.N. official who now helps North Koreans escape to places such as South Korea where they are almost always granted citizenship, said defectors have told him of the increased penalties. "North Korea has exerted stricter internal control on its people, which I believe are related to Kim Jong-il's reported health problems," Kim said. Although North Korea is one of the world's most isolated countries, most of its population has probably heard reports of Kim's illness that first surfaced in September, experts said. Another activist said his sources inside the state told him the stricter punishments went into full force in October, at about the same time the North stepped up its campaign to show that its "Dear Leader" was alive and fully in control. "Now repatriated defectors are said to be facing immediate public trials while crowds, sometimes including family members, watch the scene," said Kim Dae-sung of Free North Korea Radio. "They get sentences of more than a year, a much longer term compared to the previous six-month sentence on average." (Jon Herskovitz and Kim Junghyun, "North Korea Ups Border Punishment after Kim's Illness," Reuters, December 14, 2008)

12/17/08 The parliamentary battle over a contentious free trade deal in South Korea led to a confrontation today in which opposition lawmakers used a sledgehammer to knock down the doors of a blockaded room where a committee was discussing the agreement. Television reports showed fire extinguishers being sprayed at the opposition lawmakers who were trying to get into the room. At least one person was shown bleeding from the face. The members of the opposition Democratic Party were trying to stop the trade agreement with the United States from advancing to the floor of South Korea's legislature, the National Assembly, for a final vote. The governing party has been seeking to ratify the trade pact by the year's end, saying it would improve South Korea's competitiveness and ties with the United States. Opponents say it will hurt South Korean farmers. (Martin Fackler, "South Korea Lawmakers Clash iover Fate of Free Trade Deal with U.S.," *New York Times*, December 18, 2008)

12/18/08 South Korea denied North Korea's claim that it hired an agent to track leader Kim Jong-il in what the communist nation suggested was an assassination plot. The North's spy agency, the Ministry of State Security, made the claims late yesterday, saying it recently arrested an agent it alleged was trained by the South to gather information about Kim's movements. The sensational allegation came amid a serious worsening of relations between the divided Koreas as well as intense speculation about Kim's health since he reportedly suffered a stroke and had brain surgery in August. "The [South's] organization sent him speech and acoustic sensing and pursuit devices for tracking the movement of the top leader and even violent poison in the end," the North Korean ministry said in a statement, carried by KCNA. It said the "terrorist mission" was ordered by a South Korean

intelligence organization "to do harm to the top leader." South Korea's National Intelligence Service flatly denied the North's accusations. "This has nothing to do with us," said an agency official on condition of anonymity, citing department policy. He said the comment represents South Korea's official position on the issue. (*JoongAng Ilbo*, "Seoul Denies Claims of Plot to Kill Kim Jong-il," December 20, 2008)

Secretary of State Rice told the Council of Foreign Relations that "we have negotiated a verification protocol to which they've agreed" during talks US negotiator Christopher Hill held with his counterpart Kim Kye-Gwan in North Korea in October. "Unfortunately, some of the clarifications that they made to us privately that needed to be made so that there were no loopholes in that verification protocol, they refused to write down," Rice said. "And that's where things broke down." "But it also has been a value because the North Koreans are in a situation in which they are confronting Russia, China, the United States, South Korea, and Japan so that they can't just make this a bilateral problem with the United States," Rice said. "And the fuel oil shipments that they need, they need not just from the United States but also from South Korea, since South Korea has made clear that their relationship with North Korea depends in part on how denuclearization goes.: (AFP, "Rice Expects North Korea to Agree Eventually on Nuclear Verification," December 20, 2008) "Nobody was trusting of the North Koreans. I mean, who trusts the North Koreans? You'd have to be an idiot to trust the North Koreans," think tank, prompting laughter. "That's why we have a verification protocol that we are negotiating," she added, according to a transcript released by the State Department. Rice said the North had agreed to a verification protocol but had refused to write down some of its verbal assurances clarifying the document's "ambiguities." (Reuters, "Rice Says Only an Idiot Would Trust North Korea," December 18, 2008)

12/21/08 U.S. and South Korean intelligence believe North Korea's state media reports of Kim Jong-il's public appearances over the past week are likely true and he has recovered from a stroke. *Chosun Ilbo* quoted a senior South Korean intelligence source as saying aerial reconnaissance shows Kim's personal train went to places Kim was said to have visited by his state's media. Other intelligence sources have told local media the train has been idle for months. "Based on this, and considering other information, I believe the possibility is quite high that Kim Jong-il did actually visit those places," the source told the paper. Another intelligence source told the paper Kim was likely discharged from a hospital in October. North Korea in the past week has reported on a daily basis about Kim's visits to places such as army units and a ceramics factory. The reports were undated, which is typical of how the North reports on the man it calls the "Dear Leader." (Reuters, "North Korea's Kim Recovered and in Public: Report," December 21, 2008)

North Korea has proposed to the South that it may repatriate some South Korean prisoners of war and civilian abductees in exchange for a prompt resumption of inter-Korean contacts with South Korea in an effort to mend the sore inter-Korean ties, the sources economic projects, Seoul sources said. The North made the proposals through secret privy to North Korean issues said on condition of anonymity. The North is considering returning some South Korean war prisoners or civilian captives to the South through the border village of Panmunjom or deporting them to a third country such as China, according to the sources. In return, North Korea suggests South Korea cooperate

on a raft of inter-Korean economic projects such as the construction of a steel mill in Musan, a petrochemical industry park in the Najin-Sunbong area, food plants, a housing complex in Pyongyang and a road between Pyongyang and Shinuiju. In particular, the North has expressed hope for the South's participation in the Pyongyang housing project, which is spearheaded by Jang Song-taek, brother-in-law of North Korean leader Kim Jong-il, sources said. Jang, who has reportedly emerged as the most powerful figure in the North, has pushed for building 100,000 houses in the North's capital city. Seoul's Unification Ministry, however, officially denied the North Korean proposal. "I've not heard of it," ministry spokesman Kim Ho-nyoun told reporters. (Jin Dae-woong, "N. Korea Offers to Return POWs for Economic Aid," *Korea Herald*, December 23, 2008)

12/21/08 North Korea proposed setting up secret contacts with the United States through Romania in 1974, two years after U.S. President Richard Nixon made his historic visit to China ending decades of Cold War rivalry, a declassified U.S. document has shown. An aide to then Romanian President Nicolae Ceausescu met with then U.S. President Gerald Ford at the White House on Aug. 27, saying, "The North Korean leadership wants to have confidential contacts with the United States for discussions," according to the recently declassified Memorandum for the President's File. "They have suggested Romania," the aide told Ford, according to the memorandum. The suggestion was made soon after the assassination of South Korea's First Lady Yuk Young-soo by a Japan-born Korean believed to be linked to a pro-Pyongyang organization in Japan. The aide told Ford that the Romanian president "has offered to help if you want to do it," without elaborating on what the North Koreans were hoping to discuss. Ford's response to the proposal was lukewarm. "Certain things must precede such contacts. We don't want to go in without a firm understanding." The U.S. president, however, told the aide he would discuss the matter with Secretary of State Henry Kissinger, who was in attendance during the meeting between Ford and the Romanian official. (Hwang Doo-hyung, "N.Korea Proposed Secret Contacts with U.S.in 1974: Dossier," *Yonhap*, December 21, 2008)

12/23/08 North Korean Defense Minister Kim Il Chol accused the United States and South Korea of plotting war on the Korean peninsula and threatened to destroy the South if they attack. "A grave situation is prevailing on the Korean Peninsula due to the hostile policy of the U.S. imperialists and their followers," Kim said in a speech in Pyongyang, according to KCNA. He said that his army would reduce South Korea to a "sea of fire" unless "pro-American warmongers hell-bent on igniting another war" stop their "rash acts." (Kim Hyung-jin, "N. Korean General Threatens S. Korea amid Tensions," *Associated Press*, December 23, 2006)

12/28/08 North Korea [?] has proposed to the South that it may repatriate some South Korean prisoners of war and civilian abductees in exchange for a prompt resumption of inter-Korean contacts with South Korean in an effort to mend the sore inter-Korean ties, the sources economic projects, Seoul sources said. The North made the proposals through secret privy to North Korean issues said on condition of anonymity. The North is considering returning some South Korean war prisoners or civilian captives to the South through the border village of Panmunjom or deporting them to a third country such as China, according to the sources. In return, North Korea suggests South Korea cooperate on a raft of inter-Korean economic projects such as the construction of a steel mill in

Musan, a petrochemical industry park in the Najin-Sunbong area, food plants, a housing complex in Pyongyang and a road between Pyongyang and Shinuiju. In particular, the North has expressed hope for the South's participation in the Pyongyang housing project, which is spearheaded by Jang Song-taek, brother-in-law of North Korean leader Kim Jong-il, sources said. Jang, who has reportedly emerged as the most powerful figure in the North, has pushed for building 100,000 houses in the North's capital city. Seoul's Unification Ministry, however, officially denied the North Korean proposal. "I've not heard of it," ministry spokesman Kim Ho-nyoun told reporters. (Jin Dae-woong, "N. Korea Offers to Return POWs for Economic Aid," *Korea Herald*, December 23, 2008) South Korea is considering a plan to give the North incentives for repatriating POWs. Seoul has repeatedly made such offers in the past. "We've asked the Unification Ministry to come up with a way to make some progress on this issue after studying the German case," a Blue House official said. (*Chosun Ilbo*, "Seoul Could Buy Release of S. Koreans in North," December 30, 2008)

12/29/08 A senior North Korean diplomat warned today that his government will suspend disablement of its nuclear facilities unless Japan fulfils its obligation to provide North Korea with energy assistance under a six-party deal. "Unless Japan implements the heavy fuel assistance, the (disablement) activities will be suspended," the Beijing-based diplomat, who is a participant in the six-party talks, was quoted as saying by Japanese parliamentarian Yoshihiro Kawakami after their meeting in the Chinese capital. Kawakami, a member of the House of Councillors from the Democratic Party of Japan, told Kyodo News that the North Korean Embassy diplomat strongly criticized Japan's policy of refusing to provide energy aid until there is progress in resolving a bilateral dispute involving North Korea's past abduction of Japanese nationals. Japan's backing away from its obligation constitutes a "violation of the agreement," the diplomat was quoted as saying. On the dispute with Japan over North Korea's abductions of Japanese citizens in the 1970s and 1980s, Kawakami said the North Korean diplomat told him that he believes Pyongyang has already launched, administratively, a committee to reinvestigate the abduction cases, but he indicated the investigations have not commenced. "If Japan ends its economic sanctions, the investigations will undoubtedly proceed," the diplomat was quoted as saying. (Kyodo, "N. Korea Warns No More Dismantlement Unless Japan Gives Energy Aid," December 29, 2008)

In their seventh strategic talks, South Korea's First Vice Minister Kwon Jong-rak and his Japanese counterpart Yabunaka Mitoji focused on the follow-up measures to the summit agreement between the leaders of the two countries earlier this month, the ministry said, and exchanged views on how to cope with North Korean nuclear issue and the global financial crisis. Aso will visit Korea in January to improve ties with Korea before Barack Obama comes into office. "Through these strategic talks, I hope the two countries will share common recognition on how to develop relations in the future and how to assess the political landscape on Northeast Asia and other areas. I hope the talks will pave the ways for the two countries to build a mature partnership," Kwon said during the talks. (Jin Dae-woong, "S. Korea and Japan Hold Cooperation Talks," *Korea Herald*, December 30, 2008)

North Korea may resort to brinkmanship to up the ante in multilateral talks on its nuclear program, but drastic U.S. concessions by the incoming U.S. administration are unlikely, said a report by the Institute of Foreign Affairs and National Security, a think tank under the foreign affairs ministry. "North Korea may become less reasonable in the face of growing challenges from instability of its regime and rumors of leader Kim Jong-il's ill health," the report said. After an initial wait-and-see period, Pyongyang may raise military threats and even detonate a second nuclear device to gain incentives, it said. Pyongyang conducted its first nuclear test in 2006 amid the stalemate of the six-party talks. "Given its previous behavior, we cannot rule out a possibility that North Korea may threaten to suspend its denuclearization process, boycott the six-party talks and fire missiles or a nuclear weapon and may even take such actions so as to tame the new Obama administration or increase its leverage in the nuclear negotiations," it said. Such a strategy, however, is unlikely to draw compromises from Washington as Obama may then toughen his position, it said. Obama is unlikely to meet North Korea's Kim in his early years and will be tougher than his predecessor, George W. Bush, in dealing with Pyongyang's brinkmanship, the report said. "The North Korea policy of the Obama administration that has called for dialogue and negotiation may appear flexible on the surface, but in substance, it will be meticulous and hard-grained," the report said. "Particularly on the verification issue, the Obama administration is likely to adopt a tougher stance than the Bush administration, which implies the Pyongyang-Washington relations won't be very smooth," it said. In the new U.S. administration -- juggling the economic crisis, the war in Iraq and Iran's nuclear drive among others -- North Korea will likely "be pushed back further down in the U.S. diplomacy priority list," it said. (Yonhap, "N. Korea May Revive Nuclear Brinkmanship against New U.S. Administration: Report," December 29, 2008) The North could possibly see a rapid change in its power structure next year in line with Kim's illness, and it could pose a serious threat to the security of South Korea and the region. "The systemic instability North Korea suffers is likely to see a persistent aggravation in 2009. North Korea has conducted a partial reform to avoid economic bankruptcy, but it failed to assuage economic difficulties because of constraints embedded in its political system," the report said. "The failed reform has even spread in the North's regime various side effects such as market diffusion, corruption and loosening of system." The IFANS report, titled "Prospects for International Relations in 2009," said North Korea would enhance its state control system to secure regime sustainability, but that regime instability may reach a critical point. "North Korea is expected to face greater pressure from home and abroad to change its system. Against this backdrop, the North would initiate its militaristic state control devices such as supreme leader system, one-party dictatorship and military-first policy," the report said. "In the mid- and long-term, however, the pressure for change will reach a critical point and result in a rapid change in the regime," it said. The report suggested various scenarios about a new power structure. "Conventionally, the format on the North's power realignment has been restricted to three main scenarios -- succession in the third generation, the military rule and a collective leadership. But, we assume more diverse possibilities such as power vacuum, power struggle, and harmonious or disharmonious power sharing," the report said. The report anticipated that the power change will entail a fierce power struggle in the longer term. "The power structure, coupled with economic woes, food crisis, catastrophic regime demolition and massive defection, would raise a

grave security problem to us and other neighboring countries.” (Jin Dae-woong, “N.K. in for Greater Instability: Report,” *Korea Herald*, December 30, 2008)

12/30/08 DoS spokesman Sean McCormack: “To date, over 143,000 metric tons of U.S. food (wheat, corn, and soybeans) has been delivered to North Korea. Of that amount, the latest shipment of 25,000 metric tons of corn and soybeans arrived in North Korea on November 23 and has completed unloading for distribution by the U.S. NGOs. The latest shipment of food aid (totaling 21,000 metric tons), which was expected to arrive by the end of December, is now expected to arrive in the DPRK on January 2, due to recent rough seas. The United States has not stopped food aid to North Korea. Under the terms of our agreement with the DPRK, there is to be no limit imposed on the Korean language capabilities of the World Food Program (WFP) and U.S. NGO staff implementing the food aid program. The lack of sufficient Korean speakers on the WFP program is one of the key issues in ongoing discussions. The issuance of visas for Korean-speaking monitors for the WFP program is another issue currently being discussed, along with other technical issues. A delegation that recently visited North Korea identified problems in the implementation of the world food program portion of the food aid program. Those problems are not yet resolved.” (DoS. Press Statement, “Status of Food Deliveries to North Korea. (Taken Question), December 30, 2008)

Henry H. Kennedy Jr. of Federal District Court has awarded more than \$65 million to several men of the Navy spy ship *Pueblo*, who were captured and tortured by North Korea in 1968. (Associated Press, “Judgment Is Issued in North Korea Suit,” *New York Times*, December 31, 2008, p, A-15)

The latest *Korea Times* survey finds only 34 percent of the public think President Lee Myung-bak is doing a good job. The poll of 1,000 Korean adults, conducted December 28-29 by Millward Brown Media Search, showed that 3.1 percent said President Lee was “doing very well” while 30.9 percent said he was doing “generally well.” Nearly 60 percent disapproved of the way Lee handled state affairs in his first year in office; 38.5 percent said Lee was “generally doing a poor job” as head of state, while 19.5 percent said he was “doing very poorly.” (Michael Ha, “Lee’s Approval Rating at 34%,” *Korea Times*, December 31, 2008)

12/31/08 South Korea will seek to develop mineral resources in North Korea, which is expected to be of benefit to the two Koreas. Briefing President Lee Myung-bak on its policies for the New Year, the ministry reaffirmed that the South will continue to give humanitarian aid to the famine-hit North. “The government has proceeded with its North Korea policy of ‘mutual benefits and co-prosperity’ for stable, productive inter-Korean relations,” Unification Minister Kim Ha-joon said. He said his ministry would promote inter-Korean cooperation to develop underground resources in Dancheon, North Hamgyeong Province with private investment. Joint measures are needed to protect and nurture forests for low-carbon, green growth, which President Lee Myung-bak has underlined as an essential step to help Korea become an advanced country, he added. The ministry is considering negotiations with Pyongyang on the extension of existing inter-Korean railways through North Korea to Russia and China. In addition, the ministry is willing to support a project to link gas pipelines to Russia, something the Russian and South

Korean leaders agreed on Sept. 29, the minister said. (Kim Sue-young, "Seoul Wants to Develop Resources in N. Korea," *Korea Times*, December 31, 2008)